Lagardère

GENERAL MEETING DOCUMENT

Annual Ordinary and Extraordinary General Meeting
of 3 May 2016

3 May 2016

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Annual Ordinary and Extraordinary General Meeting

Year 2015

Lagardère SCA
French partnership limited by shares (*société en commandite par actions*) with share capital of €799,913,044.60
Registered office: 4, rue de Presbourg, 75016 Paris, France
Telephone: +33 (0)1 40 69 16 00
Registered with the Paris Trade and Companies Registry under number 320 366 446
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AGENDA

1. AGENDA

- Report of the Managing Partners (report on the operations of the Company and the Group, and on the financial statements for the year ended 31 December 2015).
- Special report of the Managing Partners on free share awards.
- Special report of the Managing Partners on share options.
- Report of the Supervisory Board.
- Report of the Chairman of the Supervisory Board on the Board's organisation and internal control and risk management procedures.
- Reports of the Statutory Auditors on the Company's financial statements, the consolidated financial statements and the agreements governed by article L. 226-10 of the French Commercial Code (*Code de commerce*).
- Report of the Statutory Auditors on the Chairman of the Supervisory Board's report on internal control and risk management procedures.
- Special reports of the Statutory Auditors on authorisations to award existing or new free shares.
- Report of Mazars, independent third party entity, on consolidated social, environmental and societal information.
- Approval of the Company's financial statements for the year ended 31 December 2015.
- Approval of the consolidated financial statements for the year ended 31 December 2015.
- Allocation of the Company's results and dividend distribution.
- Issuing of an advisory opinion on the components of remuneration payable or granted to Arnaud Lagardère, Managing Partner, in respect of 2015.
- Issuing of an advisory opinion on the components of remuneration payable or granted to the representatives of the other Managing Partner in respect of 2015.
- Re-appointment of Nathalie Andrieux as a member of the Supervisory Board for a term of four years.
- Re-appointment of Georges Chodron de Courcel as a member of the Supervisory Board for a term of three years.
- Re-appointment of Pierre Lescure as a member of the Supervisory Board for a term of three years.
- Re-appointment of Hélène Molinari as a member of the Supervisory Board for a term of four years.
- Re-appointment of François Roussely as a member of the Supervisory Board for a term of three years.
- Authorisation to be given to the Managing Partners, for a period of eighteen months, to trade in the Company's shares.
- Authorisation to be given to the Managing Partners, for a period of thirty-eight months, to award performance shares to employees and senior managers of the Company and of related companies or groups.
- Authorisation to be given to the Managing Partners, for a period of thirty-eight months, to award free shares to employees and senior managers of the Company and of related companies or groups.
- Powers for formalities.

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MESSAGE FROM THE MANAGING PARTNERS

2. MESSAGE FROM THE MANAGING PARTNERS

The Lagardère group is forging ahead with its transformation and we are delivering on our commitments, as demonstrated by our solid operating and financial performance in 2015, especially the sharp improvement in profitability.

During the year, we focused on two key areas:

- reducing our exposure to certain historical activities which no longer generate sufficient growth;
- catalysing growth drivers such as Travel Retail (acquisition of the Paradies group in the United States) and Audiovisual Production (acquisition of Grupo Boomerang TV in Spain).

Moreover, we are continuing to invest in our more resilient activities such as Lagardère Publishing, with the recent acquisition of Perseus Books in the United States.

Two of our divisions – Lagardère Services and Lagardère Unlimited – were renamed during the year, becoming respectively Lagardère Travel Retail and Lagardère Sports and Entertainment. Having enhanced their visibility, these two activities are pressing ahead with their strategic transformations.

Lagardère Travel Retail has almost completed the planned divestment of its Distribution activities; as a result, both growth and profitability have improved markedly. Lagardère Sports and Entertainment's restructuring and refocusing on consulting and marketing rights is bearing fruit, with a sharp improvement in business levels and performance. Lagardère Publishing remains one of the world's leading publishers and boasts solid fundamentals. Lastly, Lagardère Active is continuing its own transformation process.

The Group's business model is now based on producing, publishing, broadcasting and distributing content, through our strong brands, to the audiences they generate in their various networks.

With the Group's long-term future in mind, I have decided, with the agreement of the Supervisory Board, to reaffirm my confidence in Pierre Leroy and Thierry Funck-Brentano, who have been reappointed as Co-Managing Partners of Lagardère SCA. In the coming weeks, Bruno Balaire, former partner of international audit and advisory firm Mazars, will be taking up the position of Chief Financial Officer, replacing Dominique D'Hinnin, whom I thank for his many years of service to the Group.

In 2015, we saw like-for-like sales grow by 3% and recurring operating profit jump 10.5% to €378 million, with the operating margin improving by one-half of a percentage point to 5.3%. Free cash flow advanced very significantly to €274 million.

As a result of these good performances, we are proposing a dividend of €1.30 per share, in line with our policy of providing a return for shareholders and thanking them for their long-term support.

Lastly, I would like to pay tribute to our entire workforce, whose talent, professionalism and commitment allow us to continue to record good performances year after year.

Arnaud Lagardère
General and Managing Partner of Lagardère SCA

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REPORTS OF THE MANAGING PARTNERS

3.1 MANAGEMENT REPORT OF THE MANAGING PARTNERS

Dear Shareholders,

We have convened this Annual Ordinary and Extraordinary General Meeting primarily to:

- report to you on the operations, position and outlook of the Company and of the Lagardère group as a whole;
- submit for your approval the Company's financial statements and the consolidated financial statements for the year ended 31 December 2015;
- allocate the Company's results for the year and propose the payment of a dividend of €1.30 per share;
- issue an advisory opinion on the components of remuneration payable or granted to the Company's executive corporate officers in respect of 2015 in accordance with the recommendations of the Afep-Medef Corporate Governance Code;
- re-appoint five members of the Supervisory Board;
- renew the Company's share buyback programme; and
- renew the authorisations given to the Managing Partners to award free shares to Group employees and senior managers.

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Pursuant to the provisions of the French Commercial Code (*Code de commerce*) and stock market regulations, we hereby present the following two documents which contain all the reports and information we are required to provide for your Annual General Meeting:

- the General Meeting Document, sent with the convening notice and posted online on the Company's website;
- the Reference Document, also posted online on the Company's website and made available to you at the same time.

In addition to the Message from the Managing Partners, the **General Meeting Document** includes:

- the agenda;
- this management report of the Managing Partners, which contains:
  - a summary of the position, operations and results of the Lagardère group in 2015,
  - a presentation of the purpose and reasons for the resolutions submitted to you for approval;
- the two special reports of the Managing Partners;
- the reports of the Supervisory Board and its Chairman;
- the reports of the Statutory Auditors;
- the Report of Mazars on consolidated social, environmental and societal information;
- the proposed resolutions submitted to you for approval.

The **Reference Document** contains the Annual Financial Report within the meaning of the stock market regulations. This document is structured based on the format required by European regulations on the contents of prospectuses. Apart from providing information to the markets, the Reference Document also forms an integral part of the management report of the Managing Partners, in as much as it contains information on:

- the operations, position and outlook of the Company and the Group:

  Chapter 5

  Chapter 8.3

  Chapter 9
- the financial statements, results and financial position:

  Chapter 6
- key risks:

  Chapter 3
- social, societal and environmental information:

  Chapter 5.3
- the organisation of the Company and the Group and corporate governance:

  Chapter 7
- information about the share capital, shareholders and main provisions of the Articles of Association:

  Chapter 8
- related-party agreements:

  Note 35 to the consolidated financial statements (see Chapter 6)

We shall therefore confine ourselves below to a summary of the Lagardère group's results and operations in 2015 and a presentation of the resolutions submitted to you for approval. Please refer to the Reference Document for more comprehensive information on each of these subjects.

3.1.1 RESULTS AND ACTIVITIES IN 2015

3.1.1.1 PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

Growth of recurring EBIT[1]: +10.5%, at €378 million

- Operating margin at 5.3% (vs 4.8% in 2014)
- Rise of adjusted[2] profit: +30% at €240 million
- Free cash flow: €274 million versus -€23 million in 2014

2016 recurring EBIT target[1]: growth slightly above +10% versus 2015[3]

Proposed ordinary dividend unchanged at €1.30 per share

In 2015, the Lagardère group achieved solid operating and financial performance, notably posting a 3% rise in like-for-like[4] sales, an improvement in profitability (operating margin of 5.3% in 2015 vs 4.8% in 2014) and a significant increase in free cash flow generated (€274 million).

Group recurring EBIT growth was above announced target[5].

- **Sales totalled €7,193 million, +0.3% on a reported basis and +3.0% like-for-like.**
- **Group recurring EBIT totalled €378 million, +€36 million (+10.5%) on 2014:**
  - **Lagardère Publishing:** recurring EBIT was steady at €198 million (+€1 million).
  - **Lagardère Travel Retail:** recurring EBIT was €102 million. This division improved its profitability, thanks to the Travel Retail segment, stripping out the impact of the disposal of Distribution operations.
  - **Lagardère Active:** recurring EBIT increased by €6 million to €79 million, boosted by a good performance from Lagardère Studios and cost-efficiency plans.
  - **Lagardère Sports and Entertainment:** +€16 million increase in recurring EBIT, to €20 million.
- **Profit - Group share** rose to €74 million from €41 million in 2014, chiefly reflecting the rise in Group recurring EBIT and a reduction in income tax expense. **Adjusted profit[2] - Group share** was €240 million, up 30% on 2014.
- **The Group's financial position remains sound.** The higher net debt figure of €1,551 million at the end of the period, compared with €954 million in 2014, was mainly attributable to the acquisition of Paradies in the United States. The Group has a healthy liquidity position, with a leverage ratio (net debt/recurring EBITDA[6]) of 2.4 times[7], thanks to a solid free cash flow generation.

A) SALES AND RECURRING EBIT

Group consolidated sales

Sales totalled €7,193 million, up 3.0% on a like-for-like basis (+0.3% on a reported basis).

The difference between data on a reported basis and like-for-like is explained in part by a positive currency effect of +€222 million, due primarily to appreciation by the US dollar and the pound sterling, and in part by a negative scope effect (-€393 million), broken down as follows:

- Miscellaneous effects of sales deconsolidation, amounting to -€671 million, essentially comprising:
  - the deconsolidation of sales from Relay in train stations in France (following the creation of a joint venture with SNCF in September 2014, now consolidated using the equity method), for -€222 million, and of high-street retail sales in Poland (consolidated using the equity method after the disposal of 51% of Inmedio in December 2014) for -€103 million,
  - the disposal of Distribution assets in Switzerland in February 2015, with an impact of -€266 million, and of the Payot bookshops in July 2014, with an impact of -€28 million;
- €277 million in acquisitions at Lagardère Travel Retail (consolidation of Paradies in November 2015 and of Airest in April 2014), Lagardère Active (acquisition of Grupo Boomerang TV in May 2015 and consolidation of the sales of Gulli in November 2014) and Lagardère Publishing (Quercus and Rising Stars in the United Kingdom).

(1) Recurring operating profit of fully consolidated companies (operating divisions and other activities), i.e., before associates, corresponding to profit before finance costs and tax excluding the following income statement items:
- income from equity-accounted companies;
- gains (losses) on disposals of assets;
- impairment losses on goodwill, property, plant and equipment and intangible assets;
- restructuring costs;
- items related to business combinations:
  - acquisition-related expenses,
  - gains and losses resulting from purchase price adjustments and fair value adjustments due to changes in control,
  - amortisation of acquisition-related intangible assets.

(2) Excluding non-recurring and non-operating items.

(3) See point D at the end of section 3.1.1.1.

(4) At constant exchange rates and consolidation scope.

(5) As stated on 10 February 2016 when the 2015 annual sales were released.

(6) Recurring EBITDA is defined as the sum of total recurring EBIT and depreciation/amortisation of property, plant and equipment and intangible assets and dividends received from equity-accounted companies.

(7) On a pro forma basis, including the contribution of Paradies over 12 months. See below for details.

	Sales (€m)		Change	
	2014	**2015**	reported basis	like-for-like basis
Lagardère Publishing	2,004	**2,206**	+10.1%	+1.7%
Lagardère Travel Retail	3,814	**3,510**	-8.0%	+4.3%*
Lagardère Active	958	**962**	+0.5%	-5.8%
Lagardère Sports and Entertainment	394	**515**	+30.9%	+19.6%
LAGARDÈRE	**7,170**	**7,193**	**+0.3%**	**+3.0%**

* +8.2% for Travel Retail excluding Distribution.

Group recurring EBIT

Group recurring EBIT rose by 10.5% to €378 million.

The main scope effect were: a -€15 million impact from the sale of Distribution operations (in Switzerland and the United States), +€11 million from the acquisitions of Paradies and Boomerang. Currency effect had a positive impact of +€11 million. Stripping out these effects, **Group recurring EBIT growth was +8.8%, ahead of announced target** (*"growth of around +7% at constant exchange rates and excluding the sale of Distribution operations"*).

	Recurring EBIT (€m)		Change	
	2014	**2015**	€m	%
Lagardère Publishing	197	**198**	+1	+0.5%
Lagardère Travel Retail	105	**102**	(3)	-2.9%
Lagardère Active	73	**79**	+6	+8.2%
Lagardère Sports and Entertainment	4	**20**	+16	-
Recurring EBIT from operating activities	**379**	**399**	**+20**	**+5.3%**
Recurring EBIT from other activities	(37)	**(21)**	+16	-
Group recurring EBIT	**342**	**378**	**+36**	**+10.5%**

Lagardère Publishing: operating margin remains high at 9.0%

Sales

Sales totalled €2,206 million, up 10.1% on a reported basis and up 1.7% like-for-like.

2015 was driven by the good performance in France in Illustrated Books and General Literature, and to the positive momentum in Education in Spain and the United Kingdom, in Illustrated Books in the United Kingdom, and to the growth in Partworks. The reversal of market trends and impact of new contractual conditions with digital retailers weighed on sales. In the United Kingdom, the rise in VAT affected the performance of this division.

Operating profit

At 9.0%, the operating margin remains at a high level, despite a dip of -0.8 points. Recurring EBIT, at €198 million, increased by +€1 million on 2014. This performance was attributable to three factors: lower sales of e-books in the United States, the VAT hike in the United Kingdom, and a decline in the Education segment in France (in a year preceding curriculum changes).

These factors were partly offset by positive momentum in France in General Literature and Illustrated Books, while sales of Partworks held up well.

Lagardère Travel Retail: operating margin stood at 2.9%

Sales

In 2015, sales totalled €3,510m, down 8.0% on a reported basis and up 4.3% like-for-like.

The strategic transformation of the division is still ongoing. Travel Retail now represents 73% of total sales for this division, up from 63% in 2014.

The development strategy of Lagardère Travel Retail was a success, with accelerated organic growth in Travel Retail and the completion of acquisitions in a growing North American market (primarily Paradies). The market environment in 2015 was characterised by the brisk pace of growth in air traffic, the continued downturn in the press market, and an unsettled geopolitical and macroeconomic situation. In France, the end of the year was marked by the negative effect of the attacks in Paris.

Operating profit

The operating margin improved by 0.2 points to 2.9%, while recurring EBIT was €15 million lower at €102 million, due to the sale of Distribution operations in Switzerland and the United States. The consolidation of Paradies (starting 1 November 2015), meanwhile, contributed €4 million.

The Travel Retail segment posted a good performance (+€8 million), chiefly driven by further improvement in the product mix and in purchasing conditions, the success of sales initiatives and new concepts, the strong growth of Duty Free in Italy, and expansion of the sales network. On the other hand, the consolidation of Airest had a negative impact (due to seasonal factors in Q1), of -€3 million. Excluding these scope items, the division substantially improved its profitability.

The positive results achieved by the Distribution segment (+€3 million) stemmed from cost efficiencies and diversification initiatives.

Lagardère Active: improvement of the operating margin at 8.2% (+0.6 points)

Sales

Sales totalled €962 million, up 0.5% on a reported basis and down 5.8% on a like-for-like basis. The contraction in activity mainly derived from the decline of Magazine Publishing (-3.9% in 2015). Radio demonstrated its defensiveness with activity flat overall, but up internationally. Advertising was down 1.6%, while Circulation was down 5.3%.

Operating profit

Lagardère Active improved its operating margin to 8.2% (+0.6 points), while recurring EBIT rose by €6 million to €79 million. The performance of TV Production (consolidation of Grupo Boomerang TV and a positive contribution from Programme Distribution operations) and the continuation of cost-efficiency plans more than offset the negative trends affecting Magazine Publishing and LeGuide.com.

Lagardère Sports and Entertainment: growth momentum confirmed

Sales

Sales totalled €515 million, up 30.9% on a reported basis and up 19.6% like-for-like. The sharp increase in activity was attributable partly to the favourable impact of the football calendar, as expected, mainly because of continental competitions in Africa (Orange Africa Cup of Nations held in Equatorial Guinea) and Asia (AFC[1] Asian Cup held in Australia), and partly to the good start of stadium management operations. Another key factor in the period was the positive performance of marketing operations in Europe and services (ticketing, marketing rights and media) relating to the organisation of the 2015 African Games in Brazzaville.

Operating profit

The division continued to improve its profitability: recurring EBIT rose by €16 million to €20 million, thanks to the positive impact of the football calendar and an underlying improvement in operations.

Other activities

Recurring EBIT from **Other activities** was -€21 million, an improvement of €16 million versus 2014, which included losses relating to the Matra Manufacturing & Services electric vehicle activity (which has now been sold) and the residual costs attached to disposals carried out in 2013 (EADS and Canal+ France).

B) OTHER INCOME STATEMENT DATA

Consolidated income statement

(€m)	FY 2014	FY 2015
Sales	7,170	**7,193**
Group recurring EBIT	**342**	**378**
Income (loss) from equity-accounted companies*	9	**11**
Non-recurring/non-operating items	(142)	**(215)**
EBIT	**209**	**174**
Net interest expense	(73)	**(66)**
Profit before tax	**136**	**108**
Income tax expense	(87)	**(37)**
Total profit	49	**71**
Minority interests	(8)	**3**
Profit - Group share	**41**	**74**

* Before impairment losses.

(1) Asian Football Confederation.

Contribution from equity-accounted companies

Profit from equity-accounted companies (before impairment losses) increased slightly, to €11 million versus 2014 (+€2 million), mainly due to the increase in the contribution of Lagardère Travel Retail joint ventures, which compensated the absence of the contribution from the Marie Claire group in 2015 (€4 million in 2014).

Non-recurring/non-operating items

Non-recurring/non-operating items totalled -€215 million, compared with -€142 million in 2014. These items mainly included:

- **-€77 million in restructuring costs,** including -€30 million relating to Lagardère Sports and Entertainment (in Asia/at WSG: closure of the cricket division in India and other loss-making activities; in Europe: restructuring of the division), -€20 million relating to Lagardère Active (half of which concerned regional brokerage activities) and -€19 million relating to Lagardère Travel Retail (mainly for the implementation of cost-efficiency plans for distribution operations in Canada and Belgium); and other restructuring costs relating to Lagardère Publishing, mainly in the United Kingdom and France.
- **-€69 million relating to the amortisation of acquisition-related intangible assets and other items,** including -€56 million relating to Lagardère Travel Retail (which includes amortisation for the consolidation of Paradies in the last two months of the year), -€6 million relating to Lagardère Sports and Entertainment and -€5 million relating to Lagardère Publishing.
- **-€62 million in impairment losses on property, plant and equipment,** including -€44 million for Lagardère Active, mainly relating to a portion of the impairment losses on goodwill concerning the LeGuide group (-€25 million) and the SPF magazine supplement operations (-€17 million), and -€16 million for Lagardère Travel Retail, mainly relating to impairment losses on goodwill concerning a distribution subsidiary in Hungary.
- **+€20 million in gains on asset disposals,** including +€17 million for Lagardère Travel Retail, which includes a capital gain on the sale of distribution operations in Switzerland and a capital loss on the sale of the US distribution subsidiary, Curtis.
- **-€27 million in costs recognised** by Lagardère Sports and Entertainment for a commercial dispute relating to cricket operations in India.

Net finance costs

Net financial expense totalled -€66 million in 2015, a reduction of €7 million versus the previous year, due to the drop in the Group's average financing costs.

Income tax expense

In 2015, an **income tax expense** of -€37 million was recognised, representing a reduction of €50 million versus 2014. This mainly reflected a significant fall relating to the additional 3% tax on dividends introduced in France (€5 million in 2015, compared with €28 million in 2014). Moreover, deferred tax assets benefitting from the amortisation of intangible assets (mainly relating to recent acquisitions by Lagardère Travel Retail) also contributed to the reduction in income tax expense.

Profit

Factoring in all these items, profit came to €71 million, with €74 million being attributable to the Group (+80.5%). The portion of net income attributable to minority interests was negative at -€3 million in 2015, compared with €8 million in 2014; this was mainly due to the sale of distribution operations in Switzerland at the start of 2015, and a deterioration in the results of WSG, which is part of Lagardère Sports and Entertainment.

Adjusted profit - attributable to the Group

Adjusted profit - attributable to the Group (which excludes non-recurring/non-operating items) **totalled €240 million**, an increase of 30% or €55 million on 2014, chiefly reflecting a rise in recurring EBIT.

(€m)	2014	2015
Profit – Group share	**41**	**74**
Amortisation of acquisition-related intangible assets and other items*	+42	**+48**
Impairment losses on goodwill and property, plant and equipment and intangible assets*	+41	**+62**
Restructuring costs*	+53	**+56**
Gains/losses on disposals*	+5	**(24)**
Fair value adjustments resulting from change-of-control*	(25)	**-**
Tax contributions on dividends paid	+28	**+5**
Cricket dispute in India (WSG)*	-	**+19**
Adjusted profit - attributable to the Group	**185**	**240**

* Net of tax.

Profit per share

Profit per share attributable to the Group totalled €0.58, versus €0.32 in 2014.

Adjusted profit per share attributable to the Group was €1.87, versus €1.45 in 2014.

The number of shares in share capital was unchanged from the previous year.

C) OTHER FINANCIAL ITEMS

Total cash flows from operating and investing activities

(€m)	2014	2015
Cash flow from operations before interest and tax	403	**447**
Changes in working capital	(49)	**180**
Cash flows from operations	**354**	**627**
Net interest paid and tax paid	(144)	**(103)**
Cash generated from operating activities	**210**	**524**
Acquisition of property, plant and equipment and intangible assets	(249)	**(259)**
Disposal of property, plant and equipment and intangible assets	16	**9**
Free cash flow	**(23)**	**274**
Acquisition of financial assets	(282)	**(568)**
Disposal of financial assets	34	**(59)**
Net cash from operating and investing activities	**(271)**	**(353)**

Cash flows from operations

Cash flow from operating activities totalled €627 million in 2015, a substantial increase (+€273 million) on 2014.

