Lagardère

GENERAL MEETING BROCHURE

Annual Ordinary
and Extraordinary
General Meeting

Friday 10 May 2019 at 10 a.m.,
Carrousel du Louvre
99, rue de Rivoli - 75001 Paris (France)

CONTENTS

Lagardère SCA

French partnership limited by shares (*société en commandite par actions*)
with a share capital of €799,913,044.60
Registered office: 4, rue de Presbourg - Paris 16e (75), France
Registered with the Paris Trade and Companies Registry
under number 320 366 446 (SIRET number 320 366 446 00013)

This English version has been prepared for the convenience of English-speaking readers. It is a translation of the original French Brochure de Convocation *prepared for the Annual Ordinary and Extraordinary General Meeting. It is intended for general information only and in the event of discrepancies, the French original shall prevail.*

MESSAGE FROM THE MANAGING PARTNERS

Ladies and Gentlemen, dear Shareholders,

It is my pleasure, on behalf of the Managing Partners of Lagardère SCA, to invite you to the Annual Ordinary and Extraordinary General Meeting.

We achieved our objectives in 2018, delivering revenue and recurring EBIT in line with our forecasts, as in previous years. This performance vindicates our strategy, which is now focused around two priority areas: Lagardère Publishing, our power engine, and Lagardère Travel Retail, our growth engine.

Today, we are among the world's leading companies in each of these sectors. This strategic refocusing helps give our Group a clearer, simpler and more coherent business profile. It also reflects our goal of enhancing our profitability, growth and ability to generate cash to finance our long-term development.

Paris Match, *Le Journal du Dimanche*, the Europe 1 radio station, Virgin Radio, RFM, the Elle licence and Lagardère Live Entertainment remain a part of the Group's business scope and are included within the "Other Activities" segment along with the Corporate functions of the Group and of Lagardère Active.

The Group has divested a large number of media assets, including international radio operations, most magazine publishing titles, and a number of digital activities. Exclusive negotiations are also in progress for the sale of the TV business. Regarding Lagardère Sports and Entertainment, we have begun the process to divest our sports division, as previously announced.

The proceeds from all of these disposals will obviously be reinvested first and foremost in Lagardère Publishing and Lagardère Travel Retail. The aim is to invest in businesses offering accretive operational synergies and to enable them to become a fixture among the global leaders in their respective segments. Mindful of this aim, we acquired the La Plage and Worthy Publishing Group publishing houses, and entered into exclusive negotiations for the purchase of Gigamic, a creator, publisher and distributor of board games. We also carried out another key acquisition, purchasing Hojeij Branded Foods (HBF), a leading Foodservice travel retail operator in North America.

We gave fresh impetus to our corporate social responsibility (CSR) goals, with our efforts now focused on three areas: placing people at the heart of our strategy, supporting and anticipating social and environmental change, and ensuring ethical and responsible governance. Regarding ethical and responsible governance, amid increasing demands from our stakeholders and from regulators in France and across the globe, we remain firmly committed to the highest ethical standards in our business, with the roll-out of awareness-raising initiatives and specific procedures.

I would like to pay tribute to the women and men of our Group for the dedication and talent they show in their daily work. Their unwavering commitment is key to the success of our strategic refocusing.

And I would like to thank you, dear Shareholders, for your loyalty and your support. I am pleased to be able to recommend maintaining a stable dividend payout in step with our dynamic shareholder return policy.

Yours faithfully,

Arnaud Lagardère

General and Managing Partner of Lagardère SCA

PARTICIPATING IN THIS GENERAL MEETING

Shareholders must be recorded in the Company's nominative shareholders' accounts two business days before the date of the meeting, i.e., **at 00:00 Paris time on Tuesday, 7 May 2019.**

Shareholders wishing to attend the meeting in person may present themselves on the day of the meeting with their entrance card or simply with a valid identity document at the counters provided specially for this purpose.

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HOW TO PARTICIPATE IN THE GENERAL MEETING

ELIGIBILITY FOR ADMISSION

Pursuant to article R 225-85 of the French Commercial Code, the General Meeting of 10 May 2019 will only admit those shareholders who can prove their shareholder status by **having their shares registered in an account** in their name or in the name of the intermediary registered on their behalf pursuant to paragraph 7, article L 228-1 of the French Commercial Code (*Code de commerce*) (the "Authorised Intermediary"), in the Company's nominative shareholder accounts kept by its registrar BNP PARIBAS SECURITIES SERVICES, at least two business days before the date of the General Meeting, i.e.:

00:00 Paris time on Tuesday, 7 May 2019

METHODS OF PARTICIPATING IN THE GENERAL MEETING

YOU WISH TO ATTEND THE GENERAL MEETING IN PERSON

Shareholders wishing to attend the meeting in person should request an entrance card:

- either by using the paper form sent to them with the invitation to the meeting; or
- online, via the VOTACCESS secure platform.

Shareholders registered in the nominative shareholder accounts who have not applied for or received their entrance card may simply present themselves on the day of the meeting with a valid identity document at the counters provided specially for this purpose.

YOU DO NOT WISH OR ARE UNABLE TO ATTEND THE GENERAL MEETING IN PERSON

Shareholders who do not wish or are unable to attend the meeting in person may choose one of the three following possibilities:

VOTE BY POST OR ONLINE

Shareholders may vote on the resolutions put to the meeting by post or online:

- either using the paper form sent to them with the invitation to the meeting; or
- online, via the VOTACCESS secure platform.

GRANT PROXY TO THE CHAIRMAN

Shareholders who do not wish or are unable to attend the meeting in person may send a blank proxy form without naming a proxy, which will empower the Chairman of the meeting to vote in favour of the draft resolutions presented or approved by the Managing Partners and vote against all other draft resolutions.

Proxy can be given:

- either by using the paper form sent to shareholders with the invitation to the meeting; or
- online, via the VOTACCESS secure platform.

GRANT PROXY TO A THIRD PARTY

Shareholders who do not wish or are unable to attend the meeting in person may appoint a proxy of their choice.

Such proxy may be given:

- either by using the paper form sent to them with the invitation to the meeting; or
- online, via the VOTACCESS secure platform.

In accordance with the provisions of article R. 225-79 of the French Commercial Code, the procedure for revoking proxies must be carried out in the same way.

GENERAL PROVISIONS

Shareholders who have already elected to vote by post or online, who have granted proxy or who have applied for an entrance card, may not subsequently take part in the meeting by any other means.

Shareholders may not under any circumstances return both a proxy form and a postal or online voting form. In such a case, the proxy form will be taken into account subject to the votes indicated on the postal or online voting form.

Requests for entrance cards, postal or online voting, and proxies made by shareholders who are not domiciled in France whose shares are registered in the name of an Authorised Intermediary in the nominative shareholders' accounts kept on behalf of the Company by BNP PARIBAS SECURITIES SERVICES, must be accompanied by a certificate from the Authorised Intermediary, enabling the Company or its registrar BNP Paribas Securities Services to prove incontrovertibly that the applicant is a shareholder of record on the record date of 00:00 Paris time on Tuesday, 7 May 2019. If the shares are held by several Authorised Intermediaries, a certificate must be provided by each one.

Requests for entrance cards, postal or online voting, and proxies made by Authorised Intermediaries may only be processed if the identity of the shareholders has been disclosed, if so requested by the Company or BNP PARIBAS SECURITIES SERVICES pursuant to applicable laws and regulations.

PRACTICALITIES

PARTICIPATING IN THE MEETING ONLINE: USING THE VOTACCESS SECURE PLATFORM

The VOTACCESS secure platform can be accessed by registered shareholders via the BNP PARIBAS SECURITIES SERVICES Planetshares website at: https://planetshares.bnpparibas.com.

Shareholders whose shares are held in a registered account (*nominatif pur*) should log on to the Planetshares website using the login code and password they usually use to consult their registered account.

Shareholders whose shares are held in a registered account administered by an independent investment services provider (bank, financial institution, etc.) (*nominatif administré*) receive with their letter or e-mail inviting them to the meeting a code for logging on to Planetshares and obtaining their password by post or e-mail for shareholders that have already provided their e-mail address.

After logging on to Planetshares, shareholders should click on the "Participate in the General Meeting" icon and follow the instructions provided on screen to access the VOTACCESS secure platform.

Registered shareholders who have lost their login code and/or password should contact BNP PARIBAS SECURITIES SERVICES at the following number: **+33 (0)1 57 43 34 00.**

Requests for entrance cards, online voting and appointing or revoking of proxies may be made via the VOTACCESS platform between Tuesday, 23 April 2019 and 15:00 Paris time on Thursday, 9 May 2019.

However, shareholders are advised not to wait until the last day before logging on, especially if they need to obtain a password.

PARTICIPATING IN THE MEETING USING THE PAPER FORM

As all the Company's shares are in registered form, the entrance card application forms, postal or online voting forms and proxy forms are sent out by post or e-mail.

Requests for forms and prepaid envelopes must be received by BNP PARIBAS SECURITIES SERVICES no later than **Sunday, 5 May 2019** in order to be treated. These forms may also be obtained by simply writing to:

BNP PARIBAS SECURITIES SERVICES

CTS Assemblées Générales

Les Grands Moulins de Pantin - 9, rue du Débarcadère

93761 PANTIN CEDEX, FRANCE

In order to be taken into account at the General Meeting, duly completed and signed paper forms must be received by BNP PARIBAS SECURITIES SERVICES no later than Tuesday, 7 May 2019.

How to fill in your paper form

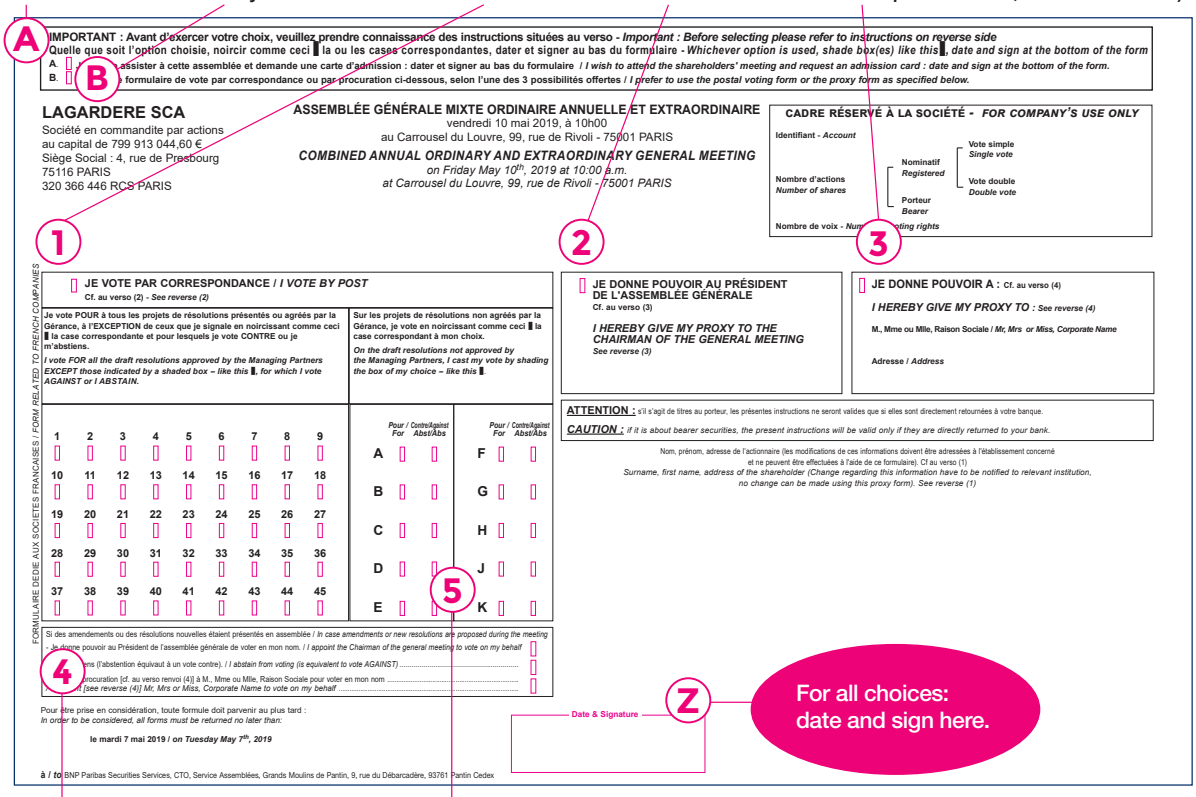
You would like to attend the General Meeting and receive your attendance card: shade box A.

To participate in the Meeting using another method, shade box B as well as one of boxes 1, 2 or 3, according to your choice.

You would like to vote by post: shade this box and follow the instructions.

You would like to appoint the Chairman of the General Meeting as your proxy: shade this box.

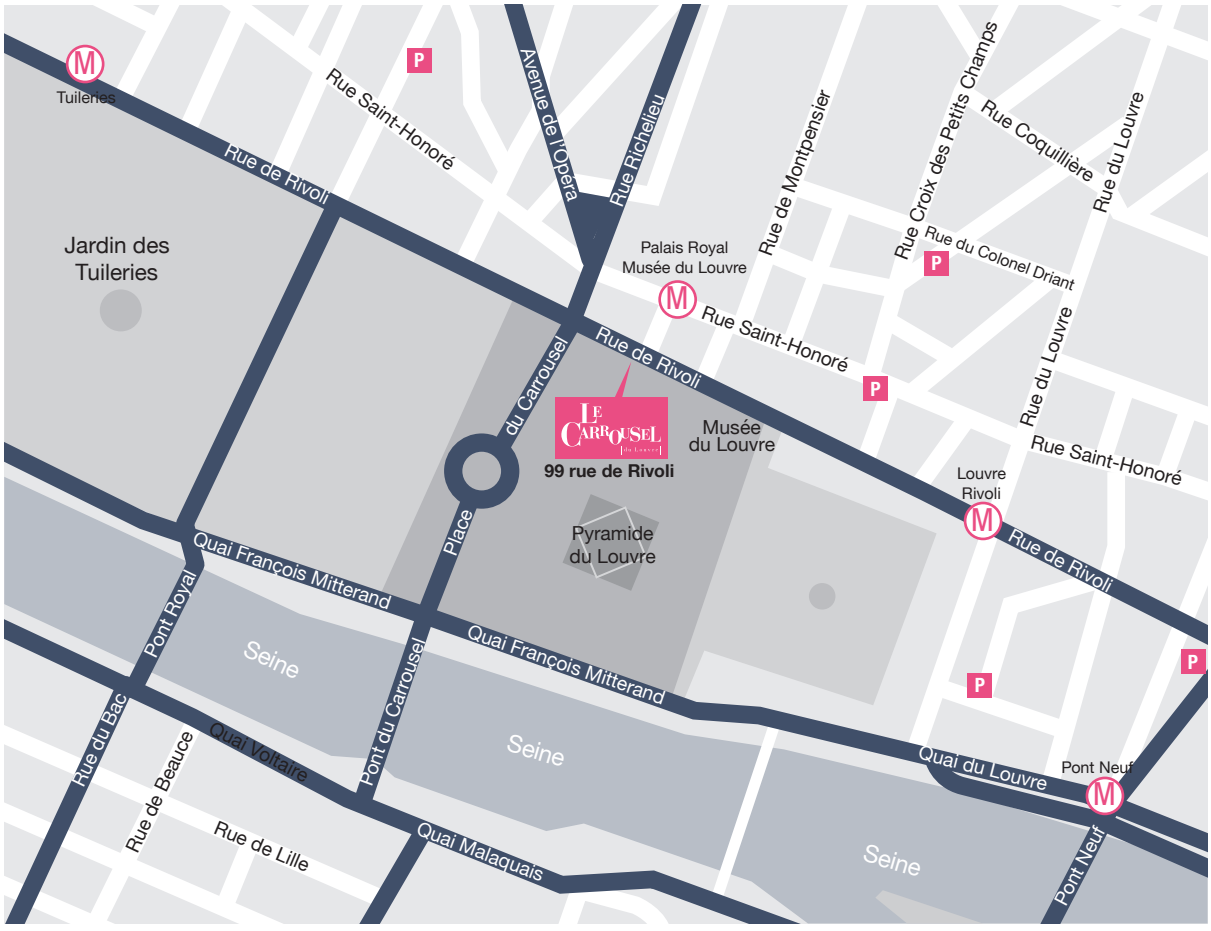
You would like to appoint a specific person to attend the General Meeting as your proxy: shade this box and write this person's contact information (last name and first name, or corporate name, and the address).