- In 2015, **cash flow from operations** was €447 million, versus €403 million in 2014. The higher figure in 2015 reflected growth in operating profit (+€36 million).
- The change in **working capital** was extremely positive over the year, at +€180 million, after showing a negative change of -€49 million in 2014. The change in working capital was positive for all divisions, mainly as a result of two factors: the usual improvement of the change in working capital between favourable and unfavourable years and the efforts made to improve the working capital situation, mainly through a receivable securitisation program implemented by Lagardère Active (+€73 million).

Tax and interest paid

Net interest paid and income taxes paid totalled -€103 million in 2015, representing a considerable improvement of +€41 million compared with 2014. This was due to a fall in the Group's average financing costs, and a reduction relating to the additional contribution on tax on dividends paid (-€5 million in 2015, vs -€28 million in 2014).

Acquisition of property, plant and equipment and intangible assets

Investments in property, plant and equipment and intangible assets (net of disposals) **totalled -€250 million, compared with €233 million in 2014**. These investments mainly concerned Lagardère Travel Retail (in relation to its Travel Retail growth strategy), Lagardère Sports and Entertainment (chiefly for the acquisition of sports rights) and Lagardère Publishing (notably for one-off property real-estate investments in the United Kingdom and France).

Free cash flow

In 2015, the Group's free cash flow increased significantly, to €274 million, from -€23 million in 2014, mainly due to substantial improvement of the change in working capital and cash flow from operations, and to the fall in interest and tax paid.

Acquisition of financial assets

Net investments in financial assets (i.e. net of disposals) totalled -€627 million, compared with -€248 million in 2014.

- **Investments in financial assets** came to -€568 million. These investments mainly related to Lagardère Travel Retail (acquisition of Paradies, a travel retail group operating in more than 75 airports in the United States and Canada, and of 17 fashion and confectionery outlets at JFK airport in New York) and Lagardère Active (the acquisition of Grupo Boomerang TV, a Spanish audiovisual production group).
- **Financial asset disposals** totalled -€59 million. These disposals mainly related to the sale by Lagardère Travel Retail of its Swiss Press Wholesale Distribution and Integrated Retail operations and the sale of Curtis (a national magazine distributor in the United States). The latter transaction had a negative impact on disposals, due to the deconsolidation of a structurally favourable source of working capital that was specific to this activity (an item that had been included in the first-half financial statements).

Net cash from operating and investing activities

Total operating and investment cash flow came to a negative €353 million, compared with -€271 million in 2014.

Financial position

At end-December 2015, the Group's net debt stood at €1,551 million, compared with €954 million at the end of the previous year. This change was mainly attributable to the financial investments (acquisition of Paradies).

- **The Group's liquidity position is still solid,** with €1,884 million in available liquidity (available cash and short-term investments reported on the balance sheet totalling €634 million and an undrawn amount of the syndicated credit line of €1,250 million). The debt repayment schedule is well-balanced, with an amount of €659 million due for repayment in 2016 (mainly commercial paper), €995 million in 2017 (chiefly relating to 5-year bonds issued in 2012) and €502 million in 2019 (5-year bonds issued in September 2014).
- **The financial position remains healthy,** with a leverage ratio (net debt/recurring EBITDA) of 2.4 times on a pro forma basis, including the contribution of Paradies over 12 months. This ratio benefits from a strong cash flow generation and shows a good control of indebtedness.

D) OUTLOOK/DIVIDEND

2016 guidance on recurring EBIT

In 2016, **Group recurring EBIT growth is expected slightly above 10%** compared to 2015, at constant exchange rates and excluding any impact from any disposal of Distribution activities.

Dividend

As in 2014, Shareholders at the Annual General Meeting will be asked to approve a €1.30 per share dividend for the 2015 fiscal year.

3.1.1.2 PARENT COMPANY RESULTS

Income statement

The condensed income statement is as follows:

(€m)	2015	2014
Operating revenues	**56**	52
Operating loss	**(29)**	(38)
Net financial expense	**(2)**	(81)
Earnings (loss) before tax and exceptional items	**(31)**	(119)
Net exceptional income (expense)	**(2)**	19
Income tax gain	**74**	43
Profit (loss) for the year	**41**	(57)

Balance sheet

The condensed balance sheet is as follows:

(€m)	2015	2014
Assets		
Fixed assets	**6,614**	6,114
– of which investments in subsidiaries and affiliates	**6,052**	6,028
– Current assets	**111**	57
of which deferred charges and translation adjustments	**20**	2
Total assets	**6,745**	**6,173**
Liabilities and shareholders' equity		
Shareholders' equity	**3,063**	3,207
– of which share capital	**800**	800
– share premiums and reserves	**1,848**	1,865
– retained earnings	**374**	599
– profit (loss) for the year	**41**	(57)
Provisions for risks and liabilities	**41**	17
Liabilities	**3,641**	2,949
– of which debt	**3,570**	2,896
Total liabilities and shareholders' equity	**6,745**	**6,173**

Lagardère SCA is the holding company of the Lagardère group and had nine employees at 31 December 2015.

3.1.1.3 BUSINESS OVERVIEW

A) LAGARDÈRE PUBLISHING

The world's third-largest trade book publisher for the general public and educational markets, Lagardère Publishing is a federation of publishing companies with a large degree of editorial independence.

They are united by common management rules, a concerted effort to expand in digital activities, a coordinated strategy in respect of the global distribution giants, and the same high standards required of the people appointed to positions of responsibility in each company.

2016 challenges

What were the key highlights in 2015?

"I observed two significant events during the year. The first was the slowdown in digital activities in English-speaking countries, which is due to the drop in e-reader sales and the end of discounted e-book prices – something that we actively sought while accepting that these would be the consequences. The second was the exceptional performance we achieved in France with the publication of the new Asterix album and *Grey*, the fourth instalment in the Fifty Shades of Grey series, not to mention no fewer than seven major literary awards."

What are your challenges and priorities for 2016?

"This year in France, we won't be able to rely on a fourth volume of Grey, an Asterix or, barring a miracle, the profusion of literary awards won in 2015. But we will benefit from a major school reform encompassing all subjects and all grades, from preschool to secondary. That's the advantage of serving all segments of the publishing market.

In Spain and above all the United Kingdom, we should once again be able to take advantage of a fairly dynamic education market. However, our volumes on the English digital market will continue to be impacted by the return to agency agreements, as was the case in the United States in 2015.

In the United States, the cost-containment efforts in 2014 and 2015 will continue to pay off in the year to come. And the publishing schedule lined up for 2016 should restore our US-based operations to a satisfactory level of profitability.

Lastly, I expect the Partworks activity to once again secure strong results worldwide."

Arnaud Nourry
Chairman and Chief Executive Officer of Hachette Livre

2015 overview

Strong growth in the second half

In 2015, Lagardère Publishing's sales amounted to €2,206 million, up 10.1% on 2014.

After a relatively uneventful six months, sales rose sharply in the second half of the year, driven by growing markets (United States, United Kingdom and France), a positioning that allowed us to take full advantage of the school reforms in the United Kingdom and Spain, and higher business volumes in France due to an exceptional publishing season and the release of the new Asterix album.

Partworks posted moderate growth, while Distribution benefited from the success of the division's publishers and the additional sales and margins generated by the new partner publishers.

These achievements more than offset the enduring lack of curriculum reform in France.

A profusion of literary awards

2015 was a stellar year for publishing in France. Novels published by the division garnered no fewer than seven major literary awards, namely the Renaudot, Femina, Interallié, Flore, Goncourt des lycéens and Fnac awards, and Best Foreign Publication.

The winning novels all enjoyed a strong uplift in sales after the results were announced.

This, and the success of the fourth instalment of E. L. James's Fifty Shades of Grey series (869,000 copies sold) made 2015 an outstanding year for the division in terms of fiction.

Slowdown in digital activities in the US and the UK

In 2015, the e-book market in the United States and the United Kingdom contracted for the first time as a result of two main factors: stagnant e-reader sales, suggesting the market has currently reached saturation, and the end of discounted e-book prices. While this predictably slowed sales, it also helped to rebalance the market between electronic and printed books. As a result, printed book sales rose sharply in the United States and the United Kingdom in 2015 to the great benefit of booksellers, who began to see a light at the end of the tunnel.

Streamlining the real-estate portfolio

Hachette Livre pushed ahead with the redeployment of its real estate assets, which it began in 2014 with the relocation of Hachette Book Group in New York. In 2015, Hachette UK moved to a building on the banks of the Thames in the middle of London, grouping together all its subsidiaries. And in France, Hachette Livre moved into its new headquarters, designed and built by architect Jacques Ferrier, in the town of Vanves.

Hachette Livre's main units are now housed in more comfortable, functional and spacious premises that meet more stringent environmental standards. The resulting heating and air-conditioning savings will be felt for years to come.

Leading positions

- No. 3 publishing group worldwide.
- No. 1 publisher in France.
- No. 2 publisher of digital bestsellers in the United States.
- No. 2 publisher in the United Kingdom.
- No. 4 publisher in the United States.

2015 key dates

- 8 February: the *I Am Malala* audiobook released by Hachette Audio, a Hachette Book Group subsidiary, wins a Grammy Award in the Best Children's Album category (United States).
- 17 April: Hachette Livre moves into its new headquarters in Vanves (France).
- 7 May: Claude Durand, Fayard's longstanding publisher, passes away.
- 11 May: Hodder Education is named Best Educational Publisher of the Year at the Bookseller Industry Awards (United Kingdom).
- 30 September: Hatier and Foucher merge to form a major publishing house specialised in school, extra-curricular and university books.
- 3 November: Delphine de Vigan wins the Renaudot award for her novel, *D'après une histoire vraie* (Lattès).
- 14 December: acquisition of Kero, a French publishing house specialised in General Literature.

2015 key figures

- 3,934 new titles published in Spain and Latin America.
- 30% of Hachette UK's sales generated by Digital.
- 34 titles published by Hachette Book Group reached No. 1 on the *New York Times* bestseller list.
- 152,923 titles available in print-on-demand format in France.
- 6,357 permanent employees worldwide.

B) LAGARDÈRE TRAVEL RETAIL

Present in 30 countries on four continents, Lagardère Travel Retail is one of the leading Travel Retail companies worldwide. It is recognised as a major player in travel area retail (Travel Essentials, Duty Free & Fashion and Foodservice), with international brands such as Relay and Aelia Duty Free, and numerous restaurant and selective distribution brands either under licence or directly operated.

2016 challenges

What were the key highlights in 2015?

"In 2015, Lagardère Travel Retail continued to grow in a highly competitive market, winning numerous tenders in Asia-Pacific (Auckland, Singapore and Hong Kong), the Middle East (Abu Dhabi) and Europe (Nice, London and Luxembourg).

We also pressed ahead with the transformation of our stores in existing networks, with the new Relay concept rolled out in most of our sales outlets in France following a major refurbishment programme.

Lastly, the acquisition of Paradies has now lifted Lagardère Travel Retail to the number three spot in the North American Travel Retail market."

What are your challenges and priorities for 2016?

"Our priorities for 2016 are integration, consolidation, growth and profitability.

In North America, successfully integrating Paradies will be a major challenge. Similarly, we must also ensure that our major openings in Auckland, Luxembourg, Nice and Warsaw, for example, are successfully consolidated.

Now is also the time to start preparing for the opening of duty free stores in the new Abu Dhabi airport, scheduled for 2017.

Lastly, as in 2015, we need to step up our development either through external growth transactions or by winning calls for tender, both in countries where we currently operate and in new, untapped markets.

This is an area where Lagardère Travel Retail's time-tested experience in its various business sectors offers real potential for consolidating its leadership."

Dag Rasmussen
Chairman and Chief Executive Officer
of Lagardère Travel Retail

2015 overview

Lagardère Travel Retail, a major player in travel area retail

The preferred partner of licensors and major brands in airports, railway stations and other travel areas, Lagardère Travel Retail is one of the world's largest operators in the sector.

Successful new Relay concept

Relay stores significantly increased their sales in 2015 after they extensively refurbished their sales outlets in France and extended their offering to include new ranges of products and services.

On the back of this success, the new Relay concept will now be rolled out across all countries in which Lagardère Travel Retail operates.

Numerous winning tenders

In 2015, Lagardère Travel Retail won numerous tenders in Europe, North America, the Middle East and Asia-Pacific. Whether in Foodservice, Travel Essentials or Fashion, the division offers travellers an incredibly wide range of banners.

During the year, the Group division intensified its sales outlet openings in Foodservice, with examples including Trib's and Prêt à Manger in Nice (France), Burger King in Strasbourg (France), Java U Café in Vancouver (Canada), Mathús and Loksins in Keflavik (Iceland), So! Coffee and Trib's in Valencia (Spain), Eagle Boys Express in Cairns (Australia) and Bricco Pizza in Burgas (Bulgaria).

Furthermore, in Travel Essentials, Lagardère Travel Retail stepped up the diversification of its range with the inauguration of a second Marks & Spencer in Paris (France) and several 7-Elevens in the United States (Los Angeles and Dallas).

Lagardère Travel Retail has formed a number of alliances with major players in fast food and selective distribution. These partnerships enable it to expand – and diversify – the range of food it offers to customers. The division's varied concepts, renowned banners and ability to respond skilfully to tenders are all major assets when bidding for new concessions in an environment where licensors worldwide are constantly raising the bar on standards.

In the Luxury segment, Lagardère Travel Retail has pushed ahead with the development of numerous international brands, including Victoria's Secret in France and New Zealand; Michael Kors, Burberry and Mango in Paris's airports; Tumi and Hugo Boss in Dallas; and Pandora in Rome. It also opened a 1,000 square meter high-end luxury retail space at Kunming Changshui airport (China), showcasing ten prestigious haute couture and cosmetics brands.

Several next-generation Aelia Duty Free stores were also opened in Warsaw and Luxembourg after the new concept demonstrated its commercial appeal at the Marseille store in France, which opened in late 2014.

Paradies enters the operating scope of Lagardère Travel Retail

Renowned for the variety of its concepts and its operational excellence, Paradies boasts a network of more than 550 sales outlets, which now join the 210 stores already operated by Lagardère Travel Retail in North America.

This acquisition has lifted the division to the position of number three Travel Retail operator in the North American market.

Leading positions

- No. 4 Travel Retail operator worldwide.
- No. 3 Travel Retail operator in North America.
- No. 1 Travel Retail operator in France, Poland and the Czech Republic.
- No. 4 Foodservice operator in travel areas worldwide.

- No. 1 international chain of newsagents and convenience stores in terms of size.

2015 key dates

- February: Lagardère Travel Retail wins a major duty free concession in Auckland airport (New Zealand).
- April: Saveria USA's assets acquired to operate 2,000 square meters of prime speciality retail space at New York's John F. Kennedy international airport's busiest terminal (United States).
- June: Lagardère Travel Retail wins the call for tender for the Nice-Côte d'Azur airport, covering three fashion stores and two Fnac sales outlets (France).
- July: Lagardère Travel Retail wins the Luxembourg airport tender.
- September: Lagardère Travel Retail is awarded five fashion concessions in Hong Kong international airport. The first high-end luxury concession opens at Kunming Changshui international airport in south-west China.
- October: acquisition of Paradies, a leader in the Travel Essentials and Foodservice segments in airports in North America.
- December: Lagardère Capital, a joint venture between Lagardère Travel Retail and Abu Dhabi Capital Group, secures a contract to operate various sections of duty free retail space at the new Midfield Terminal in Abu Dhabi International Airport (United Arab Emirates).

2015 key figures

- 14,786 permanent employees worldwide.
- €1.4 billion[1] in sales in Duty Free & Fashion.
- More than 220 international airports hosting Lagardère Travel Retail stores.
- More than 4,500 stores in 30 countries.
- 1,350 Relay stores.
- 750 foodservice sales outlets in 17 countries.

C) LAGARDÈRE ACTIVE

Lagardère Active plays a central role in the French media, with power built on such iconic premium brands as Elle, Paris Match, Europe 1, Gulli and Doctissimo.

It is a major player in television and radio, with 24 radio stations worldwide, 16 TV channels and France's number one audiovisual production company. One of France's premier mainstream magazine publishers, with 15 press titles on the domestic market and a further 81 under licence worldwide, Lagardère Active is also among the leaders in terms of digital audiences on the fixed-lined and mobile Internet.

2016 challenges

What were the key highlights in 2015?

"2015 crowned the success of our strategy, and saw us shift Lagardère Active's centre of gravity to rebalance Press and Audiovisual (following the full-year effect of the sale of certain press titles), develop Lagardère Studios internationally (with the acquisition of Grupo Boomerang TV in Spain), and revitalise the international expansion of our TV channels (Gulli) and radio stations (LARI), particularly in Africa.

We also intensified our Digital transformation, as demonstrated by the development of our e-Health unit based on Doctissimo (MonDocteur and Doctipharma) and by the sharp increase in audience and sales figures at our press brands' websites.

Lastly, we succeeded in stabilising sales while improving margins and profitability by reinvigorating our traditional brands (modernising the range of offline content, developing online revenues and diversifying into non-media activities) and by pressing ahead with our cost-reduction strategy."

What are your challenges and priorities for 2016?

"Our priorities for 2016 are to continue rebalancing our business portfolio, intensify our digital transformation, expand internationally, develop B2B revenues, and reduce costs. We have to remain young at heart, demanding in terms of content quality, benevolent and positive in our interactions with society, independent of economic or political interests, and attentive to the motivation, commitment and enthusiasm of our teams.

2016 will be the year in which we consolidate Lagardère Active. Boasting some ten star brands, our aim is to strike a more even balance between Audiovisual and Press, generate revenue from more diversified sources, boost profitability and thus be capable of investing more. By the end of 2016, we will have completed the bulk of our transformation."

Denis Olivennes
Chairman of Lagardère Active

2015 overview

Success and internationalisation of the audiovisual sector

In 2015, one of Lagardère Active's priorities was to expand its audiovisual activities internationally.

- Radio: after Senegal in 2014, Lagardère Active Radio International continued expanding into Africa with the launch of Vibe Radio in Côte d'Ivoire. In France, the division's radio stations enjoyed great success, particularly Europe 1, which celebrated its 60th anniversary and retained its position as the number one private radio station among upper occupational groups, with some 4.9 million listeners each day. In addition, RFM is still the number one music station for adults aged 35-49, while Virgin Radio's morning show gained audience share for the sixth time in row.
- Television: Mezzo, the world's leading classical music, jazz and dance TV channel, launched Mezzo Live HD in Canada and Australia. Gulli, the top-ranking channel among 4-10 year olds in France and the country's leading children's website, launched Gulli Africa and enjoyed a landmark year, with record audiences and a monthly average of 32 million viewers aged 4 and over.
- Audiovisual production: Lagardère Studios, France's leading audiovisual production group, became a major player in the European market following the acquisition of Spanish group Grupo Boomerang TV.

(1) Managed sales at directly operated stores.

Diversified press brands

The Elle Run Marionnaud duo fun run and the Elle Active forums, both organised by Lagardère Active Events, enabled Elle to develop its 360-degree brand strategy while diversifying revenues. Lagardère Active's Department of Photo business development (photo syndication, exhibitions and print sales) generated business volumes of €1 million in 2015. And Le Journal du Dimanche continued its Les Matins de l'économie series of forums for discussion, analysis and networking for company managers.

Digital successes

In 2015, Lagardère Active continued its digital transformation with the development of new activities (Doctipharma.fr and MonDocteur.fr) alongside the striking success of BilletReduc.

Elle.fr consolidated its audience by attracting more than 2.6 million unique visitors each month. Doctissimo, the French leader in the women and health markets, received the NetObserver® excellence award for its "Ma grossesse" application (one million downloads). And Europe1.fr, the number one radio site on mobiles with 2.1 million unique visitors and 17 hours of video recordings a day, posted a 41% rise in average monthly visits since September and registered 90 million video viewings in 2015 (a 37% year-on-year increase).

Leading positions

- No. 1 audiovisual producer in France with Lagardère Studios.
- No. 1 in channels targeting a children and family audience in France with Gulli, TiJi and Canal J.
- No. 1 up-market women's brand with Elle.

2015 key dates

- January-December: Europe 1 extends its lead in digital with the launch of a new application, an expanded video service (Europe 1 Plus) and an area dedicated to social media (Europe 1 Social Room).
- March: children's channel Gulli Africa is launched in sub-Saharan and French-speaking Africa.
- May: Lagardère Studios acquires Spanish audiovisual production group Grupo Boomerang TV.
- July-December: several initiatives are launched around the COP 21 Paris climate conference, notably the "Ma terre en photos" operation by *Paris Match*, the prize-giving ceremony for the Europe 1 environment awards, and the publication of *Elle aime la planète*. Publication of an *Elle* special edition celebrating the magazine's 70th anniversary.

2015 key figures

- 28 million households in more than 50 countries receive Mezzo.
- 10 million print and digital readers for *Elle*, the No. 1 up-market women's brand.
- 2.1 million unique visitors to Europe1.fr, the leading radio site on the mobile Internet.
- 2,600 hours of programmes produced by Lagardère Studios in France and Spain.

D) LAGARDÈRE SPORTS AND ENTERTAINMENT

Lagardère Sports and Entertainment is a leading sports and entertainment agency with a global network of local experts, dedicated to delivering innovative solutions to its clients.

As conductors of emotion and passion, Sports and Entertainment generate unique collective experiences. The expertise of Lagardère Sports and Entertainment's teams gives clients inside access to the opportunities offered by its network.

Lagardère Sports and Entertainment has some 1,400 permanent employees worldwide and over 50 years of experience in the world of sports and entertainment.

2016 challenges

What were the key highlights in 2015?

"In 2015, we consolidated our position as a leader in football globally by renewing our partnership with the African Football Confederation (CAF), for a period of 12 years starting in 2017.

Our teams also participated in the delivery of the hugely successful Orange Africa Cup of Nations in Equatorial Guinea and the AFC Asian Cup in Australia. We further strengthened our position within European football with several contract extensions and new agreements with football clubs to represent their commercial rights.

Another highlight includes the expansion and strengthening of our brand consulting and digital businesses in the US and acquisitions of key agencies in Europe. Our golf business also continued to outperform in the areas of athlete management and event organisation.

Finally, we rebranded all our sports marketing agencies under a single brand, Lagardère Sports, and have achieved, as expected, an increase in profitability in 2015. This was done in line with our ambition to consolidate our businesses and create an integrated global sports marketing network."

What are your challenges and priorities for 2016?

"In 2016, we will pursue the development of our portfolio in key areas including football, golf, Olympic sports and major events, tennis, media as well as brand consulting and digital services.

In football, the final rounds of the 2018 FIFA World Cup Qualifiers in Africa and Asia will begin, as well as the next edition of the AFF Suzuki Cup in South East Asia. With the UEFA Euro 2016 Championship also taking place in France, our teams will be working closely with UEFA on its hospitality program as well as with the City of Paris to deliver the biggest Fan Zone of the event.

Our activities within golf will see us deliver the SMBC Singapore Open in its return to the international golfing stage as well as the first year of Safeway Open on the PGA Tour.