Remember to fill in this section in the event that amendments or new resolutions are presented during the meeting. Shade the box corresponding to your choice.

Vote here in the event that resolutions are presented by shareholders and are not approved by the Managing Partners. To vote, shade the box corresponding to your choice.

ATTENDING THE MEETING IN PERSON: GETTING TO THE GENERAL MEETING



Metro: Line 1 (La Défense - Château de Vincennes) or Line 7 (La Courneuve - Mairie d'Ivry/Villejuif). To: "Palais Royal - Musée du Louvre", exit: "Carrousel du Louvre".

Bus: Lines 21, 27, 39, 48, 67, 68, 69, 72, 81 and 95. To: "Palais Royal - Musée du Louvre", "Palais Royal - Comédie Française" or "Musée du Louvre".

Car: Parc Carrousel Louvre can be accessed via avenue du Général Lemonnier, 75001 Paris.

Pedestrians/cyclists: three pedestrian access routes via 99, rue de Rivoli 75001 Paris; by the Musée du Louvre exit, place de la Pyramide Inversée; or via the two entrances in the Tuileries Gardens (stairs each side of the Arc de triomphe du Carrousel).

SUBMISSION OF WRITTEN QUESTIONS

Written questions submitted by shareholders should be sent to the Company's registered office by registered letter with return receipt requested for the attention of the Managing Partners **no later than Friday, 3 May 2019**.

Questions must, as required by law and regulations, be accompanied by a certificate of registration in the Company's nominative shareholders' accounts, otherwise they will be ignored.

Written questions from shareholders who are not domiciled in France whose shares are registered in the name of an Authorised Intermediary in the nominative shareholders' accounts will not be accepted unless they are accompanied by a certificate issued by the Authorised Intermediary, enabling the Company to prove incontrovertibly that they are shareholders. If the shares are held through a chain of Authorised Intermediaries, a certificate must be provided by each one.

AVAILABILITY OF DOCUMENTATION

Pursuant to applicable law and regulations, all documents and other information which must be published in relation to the General Meeting have been posted on the Company's website and/or are available at Lagardère SCA's headquarters, Immeuble Monceau, 42 rue Washington in Paris (8th *arrondissement*).

FOR MORE INFORMATION

Visit

WWW.LAGARDERE.COM

2019 Annual Shareholders' Meeting

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AGENDA FOR THE ANNUAL GENERAL MEETING

AGENDA

- Approval of the Company's financial statements for the year ended 31 December 2018.
- Approval of the consolidated financial statements for the year ended 31 December 2018.
- Allocation of the Company's profit and dividend payment.
- Issuing of an opinion on the components of remuneration payable or granted to Arnaud Lagardère, Managing Partner, in respect of 2018.
- Issuing of an opinion on the components of remuneration payable or granted to Pierre Leroy and Thierry Funck-Brentano, representatives of the other Managing Partner, in respect of 2018.
- Issuing of an opinion on the components of remuneration payable or granted to Xavier de Sarrau, Chairman of the Supervisory Board, in respect of 2018.
- Ratification of the co-optation of Jamal Benomar as a member of the Supervisory Board.
- Re-appointment of Jamal Benomar as a member of the Supervisory Board for a term of four years.
- Re-appointment of Susan M. Tolson as a member of the Supervisory Board for a term of four years.
- Appointment of Gilles Petit as a new member of the Supervisory Board for a term of four years.
- Eighteen-month authorisation for the Managing Partners to trade in the Company's shares.
- Thirty-eight month authorisation for the Managing Partners to award performance shares to employees and senior managers of the Company and of related companies or groups.
- Thirty-eight month authorisation for the Managing Partners to award free shares to employees and senior managers of the Company and of related companies or groups.
- Twenty-six month authorisation for the Managing Partners to issue debt securities giving immediate or future access to the share capital of the Company's subsidiaries and/or any other entity, with a €1.5 billion ceiling on the debt securities issued.
- Twenty-six month authorisation for the Managing Partners to issue – with preferential subscription rights – ordinary shares of the Company and/or securities giving immediate or future access to the Company's share capital and/or carrying immediate or future rights to the allocation of debt securities, subject to ceilings of €265 million for increases in share capital and €1.5 billion for debt securities issued.
- Twenty-six month authorisation for the Managing Partners to issue by way of a public offer – without preferential subscription rights but with a priority right for at least five trading days – ordinary shares of the Company and/or securities giving immediate or future access to the Company's share capital and/or carrying immediate or future rights to the allocation of debt securities, subject to ceilings of €160 million for increases in share capital and €1.5 billion for debt securities issued.
- Twenty-six month authorisation for the Managing Partners to issue by way of a public offer – without preferential subscription rights and without a priority right – ordinary shares of the Company and/or securities giving immediate or future access to the Company's share capital and/or carrying immediate or future rights to the allocation of debt securities, subject to ceilings of €80 million for increases in share capital and €1.5 billion for debt securities issued.
- Twenty-six month authorisation for the Managing Partners to issue by way of a private placement as referred to in section II of article L. 411-2 of the French Monetary and Financial Code – without preferential subscription rights – ordinary shares of the Company and/or securities giving immediate or future access to the Company's share capital and/or carrying immediate or future rights to the allocation of debt securities, subject to ceilings of €80 million for increases in share capital and €1.5 billion for debt securities issued.
- Authorisation for the Managing Partners to issue additional securities in the event that an issue is oversubscribed, subject to the applicable ceilings.
- Twenty-six month authorisation for the Managing Partners to issue – without preferential subscription rights – ordinary shares of the Company and/or securities giving immediate or future access to the Company's share capital and/or carrying immediate or future rights to the allocation of debt securities, as consideration for securities tendered as part of a public exchange offer or a contribution in kind, subject to ceilings of €80 million for increases in share capital and €1.5 billion for debt securities issued.
- Overall ceilings of €80 million, €300 million and €1.5 billion on the total amounts of capital increases and issues of debt securities resulting from the authorisations in the preceding resolutions.
- Twenty-six month authorisation for the Managing Partners to increase the Company's share capital by capitalising reserves, profit or share premiums and issuing new shares and/or increasing the par value of existing shares, subject to a ceiling of €300 million.
- Twenty-six month authorisation for the Managing Partners to issue – without preferential subscription rights – ordinary shares of the Company and/or securities giving access to the Company's share capital, to employees under corporate savings schemes, provided that such issues do not represent more than 0.5% of the Company's outstanding share capital in any given year.
- Powers for formalities

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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 2018;
- allocate the Company's results for the year and propose the payment of a dividend of €1.30 per share;
- submit for your opinion the components of remuneration payable or granted to the corporate officers in respect of 2018, in accordance with the recommendations of the Afep-Medef Corporate Governance Code;
- submit for your approval the proposed ratification of a co-optation, re-appointments and an appointment to the Supervisory Board; and
- propose the renewal of all of the financial authorisations given to the Managing Partners, which are due to expire.

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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:

In addition to the Message from the Managing Partners, the **General Meeting Brochure** 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 2018,
  - the proposed resolutions submitted to you for approval together with a presentation of the purpose and reasons for them;
- the special report of the Managing Partners on free share awards;
- the reports of the Supervisory Board prepared in accordance with article L. 226-9 of the French Commercial Code;
- the reports of the Statutory Auditors and the independent third party.

The **Reference Document** contains the Annual Financial Report within the meaning of the stock market regulations. In addition to 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 1;

  chapter 6;
- the financial statements, results and financial position:

  chapter 5;
- key risks:

  chapter 3;
- internal control and risk management procedures relating to the preparation and processing of financial and accounting information:

  chapter 3.2;
- the non-financial statement:

  chapter 4.

The Reference Document also contains the Corporate Governance Report of the Supervisory Board, pursuant to article L. 226-10-1 of the French Commercial Code.

We shall therefore confine ourselves below to a summary of the Lagardère group's results and operations in 2018 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 2018

3.1.1.1 PRESENTATION OF THE 2018 CONSOLIDATED FINANCIAL STATEMENTS

Rise in Group recurring EBIT[1]: up 2.1%[2] to €401 million

Free cash flow generation up sharply, at €471 million

Proposed ordinary dividend stable at €1.30 per share

Roll-out of the strategic refocusing continues apace

2019 Group recurring EBIT growth target[1] based on the target scope[3] of between 4% and 6%[4]

The Lagardère group recorded solid revenue growth in 2018 propelled by good momentum at Lagardère Travel Retail.

The Group also delivered a further increase in operating results during the year, fuelled by growth at Lagardère Travel Retail and a good performance from Lagardère Sports and Entertainment. In an environment shaped by the absence of curriculum reform, the contraction at Lagardère Publishing was however contained thanks to a dynamic performance in General Literature.

Free cash flow was significantly up to €471 million, lifted by the business performance and to a lesser extent by property disposals. Excluding property disposals, free cash flow amounted to €288 million (versus €158 million in 2017), up sharply at Lagardère Publishing and Lagardère Travel Retail.

The Group is actively pressing ahead with the roll-out of the strategy to refocus its operations around Lagardère Publishing and Lagardère Travel Retail, with the completion of disposals at Lagardère Active and acquisitions at Lagardère Publishing and Lagardère Travel Retail.

In that context, Lagardère has completed twelve disposals since mid-2018, of the non-French radio operations, the main digital assets (including e-Health), the interest in Marie Claire and most of the magazine publishing titles in France.

The Group also entered into exclusive negotiations for the sale of the TV Channels (excluding Mezzo) in January 2019.

As previously announced, the Group has also made a series of investments in Lagardère Publishing and Lagardère Travel Retail, including the acquisition of Hojeij Branded Foods, a leading Foodservice operator in North America (November 2018), and the Worthy Publishing Group (September 2018), as well as entering into exclusive negotiations for the purchase of Gigamic, a creator, publisher and distributor of board games (January 2019).

These acquisitions were wholly financed out of proceeds from the divestment of non-core assets (Lagardère Active businesses and property assets).

Continued growth momentum

The Lagardère group reported revenue of €7,258 million in 2018, up 3.3% like-for-like [5]. This growth momentum was powered by a solid performance at Lagardère Travel Retail, which delivered 8.8% growth, partially offset by lacklustre business cycles at Lagardère Publishing and Lagardère Sports and Entertainment.

(1) Alternative performance measure. The Group's main performance indicator is recurring operating profit of fully consolidated companies (Group recurring EBIT), which is calculated as follows:
Profit before finance costs and tax
Excluding:
• Income from equity-accounted companies before impairment losses
• Gains (losses) on disposals of assets
• Impairment losses on goodwill, property, plant and equipment, intangible assets and investments in equity-accounted companies
• Net 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
• Specific major disputes unrelated to the Group's operating performance

(2) At constant exchange rates, restated for IFRS 15, excluding the impact of disposals at Lagardère Active and of the acquisition of HBF by Lagardère Travel Retail.

(3) Lagardère Publishing and Lagardère Travel Retail (core businesses), as well as Other Activities including Lagardère News (*Paris Match, Le Journal du Dimanche*, Europe 1, Virgin Radio, RFM and the Elle licence), the Entertainment businesses, the Group Corporate function, and the Lagardère Active Corporate function whose costs will be wound down by 2020.

(4) Restated for the impact of IFRS 16 on concession contracts at Lagardère Travel Retail, at constant exchange rates and excluding Lagardère Travel Retail's acquisition of HBF.

(5) Alternative performance measures. Like-for-like revenue is used by the Group to analyse revenue trends excluding the impact of changes in the scope of consolidation and in exchange rates. The like-for-like change in revenue is calculated by comparing:
• revenue for the period adjusted for companies consolidated for the first time during the period and revenue for the prior-year period adjusted for consolidated companies divested during the period;
• revenue for the prior-year period and revenue for the current period adjusted based on the exchange rates applicable in the prior-year period.
The scope of consolidation comprises all fully-consolidated entities. Additions to the scope of consolidation correspond to business combinations (acquired investments and businesses), and deconsolidations correspond to entities over which the Group has relinquished control (full or partial disposals of investments and businesses, such that the entities concerned are no longer included in the Group's financial statements using the full consolidation method). The difference between consolidated and like-for-like figures is explained in section G – Appendices.

Continued rise in Group recurring EBIT

With Group recurring EBIT growth of 2.1%[1] versus 2017, Lagardère successfully delivered on its guidance as revised upwards on 26 July 2018 (*"growth between 1% and 3% versus 2017, at constant exchange rates, excluding the impact of disposals at Lagardère Active and the acquisition of HBF by Lagardère Travel Retail"*).

Group recurring EBIT came in at €401 million versus €399 million in 2017, powered by good performances from Lagardère Travel Retail and Lagardère Sports and Entertainment.

Profit before finance costs and tax was higher at €409 million in 2018 compared to €275 million in 2017 due chiefly to disposal gains.

Profit - Group share made good gains, up to €194 million from €176 million in 2017.

Solid financial position

At end-December 2018, net debt remained stable at €1,375 million. The leverage ratio (net debt[2]/recurring EBITDA[3]) at end-2018 was down slightly year on year at 2.1.

A) REVENUE AND RECURRING EBIT

Revenue

Revenue totalled €7,258 million, up 2.5% on a consolidated basis and up 3.3% like-for-like. The difference between consolidated and like-for-like revenue is essentially attributable to a negative foreign exchange effect resulting mainly from the depreciation of the US dollar. Changes in the scope of consolidation had a positive impact on revenue, due chiefly to acquisitions at Lagardère Publishing and Lagardère Travel Retail, partially offset by the divestment of LARI, Doctissimo and MonDocteur by Lagardère Active.

	Revenue (€m)		Change	
	2017*	**2018**	on a consolidated basis	on a like-for-like basis
Lagardère Publishing	2,289	**2,252**	-1.6%	-1.2%
Lagardère Travel Retail	3,412	**3,673**	+7.7%	+8.8%
o/w Travel Retail	*3,401*	***3,673***	*+8.0%*	*+8.8%*
o/w Distribution	*11*	***0***	*N/A*	*N/A*
Lagardère Active	929	**895**	-3.6%	-2.3%
Lagardère Sports and Entertainment	454	**438**	-3.6%	-4.1%
LAGARDÈRE	**7,084**	**7,258**	**+2.5%**	**+3.3%**

* Restated for IFRS 15.

Group Recurring EBIT

Group recurring EBIT came in at €401 million, an increase of €2 million on the 2017 figure as restated for IFRS 15 (€399 million).

Lagardère Active's divestment of International Radio operations, MonDocteur and Doctissimo resulted in a €3 million negative scope effect, while Lagardère Travel Retail's acquisition of HBF had a positive scope impact of €1 million. Changes in exchange rates had a €5 million negative impact on recurring EBIT.

Stripping out these effects, **Group recurring EBIT growth was 2.1%, in line with the target announced in fourth-quarter 2018** ("*growth between 1% and 3% versus 2017, at constant exchange rates, excluding the impact of disposals at Lagardère Active and the acquisition of HBF by Lagardère Travel Retail*").

	Group recurring EBIT (€m)		Change
	2017*	**2018**	(€m)
Lagardère Publishing	210	**190**	-20
Lagardère Travel Retail	112	**119**	+7
Lagardère Active	70	**75**	+5
Lagardère Sports and Entertainment	22	**30**	+8
Other Activities	(15)	**(13)**	+2
LAGARDÈRE	**399**	**401**	**+2**

* Restated for IFRS 15.

(1) At constant exchange rates, restated for IFRS 15, excluding the impact of disposals at Lagardère Active and of the acquisition of HBF by Lagardère Travel Retail.

(2) Alternative performance measure. Net debt is calculated as the sum of the following items:
- Short-term investments and cash and cash equivalents
- Finanial instruments designated as hedges of debt
- Non-current debt
- Current debt

= Net debt.

(3) Alternative performance measure. Recurring EBITDA is calculated as recurring operating profit of fully consolidated companies (Group recurring EBIT) plus dividends received from equity-accounted companies, less amortisation and depreciation charged against intangible assets and property, plant and equipment.

Lagardère Publishing

Revenue

2018 revenue totalled €2,252 million for the division, down 1.6% based on consolidated figures and down 1.2% like-for-like.

As expected, the slight decline in business in 2018 essentially reflects the 13.4% (€49 million) contraction in Education amid the absence of curriculum reform in France, Spain and the United Kingdom, partly countered by the success of General Literature, up 2.2%, or €22 million.

France was down by 3.8% and Spain/Latin America by 5.1% on account of the aforementioned decline in Education, as well as an unfavourable comparison effect in Illustrated Books linked to the success of *Astérix et la Transitalique* in 2017 in these regions.

The United States advanced by 3.7%, driven by the success of best-selling titles (including the Bill Clinton and James Patterson novel *The President is Missing* and Nicholas Sparks' *Every Breath*), good performances at Perseus and a dynamic showing from audio books. The United Kingdom slipped 0.5%, with the downturn in Education partially offset by good momentum in General Literature (including J.K. Rowling's *Fantastic Beasts: The Crimes of Grindelwald*, and Michael Wolff's *Fire and Fury*). Partworks remained stable (up 0.1%) thanks to a good backlist performance after the success of new title releases in 2017, particularly in Japan.

E-books accounted for 7.9% of total Lagardère Publishing revenue in 2018, with the proportion remaining stable versus 2017, while Digital audio books represented 2.7% of revenue versus 2.0% in 2017.

Recurring EBIT

Lagardère Publishing reported €190 million in recurring EBIT, down €20 million on 2017. This decline chiefly reflects the sharp fall in Education, which has a structurally strong operating margin, and to a lesser extent, the contraction in Illustrated Books in France, which had been buoyed by the publication of *Astérix et la Transitalique* in 2017. The unfavourable currency effect also had an impact on recurring EBIT.

These factors were only partly countered by good momentum in General Literature, particularly in the United States, and by the contribution of recent acquisitions in the United Kingdom.

Lagardère Travel Retail

Revenue

2018 revenue totalled €3,673 million for the division, a rise of 7.7% based on consolidated figures and of 8.8% like-for-like.

The EMEA region (excluding France) reported bullish momentum (up 9.9%), driven in Switzerland by new Duty Free concessions opened at Geneva airport in October 2017, in Poland by a good performance from Foodservice activities at Warsaw airport as well as network expansion, in Romania by solid organic growth, in Italy where strong revenue growth was driven by the modernisation of the Venice concession and the opening of numerous new stores, including in Palermo, Bologna, Trieste, Genoa, Bari and Rome, and lastly in Senegal by the new concession opened at Dakar airport in December 2017.

France posted 4.0% revenue growth despite the unfavourable impact of industrial action in the second quarter of 2018. Growth was led by Foodservice activities on the back of network expansion and good organic growth momentum, as well as by a solid performance from regional Duty Free platforms.

North America reported solid 4.8% growth, lifted by sales initiatives and robust passenger traffic.

Business surged 22.7% in Asia-Pacific, powered mainly by the opening of the Hong Kong concession in partnership with China Duty Free Group in October 2017 as well as a good performance from fashion stores in China, and by firm trading in the Pacific region, where growth in New Zealand Duty Free outlets offset an unfavourable network impact in Australia.

Recurring EBIT

Recurring EBIT amounted to €119 million in 2018, up €7 million. This mainly reflects a good organic growth performance from the EMEA region (excluding France), especially in Italy and Poland, as well as a favourable network effect resulting primarily from the new Duty Free concession opened in Geneva. North America also reported a good increase powered by upbeat trading, sales initiatives and revised store concepts.

The division's operating margin remained stable year on year, at 3.3%, with new business start-up and development costs being offset by margin improvement at existing concessions.

Lagardère Active

Revenue

Revenue for 2018 totalled €895 million, down 3.6% on a consolidated basis and down 2.3% like-for-like.

2018 revenue was down slightly year on year, with a good performance from TV Channels and Audiovisual Production partially countering a drop in advertising and circulation revenues at Magazine Publishing, as well as lower audience figures for the Europe 1 radio station.

The fall in Advertising revenue for the division as a whole was contained over the year at 1.8%, thanks mainly to upbeat trends in advertising revenues from TV channels.

Circulation revenue fell 4.5% for the year as a whole, mainly stemming from a decline in news-stand sales.

Recurring EBIT

Lagardère Active reported €75 million in recurring EBIT, up €5 million on 2017. The operating margin came in at 8.4%, driven mainly by higher advertising revenues from TV activities and by the impact of cost saving initiatives in the Press segment, Radio operations in France and in the corporate functions. These factors more than offset downbeat trends in Press operations, the Europe 1 radio station and certain Digital activities.

Lagardère Sports and Entertainment

Revenue

2018 revenue totalled €438 million for the division, down 3.6% based on consolidated figures and by 4.1% like-for-like.

As expected, 2018 marked the lowest point of the four-year sporting events cycle and the decrease in revenue is primarily linked to an unfavourable calendar effect, with the non-occurrence of the 2017 Total Africa Cup of Nations and the 2017 Asian qualifiers for the 2018 FIFA World Cup. This was partially offset by good performances from the Olympics division and from Football activities in Europe.

Recurring EBIT

Lagardère Sports and Entertainment's recurring EBIT rose by €8 million to €30 million, with operating margin up 2.2 percentage points year on year to 6.8%.

With 2018 being the lowest point in the four-year sporting events calendar, recurring EBIT growth was driven by the development of the Sponsoring business and by the Olympics division.

Other Activities

Recurring EBIT from Other Activities was a negative €13 million, a slight €2 million improvement on 2017, driven by the continued beneficial effects of the plan to reduce overhead costs.

B) MAIN INCOME STATEMENT ITEMS

(in millions of euros)	2017*	2018
Revenue	7,084	**7,258**
Group recurring EBIT	399	**401**
Income from equity-accounted companies**	3	**4**
Non-recurring/non-operating items	(127)	**4**
Profit before finance costs and tax	275	**409**
Finance costs, net	(73)	**(59)**
Profit before tax	202	**350**
Income tax (expense) benefit	2	**(134)**
Profit for the period	204	**216**
Minority interests	(28)	**(22)**
Profit - Group share	176	**194**

* Restated for IFRS 15.
** Before impairment losses.

Income from equity-accounted companies

Income from equity-accounted companies (before impairment losses) came in at €4 million in 2018, versus €3 million one year earlier, buoyed by good performances from the joint operations at Lagardère Travel Retail.

Non-recurring/non-operating items

Non-recurring/non-operating items represented a net positive amount of €4 million, compared with a net negative amount of €127 million in 2017, and mainly included:

- €205 million in net disposal gains, reflecting a gain of €245 million on the June 2018 sale of the building located at rue François 1er in Paris and a loss of €40 million on the sale of the 42% interest in Marie Claire;
- €79 million in restructuring costs, including €44 million at Lagardère Active stemming from the reorganisation of the division into standalone units and winding down the corporate function, €21 million at Lagardère Publishing corresponding primarily to the costs of reorganising warehouses in the United Kingdom, €8 million at Lagardère Sports and Entertainment relating to the costs of reorganising activities in Europe, and €6 million at Lagardère Travel Retail;
- €75 million in amortisation of intangible assets and costs relating to the acquisition of consolidated companies, including €59 million for Lagardère Travel Retail, €5 million for Lagardère Publishing, €2 million for Lagardère Active, €7 million for Lagardère Sports and Entertainment and €2 million for Other Activities;
- €47 million in impairment losses on property, plant and equipment and intangible assets, including €40 million at Lagardère Active concerning assets relating to its Press business reclassified in the balance sheet in accordance with IFRS 5 and to Newsweb, LARI and Shopcade, and €2 million at Lagardère Sports and Entertainment relating to the shutdown of operations in Scandinavia. The balance mainly concerns impairment charged against property, plant and equipment, chiefly at Lagardère Travel Retail.

Finance costs, net

Net finance costs were €59 million in 2018, a decrease of €14 million on 2017, chiefly reflecting a reduction in the Group's average interest rate between the two periods further to the debt refinancing carried out in 2017.

Income tax expense

Income tax expense booked in 2018 was €134 million, €136 million more than in 2017. The increase in income tax expense reflects €83 million in tax on the sale of the François 1er building in Paris in 2018. Income tax expense was lower in 2017 due to deferred tax income of €40 million arising on the utilisation of tax loss carryforwards, taking into account the planned sale of this building. 2017 tax expense was also reduced by €19 million in deferred tax income arising on remeasuring the deferred taxes of US subsidiaries following the enactment at 31 December 2017 of the US bill to reduce the federal income tax rate to 21%.

Profit

Taking account of all these items, profit came out at €216 million, including €194 million attributable to the Group.

Profit attributable to minority interests was €22 million for 2018 versus €28 million in 2017. The year-on-year change chiefly reflects Lagardère Sports and Entertainment's acquisition of a 10% minority interest in LS Asia in 2018.

Adjusted Profit – Group Share[1]

Adjusted profit - Group share (excluding non-recurring/non-operating items) was **€222 million**, versus €214 million in 2017.

(in millions of euros)	2017*	2018
Profit	204	**216**
Restructuring costs	+41	**+79**
Gains/losses on disposals	-43	**-205**
Impairment losses on goodwill, property, plant and equipment, intangible assets and investments in equity-accounted companies	+57	**+47**
Amortisation of acquisition-related intangible assets and expenses	+72	**+75**
Tax effects on the above items	-17	**+41**
Taxes paid on dividends, reimbursements and surtax in France	-6	
Recognition of tax loss carryforwards in France (planned sale of an office building)	-40	
Remeasurement of deferred taxes in the United States (new federal tax rates)	-19	
Adjusted profit	249	**253**
o/w attributable to minority interests	35	**31**
Adjusted profit - Group share	214	**222**

* Restated for IFRS 15.

Earnings per share

Earnings per share - Group share totalled €1.49, versus €1.36 in 2017.

Adjusted earnings per share - Group share was €1.71, versus €1.68 in 2017.

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

(1) Alternative performance measure. Adjusted profit - Group share is calculated on the basis of profit for the period, excluding non-recurring/non-operating items, net of the related tax and of minority interests, as follows:
Profit for the period
Excluding:
- Gains (losses) on disposals of assets
- Impairment losses on goodwill, property, plant and equipment, intangible assets and investments in equity-accounted companies
- Net 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,
  - Amortisaton of acquisition-related intangible assets
- Specific major disputes unrelated to the Group's operating performance
- Tax effects of the above items, including the tax on dividends paid in France
- Non-recurring changes in deferred taxes
- Adjusted profit attributable to minority interests: profit attributable to minority interests adjusted for minorities' share in the above items

= Adjusted profit - Group share.

C) OTHER FINANCIAL INFORMATION

Net cash from operating and investing activities

(in millions of euros)	2017*	2018
Cash flow from operations before changes in working capital	536	**505**
Changes in working capital	(71)	**55**
Taxes paid excluding taxes on property disposals	(61)	**(35)**
Net cash from operating activities**	404	**525**
Purchases/disposals of property, plant and equipment and intangible assets***	(246)	**(237)**
Free cash flow excluding property disposals***	158	**288**
Property disposals net of tax paid and related refitting costs	125	**183**
Free cash flow	283	**471**
Purchases of investments	(68)	**(340)**
Disposals of investments	19	**148**
Net cash from operating and investing activities	234	**279**

* Restated for IFRS 15.
** Before taxes paid on property disposals.
*** Excluding property disposals and refitting costs.
**** Excluding property disposals net of tax paid and related refitting costs.

Net cash from operating activities

In 2018, **cash flow from operations before changes in working capital amounted to €505 million**, compared to €536 million in 2017. The decrease primarily reflects an increase in cash outflows related to restructuring measures (€17 million) as well as a rise in business acquisition and divestment expenses linked to the Group's strategic refocusing, and a fall in dividends received from equity-accounted companies.