Overall, as our business continues to consolidate its leadership position we expect 2016 to be another good year for the company. The sports market continues to remain strong and we are well placed to take advantage of this dynamic market segment."

Arnaud Lagardère
Chief Executive Officer, Lagardère Sports and Entertainment

2015 overview

Ongoing integration and deployment of a unified brand

In 2015, Lagardère Unlimited became Lagardère Sports and Entertainment. The division's sports marketing agencies (Sportfive, World Sport Group, IEC in Sports, etc.) were unified and together renamed Lagardère Sports, and the company's entertainment operations were brought together under the Lagardère Live Entertainment banner.

This unified brand reflects the division's new organisation and perfectly expresses its history and culture. It is also the logical and necessary outcome of the ongoing integration process. This recent reorganisation has already produced very positive results.

Dominance in football

Lagardère Sports and Entertainment renewed its partnership agreement with the Confédération Africaine de Football (CAF) to sell the media and marketing rights for the CAF's major events for a period of 12 years (2017-2028).

In addition, the division successfully organised and sold the marketing rights for the Orange Africa Cup of Nations and the AFC Asian Cup.

Lastly, Lagardère Sports and Entertainment developed its club partnership network by renewing long-term contracts (1. FC Nürnberg in Germany), expanding in new territories (Helsingborgs IF in Sweden and NEC Nijmegen in the Netherlands) and consolidating its portfolio of exclusive mandates in Europe (Southampton FC in the United Kingdom).

Confirmed leadership in golf

Lagardère Sports and Entertainment, which represents more than 50 PGA Tour players (including 2015's top-ranked player Jordan Spieth), confirmed its status as the leading agency in golf and continued its work promoting leading events, brands and athletes. The division organises more than ten tournaments in the United States, Europe and the Asia-Pacific region, including events for the Web.com Tour, the Emirates Australian Open and charity tournaments.

Lead-up to the Olympics

In 2015, Lagardère Sports successfully distributed IOC media rights for the 2016 Summer Olympic Games (Rio de Janeiro). It also extended its Commonwealth Games representation agreement to the 2018 Commonwealth Games on the Gold Coast in Australia. Lagardère Sports and Entertainment continued to represent several sporting bodies at all levels within the Olympic movement.

Accelerated growth in brand consulting

In 2015, Lagardère Sports and Entertainment invested in developing its consulting business through the acquisition of key agencies in Europe. In addition, the division successfully completed consultancy assignments for major sports rights holders to help them overhaul their digital strategies and grow their digital revenues.

Successful tour and new production for Live Entertainment

Lagardère Sports and Entertainment scored a great success with French singer Florent Pagny's tour (99% sold out) and launched magician Enzo l'Insaisissable's show at the Casino de Paris.

Leading positions

- Leader in football in Africa, Asia, England, France and Germany.
- Leader in sports marketing in Asia and Africa.
- Leader in the representation of golf players worldwide.

2015 key dates

- January-February: Lagardère Sports and Entertainment was involved in organising the Orange Africa Cup of Nations in Equatorial Guinea and the AFC Asian Cup in Australia and sold the related media and marketing rights.
- June: Lagardère Sports and Entertainment and the Confédération Africaine de Football (CAF) renewed their partnership agreement, which includes the main competitions organised by the CAF, for a period of 12 years (2017-2028).
- August: Lagardère Sports and Entertainment helped organise the 11th African Games in Brazzaville (Republic of the Congo).
- October: organisation of the second edition of the BNP Paribas WTA Finals Singapore, presented by SC Global.

2015 key figures

- Some 1,400 permanent employees worldwide.
- More than 70 football club partners in Europe.
- More than 10,000 hours of programmes provided to broadcasters, including through the sale of rights and distribution of content.

3.1.2 PRESENTATION OF THE RESOLUTIONS

1ST RESOLUTION:

APPROVAL OF THE COMPANY'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

The first resolution concerns the approval of the Company's financial statements for the year ended 31 December 2015, showing a profit of €41 million compared with a loss of €57 million in 2014.

2ND RESOLUTION:

APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

The second resolution concerns the approval of the consolidated financial statements for the year ended 31 December 2015, showing a profit attributable to owners of €74.3 million, compared with €41.4 million in 2014.

3RD RESOLUTION:

ALLOCATION OF THE COMPANY'S RESULTS AND DIVIDEND DISTRIBUTION

The Company's profit for the year ended 31 December 2015 amounts to:	€41,082,082.32
which, in addition to retained earnings of	€374,149,612.80
makes a distributable profit of	**€415,231,695.12**

We are proposing, in agreement with the Supervisory Board, to allocate this distributable profit as follows:

1. Payment of the dividend to the General Partners in accordance with the Articles of Association

In accordance with the provisions of the Articles of Association, it is proposed that an amount of €742,702.45 should be deducted from distributable profit, equal to 1% of consolidated profit for the year attributable to owners, for payment to the General Partners.

2. Payment of the dividend to shareholders

We are proposing to pay a dividend of €1.30 per share, i.e., a maximum aggregate amount of €170,473,271.80 based on the number of shares currently comprising the share capital.

The ex-dividend date would be Friday, 6 May 2016, and the dividend would be paid as of Tuesday, 10 May 2016, to holders of registered shares (for *nominatif pur* shares) or their duly appointed representatives (for *nominatif administré* shares), by cheque or by bank transfer.

Treasury shares held on the ex-dividend date would not be eligible for the dividend payment.

Shares created before the ex-dividend date would be eligible for the dividend payment.

The dividend would be eligible for the 40% tax relief available to individual shareholders who are French tax residents, pursuant to article 158.3.2 of the French Tax Code (*Code général des impôts*).

3. Allocation of the balance of distributable profit to retained earnings

We propose to allocate the balance of distributable profit – corresponding to a minimum of €244,015,720.87 – to retained earnings.

In accordance with the requirement in article 243 *bis* of the French Tax Code, we remind you that dividends paid over the past three fiscal years correspond to the amounts shown in the table below, and that all of these amounts were eligible for the 40% tax relief available to individual shareholders who are French tax residents, pursuant to article 158.3.2 of the French Tax Code.

(in euros)/Fiscal year	2012	2013	**2014**
Dividends paid to shareholders			
Dividend per share	1.30	10.30*	**1.30**
Total dividend payout	166,247,432.00	1,322,473,967.20	**166,782,744.70**
Dividends paid to General Partners	888,480.00	13,073,700.00	**414,180.00**
Total	**167,135,912.00**	**1,335,547,667.20**	**167,196,924.70**

* corresponding to:
(i) the extra portion of the 2013 dividend, which amounted to €9 and was paid as an interim dividend following the decision taken by the Managing Partners on 21 May 2013; and
(ii) the ordinary portion of the 2013 dividend, which amounted to €1.30 as set at the Annual General Meeting of 6 May 2014.

We also remind you that, as decided at the Annual General Meeting of 6 May 2014, an extra dividend of €6 per share was paid in 2014, corresponding to the payment to shareholders of an aggregate amount of €765,380,544 deducted from "Share premiums" and fully eligible for the 40% tax relief available to individual shareholders who are French tax residents, pursuant to article 158.3.2 of the French Tax Code.

4TH AND 5TH RESOLUTIONS:

ISSUING OF ADVISORY OPINIONS ON THE COMPONENTS OF REMUNERATION PAYABLE OR GRANTED TO ARNAUD LAGARDÈRE, MANAGING PARTNER, AND TO THE THREE REPRESENTATIVES OF THE OTHER MANAGING PARTNER, IN RESPECT OF 2015

In application of the recommendation set out in section 24.3 of the Afep-Medef Corporate Governance Code – which the Company uses as its corporate governance framework in accordance with article L. 225-68 of the French Commercial Code (*Code de commerce*) – in the fourth and fifth resolutions shareholders are invited to issue their opinion on the components of remuneration payable or granted in respect of 2015 to each of the Company's executive corporate officers, namely:

- Arnaud Lagardère, in his capacity as Managing Partner of Lagardère SCA and Chairman and Chief Executive Officer of Arjil Commanditée-Arco, Managing Partner of Lagardère SCA;
- Pierre Leroy, Dominique D'Hinnin and Thierry Funck-Brentano, in their capacity as Chief Operating Officers of Arjil Commanditée Arco, Managing Partner of Lagardère SCA.

In the fourth resolution, we are asking you to issue a favourable opinion on the components of remuneration described below, payable or granted in respect of 2015 to Arnaud Lagardère, Managing Partner and Chairman and Chief Executive Officer of Arjil Commanditée-Arco, Managing Partner of the Company.

We are also asking you, in the fifth resolution, to issue a favourable opinion on the components of remuneration described below, payable or granted in respect of 2015 to Pierre Leroy, Dominique D'Hinnin and Thierry Funck-Brentano, Chief Operating Officers of Arjil Commanditée-Arco, Managing Partner of the Company.

We remind you that these components of remuneration are presented in detail in section 7.3 of the Reference Document (in sections 7.3.1, 7.3.2, 7.3.5 and 7.3.6), which constitutes an appendix to the management report, of which it is a part.

ARNAUD LAGARDÈRE:

Components of remuneration payable or granted for 2015	Amount or accounting value	Comments
Fixed salary	€1,140,729	► This is the salary before deducting social security contributions, the amount of which has not changed since 2009.
Variable salary	€1,711,093	► This gross variable salary is determined on the basis of rules defined in 2003, which have been consistently applied since that date, except for the scope used to measure performance, which was extended in 2015 to cover all of the Group's consolidated companies whereas it previously only included the companies making up Lagardère Media (corresponding to the Group's four operating divisions). ► Arnaud Lagardère's variable salary is based solely on quantitative criteria related to the Group's performance in 2015 (growth rate for Group recurring operating profit compared with the target growth rate for Group recurring operating profit communicated as market guidance, and net cash from operating activities of fully consolidated companies compared with the budget prepared at the start of the year. These results may be reduced, where appropriate, by applying the ratio between Group recurring operating profit in 2015 and that generated in 2014) (see section 7.3.1 of the Reference Document). ► The achievement rate for the above objectives is applied to a benchmark amount of €1,400,000, it being specified that Arnaud Lagardère's variable salary may not exceed 150% of his fixed salary. ► In light of the achievement rate for these objectives in 2015 (1.47975 versus 0.903 in 2014 and 1.176 in 2013), Arnaud Lagardère's variable salary amounted to 150% of his fixed annual salary in 2015 (after applying the relevant cap).
Deferred variable salary	N/A	► Arnaud Lagardère does not receive any deferred variable salary.
Multi-annual variable salary	N/A	► Arnaud Lagardère does not receive any multi-annual variable salary.
Extraordinary compensation	N/A	► Arnaud Lagardère did not receive any extraordinary compensation for 2015.
Attendance fees	N/A	► Arnaud Lagardère was not entitled to and did not receive any attendance fees for 2015.
Awarding of share options and/or performance shares	N/A	► Arnaud Lagardère has not received any share options or performance shares since his appointment as Managing Partner in 2003.
Benefits linked to non-competition agreements	N/A	► Arnaud Lagardère is not entitled to any benefits of this nature.
Benefits linked to taking up or terminating office	N/A	► Arnaud Lagardère is not entitled to any benefits of this nature.
Supplementary pension plan	€0	► Arnaud Lagardère is a beneficiary of the defined benefit supplementary pension plan open and in force within Lagardère Capital & Management and is subject to the same terms and conditions as the other beneficiaries (see section 7.3.1. of the Reference Document). ► His entitlements under the plan are acquired at a rate of 1.75% of the Benchmark Remuneration per year up to a limit of 20 years. Accordingly, his supplementary pension benefits cannot exceed 35% of the Benchmark Remuneration. ► The Benchmark Remuneration corresponds to the average gross annual remuneration over the last five years (fixed + variable up to a maximum of 100% of the fixed portion) and cannot exceed 50 times the annual ceiling used to calculate social security contributions. ► The plan is a conditional benefit plan, and the pension will only be payable if the beneficiary is still with the Company at retirement age, except in the event of termination after the age of 55, early retirement or long-term disability. ► The corresponding commitment was authorised insofar as may be required by the Supervisory Board on 14 September 2005 (in accordance with the rules governing related party agreements) and approved by the Annual General Meeting of 2 May 2006 (4th resolution). ► By way of example, if the annual annuity payable to Arnaud Lagardère was calculated today based on the Benchmark Remuneration as defined in the plan, it would represent approximately 28.10% of his fixed and variable salary paid in 2015. ► No benefits were payable to Arnaud Lagardère under this plan for 2015.
Benefits in kind	€20,028	► This corresponds to Arnaud Lagardère's potential personal use of his company car.

PIERRE LEROY:

Components of remuneration payable or granted for 2015	Amount or accounting value	Comments
Fixed salary	€1,474,000	► This is the salary before deducting social security contributions, the amount of which has not changed since 2011.
Variable salary	€768,925	► This gross variable salary is determined on the basis of rules defined in 2003, which have been consistently applied since that date, except for (i) the scope used to measure the applicable quantitative criteria, which was extended in 2015 to cover all of the Group's consolidated companies whereas it previously only included the companies making up Lagardère Media (corresponding to the Group's four operating divisions), and (ii) the cap applicable to the portion based on qualitative criteria, which was raised from 25% to 33% of the fixed salary in 2015. ► The variable salary includes: – A portion based on qualitative criteria, which may not exceed 33% of his fixed salary. These qualitative criteria correspond to a set of priority targets related to three domains, each of which are given an equal weighting: the rollout of the Group's strategic plan, the quality of governance and management, and the implementation of the Group's CSR policy (see section 7.3.1 of the Reference Document). – A portion based on quantitative criteria, determined by reference to the Group's performance in 2015 (growth rate for Group recurring operating profit compared with the target growth rate for Group recurring operating profit communicated as market guidance, and net cash from operating activities of fully consolidated companies compared with the budget prepared at the start of the year. These results may be reduced, where appropriate, by applying the ratio between Group recurring operating profit in 2015 and that generated in 2014) (see section 7.3.1 of the Reference Document). ► The achievement rate for the above objectives is applied to a benchmark amount of €600,000 (€300,000 for the qualitative portion and €300,000 for the quantitative portion), it being specified that the variable salary may not exceed 75% of the fixed salary. ► In light of the achievement rates for these objectives in 2015 (1.47975 for the quantitative objectives versus 0.903 in 2014 and 1.176 in 2013; and 1.083 for the qualitative objectives versus 1 in 2014 and 2013), Pierre Leroy's variable salary amounted to 52.16% of his fixed annual salary in 2015.
Deferred variable salary	N/A	► Pierre Leroy does not receive any deferred variable salary.
Multi-annual variable salary	N/A	► Pierre Leroy does not receive any multi-annual variable salary.
Extraordinary compensation	N/A	► Pierre Leroy did not receive any extraordinary compensation for 2015.
Attendance fees	N/A	► Pierre Leroy was not entitled to and did not receive any attendance fees for 2015.
Awarding of share options and/or performance shares	€731,200	► Pierre Leroy did not receive any share options in 2015. ► In 2015 Pierre Leroy was awarded 32,000 performance shares, representing 0.024% of the Company's share capital. ► These performance shares will vest in 2018 provided that (i) Pierre Leroy is still with the Company at the vesting date, and (ii) the objectives related to the Group's performance in 2015, 2016 and 2017 are met, as based on the following indicators for those three years: Group recurring operating profit compared with the target growth rates communicated as market guidance, net cash from operating activities of fully consolidated companies compared with the amounts in the budgets prepared at the start of each year, and intrinsic growth in Group recurring operating profit (see section 7.3.5 of the Reference Document). ► The performance shares were granted by the Managing Partners on 1 April 2015 using the authorisation given at the 3 May 2013 Annual General Meeting (17th resolution).
Benefits linked to non-competition agreements	N/A	► Pierre Leroy is not entitled to any benefits of this nature.
Benefits linked to taking up or terminating office	N/A	► Pierre Leroy is not entitled to any benefits of this nature.
Supplementary pension plan	€0	► Pierre Leroy is a beneficiary of the defined benefit supplementary pension plan open and in force within Lagardère Capital & Management and is subject to the same terms and conditions as the other beneficiaries (see section 7.3.1. of the Reference Document). ► His entitlements under the plan are acquired at a rate of 1.75% of the Benchmark Remuneration per year up to a limit of 20 years. Accordingly, his supplementary pension benefits cannot exceed 35% of the Benchmark Remuneration. ► The Benchmark Remuneration corresponds to the average gross annual remuneration over the last five years (fixed + variable) and cannot exceed 50 times the annual ceiling used to calculate social security contributions. ► The plan is a conditional benefit plan, and the pension will only be payable if the beneficiary is still with the Company at retirement age, except in the event of termination after the age of 55, early retirement or long-term disability. ► The corresponding commitment was authorised insofar as may be required by the Supervisory Board on 14 September 2005 (in accordance with the rules governing related party agreements) and approved by the Annual General Meeting of 2 May 2006 (4th resolution). ► By way of example, if the annual annuity payable to Pierre Leroy was calculated today based on the Benchmark Remuneration as defined in the plan, it would represent approximately 33.05% of his fixed and variable salary paid in 2015. ► No benefits were payable to Pierre Leroy under this plan for 2015.
Benefits in kind	€11,026	► This corresponds to Pierre Leroy's potential personal use of his company car.
Other remuneration	€261,045	► In 2015, Pierre Leroy received a gross amount of €261,045 (before social security contributions) corresponding to his portion of the compensation paid by the Group to all of its employees and senior managers who received free shares under the 2010, 2011 and 2012 plans. This compensation was paid to cover the impact of the €9 extra interim dividend paid in 2013 on the value of free shares that had not yet vested (see section 7.3.1. of the Reference Document).

DOMINIQUE D'HINNIN:

Components of remuneration payable or granted for 2015	Amount or accounting value	Comments
Fixed salary	€1,206,000	► This is the salary before deducting social security contributions, the amount of which has not changed since 2011.
Variable salary	€768,925	► This gross variable salary is determined on the basis of rules defined in 2003, which have been consistently applied since that date, except for (i) the scope used to measure the applicable quantitative criteria, which was extended in 2015 to cover all of the Group's consolidated companies whereas it previously only included the companies making up Lagardère Media (corresponding to the Group's four operating divisions), and (ii) the cap applicable to the portion based on qualitative criteria, which was raised from 25% to 33% of the fixed salary in 2015. ► The variable salary includes: – A portion based on qualitative criteria, which may not exceed 33% of his fixed salary. These qualitative criteria correspond to a set of priority targets related to three domains, each of which are given an equal weighting: the rollout of the Group's strategic plan, the quality of governance and management, and the implementation of the Group's CSR policy (see section 7.3.1 of the Reference Document). – A portion based on quantitative criteria, determined by reference to the Group's performance in 2015 (growth rate for Group recurring operating profit compared with the target growth rate for Group recurring operating profit communicated as market guidance, and net cash from operating activities of fully consolidated companies compared with the budget prepared at the start of the year. These results may be reduced, where appropriate, by applying the ratio between Group recurring operating profit in 2015 and that generated in 2014) (see section 7.3.1 of the Reference Document). ► The achievement rate for the above objectives is applied to a benchmark amount of €600,000 (€300,000 for the qualitative portion and €300,000 for the quantitative portion), it being specified that the variable salary may not exceed 75% of the fixed salary. ► In light of the achievement rates for these objectives in 2015 (1.47975 for the quantitative objectives versus 0.903 in 2014 and 1.176 in 2013; and 1.083 for the qualitative objectives versus 1 in 2014 and 2013), Dominique D'Hinnin's variable salary amounted to 63.76% of his fixed annual salary in 2015.
Deferred variable salary	N/A	► Dominique D'Hinnin does not receive any deferred variable salary.
Multi-annual variable salary	N/A	► Dominique D'Hinnin does not receive any multi-annual variable salary.
Extraordinary compensation	N/A	► Dominique D'Hinnin did not receive any extraordinary compensation for 2015.
Attendance fees	N/A	► Dominique D'Hinnin was not entitled to and did not receive any attendance fees for 2015.
Awarding of share options and/or performance shares	€731,200	► Dominique D'Hinnin did not receive any share options in 2015. ► In 2015 Dominique D'Hinnin was awarded 32,000 performance shares, representing 0.024% of the Company's share capital. ► These performance shares will vest in 2018 provided that (i) Dominique D'Hinnin is still with the Company at the vesting date, and (ii) the objectives related to the Group's performance in 2015, 2016 and 2017 are met, as based on the following indicators for those three years: Group recurring operating profit compared with the target growth rates communicated as market guidance, net cash from operating activities of fully consolidated companies compared with the amounts in the budgets prepared at the start of each year, and intrinsic growth in Group recurring operating profit (see section 7.3.5 of the Reference Document). ► The performance shares were granted by the Managing Partners on 1 April 2015 using the authorisation given at the 3 May 2013 Annual General Meeting (17th resolution).
Benefits linked to non-competition agreements	N/A	► Dominique D'Hinnin is not entitled to any benefits of this nature.
Benefits linked to taking up or terminating office	N/A	► Dominique D'Hinnin is not entitled to any benefits of this nature.
Supplementary pension plan	€0	► Dominique D'Hinnin is a beneficiary of the defined benefit supplementary pension plan open and in force within Lagardère Capital & Management and is subject to the same terms and conditions as the other beneficiaries (see section 7.3.1 of the Reference Document). ► His entitlements under the plan are acquired at a rate of 1.75% of the Benchmark Remuneration per year up to a limit of 20 years. Accordingly, his supplementary pension benefits cannot exceed 35% of the Benchmark Remuneration. ► The Benchmark Remuneration corresponds to the average gross annual remuneration over the last five years (fixed + variable) and cannot exceed 50 times the annual ceiling used to calculate social security contributions. ► The plan is a conditional benefit plan, and the pension will only be payable if the beneficiary is still with the Company at retirement age, except in the event of termination after the age of 55, early retirement or long-term disability. ► The corresponding commitment was authorised insofar as may be required by the Supervisory Board on 14 September 2005 (in accordance with the rules governing related party agreements) and approved by the Annual General Meeting of 2 May 2006 (4th resolution). ► By way of example, if the annual annuity payable to Dominique D'Hinnin was calculated today based on the Benchmark Remuneration as defined in the plan, it would represent approximately 30,54% of his fixed and variable salary paid in 2015. ► No benefits were payable to Dominique D'Hinnin under this plan for 2015.
Benefits in kind	€10,120	► This corresponds to Dominique D'Hinnin's potential personal use of his company car.
Other remuneration	€261,045	► In 2015, Dominique D'Hinnin received a gross amount of €261,045 (before social security contributions) corresponding to his portion of the compensation paid by the Group to all of its employees and senior managers who received free shares under the 2010, 2011 and 2012 plans. This compensation was paid to cover the impact of the €9 extra interim dividend paid in 2013 on the value of free shares that had not yet vested (see section 7.3.1. of the Reference Document).