Changes in working capital represented a positive €55 million impact over the year, after a negative €71 million change in 2017. This significant change is partly attributable to an improvement at Lagardère Publishing compared to 2017, which had been affected by a much slower release schedule than in 2016. The improvement in working capital at Lagardère Travel Retail is mainly related to its optimisation efforts, while at Lagardère Sports and Entertainment, the busy calendar of sporting events in 2019 gave rise to inflows in 2018 of amounts due in respect of the African Cup of Nations and the Asian Cup. It should be noted that Lagardère Active's exit from the receivables securitisation programme relating to the divested Press business reduced working capital by €22 million in 2018.

Income taxes paid (excluding property disposals) totalled €35 million in 2018 compared to €61 million in 2017. The decrease in this item in 2018 is primarily attributable to lower tax payments, notably by Lagardère Publishing in Spain and in Japan owing to lower taxable earnings in 2017 than in 2016.

Taxes paid on property disposals amounted to €42 million in 2018, versus €28 million in 2017.

Purchases of property, plant and equipment and intangible assets

Net purchases of property, plant and equipment and intangible assets represented an outflow of €237 million, versus €246 million in 2017. Purchases chiefly relate to Lagardère Travel Retail (€130 million), with a significant portion corresponding to the opening of new stores. The balance results essentially from the purchase of sports rights at Lagardère Sports and Entertainment, and logistics projects in the United Kingdom at Lagardère Publishing.

Free cash flow excluding property disposals

Excluding property disposals, free cash flow totalled €288 million in 2018, up sharply on 2017 (€158 million). This increase is a result of the aforedescribed improvement in working capital.

Free cash flow

The Group's free cash flow totalled €471 million in 2018 (versus €283 million in 2017). In 2018, this item includes €183 million in proceeds from the disposal of the rue François 1er building at Lagardère Active (net of taxes and the costs of fitting out new premises), versus €125 million in 2017 in connection with the disposal of properties in Levallois.

(in millions of euros)	2017*	2018
Free cash flow excluding property disposals	158	**288**
Proceeds from disposals	155	**251**
Tax paid on disposals	(28)	**(42)**
Refitting costs	(2)	**(26)**
Proceeds from property disposals, net	125	**183**
Free cash flow	283	**471**

* Restated for IFRS 15.

Purchases of investments

Purchases of investments represented an outflow of €340 million and mainly related to Lagardère Travel Retail's November 2018 acquisition of Hojeij Branded Foods (HBF), a leading Foodservice operator in North America. Purchases also include Lagardère Publishing's acquisition of Worthy Publishing Group, a publishing house in the United States, and Lagardère Active's acquisition of a majority stake in Skyhigh TV, the Netherlands' leading independent production company.

Disposals of investments represented an inflow of €148 million in 2018 (of which €5 million in interest received), including €142 million at Lagardère Active owing to the sale of international radio operations, MonDocteur and Doctissimo, along with the sale of the 42% interest in Marie Claire.

Total cash flows from operating and investing activities

In all, **operating and investing activities represented a net cash inflow of €279 million**, versus €234 million in 2017.

Financial Position

At end-December 2018, net debt remained stable at €1,375 million compared to €1,368 million at end-2017, with acquisitions wholly financed out of proceeds from the disposals made during the year (international radio operations, MonDocteur, Doctissimo, the interest in Marie Claire and the rue François 1er building).

The Group's liquidity position remains very solid, with €1,960 million in available liquidity (available cash and short-term investments reported on the balance sheet totalling €710 million and an undrawn amount on the syndicated credit line of €1,250 million).

The Group continues to enjoy a healthy financial position, with a leverage ratio (net debt/recurring EBITDA) of 2.1.

D) KEY EVENTS SINCE 7 FEBRUARY 2019

Finalisation of the sale of most of the magazine publishing titles in France to Czech Media Invest (CMI).

The amount of the transaction was €52 million. In connection with the sale, CMI was granted an exclusive license for the Elle brand covering France. The Lagardère group remains the owner of the Elle brand in France and abroad.

Disposal of the interest in the Jacaranda radio station and signing of an agreement for the sale of the Mediamark advertising sales brokerage to South African group Kagiso Media.

The sale price for the interest in Jacaranda was ZAR 233 million or €15 million (based on the exchange rate at 11 February), and that of Mediamark (the closing of which is subject to clearance from the South African competition authorities) is estimated at ZAR 30 million or €2 million (based on the exchange rate at 11 February).

Finalisation of the sale of Plurimedia to Media Press Group.

Finalisation of the sale of Billetreduc.com to the Fnac Darty group.

E) STRATEGIC REFOCUSING

Announced during the 2017 annual results presentation on 8 March 2018 and at the General Meeting of 3 May 2018, the Group's strategic refocusing is based on two priority areas: Lagardère Publishing and Lagardère Retail, ensuring that each is provided with the requisite resources to dominate its respective sector. The objectives are mainly to improve the Group's industrial profile and cash generation, enabling it in particular to fund the growth of its businesses.

As illustrated in the following table, in implementing this strategy, the Group has identified:

- **A target scope**, comprising Lagardère Publishing and Lagardère Travel Retail (core businesses), as well as Other Activities[1];
- **A non-retained scope**, as set out in section G – Appendices.

(1) Lagardère News *(Paris Match, Le Journal du Dimanche,* Europe 1, Virgin Radio, RFM and the Elle licence), the Entertainment businesses, the Group Corporate function, and the Lagardère Active Corporate function whose costs will be wound down by 2020.

(in millions of euros)	2018 recurring EBIT (excluding impact of IFRS 16)	Estimated impact of IFRS 16*	2018 revised recurring EBIT[1]
Lagardère Publishing (core business)	190	11	201
Lagardère Travel retail (core business)	119	2	121
Other Activities	(13)	1	(12)
Target scope	**296**	**14**	**310**
Non-retained scope – disposed	29		29
Non-retained scope – not yet disposed**	**76**	**2**	**78**
Total Lagardère group	**401**	**16**	**417**

* IFRS 16 impact on buildings and other assets, only. The IFRS 16 impact on concessions at Lagardère Travel Retail is neutralised in Revised recurring EBIT.
** Lagardère Sports and Entertainment (excluding Entertainment), Lagardère Studios, Mezzo, Disney Hachette Presse.

F) OUTLOOK

2019 Group recurring EBIT growth target based on target scope

The Lagardère group expects 2019 recurring EBIT[2] growth based on the target scope[3] to be between 4% and 6% at constant exchange rates and excluding the acquisition of HBF.

Non-retained business scope[4]

Based on constant exchange rates, the contribution to recurring EBIT in 2019 for businesses not disposed to date (which represented €78 million in 2018) is expected to be between €80 million and €90 million on a full-year basis.

G) APPENDICES

CHANGES IN SCOPE OF CONSOLIDATION AND EXCHANGE RATES

Full-year 2018:

The difference between consolidated and like-for-like revenue data is attributable to a €110 million negative foreign exchange effect resulting chiefly from fluctuations in the US and Australian dollars, and to a €52 million positive scope effect, breaking down as:

- a €30 million positive impact resulting from the acquisitions of Jessica Kingsley, Summersdale, Kyle Cathie, Worthy Publishing and Bookouture at Lagardère Publishing;
- a €25 million positive impact relating to Lagardère Travel Retail, including a €40 million positive impact from acquisitions (mainly HBF and to a lesser extent, Duty Free operations in Poland and Travel Essentials activities in the Czech Republic) and a €15 million negative impact from deconsolidations (mainly the divestment of Press Distribution operations in Hungary);
- a €13 million negative impact relating to Lagardère Active, relating mainly to the disposal of LARI, MonDocteur and Doctissimo, partly offset by the acquisitions of Skyhigh TV and Aito Media Group;
- a €10 million positive impact relating to Lagardère Sports and Entertainment owing chiefly to the acquisition of Brave Marketing IG in October 2017, which was consolidated over full-year 2018.

(1) "Revised" recurring EBIT (Group recurring EBIT). The Group's main performance indicator is recurring operating profit of fully consolidated companies (Group recurring EBIT), which is calculated as follows:
Profit before finance costs and tax
Excluding:
- Income from equity-accounted companies before impairment losses
- Gains (losses) on disposals of assets
- Impairment losses on goodwill, property, plant and equipment, intangible assets and investments in equity-accounted companies
- Net 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
- Specific major disputes unrelated to the Group's operating performance
- Items related to leases (NEW):
  - Cancellation of fixed rental expense* on concessions
  - Depreciation of right-of-use assets on concessions
  - Gains and losses on lease modifications

* Cancellation of fixed rental expense is equal to the repayment of the lease liability, the associated change in working capital and interest paid in the statement of cash flows.

(2) Restated for the impact of IFRS 16 on concession agreements at Lagardère Travel Retail.

(3) Lagardère Publishing and Lagardère Travel Retail (core businesses), as well as Other Activities including Lagardère News *(Paris Match, Le Journal du Dimanche,* Europe 1, Virgin Radio, RFM and the Elle licence), the Entertainment businesses, the Group Corporate function and, the Lagardère Active Corporate function whose costs will be wound down by 2020.

(4) Recurring EBIT of operations disposed to date is minimal, since the Press business was deconsolidated with effect from 1 January 2019 and the amounts corresponding to the other assets are not significant.

Operations disposed or in exclusive sale negotiations

Disposals to date	2018 revenue	2018 revised recurring EBIT	Value (€m)	Date
LARI – Eastern Europe	29	7	73	July 2018
Marie Claire	-	-	14	June 2018
MonDocteur	8	(4)	55	July 2018
Doctissimo				October 2018
Boursier	22	3	41	January 2019
BilletReduc				February 2019
Plurimédia				February 2019
Doctipharma				February 2019
LARI – Africa (Jacaranda, Mediamark, Vibe Radio [Senegal and Côte d'Ivoire])	1	1	18	Jacaranda and Vibe Radio: transaction closed in February 2019 Mediamark: closing subject to regulatory clearance
Magazine Publishing titles (excluding *Paris Match*, *Le Journal du Dimanche* and the Elle licence).	239	22	52	February 2019
Total	**299**	**29**	**253**	

Exclusive sale negotiations	2018 revenue	2018 revised recurring EBIT
TV Channels, excluding Mezzo	99	23
Not yet disposed		
Lagardère Sports and Entertainment (excluding the Entertainment businesses)	396	32
Lagardère Studios	215	19
Mezzo	11	3
Disney Hachette Presse and others	5	1
Total	**726**	**78**

3.1.1.2 PARENT COMPANY RESULTS

INCOME STATEMENT

The condensed income statement is as follows:

(in millions of euros)	2017	2018
Operating revenues	60	**60**
Operating loss	(13)	**(9)**
Net financial income	90	**198**
Earnings before tax and exceptional items	77	**188**
Net exceptional expense	(3)	**(5)**
Income tax benefit	88	**95**
Profit for the year	162	**278**

BALANCE SHEET

The condensed balance sheet is as follows:

(in millions of euros)	2017	2018
Assets		
Fixed assets	5,066	**5,362**
– of which investments in subsidiaries and affiliates	4,561	**4,561**
Current assets	115	**186**
Deferred charges and translation adjustments	30	**9**
Total assets	5,211	**5,557**
Liabilities and shareholders' equity		
Shareholders' equity	2,898	**2,995**
– of which share capital	800	**800**
– share premiums and reserves	1,828	**1,817**
– retained earnings	108	**100**
– profit for the year	162	**278**
Provisions for risks and liabilities	36	**31**
Liabilities	2,277	**2,531**
– of which borrowings	2,179	**2,472**
Total liabilities and shareholders' equity	5,211	**5,557**

Lagardère SCA is the holding company of the Lagardère group and had eight employees at 31 December 2018.

3.1.1.3 BUSINESS OVERVIEW

A) LAGARDÈRE PUBLISHING

The world's third-largest private-capital publisher in the trade and educational markets, operating under the Hachette Livre imprint, 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.

2019 challenges

What were the key highlights for Lagardère Publishing in 2018?

"2018 saw a slight decline for Lagardère Publishing, due to the complete absence of curriculum reform in France and Spain, which affected our Education activities. But we enjoyed traction from a great performance in General Literature in the United States, the United Kingdom and France, not to mention good results in Partworks.

Overall, international operations and French literature partially offset the decline in textbooks, without wiping it out entirely.

As a result, Lagardère Publishing saw its revenue edge down 1.2% on a like-for-like basis, while its recurring EBIT was down 9.7% compared with 2017, a particularly good year marked by several literary prizes, curriculum reform and the release of an Asterix album."

What are your challenges and priorities for 2019?

"In 2019, Lagardère Publishing is well placed to benefit from curriculum reform affecting two senior secondary classes in France, as well as vocational education.

It will be a year of further diversification, with the division looking for acquisitions in video and board games.

We also plan to resume an active external growth strategy by positioning Lagardère Publishing as a potential acquirer on the US market, where the economic future of global publishing will largely be played out."

Arnaud Nourry

Chairman and Chief Executive Officer of Hachette Livre

2018 overview

A year without curriculum reform

In a global publishing market characterised by a 0.9% decline in France, a 2.1% rise in Spain and the continuation of growth dating back several years in the United States (up 1.3%), the United Kingdom (up 2.1%), Australia (up 9.9%) and Ireland (up 6.5%), Lagardère Publishing delivered revenue of €2,252 million (including acquisitions), down 1.2% on a like-for-like basis compared with 2017. Recurring operating profit (recurring EBIT) moved down 9.7% to €190.1 million.

Stellar performances by Hachette Book Group and Hachette UK in General Literature were not sufficient to offset the full loss of revenue attributable to the absence of curriculum reform in France and Spain, and to a lesser extent in the United Kingdom.

In 2018, Hachette Book Group placed 166 titles on *The New York Times* Best Seller list, 32 of which made it to number one, while 114 Hachette UK titles appeared on *The Sunday Times* bestsellers lists, 15 of which reaching the top spot. Hachette Book Group and Hachette UK have market share of 5.8% (up 0.6%) and 12.6% (up 3.1%), respectively[1].

In France, the General Literature publishing houses reaped the Médicis, Médicis Étranger and Renaudot Essai prizes, while Guillaume Musso's *La Jeune Fille et la Nuit* (Calmann-Lévy) sold 700,000 copies – a record for the author. Fayard also published three of the four best end-of-year sales in the essays and documents category: *Qu'est-ce qu'un Chef ?*, by Pierre de Villiers; *Idiss*, by Robert Badinter; and *Becoming*, by Michelle Obama.

In Spain, the textbook market suffered from changes in national and regional governments, calling into question existing policies and reducing short-term visibility.

But with 80 launches in 30 countries and 15 languages, Lagardère Publishing has become the world's leading publisher of Partworks, thanks largely to successes in France, Italy and Brazil.

Lastly, the new Hachette UK distribution centre in Didcot (Oxfordshire), the largest and most modern in the United Kingdom, has replaced the Littlehampton Book Services (LBS) and Bookpoint centres, resulting in substantial gains through economies of scale and streamlining. In France and the United States, distribution contracts linking Hachette Livre with leading partner publishers were renewed as they expired.

Digital: a springboard for audiobooks

While sales of e-books stabilised in the United States and rose in the United Kingdom and in France, digital audiobooks logged a third year of spectacular growth above 30%. Their success gathered pace as titles initially available on CD became available for download on smartphones, allowing pretty much anyone to listen to professional actors read a book while waiting at an airport, during a daily car or train trip, or when working out.

To meet demand, Hachette Book Group has opened a third recording studio in its New York offices.

The proportion of digital activities grew year on year, accounting for 10.6% of Lagardère Publishing's revenue in 2018.

Leading positions

- No. 1 publisher in France.
- No. 1 publisher of digital bestsellers in the United Kingdom.
- No. 1 publisher of partworks worldwide.
- 1st publisher to carry out regular Scope 3 *Bilan Carbone*® audits in France.
- No. 2 publisher in India.
- No. 3 private-capital publisher in the trade and educational markets.
- No. 4 publisher in the United States.

2018 key dates

- 16 April: *Less*, by Andrew Sean Greer, takes the Pulitzer Prize in the fiction category.
- 24 April: release of *La Jeune Fille et la Nuit*, by Guillaume Musso, at Calmann-Lévy.
- 4 June: publication of *The President is Missing*, by Bill Clinton and James Patterson, at Little, Brown.
- 16 July: Hachette Livre acquires La Plage, a publishing house specialising in practical ecology.
- 13 August: Hachette Book Group announces the acquisition of Worthy Publishing Group, an American publisher of faith-based books operating out of Nashville, Tennessee.
- 10 December: Nadia Murad, a Fayard and Virago author, receives the Nobel Peace Prize in Oslo (Norway).

2018 key figures

- 6,968 permanent employees worldwide at Hachette Livre.
- 32 titles published by Hachette Book Group ranked first on *The New York Times* Best Seller list.
- 80 launches of new partworks worldwide.
- 50,000 copies of the latest book by Ahlem Mosteghanemi put in stores by Hachette Antoine in the Arab world.
- 15%: estimated market share of Hachette UK (all formats).
- 713,000 copies of *You are a Badass,* Jen Sincero's 2016 novel, sold in 2018.

B) LAGARDÈRE TRAVEL RETAIL

With operations in 35 countries on five continents, Lagardère Travel Retail is a leading global Travel Retail company. The division covers all business segments (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.

2019 challenges

What were the key highlights for Lagardère Travel Retail in 2018?

"We enjoyed another year of growth, driven by:

- a good performance in existing stores thanks to the positive effects of our commercial strategy of keeping one step ahead of travellers' new needs, not to mention strong growth in traffic;
- the success of network modernisations;
- the start of new contracts, notably in Senegal, Switzerland and Hong Kong.

We also completed the acquisition of Hojeij Branded Foods (HBF), a major player in airport catering in North America, allowing us to strengthen our activities in North America and more generally in Foodservice.

Lastly, 2018 saw us win tenders that will fuel our growth going forward, most notably 28 Smullers outlets (fast food) in train stations in the Netherlands, Fashion at Vienna airport (Austria) and in the domestic terminal of the future Beijing-Daxing airport (China), plus the Duty Free zone at Leon Mba airport in Libreville (Gabon)."

What are your challenges and priorities for 2019?

"Our goal for 2019 is to continue our growth and development.

Successfully integrating HBF and its subsidiary Vino Volo in the United States and successfully launching new contracts while continuing to optimise our existing operations are our top priorities.

(1) Source: publisher.

We remain keen to innovate more in the concepts and services we offer to our licensors and travellers, and to ramp up the CSR dimension of our strategy.

And we plan to continue our commercial development strategy to win new contracts in our three business segments (Travel Essentials, Duty Free & Fashion and Foodservice) to lay the foundations of our future growth."

Dag Rasmussen

Chairman and Chief Executive Officer of Lagardère Travel Retail

2018 overview

Balanced growth in our three business segments – Travel Essentials, Duty Free & Fashion, and Foodservice – confirms the underlying logic of our strategy amid the favourable tailwind of growing air traffic.

Very bright organic growth

Travel Essentials continued to grow, with the rollout of the Relay concept in Toulouse, Réunion, Spain (Palma), Italy (Bari, Brindisi, Rome, Florence, Venice), North America and the Pacific (Perth, Sydney, Auckland).

Development through franchises also continued in some areas, including China (Wuhan and elsewhere) and Pakistan (Islamabad). Lagardère Travel Retail also designed the first physical store concept created exclusively for TripAdvisor, opening its first outlets in the United States and Hong Kong.

At the same time, souvenir shops continued their growth under the directly owned Discover brand and through concepts with a strong local identity (NZ All Blacks in New Zealand and Dutch Discoveries in the Netherlands).

Lastly, the division also won many calls for tender in Spain (Canary Islands), the United States (San Francisco, Dallas-Fort Worth, Cincinnati, Orlando, Sacramento, Salt Lake City), Australia (Sydney), New Zealand (Christchurch, Auckland, Wellington) and Gabon (Libreville). And to top it all off, the renewal of the Eiffel Tower concession (France) has just been confirmed.

Renovations have paid off

In Duty Free & Fashion, Lagardère Travel Retail benefited from the positive impact of renovations on new concepts including BuY Paris Duty Free (launch of the Beauty New Age concept at Paris-Charles-de-Gaulle) and Aelia Duty Free (Venice, Trieste, Cairns), as well as the successful integration of contracts won in 2017, including Saudi Arabia (Dammam, Riyadh, Jeddah), Dakar (Senegal), Geneva (Switzerland) and Hong Kong.

In Fashion, Lagardère Travel Retail opened The Fashion Place multi-brand stores in Zagreb (Croatia) and Prague (Czech Republic), while growth continued at a rapid pace in China (Shanghai Hongqiao, Beijing and Wuhan) and Hong Kong.

Lastly, new concessions were won in Christchurch (New Zealand) and Libreville (Gabon) in Duty Free, and in Vienna (Austria) and Beijing-Daxing (China) in Fashion.

Significant acceleration

Growth gained pace in Foodservice with the acquisition of HBF and its subsidiary Vino Volo in the United States. In addition, numerous outlets were opened in France (Paris, Nice, Lyon, Toulouse), Italy (Rome, Venice), Spain (Malaga), Poland (Warsaw, Gdansk), the Czech Republic (Prague), Austria (Graz, Salzburg), Romania (Bucharest), the United Arab Emirates (Dubai), China (Shanghai Hongqiao, Beijing, Wuhan), Hong Kong, Australia (Townsville) and the United States (Los Angeles, Dallas-Fort Worth, San Francisco).

And several concessions were won in 2018, including the Netherlands (Smullers), Spain (Malaga) and the United States (San Francisco, Los Angeles, Austin, Dallas, Denver).

Lastly, the year's other major event was the conclusion of a global partnership with Dean & DeLuca.

Leader positions

- No. 3 Travel Retail operator worldwide.
- No. 1 Travel Retail operator in France, Poland and the Czech Republic.
- No. 1 operator in Travel Essentials worldwide.
- No. 1 Fashion operator in airports worldwide.
- No. 4 Foodservice operator in travel areas worldwide (with the acquisition of HBF).
- Largest international chain of Travel Essentials outlets.

2018 key dates

- March: inauguration of BuY Paris Duty Free's innovative Beauty New Age concept at Paris-Charles-de-Gaulle airport (France).
- July: opening of eight Duty Zero stores at Hong Kong airport in partnership with China Duty Free Group.
- August: gain of the concession to operate 28 Smullers restaurants in Dutch Rail train stations in the Netherlands.
- October: signature of a global partnership with the Dean & DeLuca foodservice chain. Opening of the 600 sq.m. The Daily DXB Foodservice area at Dubai airport (United Arab Emirates).
- November: opening of 5,400 sq.m. of Travel Essentials, Duty Free and Foodservice retail space at Venice airport (Italy). Completion of the acquisition of Hojeij Branded Foods (HBF) and its subsidiary Vino Volo in North America.
- December: gain of a Travel Essentials, Duty Free and Foodservice concession at Libreville airport (Gabon). Renewal of the Eiffel Tower concession (France).

2018 key figures

- Consolidated revenue of Lagardère Travel Retail: €3,673 million.
- Lagardère Travel Retail revenue in Duty Free & Fashion: €2,026 million[1].
- More than 18,000 permanent employees worldwide.
- More than 4,500 stores in 35 countries.
- More than 236 airports hosting Lagardère Travel Retail stores.
- More than 1,000 Foodservice outlets in 20 countries.

(1) Managed sales at directly-operated stores.

C) 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. Sport and entertainment inspire emotions and passion that are essential to enrich people's lives and generate powerful collective experiences. Lagardère Sports and Entertainment dedicates its expertise and passion to providing its clients with privileged access to the infinite opportunities offered by the world of sport and entertainment.

2019 challenges

What were the key highlights for Lagardère Sports and Entertainment in 2018?

"2018 saw a number of successes take place across our business. In April, Lagardère Sports provided several services including sponsorship, hospitality and broadcast rights sales at the Gold Coast 2018 Commonwealth Games as well as signing a record number of sponsors.

Our Lagardère Plus team also successfully managed on-the-ground and online campaigns for Hisense, an official sponsor of the 2018 FIFA World Cup™. The Hisense "See the Incredible Tour" saw the team build a social movement and constant stream of video content following the excitement of the FIFA World Cup.

In addition to this, 2018 saw us renew key contracts in European football with the extension of our collaboration with Borussia Dortmund until 2026. We also became the media distribution partner for the International Handball Federation (IHF) covering men's and women's World Championships until 2025.

Furthermore, our global sponsorship sales organisations delivered a stellar performance, especially regarding cross border sales, connecting even more brands and rights holders across Europe, Asia and the United States of America."

What are your challenges and priorities for 2019?

"At the end of 2018, the Lagardère group confirmed that it had begun the disposal process for Lagardère Sports and Lagardère Plus. In doing so, the Lagardère group has confirmed that the Lagardère Sports and Lagardère Plus businesses are to be sold as a whole, with the exception of Lagardère Live Entertainment, Lagardère Paris Racing and Saddlebrook. In the meantime, we will continue to operate as normal until a commercial offer is received which is acceptable to the Group.

2019 will be a big year for us and one of the most profitable and peak years in the history of our organisation starting with the Asian Cup which launched in January, and the Total Africa Cup of Nations taking place for the first time in June.

Overall, as our business continues to grow, we are well placed within the market and are recognised for our capability to maximise value for clients through our broad local and global expertise. We continue to cement our position within the sports and entertainment industry and expect 2019 to be an exceptional year for the company."

Andrew Georgiou

Chief Executive Officer,
Lagardère Sports and Entertainment

2018 overview

Total African Nations Championship 2018

This year's Total African Nations Championship (CHAN 2018) which took place in Morocco saw outstanding broadcast and digital results. Lagardère Sports broadcast the tournament to fans in over 80 territories across Europe, Africa, Middle East, Asia, America and Oceania with 100 hours of live transmission. In addition to this, Lagardère Sports also organised two "Total Social Stadiums" during the opening and final matches. Social media influencers from Morocco, Mauritania and Nigeria were invited to create and share original and unique content with their followers, extending the reach and interest around the competition.

On the road with Hisense

The Hisense "See the Incredible Tour" saw Lagardère Plus build a social movement following the excitement of the FIFA World Cup. A fully branded and product-equipped Hisense tour bus began its journey in Spain on 14 June and travelled through France, England and Germany all the way to Russia. Hisense and Lloyd Griffith, an English comedian and aspiring goalkeeper, used social media to introduce the "incredible" countries, people and moments during the FIFA World Cup.

Virtual advertising implemented in the Bundesliga

Eight-time German Champions Borussia Dortmund became the first football club worldwide to use the innovative virtual advertising technology at all 17 home matches of the 2018-2019 Bundesliga season. Lagardère Sports, and its partners ADI and Supponor, were awarded the first prize in the category "Sports Tech of the Year" at the Sport Business Awards 2018 in London.

Falken extends commitment to European Football

Tyre manufacturer Falken extended its commitment to top class European football by partnering with 21 clubs in Germany, England, Spain, Italy, France, the Netherlands, Poland and for the first time, Sweden. The pan-European sponsorship was secured by Lagardère Sports with the strategy focusing on LED perimeter and static boards to reach millions of fans in core European markets.

The Match: Tiger vs. Phil

In November, the long-awaited, 18-hole head-to-head competition between Lagardère Sports golf client Phil Mickelson and Tiger Woods took place in Las Vegas. Lagardère Sports and Excel Sports Management (who represent Woods) were the event organisers and Warner Media's Turner Sports produced all live event coverage. Phil Mickelson triumphed over Tiger Woods to win the USD 9 million prize, with the proceeds from the side contests held throughout the match being donated to charity.

Leading positions

- Leader in football in Africa, Asia and Europe.
- Leader in global sports sponsorship, with more than 200 sales people across Europe, Asia and the United States of America.
- Lagardère Sports continued to be a leader and pioneer in the field of Esports.

2018 key dates

- February: successful staging of the fifth Total African Nations Championship (CHAN 2018), for which Lagardère Sports held the media and marketing rights.
- April: The German Football League approves an innovative virtual advertising solution developed by Lagardère Sports, ADI and Supponor, which was trialled at the start of the 2018-2019 Bundesliga season during a Borussia Dortmund home fixture.

- April: opening of the Gold Coast 2018 Commonwealth Games, on behalf of which Lagardère Sports signs up a record number of sponsors.
- June – July: Lagardère Plus successfully manages on-the-ground and online campaigns for Hisense, an official sponsor of the 2018 FIFA World Cup™ in Russia.
- October: Lagardère Sports stages the fifth and final edition of the BNP Paribas WTA Finals Singapore presented by SC Global transforming this tournament into a world-class Sportainment event.

2018 key figures

- Partners with more than 100 football clubs in Europe.
- Management of more than 180 athletes in the MLB and NFL and generation of USD 900 million for our talent.
- Significant growth in our Esports revenues which have increased by over 300% in 2018.

D) LAGARDÈRE ACTIVE

Strategy

Organisation redesigned following a strategic refocus

As announced by Arnaud Lagardère in March and May 2018, the Managing Partners have decided to refocus the Group's strategy around the two priority divisions, Lagardère Publishing and Lagardère Travel Retail. The disposal of the media assets is under way, with a number of transactions completed in 2018 and early 2019.

To facilitate the sales, the division has been reorganised into five autonomous business units – News, Press, TV, Audiovisual Production and Distribution, Pure Players and BtoB – each with its own resources for its management and development, in order to seize the best opportunities.