THIERRY FUNCK-BRENTANO:

Components of remuneration payable or granted for 2015	Amount or accounting value	Comments
Fixed salary	€1,206,000	► This is the salary before deducting social security contributions, the amount of which has not changed since 2011.
Variable salary	€768,925	► This gross variable salary is determined on the basis of rules defined in 2003, which have been consistently applied since that date, except for (i) the scope used to measure the applicable quantitative criteria, which was extended in 2015 to cover all of the Group's consolidated companies whereas it previously only included the companies making up Lagardère Media (corresponding to the Group's four operating divisions), and (ii) the cap applicable to the portion based on qualitative criteria, which was raised from 25% to 33% of the fixed salary in 2015. ► The variable salary includes: – A portion based on qualitative criteria, which may not exceed 33% of his fixed salary. These qualitative criteria correspond to a set of priority targets related to three domains, each of which are given an equal weighting: the rollout of the Group's strategic plan, the quality of governance and management, and the implementation of the Group's CSR policy (see section 7.3.1 of the Reference Document). – A portion based on quantitative criteria, determined by reference to the Group's performance in 2015 (growth rate for Group recurring operating profit compared with the target growth rate for Group recurring operating profit communicated as market guidance, and net cash from operating activities of fully consolidated companies compared with the budget prepared at the start of the year. These results may be reduced, where appropriate, by applying the ratio between Group recurring operating profit in 2015 and that generated in 2014) (see section 7.3.1 of the Reference Document). ► The achievement rate for the above objectives is applied to a benchmark amount of €600,000 (€300,000 for the qualitative portion and €300,000 for the quantitative portion), it being specified that the variable salary may not exceed 75% of the fixed salary. ► In light of the achievement rates for these objectives in 2015 (1.47975 for the quantitative objectives versus 0.903 in 2014 and 1.176 in 2013; and 1.083 for the qualitative objectives versus 1 in 2014 and 2013), Thierry Funck-Brentano's variable salary amounted to 63.76% of his fixed annual salary in 2015.
Deferred variable salary	N/A	► Thierry Funck-Brentano does not receive any deferred variable salary.
Multi-annual variable salary	N/A	► Thierry Funck-Brentano does not receive any multi-annual variable salary.
Extraordinary compensation	N/A	► Thierry Funck-Brentano did not receive any extraordinary compensation for 2015.
Attendance fees	N/A	► Thierry Funck-Brentano was not entitled to and did not receive any attendance fees for 2015.
Awarding of share options and/or performance shares	€731,200	► Thierry Funck-Brentano did not receive any share options in 2015. ► In 2015 Thierry Funck-Brentano was awarded 32,000 performance shares, representing 0.024% of the Company's share capital. ► These performance shares will vest in 2018 provided that (i) Thierry Funck-Brentano is still with the Company at the vesting date, and (ii) the objectives related to the Group's performance in 2015, 2016 and 2017 are met, as based on the following indicators for those three years: Group recurring operating profit compared with the target growth rates communicated as market guidance, net cash from operating activities of fully consolidated companies compared with the amounts in the budgets prepared at the start of each year, and intrinsic growth in Group recurring operating profit (see section 7.3.5 of the Reference Document). ► The performance shares were granted by the Managing Partners on 1 April 2015 using the authorisation given at the 3 May 2013 Annual General Meeting (17th resolution).
Benefits linked to non-competition agreements	N/A	► Thierry Funck-Brentano is not entitled to any benefits of this nature.
Benefits linked to taking up or terminating office	N/A	► Thierry Funck-Brentano is not entitled to any benefits of this nature.
Supplementary pension plan	€0	► Thierry Funck-Brentano is a beneficiary of the defined benefit supplementary pension plan open and in force within Lagardère Capital & Management and is subject to the same terms and conditions as the other beneficiaries (see section 7.3.1. of the Reference Document). ► His entitlements under the plan are acquired at a rate of 1.75% of the Benchmark Remuneration per year up to a limit of 20 years. Accordingly, his supplementary pension benefits cannot exceed 35% of the Benchmark Remuneration. ► The Benchmark Remuneration corresponds to the average gross annual remuneration over the last five years (fixed + variable) and cannot exceed 50 times the annual ceiling used to calculate social security contributions. ► The plan is a conditional benefit plan, and the pension will only be payable if the beneficiary is still with the Company at retirement age, except in the event of termination after the age of 55, early retirement or long-term disability. ► The corresponding commitment was authorised insofar as may be required by the Supervisory Board on 14 September 2005 (in accordance with the rules governing related party agreements) and approved by the Annual General Meeting of 2 May 2006 (4th resolution). ► By way of example, if the annual annuity payable to Thierry Funck-Brentano was calculated today based on the Benchmark Remuneration as defined in the plan, it would represent approximately 36.34% of his fixed and variable salary paid in 2015. ► No benefits were payable to Thierry Funck-Brentano under this plan for 2015.
Benefits in kind	€13,151	► This corresponds to Thierry Funck-Brentano's potential personal use of his company car.
Other remuneration	€261,045	► In 2015, Thierry Funck-Brentano received a gross amount of €261,045 (before social security contributions) corresponding to his portion of the compensation paid by the Group to all of its employees and senior managers who received free shares under the 2010, 2011 and 2012 plans. This compensation was paid to cover the impact of the €9 extra interim dividend paid in 2013 on the value of free shares that had not yet vested (see section 7.3.1. of the Reference Document).

6TH TO 10TH RESOLUTIONS:

RE-APPOINTMENT OF FIVE MEMBERS OF THE SUPERVISORY BOARD

The terms of office as Supervisory Board members of Nathalie Andrieux, Hélène Molinari, George Chodron de Courcel, Pierre Lescure and François Roussely are due to expire at the close of this Annual General Meeting. Shareholders are therefore invited to re-appoint all five of these Supervisory Board members:

Proposed re-appointment	Term	Resolution
Nathalie Andrieux	4 years	6th
Georges Chodron de Courcel	3 years	7th
Pierre Lescure	3 years	8th
Hélène Molinari	4 years	9th
François Roussely	3 years	10th

Profiles of these Supervisory Board members are provided in section 4.3 of this document.

Concerning the re-appointment of three members who have been on the Board for more than 12 years, the Supervisory Board considers (i) Georges Chodron de Courcel's experience as a banking executive, (ii) Pierre Lescure's extensive knowledge of the media industry, and (iii) François Roussely's expertise as a company executive to be of unquestionable value for the Board and for the fulfilment of its supervisory duties, and that their seniority should not therefore stand in the way of their re-appointment.

11TH RESOLUTION:

AUTHORISATION TO BE GIVEN TO THE MANAGING PARTNERS, FOR A PERIOD OF EIGHTEEN MONTHS, TO TRADE IN THE COMPANY'S SHARES

During 2015, the Company carried out the following transactions related to its shares, pursuant to authorisations given by the shareholders:

- 684,214 shares representing 0.52% of the share capital were purchased under a liquidity contract intended to promote liquidity and stabilise the market for the Company's shares;
- 694,519 shares purchased on the market under the liquidity contract were resold;
- 651,658 shares were cancelled.

Accordingly, on 31 December 2015, the Company held 2,324,157 treasury shares representing 1.77% of the share capital, including 2,274,462 held for future awards to employees and 49,695 allocated to the liquidity contract.

Please refer to section 8.1.2.2 of the Reference Document for a breakdown of all of the transactions carried out by the Company related to its shares during 2015, including those carried out pursuant to the authorisation currently in force which was given at the Annual General Meeting of 5 May 2015.

In the eleventh resolution submitted for your approval, we are seeking renewal of our authorisation to trade in the Company's shares.

This authorisation will be implemented under the terms and conditions provided for in the applicable French and European regulations, including the General Regulations of the French financial markets authority (*Autorité des marchés financiers* – AMF).

Consequently:

- The number of shares purchased would not be able to exceed 10% of the share capital and could not result in the Company directly or indirectly holding more than 10% of its capital. Based on the share capital at 29 February 2016 and taking into account shares held directly by the Company at that date, the maximum number of shares that could be purchased under this authorisation would be 10,789,866, representing 8.23% of the share capital, assuming that the Company does not cancel or transfer any of the shares it currently holds.
- The maximum per-share purchase price would be set at €40, excluding transaction expenses, representing an aggregate amount of €500 million. This amount could, however, be adjusted by the Managing Partners to take into account the impact on the share price of any corporate actions carried out by the Company.
- The authorisation could only be used for the purposes set out in the AMF's regulations and in accordance with the market practices accepted by the AMF, namely: to reduce the share capital; to award free shares or share options; to implement employee share ownership schemes; to tender shares in exchange or as consideration for external growth transactions, a merger, demerger or asset contribution; to tender shares on the exercise of rights attached to securities that give access to the Company's share capital; and to promote liquidity in the Company's shares under liquidity contracts that comply with the rules set down by the AMF.
- The shares could be purchased, sold or otherwise transferred in one or several transactions at any time – apart from during the blackout periods provided for in article 631–6 of the AMF's General Regulations or during a public tender offer for the Company's shares – on any market (including multilateral trading facilities or via a systematic internaliser) or off-market or over the counter, by any means permitted under the applicable law and regulations, including through block purchases or sales and the use of derivatives (only calls, which could be used to cover commitments given under share option plans for example).
- This new authorisation would be valid for a period of eighteen months and would cancel and supersede the authorisation for the same purpose given at the Annual General Meeting of 5 May 2015.

12TH AND 13TH RESOLUTIONS:

AUTHORISATIONS TO BE GIVEN TO THE MANAGING PARTNERS, FOR A PERIOD OF THIRTY-EIGHT MONTHS, TO AWARD FREE SHARES TO GROUP EMPLOYEES AND SENIOR MANAGERS

The underlying aim of the Group's policy for awarding free shares is to closely involve Lagardère's managers worldwide in the Group's growth and ensuing value creation. It also offers a way of singling out managers who have made a notable contribution to the Group's results as a result of their performance. In addition, it fosters loyalty among the talent that the Group particularly wishes to retain, specifically young managers with strong potential for professional development who will contribute to the Group's continued growth as part of its long-term strategy.

For Lagardère SCA's executive corporate officers, the members of the Executive Committee and the Group's executives, free share awards – which are all subject to performance conditions – are also an important way of incentivising and providing long-term compensation.

Performance share awards to Group senior managers

The purpose of the twelfth resolution is to authorise awards of performance shares of the Company to the executive corporate officers of Lagardère SCA, the members of the Executive Committee and the Group's executives.

Vesting conditions

The shares awarded would only vest after a period of no less than three years and would be subject to (i) the beneficiary still being with the Group at the vesting date, and (ii) stricter performance conditions than those in previous plans. The achievement of these new requirements would be measured over a minimum period of three consecutive fiscal years including the fiscal year during which the performance shares are initially awarded (the "reference period").

These performance conditions would include the following challenges based on criteria that are internal to the Company, as Lagardère SCA does not have any suitable market comparables in view of the diversity of its business, and which represent key indicators as to the Group's growth:

- for half of the performance shares awarded: average annual rate of growth in *recurring operating profit of fully consolidated companies* at constant exchange rates and consolidation scope from one year to the next ("Group recurring operating profit") during the reference period at least one-third higher than the average annual rate of growth in Group recurring operating profit observed for the preceding three-year period;
- for the other half of the performance shares awarded: average annual amount of *net cash from operating activities* during the reference period at least one-third higher than the average annual amount of net cash from operating activities observed for the preceding three-year period.

Accordingly, for the performance share plan awarded in early 2016 with a reference period covering fiscal years 2016, 2017 and 2018, these challenges relating to Group recurring operating profit and net cash from operating activities would be set by comparison with the rate and amount observed for the 2013-2015 period.

For each challenge, the full amount of the free shares allocated will only vest if the achievement rate is 100% or higher. If the achievement rate is between 66% and 100%, an equivalent proportion of the number of free shares allocated to that challenge will be awarded, and if the achievement rate is lower than 66%, then none of the shares allocated to that challenge would be awarded. In all cases, the overall number of a beneficiary's vested performance shares may not be more than the total number of rights to shares that were originally awarded, even in the event of the outperformance of the objectives.

Under these rules for the granting of free shares, the achievement of an average annual rate of growth in recurring operating profit of fully consolidated companies and an average annual amount of net cash from operating activities equal to those observed for the preceding three-year period would only result in around one-quarter of the shares allocated to each challenge being awarded, i.e., one-quarter of the total number of free shares awarded. This mechanism therefore requires the beneficiary to significantly outperform the reference indicators in order to receive the full number of free shares initially awarded.

The structure of the performance conditions that would apply to future plans represents a major departure with regard to previous free share awards under which shares vested in tranches, for each year of the reference period, each tranche representing one-sixth of the total award, based on one-year targets for growth in Group recurring operating profit and net cash from operating activities, with a minimum achievement rate of 50% for each objective (for further details, see the special report of the Managing Partners in section 3.3 of this document). The proposed new mechanism will contribute to the Group's ongoing development and significantly strengthen the alignment of the interests of the Group's executives with those of the shareholders over the long term.

Lock-up conditions

Once the performance shares have vested they would be subject to an additional lock-up period of no less than two years, which means that there would be a close link between the beneficiaries' compensation and the Group's share performance and results for a total minimum period of five years.

However, the Managing Partners would be able to reduce or remove this lock-up period for non-French tax residents as they could be penalised if they are taxed under local tax laws in the year in which the performance shares vest.

Conversely, the Company's executive corporate officers would be subject to additional lock-up conditions. In accordance with the applicable law and the recommendations in the Afep-Medef Corporate Governance Code, Lagardère SCA's Supervisory Board has decided that following the two-year lock-up period applicable to all vested performance shares, each executive corporate officer would be required to keep in a registered share account (*nominatif pur*) (i) 25% of the vested shares until such time as he ceases to be an executive corporate officer of Lagardère SCA, and (ii) an additional 25% of the vested shares until such time as the value of the Lagardère SCA shares held by the executive corporate officer concerned equals at least one year's worth of his gross fixed and variable salary (calculated each year based on a) the average share price for the month of December of the previous year and b) the executive corporate officer's fixed and variable salary for the past year, with the maximum potential amount used for the variable portion).

More generally, any performance share awards to the Company's executive corporate officers would be carried out subject to the limits set by shareholders and in accordance with all the applicable laws and the recommendations of the Afep-Medef Corporate Governance Code which the Company uses as its corporate governance framework. Each performance share award made to an executive corporate officer would first have to be approved by the Supervisory Board based on proposals put forward by the Appointments, Remuneration and Governance Committee.

In this respect, the Supervisory Board has already resolved that (i) the maximum value of the performance shares awarded each year to a Company's executive corporate officer would be set at one-third of that executive corporate officer's total remuneration for the previous year, and (ii) the overall number of performance shares awarded to all of the Company's executive corporate officers could not represent more than 20% of the total performance share awards authorised by the shareholders.

The performance share awards provided for in the twelfth resolution submitted for shareholder approval would be subject to the following ceilings:

- For each executive corporate officer of Lagardère SCA: the number of performance shares that could be awarded each calendar year could not exceed 0.025% of the Company's current share capital.
- For all of the other beneficiaries (members of the Executive Committee and the Group's executives): the number of performance shares that could be awarded each calendar year could not exceed 0.4% of the Company's current share capital.

Free share awards to Group employees

In the thirteenth resolution, the Managing Partners are seeking an authorisation to award free shares of the Company to employees of the Lagardère group (i.e., other than the beneficiaries of the performance share awards provided for in the twelfth resolution). The number of free shares that could be awarded each calendar year pursuant to the thirteenth resolution would not be able to exceed 0.4% of the Company's current share capital, i.e., lower than the 0.6% overall ceiling authorised by the 2013 General Meeting.

The shares awarded would either be new shares issued as part of a capital increase carried out by capitalising reserves, profits, or premiums, or existing shares, particularly those acquired under shareholder-approved buyback programmes.

The shares awarded would only vest at the end of a vesting period set by the Managing Partners but which may not be less than three years, which represents a longer minimum vesting period than the two years previously set by the 2013 General Meeting. This vesting period would be followed by a lock-up period representing a minimum of two years, except for vested shares held by beneficiaries who are non-French tax residents for whom the Managing Partners would be able to reduce or remove the lock-up period.

Subject to the terms and conditions set by the shareholders, the Managing Partners would have the broadest powers to draw up the list of beneficiaries and determine the number of shares to be awarded to each of them as well as to set any applicable vesting conditions. The vesting of the free shares would be contingent on the beneficiary still being with the Group at the vesting date and for all or some of the beneficiaries, and for all or some of the shares awarded, may be subject to performance conditions set by the Managing Partners.

Under the terms of this resolution, we are nevertheless asking shareholders to maintain the flexibility granted to the Managing Partners in 2013 to award free shares that are not subject to performance conditions, for some of the beneficiaries and/or some of the shares awarded. Free shares are an essential component of the Group's human resources policy, designed to facilitate the recruitment, motivation and retention of key talent with high-level expertise in very varied and often very competitive fields. While not all such talent will have a direct impact on the Company's financial performance in view of their positions, retaining them and ensuring their loyalty are key challenges for the Group. In addition, since the entry into force of the "Macron" law, free shares have become an effective means of controlling payroll costs, as they offer fiscal conditions that are more advantageous than cash-based remuneration.

The authorisations sought in the twelfth and thirteenth resolutions would be valid for a period of thirty-eight months as from the date of this Annual General Meeting and would cancel and supersede the authorisations given for the same purpose at the Annual General Meeting of 3 May 2013.

14TH RESOLUTION:

POWERS FOR FORMALITIES

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The Managing Partners' special reports will now be presented to you, followed by the reports of the Supervisory Board and its Chairman and the various reports of the Statutory Auditors, and lastly, the report of the independent third-party entity on consolidated social, environmental and societal information.

We consider that the information contained in these reports and in the Managing Partners' reports, including the Reference Document, should be sufficient for you to form a full opinion on the position and operations of your Company and the Lagardère group over the past year, and on the resolutions you are being asked to approve.

The resolutions to be put to the vote accurately reflect the content of these various reports. We believe that they are in the interests of the Company.

We therefore ask you to vote in favour of these resolutions, and we would like to thank you once again for your valuable support.

The Managing Partners

APPENDIX I

To the management report of the Managing Partners

Lagardère SCA – Five-year financial summary (Article R. 225-102 of the French Commercial Code)

	Type of indications	2011	2012	2013	2014	**2015**
I	**Share capital at 31 December (in euros)**					
a)	Share capital	799,913,045	799,913,045	799,913,045	799,913,045	**799,913,045**
b)	Number of ordinary shares outstanding	131,133,286	131,133,286	131,133,286	131,133,286	**131,133,286**
c)	Maximum number of shares to be issued upon exercise of share subscription options	-	-	-	-	**-**
d)	Maximum number of shares to be issued upon conversion of bonds	-	-	-	-	**-**
e)	Maximum number of shares to be issued upon exercise of subscription warrants	-	-	-	-	**-**
II	**Results of operations (in thousands of euros)**					
a)	Sales	12,535	7,054	7,239	52,028	**56,327**
b)	Earnings before tax, depreciation, amortisation and provisions	257,302	(65,638)	1,976,989	(75,353)	**(13,960)**
c)	Income tax	93,037 (1)	88,276 (1)	23,410 (1)	43,467 (1)	**74,308** (1)
d)	Earnings after tax, depreciation, amortisation and provisions	297,253	53,952	2,006,615	(57,052)	**41,082**
e)	Total dividends	165,700	166,247	2,100,928	166,783	(2)
III	**Earnings per share (in euros)**					
a)	Earnings per share after tax, but before depreciation, amortisation and provisions	2.67	0.17	15.25	(0.91)	**(0.67)**
b)	Earnings per share after tax, depreciation, amortisation and provisions	2.27	0.41	15.30	(0.44)	**0.31**
c)	Dividend per share	1.30	1.30	16.30	1.30	(2)
IV	**Staff**					
a)	Average employee headcount	-	-	-	9	**9**
b)	Total wages and salaries	-	-	-	3,178,984	**2,509,884**
c)	Total employee benefit expense	-	-	-	1,837,379	**1,038,059**

(1) Mainly the tax gain resulting from tax consolidation.
(2) The Annual General Meeting on 3 May 2016 will be asked to approve a dividend of €1.30 per share.

APPENDIX II

To the management report of the Managing Partners

Summary table of authorisations (delegations of authority and of powers) to increase the share capital given to the Managing Partners

Description of authorisation	Delegations of authority									
Date of meeting	Ordinary and Extraordinary General Meeting of 5 May 2015							Ordinary and Extraordinary General Meeting of 3 May 2013		
Purpose of authorisation	Issue of all securities giving access to the share capital (shares, convertible bonds, bonds with share warrants, bonds redeemable for shares, etc.)			Issue of securities in consideration for securities tendered as part of a contribution in kind or a public exchange offer		Capitalisation of reserves, profits and/or premiums and creation of shares and/or increase of the par value of shares	Issue of free shares to employees (Group savings scheme)	Award of share subscription and/or purchase options to senior managers of the Group	Award of free shares	
									Group employees and senior managers (other than ECO)	Executive corporate officers of Lagardère SCA ("ECO")
Sub-limits authorised (nominal amount)	With preemptive sub-scription rights €265m (~ 33% of the share capital)	Without preemptive sub-scription rights but with priority right €160m (~ 20% of the share capital)	Without preemptive sub-scription rights and without priority right €80m (~ 10% of the share capital)	In the event of a public exchange offer €80m (~ 10% of the share capital)	In the event of a contribution in kind €80m (~ 10% of the share capital)	€300 (~ 37.5% of the share capital)	0.5% of the share capital per year (~ €4m)	0.5% of the share capital per year (~ €4m) of which 0.075% (~ €0.6m) of the share capital per year for each ECO	0.6% of the share capital per year (~ €4.8m)	0.025% of the share capital per year and per ECO (~ €0.2m)
Maximum aggregate nominal amount authorised	€300m (~ 37.5% of the share capital)		€80 million (~ 10% of the share capital)				1% of the share capital per year (~ €8m) for senior managers and employees other than ECO 0.1% of the share capital per year (~ €0.8m) for each ECO			
	€1,500m for the debt securities									
Used in 2015	None		N/A	N/A		N/A	N/A	N/A	(1)	(2)
Term of authorisations	26 months							38 months		

(1) A free performance share award plan was established by the Managing Partners on 1 April 2015 covering 348,440 shares representing 0.266% of the share capital, with 44 beneficiaries.

(2) A free performance share award plan was established by the Managing Partners on 1 April 2015 covering 96,000 shares representing 0.073% of the share capital, for three executive corporate officers of Lagardère SCA.

Description of authorisation	Delegations of powers
	N/A

3.2 SPECIAL REPORT OF THE MANAGING PARTNERS ON SHARE OPTIONS

Dear Shareholders,

Pursuant to the provisions of article L. 225-184 of the French Commercial Code (*Code de commerce*), please find below the required information related to transactions in share options carried out in 2015.

3.2.1 GENERAL INFORMATION

3.2.1.1 SHARE OPTIONS GRANTED BY THE COMPANY

1. During 2015, no new options to subscribe for or purchase Lagardère SCA shares were awarded.

2. The main characteristics of all of the share option plans which expired in 2015 or were in force as of 31 December 2015 are summarised in the table below.