The News unit (Europe 1, Virgin Radio, RFM, *Paris Match*, *Le Journal du Dimanche*, the advertising sales brokerage and the management of the Elle brand licences) is not affected by the asset sales in progress. It will work to structure and strengthen news-related businesses, building on its strong brands, the quality of its content and the independence of its editorial teams.

Implementation of the media asset disposal plan

Several significant transactions have been carried out in the Lagardère Active division as part of the Group's strategic refocusing.

The magazine publishing titles in France, including *Elle* and its various extensions, *Version Femina*, *Art & Décoration*, *Télé 7 Jours* and its various extensions, *France Dimanche*, *Ici Paris* and *Public*, were sold to Czech Media Invest (CMI) in February 2019.

In April 2018, CMI also acquired the radio assets in the Czech Republic, Poland, Slovakia and Romania. These sales, combined with those of the radio assets in Cambodia in October 2018 and South Africa in February 2019, mark the disposal of most of Lagardère's international radio stations.

Several disposals have also been made in digital media. The e-Health unit has been sold: MonDocteur was sold to Doctolib in July 2018 and Doctissimo to the TF1 group in October 2018. In addition, in February 2019, the Boursier.com activity, published by Newsweb, was sold to the Les Échos – Le Parisien group, while Billetreduc.com and Plurimedia were sold to Fnac Darty and Media Press Group, respectively.

The 42% stake in Marie Claire was also sold in June 2018.

Lastly, exclusive negotiations announced in January 2019 are under way with the M6 group for the sale of the TV unit (excluding Mezzo): Gulli and its international extensions, TiJi, Canal J, Elle Girl TV, MCM, MCM Top and RFM TV. The sale of Lagardère Studios is scheduled for 2019.

2018 highlights

Rewards and international expansion for Audiovisual Production

In France, Lagardère Studios now ranks as the third-largest producer of drama, with more than 45 hours of original programming broadcast in prime time, and the second-largest producer programmes for immediate broadcast, with over 820 hours aired on French channels.

In Spain, it is a leading independent audiovisual production group, with approximately 500 hours of programming delivered in 2018.

Already operating in France, Spain, Finland and Africa, Lagardère Studios continued its international expansion with the acquisition of Dutch production company Skyhigh TV in March 2018.

Lagardère Studios also won 18 awards for productions in France (including *Jour Polaire* and *Ad Vitam*) and internationally (including *La Otra Mirada* and *Pirjo*), plus two awards on digital formats. Several of its programs also logged record audiences, notably *C dans l'air* in France (2.2 million viewers on 5 February 2018, or 17.1% audience share) and *Pirjo* in Finland (3 million views on the Yle VOD platform).

Lagardère Studios will be sold in 2019 as part of the Group's strategic refocusing.

Success and records for TV

On 31 January 2019, the Lagardère group began exclusive negotiations with the M6 group with a view to finalising an agreement to sell the channels of its TV unit (excluding Mezzo). The activities of the TV unit will continue normally during the process.

The preeminent youth offering in France with Gulli, TiJi and Canal J, and France's top music offering with MCM, MCM Top and RFM TV, the Group's TV channels enjoyed great success in 2018. Gulli turned in a record-breaking year, with audience share of 18.9% among viewers aged 4-10 and 16.4% among those aged 4-14. Also operating in Russia, French-speaking Africa and 18 countries in the Arab world, the favourite channel of families for its youth programmes reached 28 million viewers in France on average each month in 2018. In addition to revamping GulliMax, its unlimited SVOD zone, Gulli continued its non-media diversification (Gulli Parcs, touch tablets, etc.) and partnerships (notably Le Salon du Chocolat Junior).

At the same time, the music channels attracted an average of nearly 5 million viewers each month in France, and Elle Girl TV 2.2 million.

Meanwhile, Mezzo started broadcasting in Japan and produced 350 hours of co-productions. It is now broadcast in more than 54 million households and nearly 60 countries. The benchmark for classical music, jazz and dance, it has stepped up the number of live performances broadcast from the world's pre-eminent theatres, including La Scala in Milan (Italy) and the Bolshoi Theatre in Moscow (Russia).

Business focus

Europe 1, RFM and Virgin Radio: acceleration of the transformation

In 2018, Europe 1, RFM and Virgin Radio successfully completed their relocation to a new building and acquired new broadcasting tools. The new location will foster the development of synergies and joint projects.

With 3.6 million listeners daily[1], Europe 1 accelerated its transformation, with new programmes designed with target audiences in mind. With Europe 1 Studio, it continued its innovation strategy aimed at new digital uses, creating native podcasts and new programmes for connected speakers.

RFM remains the number 1 music station in listening time (1 hour 40 minutes)[2], with 2.288 million listeners daily[1]. In 2018, the RFM Music Show, the flagship event kicking off the summer season, attracted 21,000 spectators and more than 800,000 viewers to the show's bonus broadcast. In 2019, RFM was also the first French radio station to broadcast a live concert on Alexa, Amazon's connected speakers.

Every day, 2.554 million listeners[1] tune in to Virgin Radio for programming that reveals talent and makes it the place to be for artists. It lends its name to musical events throughout France, including Electroshock and the special morning shows hosted by Camille Combal before a live audience, which regularly attract 3,000 fans.

Paris Match: great momentum and varied projects

France's front-ranking news magazine[3] was created to tell stories of human adventure around the world, wherever news breaks.

True to this editorial line and to photojournalism, *Paris Match* pursues its vocation by covering the most compelling news, by looking closely at major French and international issues (from conflict zones to popular aspirations) and by sharing moments and events that resonate with the French population, with the special issues devoted to France Gall, Charles Aznavour and the French team's success at the World Cup all featuring among the biggest sales of the year.

In 2018, *Paris Match* expanded into audiovisual production with the creation of Match Prod (documentaries, brand content). It also won over more than 10 million unique visitors per month[4] on Snapchat and confirmed its position as leader in webseries with the launch of "Un jour, une photo".

This content, widely viewed on its website, contribute to making *Paris Match* a powerful brand that reaches more than 14 million individuals[5].

It was also a year of exciting events, with the new "Rendez-vous des Grands Aventuriers", the 15th Grand Prix du Photoreportage Étudiant and photo exhibitions in giant format throughout France.

And to cap it off, the "Décennies" specials set the ball rolling for the celebration of the magazine's 70th anniversary in 2019.

Le Journal du Dimanche: the "must-read" weekend paper

In 2018, *Le Journal du Dimanche* intensified its ongoing renaissance, recording a circulation of 154,000[6] in a challenging environment for print media and uninterrupted growth of audiences for its website (2.8 million unique visitors[7], up sharply over the last two years). Its political interviews, investigations and scoops make it the "must-read" weekend paper.

To defend its values, the paper has cast itself as an advocate for causes including equal pay and the fight against domestic violence. It has partnered with leading journalism schools to get students involved in a more decentralised and more positive treatment of the news. The paper also continues its diversification efforts through its high-end conference cycles (Les Matins de l'Economie, Les Conversations) and its participation in tailor-made events with major economic players (Bouygues Immobilier, Saint-Etienne Metropolis, EDF Electric Days).

Lastly, *Le Journal du Dimanche* celebrated its 70th anniversary with a special insert in which experts unveiled their vision of the progress on the cards in the coming seven decades – evidence that its reporters have their eyes firmly on the future rather than on the past.

Elle International: the strength of a brand, the power of a network

More than just the leading fashion and lifestyle media brand, Elle International is the world's number 1 women's media network, with 33 million readers and 100 million unique visitors per month on 55 digital platforms. It has no fewer than 78 international editions, including 45 *Elle* and 25 *Elle Décoration*, licensed in 45 countries with partners including Hearst, Burda and Aller. And it also has a non-media licensing business (fashion, beauty, decoration, services, etc.) working with 140 licensees in 80 countries.

Its network is driven by:

- a centralised advertising sales brokerage (Lagardère Global Advertising) in charge of sales for all editions;
- a brand management and editorial production team that generates the publication of 4,900 pages per year;
- a syndication department that facilitates the sharing of local content locally (13,000 pages per year);
- a non-media licensing team (Lagardère Active Enterprises) in charge of merchandising operations.

2018 was a year rich in developments:

- launch of *Elle Décoration* in Argentina and Ukraine;
- transformation of *Elle Italia* into a weekly;
- rollout of the Elle Active Forum in Italy, China, Japan, United Kingdom, etc.;
- launch of a degree course in collaboration with MIT in Boston: the Elle International Fashion and Luxury Management Program;
- launch of an Elle perfume globally and a makeup line in China;
- opening of Elle Café restaurants in Shanghai and Bangkok.

Elle International promises an equally exciting year in 2019.

(1) Source: Médiamétrie 126,000 Radio; 13+; 5 a.m.-midnight; average Monday-Friday; September 2017-June 2018.
(2) Tied with Nostalgie.
(3) Source: ACPM/OJD; DFP 2017-2018.
(4) Internal source.
(5) Source: ACPM/ONE Global 2018 V3; excluding social networks.
(6) Source: ACPM/OJD; DSH-DFP 2018.
(7) Source: Médiamétrie - NetRatings Internet Global; December 2018.

APPENDIX

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	2014	2015	2016	2017	**2018**
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)	Revenue	52,028	56,327	59,453	59,546	**60,202**
b)	Earnings before tax, depreciation, amortisation and provisions	(75,353)	(13,960)	(40,470)	82,873	**188,116**
c)	Income tax	43,467[1]	74,308[1]	63,132[1]	87,805[1]	**94,576[1]**
d)	Earnings after tax, depreciation, amortisation and provisions	(57,052)	41,082	31,440	162,282	**277,979**
e)	Dividends paid	167,197	168,088	170,025	170,604	**[2]**
III	**Earnings per share (in euros)**					
a)	Earnings per share after tax, but before depreciation, amortisation and provisions	(0.91)	(0.67)	0.17	1.30	**2.16**
b)	Earnings per share after tax, depreciation, amortisation and provisions	(0.44)	0.31	0.24	1.24	**2.12**
c)	Dividend per share	1.30	1.30	1.30	1.30	**[3]**
IV	**Personnel**					
a)	Average headcount	9	9	9	8	**8**
b)	Total wages and salaries	3,178,984	2,509,884	2,944,590	2,607,183	**1,739,429**
c)	Total employee benefit expense	1,837,379	1,038,059	1,025,805	1,275,889	**896,224**

(1) Mainly the tax gain resulting from tax consolidation.
(2) The Annual General Meeting on 10 May 2019 will be asked to approve (i) the deduction of an amount of €1,936,270.63, equal to 1% of consolidated profit for the year attributable to owners, for payment to the General Partners and (ii) the payment of a dividend of €1.30 per share.
(3) The Annual General Meeting on 10 May 2019 will be asked to approve a dividend of €1.30 per share.

3.2 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 2018.

***

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.

This policy enables the Group to single out and foster loyalty among those who have particularly contributed to its performance and whom the Group wishes to retain on a durable basis in order to future-proof its growth as part of its long-term corporate strategy.

For Lagardère SCA's executive corporate officers, the members of the Enlarged Committee and the Group's other senior managers, free share awards – which are all subject to exacting performance conditions – are also an important way of incentivising and encouraging a long-term vision.

In accordance with best corporate governance practices, the Lagardère SCA free share plans are not just restricted to executive corporate officers and senior managers. They also cover some 500 Group employees each year, notably young high-potential managers identified during the talent management process.

For some beneficiaries, there are no performance conditions attached to the vesting of their shares, although they must have formed part of the Group for at least three years at the vesting date. Free share awards are an important tool in the Group's human resources strategy, enabling it to recruit, incentivise and retain key talent. It is vital for the Group to retain their high-level expertise in diverse, and often highly competitive, fields, even though, due to the nature of their underlying jobs, not all beneficiaries may have a direct impact on the Group's financial performance.

In addition, as free share awards offer fiscal conditions that are more advantageous than cash-based remuneration, they are an effective way of containing payroll costs.

These plans thereby promote the close alignment of the beneficiaries' interests with those of the Company and of its shareholders.

3.2.1 GENERAL INFORMATION

3.2.1.1 FREE SHARE AWARDS GRANTED BY THE COMPANY

1. VESTING OF FREE SHARES IN 2018

In the course of 2018, 482,240 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.

- 384,440 shares vested on 1 April 2018 for beneficiaries of the 1 April 2015 performance share plan.
- 97,800 shares vested on 24 December 2018 for beneficiaries of the 22 December 2014 free share plan, and for the heirs of a deceased beneficiary of the 9 May 2016 and 6 April 2017 free share plans.

2. RIGHTS TO FREE SHARES AWARDED IN 2018

Based on the authorisations given by the General Meeting of 3 May 2016 (12th and 13th resolutions), on 16 April 2018, the Managing Partners of the Company carried out the following awards:

- 524,370 rights to free shares (representing 0.400% of the total number of shares comprising the share capital) to 453 beneficiaries, employees and executive corporate officers of the Company and related entities;
- 288,090 rights to performance shares (representing 0.220% of the total number of shares comprising the share capital) to 47 beneficiaries, employees and executive corporate officers of the Company and related entities.

  The performance conditions for the second plan are as follows:

  – *Objective relating to growth in Group recurring operating profit:*

  Vesting for 50% of the shares awarded is subject to the average annual growth rate for Group recurring operating profit over the 2018-2020 period being equal to or more than 12.92% (representing an increase of at least one-third compared with the average annual growth rate for 2015-2017).

  No shares will vest in the event that the average annual growth rate for Group recurring operating profit over the 2018-2020 period is less than 8.53% (representing less than 66% of the objective relating to growth in Group recurring operating profit).

Shares will vest proportionally on a linear basis (from 0% to 100% of the shares awarded) in the event that the average annual growth rate for Group recurring operating profit over the 2018-2020 period is between 8.53% and 12.92% (representing between 66% and 100% of the objective relating to growth in Group recurring operating profit).

– *Objective relating to net cash from operating activities of fully consolidated companies:*

Vesting for 50% of the shares awarded is subject to the average annual amount of Group net cash from operating activities of fully consolidated companies over the 2018-2020 period being equal to or more than €649.1 million (representing an increase of at least one-third compared with the average amount for 2015-2017).

No shares will vest in the event that the average amount of Group net cash from operating activities of fully consolidated companies over the 2018-2020 period is less than €428.4 million (representing less than 66% of the objective relating to Group net cash from operating activities of fully consolidated companies).

Shares will vest proportionally on a linear basis (from 0% to 100% of the shares awarded) in the event that the average annual amount of Group net cash from operating activities of fully consolidated companies over the 2018-2020 period is between €428.4 million and €649.1 million (representing between 66% and 100% of the objective relating to Group net cash from operating activities of fully consolidated companies).