Plan	Number of beneficiaries	Number of options originally awarded*	Exercise price**	Options exercised at end-2015	Options forfeited at end-2015**	Options outstanding at end-2015**	Period of exercise
Subscription options:							
None							
Purchase options:							
Expired plan							
21 Nov. 2005	495	1,683,844	€45.69	0	2,027,859	0	21 Nov. 2007 to 21 Nov. 2015
Plans in force							
14 Dec. 2006	451	1,844,700	€44.78	0	329,493	1,895,336	14 Dec. 2008 to 14 Dec. 2016
Total					**2,357,352**	**1,895,336**	

* Before the adjustment of 20 June 2014.
** After the adjustment of 20 June 2014.

3. No options were exercised in 2015 due to Lagardère SCA share price levels, which ranged between €21.20 and €29.39, whereas the purchase prices of the two plans still in force were €45.69 and €44.78, respectively.

3.2.1.2 SHARE OPTIONS GRANTED BY ENTITIES OR GROUPS RELATED TO THE COMPANY

1. In the course of 2015, no new share options were granted by entities or by groups related to Lagardère SCA within the meaning of article L. 225-180 of the French Commercial Code.

2. There were no longer any share option plans in force, or which expired in 2015, within the aforementioned entities or groups.

3.2.2 SPECIFIC INFORMATION ON THE EXECUTIVE CORPORATE OFFICERS AND EMPLOYEES OF LAGARDÈRE SCA

1. In 2015, the Company's executive corporate officers were not awarded any share options by Lagardère SCA, the entities or groups related to it within the meaning of article L. 225-180 of the French Commercial Code, or the companies that it controls within the meaning of article L. 233-16 of said Code.
2. In 2015, the Company's employees were not awarded any share options by Lagardère SCA, the entities or groups related to it within the meaning of article L. 225-180 of the French Commercial Code, or the companies that it controls within the meaning of article L. 233-16 of said Code.
3. In 2015, neither the executive corporate officers nor the employees of the Company exercised the Lagardère SCA share purchase options which had been granted to them under the 2005 and 2006 plans.

The Managing Partners

3.3 SPECIAL REPORT OF THE MANAGING PARTNERS ON FREE SHARE AWARDS

Dear Shareholders,

Pursuant to the provisions of article L. 225-197-4 of the French Commercial Code (*Code de commerce*), please find below the required information related to transactions in free share awards carried out in 2015.

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The policy on the award of free shares is intended to give the Lagardère group's executives worldwide a stake in the Group's growth and consequent rise in value.

It also offers a means of singling out executives who have made a notable contribution to the Group's results through their positive action.

In addition, it instils loyalty among those whom the Company wishes to retain for many years, specifically young executives with strong potential for professional growth, through whose efforts the Group will secure its growth as part of an established long-term strategy.

For Lagardère SCA's executive corporate officers, the members of Lagardère Media's Operating Committee and the Group's executives, free share awards – which are all subject to performance conditions – are also an important way of incentivising and providing long-term compensation.

3.3.1 GENERAL INFORMATION

3.3.1.1 FREE SHARE AWARDS GRANTED BY THE COMPANY

1. VESTING OF FREE SHARES IN 2015

In the course of 2015, 651,658 free shares vested. All of these shares were issued through a share capital increase carried out by capitalising reserves, which was followed by a share capital reduction by cancelling the same number of treasury shares, as part of the Company's share buyback programme.

Under the 25 June 2012 plan, 104,253 shares vested on 1 April 2015 for three executive corporate officers of Lagardère SCA.

Under the 26 December 2013 plan, 412,853 shares vested on 27 December 2015 for employees residing in France for tax purposes.

Under the 29 December 2011 plan, 134,552 shares vested on 30 December 2015 for employees residing overseas for tax purposes.

2. FREE SHARES AWARDED IN 2015

Based on the authorisations given by the General Meeting of 3 May 2013 (17th and 18th resolutions), on 1 April 2015, the Managing Partners of the Company awarded 444,440 Lagardère SCA performance shares (representing 0.34% of the total number of shares comprising the share capital) to 47 beneficiaries, executives and senior managers of the Company and companies related to it within the meaning of legal provisions.

The characteristics of this performance share plan are as follows:

- *Number of beneficiaries*: 47 persons.
- *Number of shares awarded*: 444,440 (representing 0.34% of the total number of shares comprising the share capital).
- *Vesting periods*:

  For beneficiaries residing in France for tax purposes at 1 April 2015, the vesting period has been set at three years; the shares awarded will fully vest on 1 April 2018, subject to the fulfilment of the conditions described below.

  For beneficiaries residing overseas for tax purposes at 1 April 2015, the vesting period has been set at four years; the shares awarded will fully vest on 1 April 2019, subject to the fulfilment of the conditions described below.
- *Presence conditions*:

  The shares will only vest on the condition that at midnight on 31 March 2018, the beneficiaries have neither resigned nor been terminated or dismissed for serious or gross misconduct.

  Similarly, the executive corporate officers of the three divisional holding companies of Lagardère Publishing, Lagardère Active and Lagardère Travel Retail and members of Lagardère Media's Operating Committee must still be in their positions at midnight on 31 March 2018, except in cases of forced termination for reasons other than misconduct.

  For information regarding Lagardère SCA's executive corporate officers, please see section 3.3.2 below.
- *Performance conditions*:

  These conditions were based on objectives that are internal to the Company as Lagardère SCA does not have any suitable market comparables in view of the diversity of its business.

  Objectives relating to Group recurring operating profit: One-half of the shares will vest subject to the Group achieving a recurring operating profit in 2015, 2016 and 2017 in line with the objective communicated as market guidance for each of these years.

Objectives relating to net cash from operating activities of fully consolidated companies: The other half of the shares will vest subject to the Group achieving a level of net cash from operating activities of fully consolidated companies in 2015, 2016 and 2017 in line with the amount contained in the budget for each of these years.

Each of these objectives counts for one-sixth of the total number of performance shares awarded. If the achievement rate is lower than 50% then none of the shares allocated to that objective would be awarded. If the achievement rate is between 50% and 100%, an equivalent proportion of the number of shares allocated to that objective will be awarded. And if the achievement rate exceeds 100% (i.e., in the event of outperformance) a proportionate number of shares will also be granted, capped however at 150% of the total number of shares allocated to the objective concerned. In all cases, the overall number of a beneficiary's vested performance shares may not be more than the total number of rights to shares that were originally awarded.

Objective relating to intrinsic growth in Group recurring operating profit: The final vesting condition applicable to the performance shares is that Group recurring operating profit for 2017 must be equal to or exceed the average of Group recurring operating profit for 2015 and 2016. If this objective is not achieved the total number of vested free shares will be reduced proportionately.

- *Holding periods*:

  For beneficiaries residing in France for tax purposes at 1 April 2015, the vesting period has been set at two years (once vested, the shares must be kept in a registered account until 1 April 2020 inclusive). Beneficiaries residing overseas for tax purposes at 1 April 2015 are not subject to a holding period once their shares are vested. At the close of the mandatory holding periods, the shares will become transferable and can be traded under the terms and conditions established by law and regulations and in accordance with the trading periods established by Lagardère SCA in its Charter for Prevention of Insider Offences and Misconducts by Lagardère Group Associates.

  For information regarding the additional lock-up conditions applicable to Lagardère SCA's executive corporate officers pursuant to the applicable laws and the recommendations in the Afep-Medef Corporate Governance Code, please see section 3.3.2 below.

- *Death or disability of a beneficiary*:

  In the event that a beneficiary dies or is deemed to have a disability that falls within the second or third categories provided for by article L. 341-4 of the French Social Security code (*Code de la sécurité sociale*) during the vesting period, the beneficiary, or the representatives or heirs of such beneficiary depending on the circumstances, may request that the shares be vested in accordance with the terms and conditions provided for in the applicable laws and regulations. In such an event, the beneficiaries, representatives or heirs may (i) request that the free shares vest on or after 1 April 2018, in which case the number of such shares will be calculated based on the application of all the performance conditions set out above, or (ii) request that the free shares vest before 1 April 2018, in which case the number of such shares will be calculated based on the application of only the performance conditions whose achievement level is known at the date of the request. In the latter case, the beneficiaries, representatives or heirs definitively waive their rights to any free shares subject to performance objectives whose achievement level is not yet known. However, in such a scenario, the criteria relating to intrinsic growth in Group recurring operating profit will not be applied. The free shares so vested will not be subject to a holding period and will become immediately transferable.

  The free shares of a beneficiary who dies or is deemed to have a disability, as defined above, during the holding period, will become immediately transferable.

- *Value of the performance shares awarded*:

  The value of the performance shares awarded was €27.795 per share at the opening of trading on the Paris stock exchange on 1 April 2015. In accordance with IFRS, this same value was €22.85 per share for the shares vesting on 1 April 2018, and €21.76 per share for the shares vesting on 1 April 2019.

3. FREE SHARE AWARD PLANS IN FORCE IN 2015

The main characteristics of all of the free share award plans which expired in 2015 or were in force as of 31 December 2015 are summarised in the table below.

Date of the plan	Total number of rights awarded*	Total number of rights eliminated**	Total number of shares vested**	Number of outstanding rights**
29 December 2011	630,000	47,143	607,556	-
25 June 2012	645,800	37,210	592,772	139,467
26 December 2013	712,950	9,232	414,052	431,155
22 December 2014	306,120	10,800	-	295,320
1 April 2015	444,440	-	-	444,440
Total	**2,739,310**	**104,385**	**1,614,380**	**1,310,382**

* Before the adjustment of 20 June 2014.
** After the adjustment of 20 June 2014.

3.3.1.2 FREE SHARE AWARDS GRANTED BY ENTITIES OR GROUPS RELATED TO THE COMPANY

1. On 24 December 2015, 123Billets, an entity in the Lagardère Active division, granted 20 free shares with a total carrying amount of €1.2 million to a beneficiary, subject to said beneficiary remaining with the company, and subject to a one-year vesting period and a two-year holding period. In the course of 2015, no other free shares were granted by entities or by groups related to Lagardère SCA within the meaning of article L. 225-180 of the French Commercial Code.
2. LeGuide.com awarded free shares to certain beneficiaries in April and November 2012, which resulted in 28,560 shares vesting in the course of 2014. 7,508 of the free shares remain subject to a holding period until 2016.

3.3.2 SPECIFIC INFORMATION ON THE EXECUTIVE CORPORATE OFFICERS AND EMPLOYEES OF LAGARDÈRE SCA

1. In 2015, Pierre Leroy, Dominique D'Hinnin and Thierry Funck-Brentano, employees of Lagardère Capital & Management and Lagardère SCA's executive corporate officers, were each awarded 32,000 performance shares under the 1 April 2015 plan described above (representing 0.024% of the total number of shares comprising the share capital and a carrying amount of €731,200 under IFRS). In accordance with the recommendations in the Afep-Medef Corporate Governance Code, the performance shares were granted in compliance with the framework laid down by Lagardère SCA's Supervisory Board which, in its meeting in March 2015, confirmed the terms and conditions governing the ceilings, performance conditions and lock-up conditions applicable to free shares awarded to the executive corporate officers.

   In addition to the performance conditions described above, in order for the shares to fully vest, each executive corporate officer must still be in his position at midnight on 31 March 2018, except in cases of forced termination for reasons other than misconduct

   On top of the standard holding period applicable from 1 April 2018 to 1 April 2020 inclusive, each executive corporate officer would be required to keep in a registered share account (*nominatif pur*) (i) 25% of the fully vested shares until such time as he ceases to be an executive corporate officer of Lagardère SCA, and (ii) an additional 25% of the fully vested shares until such time as the value of the Lagardère SCA shares held by the executive corporate officer concerned equals at least one year's worth of his gross fixed and variable salary (calculated each year based on a) the average share price for the month of December of the previous year and b) the executive corporate officer's fixed and variable salary for the past year, with the maximum potential amount used for the variable portion). At the close of the mandatory holding periods, the corresponding shares will become transferable and can be traded under the terms and conditions established by law and regulations and in accordance with the trading periods established by Lagardère SCA in its Charter for Prevention of Insider Offences and Misconducts by Lagardère Group Associates.
2. In 2015, Lagardère SCA's executive corporate officers were not awarded any other free shares by the entities and groups related to Lagardère SCA within the meaning of article L. 225-197-2 of the French Commercial Code, or the companies that it controls within the meaning of article L. 233-16 of said Code.
3. In 2015, Lagardère SCA's nine employees were awarded a total number of 37,440 performance shares under the 1 April 2015 plan described above (representing 0.029% of the total number of shares comprising the share capital and a carrying amount of €855,504 under IFRS), i.e., an average number of 4,160 shares awarded per person (representing 0.003% of the total number of shares comprising the share capital and an amount of €95,056 under IFRS).
4. In 2015, Lagardère SCA's employees were not awarded any free shares by the companies and groups related to Lagardère SCA within the meaning of article L. 225-197-2 of the French Commercial Code, or the companies that it controls within the meaning of article L. 233-16 of said Code.

The Managing Partners

4

REPORTS OF THE SUPERVISORY BOARD AND ITS CHAIRMAN

4.1 REPORT OF THE SUPERVISORY BOARD

Ladies and Gentlemen,

The purpose of this report is to inform you of the work carried out by the Supervisory Board during the year ended 31 December 2015, in accordance with legal provisions and the Company's Articles of Association.

It includes a description on how the members of the Supervisory Board of Lagardère SCA performed their analyses and investigations in order to give you their judgement on the manner in which the Company's business was conducted during the year ended 31 December 2015 and on the resulting financial statements.

Lastly, this report contains the Supervisory Board's opinions on the main resolutions which will be submitted to your vote.

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During 2015, the Supervisory Board met four times with an average attendance rate of 93%. In addition to reviewing the annual and interim financial statements, at each of its meetings the Supervisory Board was informed of the Group's general business position and outlook. It also discussed the strategic vision for Lagardère Travel Retail and Lagardère Sports and Entertainment.

The Board was informed of the procedure for appointing and re-appointing Managing Partners and unanimously approved the re-appointment of Arnaud Lagardère as Managing Partner for a six-year term.

In preparation for the General Meeting, the Supervisory Board approved the report of the Chairman, finalised its report to the shareholders and proposed to re-appoint Susan Tolson, whose term of office was set to expire.

As part of a review of the Group's risks, a working group comprising three Supervisory Board members assessed the risks and opportunities associated with digital technology and presented its findings to the Board.

In terms of its operation, the Supervisory Board decided to extend the scope of duties of the Appointments, Remuneration and Governance Committee (formerly the Appointments and Remuneration Committee) to include governance and corporate social responsibility matters, appoint new members and change the way in which attendance fees are allocated in order to align the remuneration of the Board's two Committees. It also appointed an external consultant to review its membership and operation and considered its findings.

As it does on an annual basis, the Supervisory Board met once without the Managing Partners in attendance.

Informal meetings on strategy and other specific matters continued to be held between certain Board members, the executive corporate officers and the main division executives.

The Audit Committee and the Appointments, Remuneration and Governance Committee prepared the work of the Supervisory Board on the subjects within their remit.

To this end, the Audit Committee reviewed the interim and annual financial statements, the impairment tests carried out on intangible assets, the main disputes and claims involving the Group, risks relating to significant off-balance sheet commitments, IT security processes implemented, internal audit activities, the fees of the Statutory Auditors and relations with Lagardère Capital & Management concerning the agreement between this company and the Group. A presentation was given to the Audit Committee on the findings of the external review of the internal audit, risk management and internal control, compliance and IT security procedures and risk mapping, along with a progress report on Group Compliance activities.

The non-recurring matters handled by the Audit Committee in 2015 concerned the Group's tax management processes and tax policy as well as its financing policy.

The Appointments, Remuneration and Governance Committee recommended that the Supervisory Board extend the scope of its duties and membership (see above), performed an annual review of the membership of the Board and the independence of its members, prepared the re-appointment of Susan Tolson whose term of office was set to expire, reviewed the main comments of the principal proxy advisors and investors in preparation for the General Meeting, and managed the external assessment of the membership and operation of the Supervisory Board and its Committees. As regards remuneration, the Committee reviewed the performance conditions relating to free share awards to Group executives and discussed the remuneration policy for Managing Partners. In terms of corporate social responsibility (CSR), the Committee reviewed the methods for determining Lagardère SCA's ESG rating along with the 2015-2020 CSR roadmap.

In accordance with Lagardère SCA's Articles of Association, at its meeting on 9 March 2016 to approve the re-appointment of the Managing Partner of Arjil Commanditée-Arco, the Board approved as legal representatives thereof:

- Arnaud Lagardère, Chairman and Chief Executive Officer;
- Pierre Leroy, Deputy Chairman and Chief Operating Officer;
- Thierry Funck-Brentano, Chief Operating Officer.

***

Having reviewed the financial statements and results for the year ended 31 December 2015, and without going back to the Managing Partners' detailed comments in this respect, we remind you that:

- the Group's consolidated sales amounted to €7,193 million;
- recurring operating profit of fully consolidated companies stood at €378 million;
- consolidated profit for the year totalled €71 million.

We consider the comments made by the Managing Partners to be sufficient and therefore have nothing in particular to add. We recommend approving the financial statements for the year ended 31 December 2015.

We also propose to approve the allocation of results, as presented in the draft resolutions, which recommend a dividend payment of €1.30 per share.

***

The other main resolutions on the agenda concern:

- advisory opinions on the components of remuneration payable or granted to Arnaud Lagardère and the representatives of the other Managing Partner in respect of 2015;
- the renewal, for a period of eighteen months, of the authorisation to be given to the Managing Partners to trade in the Company's shares, under conditions similar to those adopted by the General Meeting of 5 May 2015;
- the renewal, for a period of thirty-eight months, of the authorisations to award free shares to employees and executives of the Company.

We do not have any observations regarding these resolutions and we therefore invite you to approve them.

Several resolutions concern the re-appointment of Supervisory Board members Nathalie Andrieux, Georges Chodron de Courcel, Pierre Lescure, Hélène Molinari and François Roussely.

After reviewing the situation of each of the above members with regard to their skills, experience and value for the Board, as well as their independence, we recommend approving their re-appointment.

Concerning the re-appointment of three members who have been on the Board for more than 12 years, we consider (i) Georges Chodron de Courcel's experience as a banking executive, (ii) Pierre Lescure's extensive knowledge of the media industry, and (iii) François Roussely's expertise as a company executive to be of unquestionable value for the Board and for the fulfilment of its supervisory duties. We therefore consider that their seniority should not stand in the way of their re-appointment.

The proposed re-appointments are for a three-year term for Georges Chodron de Courcel, Pierre Lescure and François Roussely and a four-year term for Nathalie Andrieux and Hélène Molinari so as to ensure that around a quarter of the Board is renewed every year.

The Supervisory Board

4.2 REPORT OF THE CHAIRMAN OF THE SUPERVISORY BOARD

Ladies and Gentlemen,

The purpose of this report is to provide the information required under article L. 226-10-1 of the French Commercial Code (*Code de commerce*) concerning the membership of the Supervisory Board, the application of the principle of balanced representation of women and men on the Board, the conditions under which the Board's work is prepared and organised and the internal control and risk management procedures applied by the Company.

This report was prepared under the responsibility of the Chairman of the Supervisory Board and with the assistance of the Board Secretary. It was reviewed by the Appointments, Remuneration and Governance Committee at its meeting of 2 March 2016 and by the Audit Committee at its meeting of 3 March 2016 for matters within their remit.

All preparatory work for this report (including interviews with Management) was presented to the Supervisory Board which approved the terms of the report at its meeting of 9 March 2016.

4.2.1 MEMBERSHIP OF THE SUPERVISORY BOARD

In accordance with the Company's Articles of Association, the Supervisory Board is composed of a maximum of 15 members. One-third of Board members are replaced or renewed each year. Members are appointed for a maximum term of four years.

At 31 December 2015, the Board comprised 15 members: Xavier de Sarrau (Chairman), Nathalie Andrieux, Martine Chêne, Georges Chodron de Courcel, François David, Yves Guillemot, Pierre Lescure, Jean-Claude Magendie, Soumia Malinbaum, Hélène Molinari, Javier Monzón, François Roussely, Aline Sylla Walbaum, Susan M. Tolson and Patrick Valroff.

These members (listed in section 7.2.3 of the Reference Document) form a competent, independent and attentive Supervisory Board, fully able to represent shareholders' interests.

Further to the recommendation of the Appointments, Remuneration and Governance Committee, the Board defined a set of criteria for the selection of members. Members are therefore chosen first and foremost based on their expertise and experience (managerial, financial, strategic and/or legal) as well as their knowledge of the Group's businesses so that it can exercise its supervisory duties in full. Moreover, the Board complied with the provisions of the Copé-Zimmerman law concerning gender parity in advance as the 40% quota was met at the 2013 Annual General Meeting.

The following chart illustrates these objectives:

EXPERIENCE AS SENIOR EXECUTIVE WITHIN AN INTERNATIONAL COMPANY

Nathalie Andrieux
Former Deputy Chief Executive Officer – Digital, La Poste group
Member of the French Digital Council

Yves Guillemot
President and Chief Executive Officer and co-founder, Ubisoft

Pierre Lescure
President of the Cannes Film Festival
Former Chairman and Chief Executive Officer, Canal+ SA
Former Chief Executive Officer, Vivendi Universal

Xavier de Sarrau, Chairman
Lawyer specialising in issues concerning the governance and organisational structure of family-owned companies and private holdings

Javier Monzón
Former Chairman, and Chief Executive Officer, Indra

François Roussely
Partner at Messier Maris

FINANCIAL EXPERIENCE

Georges Chodron de Courcel
Former Chief Operating Officer, BNP Paribas

François David
Former Chairman of the Board of Directors, Coface

Patrick Valroff
Former Chief Executive Officer, Crédit Agricole CIB

Hélène Molinari
Former Chief Operating Officer, Medef
Vice-President, Be-Bound

Aline Sylla-Walbaum
International Managing Director (Luxury), Christie's

Susan M. Tolson
Former Senior Vice-President, Capital Group

"BUSINESS"* AND OTHER EXPERTISE**

Martine Chêne
Former CDFT union representative on the Group Employees' Committee

Jean-Claude Magendie
Former First President, Paris Court of Appeal

Soumia Malinbaum
Deputy Chief Executive Officer, Keyrus

* Media/Distribution/Innovation/New technologies.
** Legal/Governance/Social relations/Diversity.

In view of its supervisory duties, the Board must have a majority of independent members.

A review of each member of the Supervisory Board's position by the Appointments, Remuneration and Governance Committee has concluded that all Supervisory Board members qualify as independent members in the light of the criteria for independence, applied by the Supervisory Board and contained in the Afep-Medef Corporate Governance Code for Listed Companies, which it has taken as a benchmark framework for analysis (see table below).

The Supervisory Board has concluded that in the absence of any financial transactions between Messier Maris and the Group, François Roussely continues to qualify as an independent member irrespective of his appointment as partner at that bank.

Summary table of Supervisory Board members' compliance with the independence criteria set out in the Afep-Medef Corporate Governance Code at 31 December 2015

	X. de Sarrau	N. Andrieux	M. Chêne	G. Chodron de Courcel	F. David	Y. Guillemot	P. Lescure	J.C. Magendie	S. Malinbaum	H. Molinari	J. Monzón	F. Roussely	A. Sylla-Walbaum	S. Tolson	P. Valroff
Independence criteria set out in the Afep-Medef Corporate Governance Code and applied by the Supervisory Board															
Not to be an unprotected employee or executive corporate officer of the Company or its parent company or a company that it consolidates, and not to have been in such a position for the previous five years	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
Not to be an executive corporate officer of a company in which the Company holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive corporate officer of the Company (currently in office or having held such office for less than five years) is a director or member of the Supervisory Board	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
Not to be, directly or indirectly, related to a customer, supplier, investment or commercial banker: ▸ that is material to the Company or the Group ▸ or for which the Company or the Group represents a significant proportion of its business	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
Not to be related by close family ties to a Managing Partner	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
Not to have been an auditor of the Company within the previous five years	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
Not to hold, directly or indirectly, 10% or more of the share capital or voting rights of the Company or of the Group or be related in any way whatsoever to a shareholder with an investment greater than 10% of the Company or a Group company.	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
Conclusion	Independent	Independent	Independent	Independent	Independent	Independent	Independent	Independent	Independent	Independent	Independent	Independent	Independent	Independent	Independent
Independence criteria set out in the Afep-Medef Corporate Governance Code and not applied by the Supervisory Board															
Not to have been a member of the Supervisory Board for more than twelve years	✔	✔	✔	✘	✔	✔	✘	✔	✔	✔	✔	✘	✔	✔	✔

4.2.2 BOARD'S INTERNAL RULES AND OPERATION (PREPARATION AND ORGANISATION OF THE SUPERVISORY BOARD'S WORK)

The terms and conditions of the Supervisory Board's organisation and operations are set out in its internal rules (updated on 11 March 2015), which also define the duties incumbent on each member, and the code of professional ethics each individual member is bound to respect.

These rules concern the following:

1. **the independence of Board members**: the minimum quota for independent members is fixed at half of the total serving members. Independent members must have no direct or indirect relations of any kind with the Company, Group or Management that could compromise their freedom of judgement or participation in the work of the Board. It lists a number of criteria, which form a framework for determining whether or not a member may be considered independent;
2. **the annual number of meetings**: a schedule for the coming year is fixed annually, based on a proposal by the Chairman;
3. **the duties of each member**: apart from the fundamental duties of loyalty, confidentiality and diligence, members' obligations also concern knowledge of the law, regulations and statutory provisions, ownership of a significant number of shares, declaration to the Board of any conflict of interest and regular attendance at meetings;
4. **trading in shares of the Company and its subsidiaries**: as Board members have access to inside information and in-depth knowledge on certain aspects of the life of the Company and Group, they are expected to refrain from trading in Company shares, except within the following constraints contained in the Board's internal rules:
   - no trading in shares may take place during certain defined periods,
   - it is recommended that acquisitions should take place once a year, at the end of the Annual General Meeting, in the form of a block purchase carried out through the Company by each Board member,
   - the Chairman, Managing Partners and the French financial markets authority (*Autorité des marchés financiers* - AMF) must be informed of any transactions in shares within five days of their completion;
5. **the existence of an Audit Committee**: in addition to the tasks described below, this Committee is also responsible for preparing the Board meetings for subjects within its remit;
6. **the existence of an Appointments, Remuneration and Governance Committee**: in addition to the tasks described below, this Committee is also responsible for preparing the Board meetings for subjects within its remit.

***

The Supervisory Board meets regularly to review the financial position and operations of the Company and its subsidiaries, the annual and interim financial statements, the outlook for each of the business activities and the Group's strategy. It also defines an annual schedule for its meetings, four of which are planned for 2016. During 2015, the Supervisory Board met four times with an average attendance rate of 93% (see attendance table below):

- on 11 March, with an attendance rate of 87%, mainly to review the parent company and consolidated financial statements and the general business position and outlook, undertake preparatory work for the Annual General Meeting, approve the report of the Chairman of the Supervisory Board and finalise its report to the shareholders – during this meeting, the Supervisory Board unanimously approved the re-appointment of Arnaud Lagardère as Managing Partner for a six-year term. The Supervisory Board also decided to extend the scope of duties of the Appointments and Remuneration Committee to include governance and sustainable development matters, appoint two new members with expertise in these fields and change its name to the Appointments, Remuneration and Governance Committee. Its internal rules were also amended accordingly. The Supervisory Board also decided to change the way in which attendance fees are allocated to bring the remuneration of the Appointments, Remuneration and Governance Committee into line with that of the Audit Committee;
- on 3 June, with an attendance rate of 93%, to review recent developments within the Group and the activity, organisation and strategic vision for Lagardère Sports and Entertainment – formerly Lagardère Unlimited (presentation given by Andrew Georgiou). The findings of the self-assessment of the membership and operation of the Supervisory Board and its Committees were also presented;
- on 2 September, with an attendance rate of 100%, mainly to review the interim parent company and consolidated financial statements and the business position and outlook, and assess the strategic vision for Lagardère Travel Retail (presentation given by Dag Rasmussen and his team);

- on 2 December, with an attendance rate of 93%, to review the Group's general situation and strategy. Patrick Valroff, Nathalie Andrieux and Soumia Malinbaum presented the findings of the study conducted into the risks and opportunities associated with Digital technology. The findings of the external assessment of the Supervisory Board's operation and work were also presented and discussed. Lastly, the procedure for appointing and re-appointing the Managing Partners was explained.

Following this Supervisory Board meeting, the members met without the Managing Partners in attendance.

Members' attendance at Supervisory Board and Committee meetings in 2015

Member of the Board	Attendance rate at Supervisory Board meetings	Attendance rate at Audit Committee meetings	Attendance rate at Appointments, Remuneration and Governance Committee meetings
Nathalie Andrieux	100%	100%	
Martine Chêne	100%		
Georges Chodron de Courcel	100%		100%
François David	100%	66%	100%
Yves Guillemot	100%		
Pierre Lescure	75%		100%
Jean-Claude Magendie	100%		
Soumia Malinbaum	100%		100%
Hélène Molinari	100%		100%
Javier Monzón	75%		
François Roussely	100%		
Xavier de Sarrau	100%	100%	
Aline Sylla-Walbaum	50%	100%	
Susan M. Tolson	100%		
Patrick Valroff	100%	100%	

Lastly, a digital platform was put in place for the members of the Supervisory Board in 2015 in order to improve communication and streamline its operation. It provides Board members with permanent access to up-to-date information relevant to the Supervisory Board and its Committees.

4.2.3 SUPERVISORY BOARD COMMITTEES

4.2.3.1 AUDIT COMMITTEE

In application of its internal rules, the Audit Committee meets at least four times a year, mainly to:

- review the accounts and the consistency of the accounting methods used for the Lagardère SCA parent company and consolidated financial statements, and monitor the process for preparing financial information;
- monitor the audit of the parent company and consolidated financial statements by the Statutory Auditors;
- monitor the Statutory Auditors' independence;
- issue a recommendation on the Statutory Auditors nominated for appointment at the General Meeting;
- ensure that the Company has internal control and risk management procedures, particularly procedures for (i) the preparation and processing of accounting and financial information used to prepare the accounts, (ii) risk assessment and management, (iii) compliance of Lagardère SCA and its subsidiaries with the main regulations applicable to them; the Audit Committee is informed of any observations and/or suggestions from the Statutory Auditors regarding these internal control procedures and examines the report of the Chairman of the Supervisory Board on internal control and risk management procedures;
- monitor the efficiency of internal control and risk management systems;
- more specifically, examine all matters pertaining to internal auditing of the Company and its activities, the audit plan, organisation, operation, and implementation;
- review the agreements directly or indirectly linking the Group and the senior managers of Lagardère SCA: the executive corporate officers' salaries are paid by Lagardère Capital & Management, which is bound to the Group by a service agreement. Application of this agreement, which has been approved by the Board and the shareholders as a related-party agreement, is monitored regularly. The Board has delegated this task to the Audit Committee, which includes the amount of expenses reinvoiced under the contract, essentially comprising the executive corporate officers' remuneration;

- prepare an annual summary of business over the past year for release to the shareholders (through the report of the Supervisory Board and the report of the Chairman of the Supervisory Board).

Audit Committee members are appointed for their financial and/or accounting skills, assessed with particular regard to their past career (positions held in general or financial management or in an audit firm), academic background or specific knowledge of the Company's business. The expertise of the members of the Audit Committee is described at length in section 7.2.3 of the Reference Document.

At 31 December 2015, the Audit Committee comprised Xavier de Sarrau (Chairman), Nathalie Andrieux, François David, Aline Sylla-Walbaum and Patrick Valroff, all of whom are independent members (see section 4.2.1 of this report).

The members of the Audit Committee interview the Group's main senior executives when necessary, and the Statutory Auditors also present a report on their work. In addition, Audit Committee members reserve the right to interview the Statutory Auditors without Management in attendance and to consult external experts.

The Chairman of the Audit Committee reports to the members of the Board on the work conducted by the Audit Committee.

During 2015, the Audit Committee met six times with an average attendance rate of 90%, including two meetings to review the annual and interim financial statements more than five days before the Supervisory Board's meetings. The attendance rate was 100% for the 3 March, May and July meetings, and 80% for the 5 March, October and November meetings.

The meeting of 3 March involved a review of the impairment tests on intangible assets for the purposes of the 2014 financial statements as well as a presentation of the latest updates and IT security processes implemented.

The meeting of 5 March was held to examine the 2014 consolidated financial statements, and to present and review the Chairman's draft report on internal control and risk management.

On 19 May, the Committee focused on the internal audit activity during the first half of 2015 and reviewed the fees of the Statutory Auditors. The Group's tax-management processes and tax policy were also presented to the Committee. Lastly, it reviewed relations with Lagardère Capital & Management (LC&M).

On 29 July, the Committee reviewed the Group's consolidated financial statements for the first half of 2015 and was given a presentation on the Group's financing policy.

On 6 October, accounting firm Deloitte presented the findings of its external review of the internal audit, risk management and internal control, compliance and IT security procedures. The risk map and the results of internal control self-assessment were also presented to the Audit Committee.

Lastly, at the meeting of 17 November, the Committee reviewed internal audit activities during the second half of 2015 and the audit plan for 2016. It was also given a report on legal disputes by the Group Legal Department and a progress report on Group Compliance activities.

When the Audit Committee reviewed the financial statements, the Chief Financial Officer gave a presentation of the Group's risk exposure and significant off-balance sheet commitments.

These meetings took place in the presence of the Chief Financial Officer, Deputy Chief Financial Officer, the Internal Audit Manager and the Statutory Auditors. Depending on the issues discussed, other executives and, in particular, the Secretary General, Group Tax Director, Accounting Director, Director of Risk and Internal Control, Group Treasury and Finance Director, the Group IT Director and Group General Counsel, as well as certain members of their teams were asked to provide input on an as-needed basis.

4.2.3.2 APPOINTMENTS, REMUNERATION AND GOVERNANCE COMMITTEE

The Appointments, Remuneration and Governance Committee was created on 27 April 2010 by the Supervisory Board which decided on 11 March 2015 to extend its scope of duties to include governance and sustainable development matters and to change its internal rules. The Appointments, Remuneration and Governance Committee's main tasks include the following:

- *Regarding Board and Committee membership:*
  - defining the selection criteria of future members;
  - selecting and nominating Supervisory Board and Committee members for proposal to the Supervisory Board.
- *Regarding remuneration:*
  - monitoring, where relevant, any components of remuneration that are not paid under the agreement with Lagardère Capital & Management (which, being a related-party agreement is monitored by the Audit Committee – see above) and may be allocated to Lagardère SCA's corporate officers directly by Group companies. Under current laws, this concerns share options and performance shares and the proportion they represent of the executive corporate officers' total remuneration;
  - proposing the overall amount of attendance fees to be paid to members of the Supervisory Board and Committees as submitted to the General Meeting, and the rules for determining and distributing the attendance fees, in particular based on members' attendance at meetings.
- *Regarding governance:*
  - regularly reviewing the independence of Supervisory Board members in light of the independence criteria defined by the Supervisory Board;
  - managing the annual assessment of the operations of the Board and its Committees;
  - carrying out advance assessments of potential risks of conflicts of interest between Supervisory Board members and the Lagardère group.
- *Regarding sustainable development (CSR):*
  - examining the main social, societal and environmental risks and opportunities for the Group as well as the CSR policy in place;

- reviewing the reporting, assessment and monitoring systems allowing the Group to prepare reliable non-financial information;
- examining the Group's main lines of communication to shareholders and other stakeholders regarding CSR issues;
- examining and monitoring the Group's rankings attributed by ESG rating agencies.

The members of the Committee interview the Chairman of the Supervisory Board, the Managing Partners or any other person they may choose when necessary.

The Chairman of the Committee reports to the members of the Board on the work conducted by the Committee.

At 31 December 2015, the Appointments, Remuneration and Governance Committee comprised François David (Chairman), Georges Chodron de Courcel, and Pierre Lescure, as well as Soumia Malinbaum and Hélène Molinari who were appointed to the Committee in March 2015 by the Supervisory Board after the Committee's scope was expanded. They are all independent members (see section 4.2.1 of this report).

In 2015, the Committee met four times and all members were present at each of the meetings.

During its meeting in February, the Committee analysed the composition of the Board and its Committees and the independence of its members, and prepared the re-appointment of Susan Tolson whose term of office was set to expire.

The Committee also reviewed the report of the Chairman relating to membership of the Supervisory Board, the application of the principle of balanced representation of women and men on the Board and the conditions under which the Board's work is prepared and organised.

The Committee conducted the annual review of executives' eligibility for free shares, examined the findings of the self-assessment of the membership and operation of the Supervisory Board and its Committees and decided to propose for 2015 an external assessment to the Board in accordance with the recommendations of the Afep-Medef Corporate Governance Code.

Lastly, the Committee considered its own future development and decided to propose to the Supervisory Board to extend the scope of its activities to include governance and sustainable development matters, increase its membership and change its name accordingly.

During its meeting in April, the Committee launched the external assessment of the Supervisory Board and its Committees, and in preparation for the General Meeting, examined the comments of the principal proxy advisors and investors with respect to the Supervisory Board.

In September, the Sustainable Development Officer presented the methods for determining Lagardère SCA's ESG rating and the Group Secretary General presented the remuneration policy for the Managing Partners and its various components and criteria.

During its meeting in November, the Committee reviewed the findings of the external assessment of the operation of the Supervisory Board and its Committees and gave a progress report on the 2015-2020 CSR roadmap.

These meetings took place in the presence of the Group Secretary General and, when discussions fell within their areas of expertise, the CSR Director and the external consultant responsible for performing the assessment of the Supervisory Board.

4.2.4 EVALUATION OF THE MEMBERSHIP AND OPERATION OF THE SUPERVISORY BOARD

Since 2009 the Supervisory Board has assessed the membership, organisation and operation of the Board and its Committees each year in order to form an opinion on the preparation and quality of their work. Every three years, this assessment is performed by an external consultant.

Consequently, the Supervisory Board initiated an external assessment in 2015 under the supervision of the Appointments, Remuneration and Governance Committee, performed using questionnaires completed by the external consultant during interviews with members of the Board.

The findings were presented to the Supervisory Board on 2 December 2015.

The members were mostly very satisfied with the membership, organisation and operation of the Board and its Committees and found especially that the operation of the Supervisory Board had improved significantly over recent years, mainly under the impetus of the Chairman, and that the Board correctly fulfils its duties.

The areas of improvement included organising an additional, less formal, meeting of the Supervisory Board to cement relations between members of the Board and with the Managing Partners. This meeting would also provide an opportunity to review the structure of the Group's business portfolio in greater detail and monitor the implementation of its strategic priorities.

Lastly, in light of the assessment's findings, the Board decided to continue organising Supervisory Board working groups on specific issues and meetings with the Managing Partners, and also decided to continue monitoring succession planning through a working group.

4.2.5 COMPLIANCE WITH FRENCH CORPORATE GOVERNANCE GUIDELINES – AFEP-MEDEF

The Company has applied the corporate governance principles brought together in the Afep-Medef Corporate Governance Code of Listed Companies as revised in November 2015. This code is available in the Corporate Governance section of Lagardère's website.

As stated in the introduction to the Code, most of the recommendations it contains have been established with reference to joint stock companies with a board of directors. Companies with an executive board and supervisory board, and partnerships limited by shares, need to make adjustments as appropriate to implement the recommendations. By its very principle, a partnership limited by shares has a strict separation of powers between the Managing Partners who run the company (and thereby the General Partners who have unlimited liability), and the Supervisory Board, which reviews management actions ex-post but does not actively participate in management.

Given Lagardère SCA's specificities in terms of French law and its own Articles of Association as a partnership limited by shares, the Board has adopted an organisation structure appropriate to the nature of its work under the law and the recommendations of the Afep-Medef Corporate Governance Code.

Provision of the Afep-Medef Corporate Governance Code set aside or partially applied	Explanation
Independence criteria	
"Not to have been a director of the corporation for more than 12 years"	It is deemed that the fact of having been a Board member for more than 12 years does not disqualify such member as an independent member; on the contrary, it is considered an asset in a control role. However, an individual assessment of the situation of each member is conducted annually by the Supervisory Board which considered that the independence of Georges Chodron de Courcel, Pierre Lescure and François Roussely should not be contested, despite their seniority on the Board.

4.2.6 SPECIFIC RULES FOR ATTENDANCE AT GENERAL MEETINGS BY SHAREHOLDERS

These rules are set out in the Articles of Association (articles 19 to 22) and are included for the most part in Chapter 8, section 8.2.6 – General Meetings, of the Reference Document. The Company's Articles of Association can be consulted on its website (Investor relations – Corporate governance – Articles of Association).

4.2.7 INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

Information on the internal control and risk management procedures used at Lagardère SCA is presented in the Reference Document.

The Group's Risk and Internal Control Department, supported by the Audit and Legal Departments, has been given responsibility for defining a method for presenting internal control and risk management procedures in the Reference Document and monitoring their application.

This includes asking the head of each division of the Lagardère group to draw up a brief report on internal control and risk management procedures existing in the division, based on supporting documents and predefined specifications. I have examined the corresponding reports.

The analysis by the Risk and Internal Control Department, based on these reports, leads to the conclusion that the internal control and risk management procedures in existence in the Group correspond to the description provided in section 7.4.1 of the 2015 Reference Document.

The Chairman of the Supervisory Board

4.3 INFORMATION ON THE CANDIDATES FOR MEMBERSHIP OF THE SUPERVISORY BOARD

NATHALIE ANDRIEUX

Date of birth: 27 July 1965

Nationality: French

First appointed: 3 May 2012

Positions within Lagardère SCA: Member of the Supervisory Board and the Audit Committee

Number of Lagardère SCA shares held: 600

PROFESSIONAL BACKGROUND AND EDUCATION

Nathalie Andrieux graduated from the École Supérieure d'Informatique (SUPINFO) in Paris in 1988. She began her career in banking with the Banques Populaires group, where she was involved in information systems development projects. In 1997, she joined the La Poste group as manager of the corporate information systems department. In late 2001, she became head of strategic marketing within the strategy division and, in 2003, was appointed head of La Poste's innovation and e-Services department.

Based on her solid background in management, strategy, innovation and organisation, she became Chief Executive Officer of Mediapost in 2004 and led its European expansion starting in 2008.

Appointed Chair of Mediapost in 2009, Nathalie Andrieux was responsible for Mediapost's 2010-2013 strategic plan and expanded its media services offering with the creation of Mediapost Publicité and the acquisitions of Sogec (a leader in promotional marketing), Mediaprism (a communications and customer knowledge agency), Adverline (an Internet media operator), Cabestan (a leading company in digital marketing platforms and customer relationship management solutions).

She was appointed Chair of Mediapost Communication at the time of its creation in September 2011.

In addition to holding this position, in September 2012, she was appointed Executive Vice President in charge of expanding the digital services of the La Poste group.

On 18 January 2013, she became a member of the French Digital Council (*Conseil national du numérique*) and joined the Mines Telecom Institute's Scientific Advisory Board (*Conseil Scientifique de l'Institut Mines Telecom*) in September 2013.

In April 2014, under the "La Poste 2020: Conquering the Future" strategic plan, Nathalie Andrieux became the head of the group's new Digital Division.

In November 2014, she became a member of the Supervisory Board of XAnge Private Equity. She left the La Poste group in March 2015.

DIRECTORSHIPS AND OTHER POSITIONS CURRENTLY HELD BY NATHALIE ANDRIEUX

In France

- Member of the French Digital Council
- Member of the Scientific Advisory Board, Institut Mines Telecom
- Member of the Board of Directors and Remuneration Committee, Casino Guichard[1]
- Member of the Strategy Committee, Groupe Open
- Member of the Strategy Committee, Geolid

Outside France

None

Directorships and other positions held during the last five years

- Member of the Investment Committee, XAnge Capital 2
- Member of the Supervisory Board, XAnge Private Equity
- Chair, Mediapost Holding
- Member of the Steering Committee, Matching
- Member of the Steering Committee, Media Prisme
- Director, Maileva
- Member of the Steering Committee, Mediapost
- Member of the Steering Committee, Mediapost Publicité
- Member of the Steering Committee, SMP
- Member of the Steering Committee, Cabestan
- Director, Mix Commerce
- Member of the Strategy Committee, Idenum
- Director, Docapost
- Director, Mediapost SGPS (Portugal)
- Director, Mediapost Spain (Spain)
- Member of the Supervisory Board, La Banque Postale
- Member of the Strategy Committee, La Banque Postale
- Director, Mediapost Hit Mail (Romania)
- Member of the Steering Committee, Neopress
- Chair, Mediapost
- Chair, Mediapost Publicité
- Chair, SMP
- Chair, Financière Adverline
- Chair, Adverline, Permanent representative, Financière Adverline
- Chair, Cabestan
- Chair of the Board of Directors, Mix Commerce
- Chair, Mediapost Multicanal
- Committee member, Mediapost Multicanal
- Chair and Chief Executive Officer, Mediapost
- Chair of the Board of Directors, Mediapost
- Chair of the Board of Directors, Adverline
- Chair of the Board of Directors, Mediapost Hit Mail (Romania)
- Chair of the Board of Directors, Mediapost SGPS (Portugal)
- Chair of the Board of Directors, Mediapost Spain
- Chair, Financière Sogec Marketing, Permanent representative of SMP
- Chair, MDP 1
- Chair, Media Prisme
- Chair, Matching

(1) Listed company.