The shared characteristics of these two free share plans are as follows:

- Three-year presence condition:

  The shares will only vest on the condition that at midnight on 16 April 2021, the beneficiaries have neither resigned nor been terminated or dismissed for serious or gross misconduct.

  Similarly, the executive corporate officers of the four divisional holding companies of Lagardère Publishing, Lagardère Travel Retail, Lagardère Sports and Entertainment and Lagardère Active, who are members of the Enlarged Committee must still be in their positions at midnight on 16 April 2021, except in cases of forced termination for reasons other than misconduct.

  For information regarding Lagardère SCA's executive corporate officers, please see the relevant section below.

- Vesting periods:

  For beneficiaries residing in France for tax purposes at 16 April 2018, the shares will vest on 17 April 2021 following a three-year vesting period.

  For beneficiaries residing overseas for tax purposes at 16 April 2018, the shares will vest on 17 April 2022 following a four-year vesting period.

- Holding periods:

  For beneficiaries residing in France for tax purposes at 16 April 2018, the holding period has been set at two years (i.e., the shares must be kept in a registered account until 17 April 2023 inclusive).

  Beneficiaries residing overseas for tax purposes at 16 April 2018 are not subject to a holding period once their shares have 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 black-out periods established by Lagardère SCA in its Confidentiality and Market Ethics Charter.

  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 the relevant section below.

- Death or disability of a beneficiary:

  In the event that a beneficiary 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, or in the event of death, 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.

  The shares of a beneficiary who dies or is deemed to have a disability will become immediately transferable.

- Value of the shares awarded:

  The value of the free shares awarded was €23.20 per share at the opening of trading on the Paris stock exchange on 16 April 2018. Determined in accordance with IFRS, this value was €18.72 per share for the shares vesting on 17 April 2021, and €17.54 per share for the shares vesting on 17 April 2022.

3. FREE SHARE AWARD PLANS IN FORCE IN 2018

The main characteristics of all of the free share award plans which expired in 2018 or were in force as of 31 December 2018 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
22 December 2014	306,120	16,900	289,220	-
1 April 2015	444,440	6,000	384,440	54,000
9 May 2016	829,660	6,500	6,200	816,960
6 April 2017	817,660	7,650	5,000	805,010
16 April 2018	812,460	15,100	-	797,360
Total	**3,210,340**	**52,150**	**684,860**	**2,473,330**

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

In the course of 2018, no free shares were granted by entities or by groups related to Lagardère SCA within the meaning of article L. 225-197-2 of the French Commercial Code, or by entities controlled by Lagardère SCA within the meaning of article L. 233-16 of said code.

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

1. In 2018, Pierre Leroy and Thierry Funck-Brentano, employees of Lagardère Capital & Management and Lagardère SCA executive corporate officers, were each awarded 32,000 rights to performance shares under the 16 April 2018 plan described above (representing 0.024% of the total number of shares comprising the share capital and a carrying amount of €599,040 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 on 8 March 2018, 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 three years after the award (i.e., at midnight on 16 April 2021), except in cases of forced termination for reasons other than misconduct.

   On top of the standard holding period applicable from 17 April 2021 to 17 April 2023 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 black-out periods established by Lagardère SCA in its Confidentiality and Market Ethics Charter.

   In accordance with the recommendations of the Afep-Medef Corporate Governance Code, Lagardère SCA's two executive corporate officers have formally undertaken not to hedge the risks related to the value of the performance shares awarded to them until the end of the corresponding holding periods.

2. In 2018, 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 2018, Lagardère SCA's eight employees were awarded a total number of 35,670 rights to free shares under the 16 April 2018 plan described above (representing 0.027% of the total number of shares comprising the share capital and a carrying amount of €667,742.40 under IFRS), i.e., an average number of 4,459 rights to shares awarded per person (representing 0.003% of the total number of shares comprising the share capital and a carrying amount of €83,467.80 under IFRS).

4. In 2018, 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 by companies that it controls within the meaning of article L. 233-16 of said Code.

The Managing Partners

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4

PRESENTATION AND TEXT OF THE RESOLUTIONS PROPOSED BY THE MANAGING PARTNERS

PRESENTATION AND TEXT OF THE RESOLUTIONS PROPOSED BY THE MANAGING PARTNERS

1ST AND 2ND RESOLUTIONS: APPROVAL OF THE COMPANY'S FINANCIAL STATEMENTS AND THE CONSOLIDATED FINANCIAL STATEMENTS

Presentation

The first resolution concerns the approval of the financial statements of Lagardère SCA (the "Company") for the year ended 31 December 2018, showing a profit of €278.0 million compared with €162.3 million in 2017.

The second resolution concerns the approval of the consolidated financial statements for the year ended 31 December 2018, showing profit attributable to owners of €193.6 million, compared with €178.8 million in 2017.`

The Company's financial statements and consolidated financial statements for the year ended 31 December 2018 are set out in full in chapter 5 of the Reference Document and key information related to those financial statements is provided in section 3.1 of this General Meeting Brochure. The Company's financial statements and the consolidated financial statements have been audited by the Statutory Auditors, whose reports are set out in sections 6.1 and 6.2 respectively of this document.

FIRST RESOLUTION

APPROVAL OF THE COMPANY'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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 2018, the shareholders approve those financial statements as set out and presented to them, showing a profit of €277,979,064.62, as well as the transactions reflected in those financial statements and summarised in those reports.

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, as shown in the Company's financial statements, which amounted to €25,223.99 for the year ended 31 December 2018, and the tax charge borne as a result of these costs and expenses, which amounted to €4,343.

SECOND RESOLUTION

APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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 2018, the shareholders approve the consolidated financial statements as set out and presented to them, showing profit attributable to owners of €193.6 million, as well as the transactions reflected in those financial statements and summarised in those reports.

3RD RESOLUTION: ALLOCATION OF THE COMPANY'S PROFIT AND DIVIDEND PAYMENT

Presentation

The purpose of the third resolution is to allocate the profit of Lagardère SCA.

Taking into account retained earnings of €100,235,832.65, the Company's distributable profit amounts to €378,214,897.27.

After deducting €1,936,270.63, corresponding to 1% of consolidated profit for the year attributable to owners, for payment to the General Partners in accordance with the Company's Articles of Association, in agreement with the Supervisory Board, the Managing Partners propose that this distributable profit be allocated as follows:

- to pay a dividend of €1.30 per share (i.e., a maximum aggregate payout of €170,473,271.80 based on the number of shares currently comprising the Company's share capital). The ex-dividend date would be Tuesday, 14 May 2019, and the dividend would be paid as of Thursday, 16 May 2019; and
- to allocate the balance – corresponding to a minimum of €205,805,354.84 – to retained earnings.

THIRD RESOLUTION

ALLOCATION OF THE COMPANY'S PROFIT AND DIVIDEND PAYMENT

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:	€277,979,064.62
which, in addition to retained earnings of:	€100,235,832.65
makes a distributable profit of:	€378,214,897.27

In accordance with the provisions of the Articles of Association, the shareholders resolve to deduct an amount of €1,936,270.63 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, for persons who elect not to apply the flat tax.

The shareholders further 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 are not eligible for the dividend payment;
- shares created before the ex-dividend date will be eligible for the dividend payment.

The ex-dividend date will be Tuesday, 14 May 2019 and the dividend will be paid as of Thursday, 16 May 2019, to holders of registered shares (for *nominatif pur* shares) or their duly appointed representatives (for *nominatif administré* shares), by cheque or by bank transfer.

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, for persons who elect not to apply the flat tax.

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 paid over the three fiscal years prior to 2018 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	2015	2016	2017
Dividends paid to shareholders			
Dividend per share	1.30	1.30	1.30
Total dividend payout	167,345,521.20	168,269,663.90	168,816,060.40
Dividends paid to the General Partners	742,702.45	1,755,816.74	1,787,729.79
Total	**168,088,223.65**	**170,025,480.64**	**170,603,790.19**

4TH TO 6TH RESOLUTIONS: ISSUING OF OPINIONS ON THE COMPONENTS OF REMUNERATION PAYABLE OR GRANTED TO CORPORATE OFFICERS IN RESPECT OF 2018

Presentation

Articles L. 225-37-2, L. 225-82-2 and L. 225-100, II of the French Commercial Code introduced by Act no. 2016-1691 of 9 December 2016 (*loi Sapin II*) concerning the approval by the General Meeting of the remuneration policy for corporate officers and components of remuneration paid or granted to those officers in respect of the previous fiscal year, are not applicable to French partnerships limited by shares (sociétés en commandite par actions – SCA), by virtue of article L. 226-1 of said Code.

However, in application of the recommendation set out in section 26 of the Afep-Medef Corporate Governance Code – which the Company uses as its corporate governance framework – in the fourth to sixth resolutions, shareholders are invited to issue their opinion on the components of remuneration payable or granted in respect of 2018 to each of the Company's 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 (fourth resolution);
- Pierre Leroy and Thierry Funck-Brentano, in their capacity as Chief Operating Officers of Arjil Commanditée Arco, Managing Partner of Lagardère SCA (fifth resolution);
- Xavier de Sarrau, in his capacity as Chairman of the Supervisory Board of Lagardère SCA (sixth resolution).

Shareholders are invited to issue a favourable opinion on the components of remuneration shown below (presentation based on the recommendation set out in the Application Guide of the Afep-Medef Corporate Governance Code). These components of remuneration are also presented in full in chapter 2, section 2.2 of the Reference Document.

ARNAUD LAGARDÈRE

Components of remuneration payable or granted for 2018	Gross amount or accounting value	Comments
Annual fixed remuneration	€1,140,729	► The gross amount of Arnaud Lagardère's annual fixed remuneration has not changed since 2009.
Annual variable remuneration	€1,628,200	► Arnaud Lagardère's annual variable remuneration is based solely on quantitative criteria related to the Group's performance in 2018 (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. The average figures calculated based on these two criteria may be reduced, where appropriate, by applying the ratio between Group recurring operating profit in 2018 and that generated in 2017) (see chapter 2, section 2.2.1 of the Reference Document). ► The achievement rate for the above criteria is applied to a benchmark amount of €1,400,000. ► Arnaud Lagardère's annual variable remuneration may not exceed 150% of his annual fixed remuneration. ► In light of the achievement rate attained in 2018 (1.163 versus 0.932 in 2017 and 1.37 in 2016), Arnaud Lagardère's annual variable remuneration amounted to 142.73% of his annual fixed remuneration in 2018.
Multi-annual cash-settled variable remuneration	N/A	► Arnaud Lagardère does not receive any multi-annual cash-settled variable remuneration.
Share options, performance shares and other grants of securities	N/A	► Arnaud Lagardère has not received any share options, performance shares, or other grants of securities since his appointment as Managing Partner in 2003.
Extraordinary remuneration	N/A	► Arnaud Lagardère did not receive any extraordinary remuneration for 2018.
Attendance fees	N/A	► Arnaud Lagardère was not entitled to and did not receive any attendance fees for 2018.
Benefits in kind	€18,616	► This corresponds to Arnaud Lagardère's potential personal use of his company car.
Benefits linked to taking up or terminating office	N/A	► Arnaud Lagardère is not entitled to any benefits of this nature.
Benefits linked to non-competition agreements	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 set up by Lagardère Capital & Management for members of the Executive Committee. ► 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 (i) termination (other than for serious misconduct) after the age of 55 if the beneficiary does not take up another post, (ii) long-term disability or (iii) early retirement. ► Arnaud Lagardère's pension benefit entitlements vest at a rate of 1.75% of the Benchmark Remuneration per year of membership of the plan. ► The Benchmark Remuneration corresponds to the average gross annual remuneration over the last five years (fixed and 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 (corresponding to a maximum of €1,986,600 in 2018). ► As the number of years of plan membership used to calculate the benefit entitlements is capped at 20, the supplementary pension cannot exceed 35% of the Benchmark Remuneration, i.e., a maximum amount of €695,310 in 2018. ► At 31 December 2018, the estimated amount of Arnaud Lagardère's annuity, calculated in accordance with the applicable regulations, would represent approximately 28.43% of his total gross remuneration (fixed and variable) paid in 2018. ► No benefits were due or paid to Arnaud Lagardère under this plan for 2018.

PIERRE LEROY

Components of remuneration payable or granted for 2018	Gross amount or accounting value	Comments
Annual fixed remuneration	€1,474,000	► The gross amount of Pierre Leroy's annual fixed remuneration has not changed since 2011.
Annual variable remuneration	€723,900	► Pierre Leroy's annual variable remuneration includes: – a portion based on quantitative criteria, determined by reference to the Group's performance in 2018 (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. The average of the figures calculated based on these two criteria may be reduced, where appropriate, by applying the ratio between Group recurring operating profit in 2018 and that generated in 2017) (see chapter 2, section 2.2.1 of the Reference Document); – a portion based on qualitative criteria, corresponding to a set of priority targets related to three domains, each of which are given an equal weighting: the roll-out of the Group's strategic plan, the quality of governance and management, and the implementation of the Group's CSR policy (see chapter 2, section 2.2.1 of the Reference Document). ► The achievement rates for the above objectives are applied to a total benchmark amount of €600,000 (€300,000 for the qualitative portion and €300,000 for the quantitative portion). ► Pierre Leroy's annual variable remuneration may not exceed 75% of his annual fixed remuneration, and the amount of the qualitative portion is capped at 33% of his annual fixed remuneration. Consequently, the qualitative portion may not represent more than 44% of his maximum annual variable remuneration. ► In light of the achievement rates for these objectives in 2018 (1.163 for the quantitative objectives versus 0.932 in 2017 and 1.37 in 2016; and 1.250 for the qualitative objectives versus 1.166 in 2017 and 2016), Pierre Leroy's annual variable remuneration amounted to 49.11% of his annual fixed remuneration in 2018.
Multi-annual cash-settled variable remuneration	N/A	► Pierre Leroy does not receive any multi-annual cash-settled variable remuneration.
Share options, performance shares and other grants of securities	€599,040	► In 2018 Pierre Leroy was awarded 32,000 rights to performance shares, representing 0.024% of the Company's share capital. ► These performance shares will vest after three years, in 2021, provided that (i) Pierre Leroy is still an executive corporate officer of the Company on the vesting date, and (ii) the following performance conditions have been met for the period from 2018-2020: – for 50% of the shares, the average annual growth rate for Group recurring operating profit must be equal to or more than 12.92% (representing an increase of at least one-third compared with the average rate for 2015-2017); – for 50% of the shares, the average annual amount of consolidated net cash from operating activities must be equal to or more than €649.1 million (representing an average amount at least one-third higher than the average amount for 2015-2017). ► For each of these two objectives a minimum performance level has been set corresponding to a 66% achievement rate for the objective. If this minimum level is not reached, all of the rights to performance shares contingent on that objective will be forfeited. If the performance level for an objective is equal to or higher than this 66% threshold, the shares actually allocated will be calculated on a linear proportional basis (ranging from 0% to 100% of the shares concerned). ► Vested performance shares must be held for at least two years. Subsequently, a quarter of the shares must be held until Pierre Leroy has constituted a portfolio of Lagardère shares whose value is at least equal to one year's worth of his remuneration, and another quarter must be held until he leaves his position within the Group. ► This performance share grant – which complied with the framework set by the Supervisory Board on 8 March 2018 – was carried out by the Managing Partners on 16 April 2018 using the authorisation given at the 3 May 2016 Annual General Meeting (12th resolution). ► Pierre Leroy did not receive any share options in 2018 and was not granted any securities other than the above-described performance shares.
Extraordinary remuneration	N/A	► Pierre Leroy did not receive any extraordinary remuneration for 2018.
Attendance fees	N/A	► Pierre Leroy was not entitled to and did not receive any attendance fees for 2018.
Benefits in kind	€16,281	► This corresponds to Pierre Leroy's potential personal use of his company car.
Benefits linked to taking up or terminating office	N/A	► Pierre Leroy is not entitled to any benefits of this nature.
Benefits linked to non-competition agreements	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 set up by Lagardère Capital & Management for members of the Executive Committee. ► 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 (i) termination (other than for serious misconduct) after the age of 55 if the beneficiary does not take up another post, (ii) long-term disability or (iii) early retirement. ► Pierre Leroy's pension benefit entitlements vest at a rate of 1.75% of the Benchmark Remuneration per year of membership of the plan. ► The Benchmark Remuneration corresponds to the average gross annual remuneration over the last five years (fixed and variable) and cannot exceed 50 times the annual ceiling used to calculate social security contributions (corresponding to a maximum of €1,986,600 in 2018). ► As the number of years of plan membership used to calculate the benefit entitlements is capped at 20, the supplementary pension cannot exceed 35% of the Benchmark Remuneration, i.e., a maximum amount of €695,310 in 2018. ► At 31 December 2018, the estimated amount of Pierre Leroy's annuity, calculated in accordance with the applicable regulations, would represent approximately 33.06% of his total gross remuneration (fixed and variable) paid in 2018. ► No benefits were due or paid to Pierre Leroy under this plan for 2018.