GEORGES CHODRON DE COURCEL

Date of birth: 20 May 1950

Nationality: French

First appointed: 19 May 1998

Positions within Lagardère SCA: Member of the Supervisory Board and the Appointments, Remuneration and Governance Committee

Number of Lagardère SCA shares held: 600

PROFESSIONAL BACKGROUND AND EDUCATION

Georges Chodron de Courcel is an engineering graduate of the École Centrale de Paris. In 1972, he joined BNP where he held a number of management positions before becoming Chief Operating Officer in 1996.

He was made Head of Corporate and Investment Banking at BNP Paribas from 1999 to 2003 and was Chief Operating Officer of BNP Paribas between June 2003 and June 2014.

DIRECTORSHIPS AND OTHER POSITIONS CURRENTLY HELD BY GEORGES CHODRON DE COURCEL

In France

- Chairman of the Board of Directors, Nexans SA[1]
- Director, FFP SA (Société Foncière, Financière et de Participations)[1]
- Chairman, GCC Associés (SAS)

Outside France

- Director, Erbé SA (Belgium)
- Director, Scor Holding Switzerland AG (Switzerland)
- Director, Scor Global Life Rückversicherung Schweiz AG (Switzerland)
- Director, Scor Switzerland AG (Switzerland)
- Director, SGLRI (Scor Global Life Reinsurance Ireland)

Directorships and other positions held during the last five years

- Director, Bouygues SA
- Director, GBL – Groupe Bruxelles Lambert (Belgium)
- Director, Alstom SA
- Director, Verner Investissements SAS
- Board Advisor (*censeur*), Exane SA
- Chairman, BNP Paribas SA (Switzerland)
- Deputy Chairman, Fortis Bank SA/NV (Belgium)
- Director, CNP (Compagnie Nationale à Portefeuille – Belgium)
- Board Advisor (*censeur*), Safran SA
- Board Advisor (*censeur*), Scor SE
- Chairman, Compagnie d'Investissement de Paris SAS
- Chairman, Financière BNP Paribas SAS

PIERRE LESCURE

Date of birth: 2 July 1945

Nationality: French

First appointed: 22 March 2000

Positions within Lagardère SCA: Member of the Supervisory Board and the Appointments, Remuneration and Governance Committee

Number of Lagardère SCA shares held: 150

PROFESSIONAL BACKGROUND AND EDUCATION

After graduating from the Centre de Formation des Journalistes in Paris, Pierre Lescure started his career as a radio journalist. He then moved into television, where he held a number of different positions. In 1984, he participated in the launch of France's first private TV channel, Canal+, becoming Chief Executive Officer in 1986. In 1994 he was appointed Chairman and Chief Executive Officer of the Canal+ group and, in 2001, Chief Operating Officer of Vivendi Universal. He left Vivendi Universal and the Canal+ group in April 2002. In November of the same year he was elected to the Board of Directors of Thomson Multimedia, before stepping down from the role in 2009. In June 2008, he was appointed director of the Theatre Marigny where he served until July 2013.

In 2013, at the request of the French government, he led a study on digital content and cultural policy in the digital era. He submitted his report "*Acte II de l'exception culturelle à l'ère du numérique*" (Act II of the cultural exception in the digital era) in May 2013.

He has been the President of the Cannes Film Festival since 1 July 2014.

DIRECTORSHIPS AND OTHER POSITIONS CURRENTLY HELD BY PIERRE LESCURE

In France

- Chairman, AnnaRose Productions SAS
- Deputy Chairman, Molotov

Outside France

- Member of the Board of Directors, Kudelski (Switzerland)

Directorships and other positions held during the last five years

- Director, Havas Advertising
- Member of the Executive Commission, Prisa TV (Spain) and Digital+ (Spain)
- Director, Théâtre Marigny

(1) Listed company.

HÉLÈNE MOLINARI

Date of birth: 1 March 1963

Nationality: French

First appointed: 3 May 2012

Positions within Lagardère SCA: Member of the Supervisory Board and the Appointments, Remuneration and Governance Committee

Number of Lagardère SCA shares held: 600

PROFESSIONAL BACKGROUND AND EDUCATION

Hélène Molinari is a graduate engineer. She began her career in 1985 as a consultant at Cap Gemini and in 1987 joined the Robeco group where she was responsible for developing institutional sales. In 1991, she joined the Axa group where she was involved in creating Axa Asset Managers, a leading asset management company. In 2000, she was appointed Head of Marketing and e-Business at Axa Investment Managers and in 2004 became a member of the Management Committee as Global Head of Brand and Communication.

In 2005, she joined Medef where she occupied a number of positions reporting to Laurence Parisot, notably as head of communications, membership and social activities. She also supervised a number of support functions including the Corporate Secretary's department, and contributed to the drafting of the Afep-Medef Corporate Governance Code. In 2011, she was appointed Chief Operating Officer and member of the Executive Council of Medef.

In 2013, she joined Be-Bound as a Vice-President. Be-Bound is a digital startup that is based in France and in Silicon Valley, which allows users to stay connected to the Internet even with no data access.

In 2014, she became an executive corporate officer of AHM Conseil, a company specialising in the organisation of cultural events.

DIRECTORSHIPS AND OTHER POSITIONS CURRENTLY HELD BY HÉLÈNE MOLINARI

In France

- Director and Chair of the Appointments Committee, Amundi[1]
- Member of the Steering Committee, *Tout le monde chante contre le cancer* (cancer charity)
- Member of the Steering Committee, *Prix de la femme d'infuence*

Outside France

None

Directorships and other positions held during the last five years

- Member of the Board of Directors, NQT (*Nos quartiers ont des talents*)
- Member of the Board of Directors, CELSA (*Centre d'Études Littéraires et Scientifiques Appliquées*)
- Member of the Board of Directors, EPA (*Entreprendre pour Apprendre*)
- Committee member, JDE (*Les Journées de l'Entrepreneur*)
- Member of the Board of Directors, Axa IM Limited

FRANCOIS ROUSSELY

Date of birth: 9 January 1945

Nationality: French

First appointed: 11 May 2004

Position within Lagardère SCA: Member of the Supervisory Board

Number of Lagardère SCA shares held: 600

PROFESSIONAL BACKGROUND AND EDUCATION

François Roussely is a graduate of the Institut d'études politiques de Paris, Paris University of Law and Economics, and École nationale d'administration. He is an honorary senior advisor to the French National Audit Office (*Cour des Comptes*). He began his career in the French Ministry of Finance and the Economy and held several prominent positions for the French government, the Ministry of Defence and then the Ministry of the Interior from 1981 to 1997. He was Chairman and Chief Executive Officer of EDF from 1998 to 2004, then Chief Executive Officer of Crédit Suisse France, before becoming Deputy Chairman of Crédit Suisse Europe from 2009 until 2015. In October 2015, he joined the investment banking firm Messier Maris.

DIRECTORSHIPS AND OTHER POSITIONS CURRENTLY HELD BY FRANÇOIS ROUSSELY

In France

- Honorary senior advisor, French National Audit Office (*Cour des Comptes*)
- Member of the Board of Directors, Imagine Institute of Genetic Diseases

Outside France

None

Directorships and other positions held during the last five years

- Deputy Chairman, Crédit Suisse Europe
- Deputy Chairman, Fondation du Collège de France
- Chairman, Budé Committee (Collège de France)
- Chairman and Chief Executive Officer, Crédit Suisse (France)
- Chairman, Crédit Suisse Banque d'Investissement France
- Honorary Chairman, EDF

(1) Listed company.

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5

REPORTS OF THE STATUTORY AUDITORS

5.1 STATUTORY AUDITORS' REPORT ON THE COMPANY'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

To the Partners,

In compliance with the assignment entrusted to us by your General Meetings, we hereby report to you, for the financial year ended 31 December 2015, on:

- the audit of the accompanying financial statements of Lagardère SCA;
- the justification of our assessments;
- the specific verifications required by law.

These financial statements have been approved by the Managing Partners. Our role is to express an opinion on these financial statements based on our audit.

I. OPINION ON THE ANNUAL FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual financial statements are free of material misstatement. An audit involves performing procedures, by audit sampling and other selective testing methods, to obtain audit evidence about the amounts and disclosures in the annual financial statements. An audit also includes evaluating the appropriateness of accounting principles used, the reasonableness of accounting estimates made by management, and the presentation of the financial statements overall. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the financial position and assets and liabilities as of 31 December 2015 and of the results of operations for the year then ended in accordance with the accounting rules and principles applicable in France.

II. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of article L. 823-9 of the French Commercial Code (*code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

ACCOUNTING PRINCIPLES AND VALUATION METHODS

The Note 2 "Financial assets" part of "Accounting principles and methods" presented in the appendix explains the criteria used for the valuation of long-term investments.

As part of our assessments 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.

These assessments were made in the context of our audit of the annual financial statements, taken as a whole, and therefore contributed to the formation of the opinion expressed in the first part of this report.

III. SPECIFIC VERIFICATIONS AND INFORMATION

We have also performed, in accordance with the professional standards applicable in France, the specific verifications required by law.

We have no matters to report regarding the fair presentation and the conformity with the financial statements of the information given in the management report by the Managing Partners and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of Article L. 225-102-1 of the Commercial Code relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified their consistency with the annual financial statements, or with the data used to prepare these annual financial statements and, where applicable, with the information obtained by the Company from companies controlling your Company or controlled by it. On the basis of this research, we certify the accuracy and fair presentation of this information.

In accordance with the law, we have verified that the management report contains the appropriate disclosures regarding the identity of shareholders.

French language original signed at Paris - La Défense and Courbevoie, on 30 March 2016

The Statutory Auditors

ERNST & YOUNG et Autres	**MAZARS**
Bruno Bizet	Thierry Blanchetier

5.2 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

To the Partners,

In compliance with the assignment entrusted to us by your General Meetings, we hereby report to you, for the year ended 31 December 2015, on:

- the audit of the accompanying consolidated financial statements of Lagardère S.C.A.;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Managing Partners. Our role is to express an opinion on these consolidated financial statements based on our audit.

I. OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the persons and entities that constitute the consolidated Group and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without calling into question the opinion expressed above, we draw your attention to the matter described in Note 10 to the consolidated financial statements related to the intangible fixed assets of Lagardère Sports and Entertainment (ex – Lagardère Unlimited), and LeGuide group.

II. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of article L. 823-9 of the French Commercial Code (*code de commerce*) relating to the justification of our assessments, we bring to your attention the

following matters:

As specified in Notes 3.10 and 10 to the consolidated financial statements, at least once a year the Lagardère group performs an impairment test on intangible fixed assets and on goodwill. We have assessed the assumptions used in determining the recoverable value of these assets for the purpose of comparison with their book value. This recoverable value is assessed primarily on the basis of the discounted cash flow forecasts prepared at the end of 2015.

Regarding the assets of the Lagardère Sports and Entertainment division (ex – Lagardère Unlimited), the achievement of the assumptions used by management in determining the cash flow forecasts depends on the conditions in which current contracts will be completed, the ability to renew these contracts or to win new ones as well as the related margin conditions.

With regard to the assets of LeGuide group (Lagardère Active division), the achievement of the assumptions used by management in determining the cash flow forecasts depends in particular on the reestablishment of a balanced competitive environment through an evolution of the European regulatory framework and on the success of diversification into new activities.

In the context described above, we have not identified any matters likely to call into question the overall reasonable nature of the assumptions made by management in the business plans used for the impairment tests.

As specified in Note 3.10 to the consolidated financial statements, these estimates rely on assumptions which are uncertain by nature, and actual results are likely to be sometimes significantly different from the forecasts data used.

We have assessed the reasonableness of the information included in the notes to the consolidated financial statements, related notably to the discounted cash flow forecasts used.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. SPECIFIC VERIFICATION

As required by law we have also verified in accordance with professional standards applicable in France the information presented in the Group's management report. We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

French language original signed at Courbevoie and Paris - La Défense, on 30 March 2016

The Statutory Auditors

MAZARS	**ERNST & YOUNG et Autres**
Thierry Blanchetier	Bruno Bizet

5.3 SPECIAL STATUTORY AUDITORS' REPORT ON REGULATED AGREEMENTS

To the Partners,

In our capacity as Statutory Auditors of your company, we hereby present our report on regulated agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of the agreements and commitments of which we were informed or which may have come to our attention during our assignment, without pronouncing on their utility and merits, or seeking the existence of other agreements and commitments. It is your responsibility, pursuant to Article R. 226-2 of the Commercial Code, to assess the merit of these agreements and commitments with a view to approving them.

We are also required to provide you with the information required under Article R. 226-2 of the Commercial Code in respect of the execution during the past year of any agreements and commitments already approved by the general meeting.

We carried out the work we deemed necessary in light of the professional standards of the Compagnie Nationale des Commissaires aux Comptes applicable to this responsibility. These standards require that we perform procedures to verify that the information given to us is coherent with the underlying documents.

AGREEMENTS AND COMMITMENTS SUBJECT TO THE APPROVAL OF THE GENERAL MEETING

We have not been informed of any agreement or commitment authorised during the past year to be submitted to the general meeting for approval in accordance with Article L. 226-10 of the Commercial Code.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE GENERAL MEETING

In application of Article R. 226-2 of the Commercial Code, we have been informed of the following agreements and commitments, already approved by the general meeting during previous years and applicable during the period:

AGREEMENTS WITH LAGARDÈRE CAPITAL & MANAGEMENT, SHAREHOLDER OF THE COMPANY

Service Agreement

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 1 July 1999 by an amendment approved in principle by the Supervisory Board on 22 September 1999 and in its final version on 22 March 2000. It was again modified with effect from 1 January 2004 by an amendment approved by the Supervisory Board on 12 March 2004.

At its meeting of 12 March 2004, the Supervisory Board approved an amendment modifying the calculation method for the remuneration payable to Lagardère Capital & Management as of 1 January 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 execution of the services rendered under the Service Agreement, plus a 10% margin, with an absolute upper limit of €1 million for that margin. For 2015, the amount of this margin is €1 million.

Additional pension plan for certain Lagardère Capital & Management employees who are members of Lagardère group's Executive Committee

At its meeting of 14 September 2005, your Supervisory Board approved the introduction of an additional pension plan by Lagardère Capital & Management to complement the basic pension system for certain employees who are members of the Executive Committee. The maximum benefit entitlement under this plan is an additional pension, upon retirement at the age of 65, equal to 35% of the benchmark remuneration, which cannot exceed 50 times the annual limit defined by the French social security system.

The employees of Lagardère Capital & Management who are members of the Executive Committee are beneficiaries of this plan.

The plan came into effect at 1 July 2005, and benefits vest at the rate of 1.75% of the benchmark remuneration per year of seniority in the Executive Committee, up to a limit of 20 years' seniority. The pension earned under this plan is payable on condition the beneficiary is still with the company at retirement age, or when he takes early retirement. It also remains payable in the event of termination after the age of 55 or invalidity.

For 2015, the amount billed by Lagardère Capital & Management in accordance with those agreements amounted to 27.1 million euros, compared to 30.2 million euros in 2014.

French language original signed at Paris - La Défense and Courbevoie, on 30 March 2016

The Statutory Auditors

ERNST & YOUNG et Autres	**MAZARS**
Bruno Bizet	Thierry Blanchetier

5.4 STATUTORY AUDITORS' REPORT ON THE REPORT PREPARED BY THE CHAIRMAN OF THE SUPERVISORY BOARD

To the Partners,

In our capacity as statutory auditors of Lagardère S.C.A. and in accordance with article L. 226-10-1 of the French Commercial Code (*code de commerce*), we hereby report on the report prepared by the Chairman of the Supervisory Board of your company pursuant to this article for the year ended 31 December 2015.

It is the Chairman's responsibility to prepare and submit for the Supervisory Board's approval a report on internal control and risk management procedures implemented by the company and to provide the other information required by article L. 226-10-1 of the French Commercial Code (*code de commerce*) relating to matters such as corporate governance.

Our role is to:

- report on any matters as to the information contained in the Chairman of the Supervisory Board 's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information,
- confirm that the report also includes the other information required by article L. 226-10-1 of the French Commercial Code (*code de commerce*). It should be noted that our role is not to verify the fairness of this other information.

We conducted our work in accordance with professional standards applicable in France.

Information on internal control and risk management procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman of the Supervisory Board 's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consist mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman of the Supervisory Board 's report is based and of the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our work are properly disclosed in the Chairman of the Supervisory Board 's report.

On the basis of our work, we have no matters to report on the information relating to the company's internal control and risk management procedures relating to the preparation and processing of the accounting and financial information contained in the report prepared by the Chairman of the Supervisory Board in accordance with article L.226-10-1 of the French Commercial Code (*code de commerce*).

Other information

We confirm that the report prepared by the Chairman of the Supervisory Board also contains the other information required by article L. 226-10-1 of the French Commercial Code (*code de commerce*).

French language original signed at Courbevoie and Paris - La Défense, on 30 March 2016

The Statutory Auditors

MAZARS	**ERNST & YOUNG et Autres**
Thierry Blanchetier	Bruno Bizet

5.5 SPECIAL REPORTS OF THE STATUTORY AUDITORS ON AUTHORISATIONS TO AWARD EXISTING OR NEW FREE SHARES

5.5.1 SPECIAL REPORT OF THE STATUTORY AUDITORS ON THE AUTHORISATION TO AWARD PERFORMANCE SHARES (12TH RESOLUTION)

To the Partners,

In our capacity as your Company's Statutory Auditors and in accordance with article L.225-197-1 of the French Commercial Code (*Code de commerce*), we hereby report to you on the proposals for the free award of existing or new shares, for the benefit of beneficiaries or categories of beneficiaries that your Company will determine among employees and corporate officers of the Company and related companies and groups (as defined by article L.225-197-2 of the French Commercial Code), submitted for your authorization.

The number of shares that may be awarded each calendar year to all beneficiaries (excluding the executive corporate officers of Lagardère S.C.A), may not exceed 0.4% of the number of shares comprising the share capital as at the close of this Annual General Meeting, it being specified that this ceiling will not include any additional shares allocated as a result of adjustments made to protect the rights of beneficiaries.

The number of shares that may be awarded each calendar year to each of the executive corporate officers of Lagardère S.C.A. may not exceed 0,025% of the number of shares comprising the share capital as at the close of this Annual General Meeting, it being specified that this ceiling will not include any additional shares allocated as a result of adjustments made to protect the rights of beneficiaries.

On the basis of their report, the Managing Partners propose that you authorize them, for a period of 38 months with effect from the date of this Meeting, to award existing or new shares of the Company free of consideration.

It is the Managing Partners' responsibility to prepare and submit a report on their proposal. Our role is to report on any matters relating to the information contained in that report in respect of the transactions envisaged.

We carried out the work we deemed necessary in the light of the professional standards of the French national auditing body (*Compagnie Nationale des Commissaires aux Comptes*) applicable to this responsibility. Our procedures consisted especially in verifying the compliance with the law of the proposals set out in the report of the Managing Partners.

We have no matters to report with regard to the information provided in the report of the Managing Partners in respect of their proposals for authorization of free shares allocations.

French language original signed at Courbevoie and Paris - La Défense, on 30 March 2016

The Statutory Auditors

MAZARS	**ERNST & YOUNG et Autres**
Thierry Blanchetier	Bruno Bizet

5.5.2 SPECIAL REPORT OF THE STATUTORY AUDITORS ON THE AUTHORISATION TO AWARD FREE SHARES (13TH RESOLUTION)

To the Partners,

In our capacity as your Company's Statutory Auditors and in accordance with article L.225-197-1 of the French Commercial Code (*Code de commerce*), we hereby report to you on the proposals for the free award of existing or new shares, for the benefit of employees and corporate officers of the Company (excluding the executive corporate officers of Lagardère S.C.A) and related companies and groups (as defined by article L.225-197-2 of the French Commercial Code), submitted for your authorization.

The number of shares that may be granted each calendar year to all beneficiaries may not exceed 0.4% of the number of shares comprising the share capital as at the close of this Annual General Meeting, it being specified that this ceiling will not include any additional shares allocated as a result of adjustments made to protect the rights of beneficiaries. On the basis of their report, the Managing Partners propose that you authorize them, for a period of 38 months with effect from the date of this Meeting, to award existing or new shares of the Company free of consideration.

It is the Managing Partners' responsibility to prepare and submit a report on their proposal. Our role is to report on any matters relating to the information contained in that report in respect of the transactions envisaged.

We carried out the work we deemed necessary in the light of the professional standards of the French national auditing body (*Compagnie Nationale des Commissaires aux Comptes*) applicable to this responsibility. Our procedures consisted especially in verifying the compliance with the law of the proposals set out in the report of the Managing Partners.

We have no matters to report with regard to the information provided in the report of the Managing Partners in respect of their proposals for authorization of free share allocations.

French language original signed at Paris - La Défense and Courbevoie, on 30 March 2016

The Statutory Auditors

ERNST & YOUNG et Autres	**MAZARS**
Bruno Bizet	Thierry Blanchetier

5.6 REPORT OF MAZARS, INDEPENDENT THIRD PARTY ENTITY, ON CONSOLIDATED SOCIAL, ENVIRONMENTAL AND SOCIETAL INFORMATION PUBLISHED IN THE MANAGEMENT REPORT

Year ended 31 December 2015

To the Shareholders,

In our capacity as independent third-party, members of Mazars' network, statutory auditor of Lagardère SCA, whose accreditation was accepted by COFRAC under the number 3-1058[1], we hereby report to you on the consolidated human resources, environmental and social information for the year ended December 31, 2015, included in the management report (hereinafter named "CSR Information"), pursuant to article L.225-102-1 of the French Commercial Code (*Code de commerce*).

COMPANY'S RESPONSIBILITY

The Managing Partners of Lagardère SCA are responsible for preparing a company's management report including the CSR Information required by article R.225-105-1 of the French Commercial Code in accordance with the protocol used by the Company (hereinafter the "Guidelines"), summarised in the management report and available on request from the company's head office.

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by regulatory texts, the French Code of ethics (*Code de déontologie*) of our profession and the requirements of article L.822-11 of the French Commercial Code. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements, French professional standards and applicable legal and regulatory requirements.

INDEPENDENT THIRD PARTY'S RESPONSIBILITY

On the basis of our work, our responsibility is to:

- attest that the required CSR Information is included in the management report or, in the event of non-disclosure of a part or all of the CSR Information, that an explanation is provided in accordance with the third paragraph of article R.225-105 of the French Commercial Code (Attestation regarding the completeness of CSR Information);
- express a limited assurance conclusion that the CSR Information taken as a whole is, in all material respects, fairly presented in accordance with the Guidelines (Conclusion on the fairness of CSR Information).

Our work involved 7 persons and was conducted between December 2015 and March 2016 during a 7 week period.

We performed our work in accordance with the French professional standards and with the order dated 13 May 2013 defining the conditions under which the independent third party performs its engagement and with ISAE 3000[2] concerning our conclusion on the fairness of CSR Information.

1. ATTESTATION REGARDING THE COMPLETENESS OF CSR INFORMATION

On the basis of interviews with the individuals in charge of the relevant departments, we obtained an understanding of the Company's sustainability strategy regarding human resources and environmental impacts of its activities and its social commitments and, where applicable, any actions or programmes arising from them.

We compared the CSR Information presented in the management report with the list provided in article R.225-105-1 of the French Commercial Code.

For any consolidated information that is not disclosed, we verified that explanations were provided in accordance with article R.225-105, paragraph 3 of the French Commercial Code.

We verified that the CSR Information covers the scope of consolidation, i.e., the Company, its subsidiaries as defined by article L.233-1 and the controlled entities as defined by article L.233-3 of the French Commercial Code within the limitations set out in the methodological note, presented in section "5.3.4 CSR methodology and indicators" of the management report.

Based on the work performed and given the limitations mentioned above, we attest that the required CSR Information has been disclosed in the management report.

2. CONCLUSION ON THE FAIRNESS OF CSR INFORMATION

Nature and scope of our work

We conducted about 20 interviews with the persons responsible for preparing the CSR Information in the departments in charge of collecting the information and, where appropriate, responsible for internal control and risk management procedures, in order to:

- assess the suitability of the Guidelines in terms of their relevance, completeness, reliability, neutrality and understandability, and taking into account industry best practices where appropriate;
- verify the implementation of data-collection, compilation, processing and control process to reach completeness and consistency of the CSR Information and obtain an understanding of the internal control and risk management procedures used to prepare the CSR Information.

We determined the nature and scope of our tests and procedures based on the nature and importance of the CSR Information with respect to the characteristics of the Company, the human resources and environmental challenges of its activities, its sustainability strategy and industry best practices.

(1) whose scope is available at www.cofrac.fr

(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information

Regarding the CSR Information that we considered to be the most significant[1]:

- at parent entity level, we referred to documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions), performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the consolidation of the data. We also verified that the information was consistent and in agreement with the other information in the management report;
- at the level of a representative sample of entities[2] selected by us based on their activity, their contribution to the consolidated indicators, their location and a risk analysis, we conducted interviews to verify that procedures are properly applied and we performed tests of details, using sampling techniques, in order to verify the calculations and reconcile the data with the supporting documents.

The selected sample represents 21% of headcount and between 38% and 72% of quantitative environmental data disclosed.

For the remaining consolidated CSR Information, we assessed its consistency based on our understanding of the company.

We also assessed the relevance of explanations provided for any information that was not disclosed, either in whole or in part.

We believe that the sampling methods and sample sizes we have used, based on our professional judgement, are sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures. Due to the use of sampling techniques and other limitations inherent to information and internal control systems, the risk of not detecting a material misstatement in the CSR information cannot be totally eliminated.

Conclusion

Based on the work performed, no material misstatement has come to our attention that causes us to believe that the CSR Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

French language original signed at Paris - La Défense, on 30 March 2016

The independent third party entity

MAZARS SAS

Thierry Blanchetier	**Emmanuelle Rigaudias**
Partner	CSR & Sustainable Development Partner

(1) Permanent staff as of December 31st, permanent staff as of December 31st broken down by gender, age group, and geographical area, recruitments and departures of permanent staff by type and by gender, measures to promote equality of treatment between women and men, number of disabled employees as of December 31, anti-discrimination policy, training and skills development policies, total number of training hours and breakdown by type and gender, organisation of the company to take into account environment and, when appropriate, environmental evaluation or certification, overall weight of paper purchased by the Group and breakdown between certified and recycled paper, overall weight of paper purchased by printers and breakdown between certified and recycled paper, tertiary energy consumption of the Group in France and in Europe: electricity, gas, fuel and district heating, greenhouse gas emissions related to the energy consumption, conditions for dialogue with third people or organizations interested in company's activities, partnerships and sponsorship, actions in favour of health and safety of consumers.

(2) Social and societal information: Hachette Livre SA (France) ; Anaya (Spain) ; pôle Presse (France) ; Europe 1 (France) ; Relay (France); LTR Polska and Aelia Polska (Poland) ; Sportfive (France) ; Environmental information: Hachette Livre SA (France) ; Anaya (Spain) ; HFA (France) ; Relay (France), LTR Polska et Aelia Polska (Poland) for energy consumptions.

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PROPOSED RESOLUTIONS PRESENTED BY THE MANAGING PARTNERS

PROPOSED RESOLUTIONS PRESENTED BY THE MANAGING PARTNERS

FIRST RESOLUTION

APPROVAL OF THE COMPANY'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

Voting under the quorum and majority conditions required for Ordinary General Meetings, and having considered the reports of the Managing Partners, the report of the Supervisory Board and the Statutory Auditors' report on the Company's financial statements for the year ended 31 December 2015, the shareholders approve those financial statements as set out and presented to them, showing a profit of €41,082,082.32.

In accordance with article 223 *quater* of the French Tax Code (*Code général des impôts*), the shareholders also approve the aggregate amount of non-deductible costs and expenses referred to in paragraph 4 of article 39 of said Code, which amounted to €30,568.41 for the year ended 31 December 2015, and the tax charge borne as a result of these costs and expenses, which amounted to €5,808.

SECOND RESOLUTION

APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

Voting under the quorum and majority conditions required for Ordinary General Meetings, and having considered the management report of the Managing Partners, the report of the Supervisory Board and the Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2015, the shareholders approve those consolidated financial statements as set out and presented to them, showing a profit attributable to owners of €74.3 million.

THIRD RESOLUTION

ALLOCATION OF THE COMPANY'S RESULTS AND DIVIDEND DISTRIBUTION

Voting under the quorum and majority conditions required for Ordinary General Meetings, the shareholders duly acknowledge

that the Company's profit for the year amounts to:	€41,082,082.32
which, in addition to retained earnings of	€374,149,612.80
makes a distributable profit of	**€415,231,695.12**

In accordance with the provisions of the Articles of Association, the shareholders resolve to deduct an amount of €742,702.45 from this distributable profit, equal to 1% of consolidated profit for the year attributable to owners, for payment to the General Partners. This dividend will be eligible for the 40% tax relief available to individual shareholders who are French tax residents, pursuant to article 158.3.2 of the French Tax Code.

The shareholders then resolve, on the recommendation of the Managing Partners and in agreement with the Supervisory Board, to pay an annual dividend of €1.30 per share, it being specified that:

- treasury shares held on the ex-dividend date will not be eligible for the dividend payment;
- shares created before the ex-dividend date will be eligible for the dividend payment.

The ex-dividend date is Friday, 6 May 2016 and the dividend will be paid as of Tuesday, 10 May 2016, to holders of registered shares (for *nominatif pur* shares) or their duly appointed representatives (for *nominatif administré* shares), by cheque or by bank transfer.

The dividend will be eligible for the 40% tax relief available to individual shareholders who are French tax residents, pursuant to article 158.3.2 of the French Tax Code.

The shareholders resolve to transfer the balance of the distributable profit to retained earnings.

In accordance with the requirement in article 243 *bis* of the French Tax Code, the shareholders note that dividends distributed over the past three fiscal years correspond to the amounts shown in the table below, and that all of these amounts were eligible for the 40% tax relief available to individual shareholders who are French tax residents, pursuant to article 158.3.2 of the French Tax Code.

(in euros) / Fiscal year	2012	2013	**2014**
Dividends paid to shareholders			
Dividend per share	1.30	10.30	**1.30**
Total dividend payout	166,247,432.00	1,322,473,967.20	**166,782,744.70**
Dividends paid to General Partners	888,480.00	13,073,700.00	**414,180.00**
Total	**167,135,912.00**	**1,335,547,667.20**	**167,196,924.70**

The shareholders also note that, as decided at the Annual General Meeting of 6 May 2014, an extra dividend of €6 per share was paid in 2014, corresponding to the payment to shareholders of an aggregate amount of €765,380,544 deducted from "Share premiums" and fully eligible for the 40% tax relief available to individual shareholders who are French tax residents, pursuant to article 158.3.2 of the French Tax Code.

FOURTH RESOLUTION

ISSUING OF AN ADVISORY OPINION ON THE COMPONENTS OF REMUNERATION PAYABLE OR GRANTED TO ARNAUD LAGARDÈRE, MANAGING PARTNER, IN RESPECT OF 2015

Voting under the quorum and majority conditions required for Ordinary General Meetings and in application of the recommendation set out in section 24.3 of the Afep-Medef Corporate Governance Code which the Company uses as its corporate governance framework in accordance with article L. 225-68 of the French Commercial Code, the shareholders, having considered the components of remuneration payable or granted to Arnaud Lagardère, Managing Partner, in respect of 2015, as described and set out in the various reports presented to the Meeting (particularly Chapter 7.3 of the 2015 Reference Document), issue a favourable opinion on these components of remuneration.

FIFTH RESOLUTION

ISSUING OF AN ADVISORY OPINION ON THE COMPONENTS OF REMUNERATION PAYABLE OR GRANTED TO THE REPRESENTATIVES OF THE OTHER MANAGING PARTNER IN RESPECT OF 2015

Voting under the quorum and majority conditions required for Ordinary General Meetings and in application of the recommendation set out in section 24.3 of the Afep-Medef Corporate Governance Code which the Company uses as its corporate governance framework in accordance with article L. 225-68 of the French Commercial Code, the shareholders, having considered the components of remuneration payable or granted to Pierre Leroy, Dominique D'Hinnin and Thierry Funck-Brentano, Chief Operating Officers of Arjil Commanditée-Arco, Managing Partner, in respect of 2015, as described and set out in the various reports presented to the Meeting (particularly Chapter 7.3 of the 2015 Reference Document), issue a favourable opinion on these components of remuneration.

SIXTH RESOLUTION

RE-APPOINTMENT OF NATHALIE ANDRIEUX AS A MEMBER OF THE SUPERVISORY BOARD FOR A TERM OF FOUR YEARS

Voting under the quorum and majority conditions required for Ordinary General Meetings and having considered the report of the Supervisory Board, the shareholders re-appoint Nathalie Andrieux as a member of the Supervisory Board for a term of four years expiring at the close of the 2020 Annual General Meeting to be called to approve the financial statements for the year ending 31 December 2019.

SEVENTH RESOLUTION

RE-APPOINTMENT OF GEORGES CHODRON DE COURCEL AS A MEMBER OF THE SUPERVISORY BOARD FOR A TERM OF THREE YEARS

Voting under the quorum and majority conditions required for Ordinary General Meetings and having considered the report of the Supervisory Board, the shareholders re-appoint Georges Chodron de Courcel as a member of the Supervisory Board for a term of three years expiring at the close of the 2019 Annual General Meeting to be called to approve the financial statements for the year ending 31 December 2018.

EIGHTH RESOLUTION

RE-APPOINTMENT OF PIERRE LESCURE AS A MEMBER OF THE SUPERVISORY BOARD FOR A TERM OF THREE YEARS

Voting under the quorum and majority conditions required for Ordinary General Meetings and having considered the report of the Supervisory Board, the shareholders re-appoint Pierre Lescure as a member of the Supervisory Board for a term of three years expiring at the close of the 2019 Annual General Meeting to be called to approve the financial statements for the year ending 31 December 2018.

NINTH RESOLUTION

RE-APPOINTMENT OF HÉLÈNE MOLINARI AS A MEMBER OF THE SUPERVISORY BOARD FOR A TERM OF FOUR YEARS

Voting under the quorum and majority conditions required for Ordinary General Meetings and having considered the report of the Supervisory Board, the shareholders re-appoint Hélène Molinari as a member of the Supervisory Board for a term of four years expiring at the close of the 2020 Annual General Meeting to be called to approve the financial statements for the year ending 31 December 2019.

TENTH RESOLUTION

RE-APPOINTMENT OF FRANÇOIS ROUSSELY AS A MEMBER OF THE SUPERVISORY BOARD FOR A TERM OF THREE YEARS

Voting under the quorum and majority conditions required for Ordinary General Meetings and having considered the report of the Supervisory Board, the shareholders re-appoint François Roussely as a member of the Supervisory Board for a term of three years expiring at the close of the 2019 Annual General Meeting to be called to approve the financial statements for the year ending 31 December 2018.

ELEVENTH RESOLUTION

AUTHORISATION TO BE GIVEN TO THE MANAGING PARTNERS, FOR A PERIOD OF EIGHTEEN MONTHS, TO TRADE IN THE COMPANY'S SHARES

Voting under the quorum and majority conditions required for Ordinary General Meetings, having considered the report of the Managing Partners and in compliance with the applicable law and regulations, the shareholders authorise the Managing Partners to purchase Lagardère SCA shares on behalf of the Company in accordance with the terms and conditions set out below.

The number of shares purchased under this authorisation may not at any time represent more than 10% of the Company's capital (i.e., a maximum number of 13,113,328 shares based on the share capital at 29 February 2016, excluding shares held in treasury by the Company at that date). The amount of the Company's capital to which this ceiling applies may be adjusted for any corporate actions carried out subsequent to this Meeting. In accordance with article L. 225-209 of the French Commercial Code, when shares are bought back to maintain a liquid market in Lagardère SCA shares in accordance with the conditions defined in the General Regulations of the French financial markets authority (*Autorité des marchés financiers* – AMF), the number of shares taken into account for the purpose of calculating the 10% ceiling will correspond to the number of shares purchased less the number of shares sold during the period covered by this authorisation. The use of this authorisation may not in any circumstances result in the Company directly or indirectly holding more than 10% of its capital.

The total amount that may be invested in the share purchases may not exceed five hundred million euros (€500,000,000) and the maximum per-share purchase price, excluding transaction expenses, is set at forty euros (€40) (or the equivalent of this amount at the date of the transaction for transactions denominated in foreign currency or a monetary unit determined by reference to a basket of currencies). The shareholders give the Managing Partners full powers to adjust this amount to take into account the impact on the share price of any corporate actions, such as the capitalisation of reserves, profit or share premiums and the issue of bonus shares, or a change in the par value of existing shares or a reverse stock split.

The Managing Partners may use this authorisation for the following purposes:

- to reduce the share capital by cancelling all or some of the shares purchased;
- to award free shares to employees and officers of the Company and of entities or groups related to it within the meaning of articles L. 225-197-1 *et seq.* of the French Commercial Code;
- to tender shares upon the exercise of share options;
- to set up any company or group savings scheme (or similar plan) under the conditions provided for by law, notably articles L. 3332-1 *et seq.* of the French Labour Code (*Code du travail*), including by way of awarding the shares free of consideration as part of the Company's employer contribution and/or in replacement of the discount, in accordance with the applicable law and regulations;
- to award or transfer shares to employees as part of a profit-sharing scheme;
- to award shares to employees and officers of the Company and of entities or groups related to it for any other purpose permitted by the applicable law and regulations;
- to promote liquidity in the Company's shares under liquidity contracts that comply with a code of conduct recognised by the AMF entered into with independent investment services providers;
- to hold the shares for subsequent exchange or payment as consideration for external growth transactions, a merger, demerger or asset contribution;
- to tender shares upon the exercise of rights attached to securities that give access, by any means whatsoever, to the Company's share capital;
- and, more generally, to carry out any other transaction permitted by the applicable law and regulations and, in particular, the market practices accepted by the AMF.

The shares may be purchased, sold or otherwise transferred in one or several transactions at any time – apart from during the blackout periods provided for in article 631–6 of the AMF's General Regulations or during a public tender offer – on or off-market or over the counter, by any means permitted under the applicable law and regulations, including through block purchases or sales and the use of derivatives.

The shareholders give the Managing Partners full powers, including the power of delegation, to use this authorisation in accordance with the applicable law and regulations, including to place any and all buy and sell orders, enter into any and all agreements, fulfil all formalities and more generally do all things they consider necessary and expedient to implement this resolution.

This authorisation is valid for a period of eighteen months as of the date of this Meeting. It cancels and supersedes the authorisation given in the fourth resolution of the 5 May 2015 Ordinary and Extraordinary General Meeting.

TWELFTH RESOLUTION

AUTHORISATION TO BE GIVEN TO THE MANAGING PARTNERS, FOR A PERIOD OF THIRTY-EIGHT MONTHS, TO AWARD PERFORMANCE SHARES

Voting under the quorum and majority conditions required for Extraordinary General Meetings, and having considered the reports of the Managing Partners and the Supervisory Board and the special report of the Statutory Auditors, pursuant to articles L. 225-197-1 *et seq.* of the French Commercial Code and the recommendations of the Afep-Medef Corporate Governance Code which the Company uses as its corporate governance framework in accordance with article L. 225-68 of the French Commercial Code, the shareholders:

- authorise the Managing Partners to award existing or new shares free of consideration, on one or more occasions, to beneficiaries or categories of beneficiaries as determined by the Managing Partners from among the employees and senior managers of the Company and of companies and groups related to it within the meaning of article L. 225-197-2 of the French Commercial Code;
- resolve that the total number of free shares that may be awarded each calendar year to all beneficiaries (excluding Lagardère SCA's executive corporate officers) may not exceed 0.4% of the number of shares making up the Company's share capital as at the close of this Annual General Meeting, it being specified that this ceiling will not include any additional shares allocated as a result of adjustments made to protect the rights of beneficiaries in the event of any subsequent corporate actions carried out by the Company;
- resolve that the total number of free shares that may be awarded each calendar year to each of Lagardère SCA's executive corporate officers may not exceed 0.025% of the number of shares making up the Company's share capital as at the close of this Annual General Meeting, it being specified that this ceiling will not include any additional shares allocated as a result of adjustments made to protect the rights of beneficiaries in the event of any subsequent corporate actions carried out by the Company;
- resolve that the vesting of all of the free shares awarded using this authorisation must be subject to performance conditions determined by the Managing Partners, as measured over at least three consecutive fiscal years, and that the performance conditions applicable to any free shares awarded to Lagardère SCA's executive corporate officers must comply with the terms and conditions set by the Company's Supervisory Board;
- resolve that the shares awarded using this authorisation will only vest at the end of a vesting period of no less than three years, except in the event of the beneficiary's death or if the beneficiary is deemed to have a disability that falls within the second or third categories provided for in article L. 341-4 of the French Social Security Code (*Code de la sécurité sociale*), in which case a request may be made in accordance with the applicable legal provisions for the shares to vest before the end of the vesting period;
- resolve that vested free shares must be held until the end of a lock-up period, which may not be less than two years as from the vesting date, except (i) in the event of the beneficiary's death or if the beneficiary is deemed to have a disability that falls within one of the above-mentioned categories, in which case the shares will become freely transferable in accordance with the applicable legal provisions, and (ii) for beneficiaries who are non-French tax residents for whom the lock-up period may be reduced or removed by the Managing Partners;
- note that this authorisation automatically entails the waiver by shareholders of their preemptive rights to subscribe for any new shares that may be issued at the end of the vesting period for free shares;
- resolve that the Managing Partners shall have the broadest powers to use this authorisation, and particularly, subject to the above ceilings and the conditions set by law, to:
  - draw up the list of beneficiaries and determine the number of shares awarded to each beneficiary,
  - set the applicable vesting periods, and, where appropriate, lock-up periods,
  - set the applicable vesting conditions, notably performance conditions,
  - make any necessary adjustments to the number of shares awarded to protect the rights of beneficiaries in the event of any corporate actions carried out by the Company during the vesting period,
  - in the event of awards of new shares, carry out the necessary capital increases by capitalising reserves, profits and/or premiums and amend the Company's Articles of Association accordingly,
  - generally, take any necessary or useful measures to implement this authorisation;
- resolve that this authorisation is given to the Managing Partners for a period of thirty-eight months as from the date of this Meeting and that it cancels and supersedes the authorisation given in the seventeenth resolution of the 3 May 2013 Ordinary and Extraordinary General Meeting.

THIRTEENTH RESOLUTION

AUTHORISATION TO BE GIVEN TO THE MANAGING PARTNERS, FOR A PERIOD OF THIRTY-EIGHT MONTHS, TO AWARD FREE SHARES

Voting under the quorum and majority conditions required for Extraordinary General Meetings, and having considered the reports of the Managing Partners and the Supervisory Board and the special report of the Statutory Auditors, pursuant to the provisions of articles L. 225-197-1 *et seq.* of the French Commercial Code, the shareholders:

- authorise the Managing Partners to award existing or new shares free of consideration, on one or more occasions, to beneficiaries or categories of beneficiaries as determined by the Managing Partners from among the employees and senior managers of the Company (other than the executive corporate officers of Lagardère SCA) and of companies and groups related to it within the meaning of article L. 225-197-2 of the French Commercial Code;
- resolve that the total number of free shares that may be awarded each calendar year may not exceed 0.4% of the number of shares making up the Company's share capital as at the close of this Annual General Meeting, it being specified that this ceiling will not include any additional shares allocated as a result of adjustments made to protect the rights of beneficiaries in the event of any subsequent corporate actions carried out by the Company;
- resolve that the shares awarded using this authorisation will only vest at the end of a vesting period of no less than three years, except in the event of the beneficiary's death or if the beneficiary is deemed to have a disability that falls within the second or third categories provided for in article L. 341-4 of the French Social Security Code (*Code de la sécurité sociale*), in which case a request may be made in accordance with the applicable legal provisions for the shares to vest before the end of the vesting period;
- resolve that vested free shares must be held until the end of a lock-up period, which may not be less than two years as from the vesting date, except (i) in the event of the beneficiary's death or if the beneficiary is deemed to have a disability that falls within one of the above-mentioned categories, in which case the shares will become freely transferable in accordance with the applicable legal provisions, and (ii) for beneficiaries who are non-French tax residents for whom the lock-up period may be reduced or removed by the Managing Partners;
- note that this authorisation automatically entails the waiver by shareholders of their preemptive rights to subscribe for any new shares that may be issued at the end of the vesting period for free shares;
- resolve that the Managing Partners shall have the broadest powers to use this authorisation, and particularly, subject to the above ceilings and the conditions set by law, to:
  - draw up the list of beneficiaries and determine the number of shares awarded to each beneficiary,
  - set the applicable vesting periods, and, where appropriate, lock-up periods,
  - set the applicable vesting conditions,
  - make any necessary adjustments to the number of shares awarded to preserve the rights of beneficiaries in the event of any corporate actions carried out by the Company during the vesting period,
  - in the event of awards of new shares, carry out the necessary capital increases by capitalising reserves, profits and/or premiums and amend the Company's Articles of Association accordingly,
  - generally, take any necessary or useful measures to implement this authorisation;
- resolve that this authorisation is given to the Managing Partners for a period of thirty-eight months as from the date of this Meeting and that it cancels and supersedes the authorisation given in the eighteenth resolution of the 3 May 2013 Ordinary and Extraordinary General Meeting.

FOURTEENTH RESOLUTION

POWERS FOR FORMALITIES

Voting under the quorum and majority conditions required for Ordinary General Meetings, and having considered the reports of the Managing Partners and the Supervisory Board, the shareholders grant full powers to the bearer of an original, a certified copy or a certified extract of the minutes of this Meeting to fulfil the necessary formalities.

NOTES

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