THIERRY FUNCK-BRENTANO

Components of remuneration payable or granted for 2018	Gross amount or accounting value	Comments
Annual fixed remuneration	€1,206,000	► The gross amount of Thierry Funck-Brentano's annual fixed remuneration has not changed since 2011.
Annual variable remuneration	€723,900	► Thierry Funck-Brentano's annual variable remuneration includes: – a portion based on quantitative criteria, determined by reference to the Group's performance in 2018 (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. The average of the figures calculated based on these two criteria may be reduced, where appropriate, by applying the ratio between Group recurring operating profit in 2018 and that generated in 2017) (see chapter 2, section 2.2.1 of the Reference Document); – a portion based on qualitative criteria, corresponding to a set of priority targets related to three domains, each of which are given an equal weighting: the roll-out of the Group's strategic plan, the quality of governance and management, and the implementation of the Group's CSR policy (see section 2.2.1 of the Reference Document). ► The achievement rates for the above objectives are applied to a total benchmark amount of €600,000 (€300,000 for the qualitative portion and €300,000 for the quantitative portion). ► Thierry Funck-Brentano's annual variable remuneration may not exceed 75% of his annual fixed remuneration, and the amount of the qualitative portion is capped at 33% of his annual fixed remuneration. Consequently, the qualitative portion may not represent more than 44% of his maximum annual variable remuneration. ► In light of the achievement rates for these objectives in 2018 (1.163 for the quantitative objectives versus 0.932 in 2017 and 1.37 in 2016; and 1.250 for the qualitative objectives versus 1.166 in 2017 and 2016), Thierry Funck-Brentano's variable remuneration amounted to 60.02% of his annual fixed remuneration in 2018.
Multi-annual cash-settled variable remuneration	N/A	► Thierry Funck-Brentano does not receive any multi-annual cash-settled variable remuneration.
Share options, performance shares and other grants of securities	€599,040	► In 2018 Thierry Funck-Brentano was awarded 32,000 rights to performance shares, representing 0.024% of the Company's share capital. ► These performance shares will vest after three years, in 2021, provided that (i) Thierry Funck-Brentano is still an executive corporate officer of the Company on the vesting date, and (ii) the following performance conditions have been met for the period from 2018-2020: – for 50% of the shares, the average annual growth rate for Group recurring operating profit must be equal to or more than 12.92% (representing an increase of at least one-third compared with the average rate for 2015-2017); – for 50% of the shares, the average annual amount of consolidated net cash from operating activities must be equal to or more than €649.1 million (representing an average amount at least one-third higher than the average amount for 2015-2017). ► For each of these two objectives a minimum performance level has been set corresponding to a 66% achievement rate for the objective. If this minimum level is not reached, all of the rights to performance shares contingent on that objective will be forfeited. If the performance level for an objective is equal to or higher than this 66% threshold, the shares actually allocated will be calculated on a linear proportional basis (ranging from 0% to 100% of the shares concerned). ► Vested performance shares must be held for at least two years. Subsequently, a quarter of the shares must be held until Thierry Funck-Brentano has constituted a portfolio of Lagardère shares whose value is at least equal to one year's worth of his remuneration, and another quarter must be held until he leaves his position within the Group. ► This performance share grant – which complied with the framework set by the Supervisory Board on 8 March 2018 – was carried out by the Managing Partners on 16 April 2018 using the authorisation given at the 3 May 2016 Annual General Meeting (12th resolution). ► Thierry Funck-Brentano did not receive any share options in 2018 and was not granted any securities other than the above-described performance shares.
Extraordinary remuneration	N/A	► Thierry Funck-Brentano did not receive any extraordinary remuneration for 2018.
Attendance fees	N/A	► Thierry Funck-Brentano was not entitled to and did not receive any attendance fees for 2018.
Benefits in kind	€13,644	► This corresponds to Thierry Funck-Brentano's potential personal use of his company car.
Benefits linked to taking up or terminating office	N/A	► Thierry Funck-Brentano is not entitled to any benefits of this nature.
Benefits linked to non-competition agreements	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 set up by Lagardère Capital & Management for members of the Executive Committee. ► 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 (i) termination (other than for serious misconduct) after the age of 55 if the beneficiary does not take up another post, (ii) long-term disability or (iii) early retirement. ► Thierry Funck-Brentano's pension benefit entitlements vest at a rate of 1.75% of the Benchmark Remuneration per year of membership of the plan. ► The Benchmark Remuneration corresponds to the average gross annual remuneration over the last five years (fixed and variable) and cannot exceed 50 times the annual ceiling used to calculate social security contributions (corresponding to a maximum of €1,986,600 in 2018). ► As the number of years of plan membership used to calculate the benefit entitlements is capped at 20, the supplementary pension cannot exceed 35% of the Benchmark Remuneration, i.e., a maximum amount of €695,310 in 2018. ► At 31 December 2018, the estimated amount of Thierry Funck-Brentano's annuity, calculated in accordance with the applicable regulations, would represent approximately 35.90% of his total gross remuneration (fixed and variable) paid in 2018. ► No benefits were due or paid to Thierry Funck-Brentano under this plan for 2018.

XAVIER DE SARRAU

Components of remuneration payable or granted for 2018	Gross amount or accounting value	Comments
Annual fixed remuneration	€240,000	► This remuneration – which does not constitute a salary and is subject to withholding tax – is awarded to Xavier de Sarrau on the recommendation of the Appointments, Remuneration and Governance Committee, as approved by the Supervisory Board, in return for the numerous specific tasks that he carries out in addition to and in connection with his duties as Chairman of the Board. ► The amount of this remuneration has not changed since Xavier de Sarrau took up office on 27 April 2010.
Annual variable remuneration	N/A	► Xavier de Sarrau does not receive any annual variable remuneration.
Multi-annual cash-settled variable remuneration	N/A	► Xavier de Sarrau does not receive any multi-annual cash-settled variable remuneration.
Share options, performance shares and other grants of securities	N/A	► Xavier de Sarrau does not receive any share options, performance shares or grants of other securities.
Extraordinary remuneration	N/A	► Xavier de Sarrau has not received any extraordinary remuneration since he took up office on 27 April 2010.
Attendance fees	€97,869.51	► This amount – which is subject to withholding tax – corresponds to the attendance fees due to Xavier de Sarrau in 2019 for the duties he performed as Chairman of the Supervisory Board and the Audit Committee in 2018. ► The aggregate amount of attendance fees allocated among Supervisory Board members was set by the shareholders at €700,000 at the Annual General Meeting of 10 May 2011. Each member of the Supervisory Board receives a basic portion of attendance fees. The following members also receive an additional portion of attendance fees corresponding to a multiple of the basic portion: members of the Board Committees (twice the basic portion) and the Chairman of the Supervisory Board and the Committee Chairmen (one basic portion). The basic portion of attendance fees is equal to the total attendance fees divided by the total number of portions to which Board members are entitled. The variable portion of the fees, which is determined based on actual attendance at meetings, represents 60% of the total amount received. ► The amount due to Xavier de Sarrau for 2018 corresponds to five basic portions of attendance fees based on an attendance rate of 100%.
Benefits in kind	N/A	► Xavier de Sarrau does not receive any benefits in kind.
Benefits linked to taking up or terminating office	N/A	► Xavier de Sarrau is not entitled to any benefits of this nature.
Benefits linked to non-competition agreements	N/A	► Xavier de Sarrau is not entitled to any benefits of this nature.
Supplementary pension plan	N/A	► Xavier de Sarrau is not a member of a supplementary pension plan.

FOURTH RESOLUTION

ISSUING OF AN OPINION ON THE COMPONENTS OF REMUNERATION PAYABLE OR GRANTED TO ARNAUD LAGARDÈRE, MANAGING PARTNER, IN RESPECT OF 2018

Voting under the quorum and majority conditions required for Ordinary General Meetings and in application of the recommendation set out in section 26 of the Afep-Medef Corporate Governance Code, which the Company uses as its corporate governance framework, the shareholders, having considered the components of remuneration payable or granted to Arnaud Lagardère, Managing Partner of the Company, in respect of 2018, as described and set out in the various reports presented to the Meeting (particularly chapter 2, section 2.2 of the 2018 Reference Document), issue a favourable opinion on these components of remuneration.

FIFTH RESOLUTION

ISSUING OF AN OPINION ON THE COMPONENTS OF REMUNERATION PAYABLE OR GRANTED TO PIERRE LEROY AND THIERRY FUNCK-BRENTANO, REPRESENTATIVES OF THE OTHER MANAGING PARTNER, IN RESPECT OF 2018

Voting under the quorum and majority conditions required for Ordinary General Meetings and in application of the recommendation set out in section 26 of the Afep-Medef Corporate Governance Code, which the Company uses as its corporate governance framework, the shareholders, having considered the components of remuneration payable or granted to Pierre Leroy and Thierry Funck-Brentano, Chief Operating Officers of Arjil Commanditée-Arco, Managing Partner of the Company, in respect of 2018, as described and set out in the various reports presented to the Meeting (particularly chapter 2, section 2.2 of the 2018 Reference Document), issue a favourable opinion on these components of remuneration.

SIXTH RESOLUTION

ISSUING OF AN OPINION ON THE COMPONENTS OF REMUNERATION PAYABLE OR GRANTED TO XAVIER DE SARRAU, CHAIRMAN OF THE SUPERVISORY BOARD, IN RESPECT OF 2018

Voting under the quorum and majority conditions required for Ordinary General Meetings and in application of the recommendation set out in section 26 of the Afep-Medef Corporate Governance Code, which the Company uses as its corporate governance framework, the shareholders, having considered the components of remuneration payable or granted to Xavier de Sarrau, Chairman of the Company's Supervisory Board, in respect of 2018, as described and set out in the various reports presented to the Meeting (particularly chapter 2, section 2.2 of the 2018 Reference Document), issue a favourable opinion on these components of remuneration.

7TH TO 10TH RESOLUTIONS: COMPOSITION OF THE SUPERVISORY BOARD – RATIFICATION OF A CO-OPTATION, RE-APPOINTMENTS AND APPOINTMENT OF A NEW MEMBER

Presentation

In the seventh resolution, the shareholders are invited to ratify the Supervisory Board's co-optation on 12 September 2018 of Jamal Benomar as a member of the Supervisory Board to replace Pierre Lescure, who has resigned from the Board.

In the eighth resolution, shareholders are invited to re-appoint Jamal Benomar as a Supervisory Board member for a term of four years, as he was appointed by the Supervisory Board for the remainder of Pierre Lescure's term of office, which is due to expire at the close of the 2019 Annual General Meeting.

In the ninth resolution, shareholders are invited to re-appoint Susan M. Tolson as a Supervisory Board member for a term of four years.

Lastly, in the tenth resolution, shareholders are asked to appoint Gilles Petit as a new member of the Supervisory Board for a term of four years.

Profiles of these three nominees are provided below.

The processes adopted for reviewing and selecting candidates and the criteria used by the Appointments, Remuneration and Governance Committee and the Supervisory Board for putting forward these nominees at this Annual General Meeting, are detailed in the Supervisory Board's report set out in section 5 of this document.

If the shareholders vote in favour of the seventh to tenth resolutions, at the close of the Annual General Meeting, the Supervisory Board will be made up of twelve members, all of whom are independent, and will include six women (representing 50% of the Board's total members), which fully complies with the recommendations of the Afep-Medef Corporate Governance Code. In accordance with the twelfth resolution adopted at the Annual General Meeting held on 3 May 2018, the Company's Articles of Association would be automatically amended to state that the maximum number of Supervisory Board members is twelve.

7TH AND 8TH RESOLUTIONS: RATIFICATION OF THE CO-OPTATION AND RE-APPOINTMENT OF JAMAL BENOMAR AS A MEMBER OF THE SUPERVISORY BOARD

JAMAL BENOMAR

Date of birth: 11 April 1957

Nationality: British and Moroccan

First appointed: 12 September 2018

Positions within Lagardère SCA: Member of the Supervisory Board

Number of Lagardère SCA shares held: 150

Professional background and education

Jamal Benomar has 35 years' experience in roles with international responsibility, including as Special Adviser to the UN Secretary-General and as Under Secretary-General.

After earning degrees in sociology, economics and politics from the Universities of Rabat, Paris and London, Mr Benomar worked as a lecturer and research associate. At the UN, his work focused on diplomatic actions and governance issues.

Jamal Benomar does not hold any other directorships or other positions, and has not held any such positions in the last five years.

SEVENTH RESOLUTION

RATIFICATION OF THE CO-OPTATION OF JAMAL BENOMAR AS A MEMBER OF THE SUPERVISORY BOARD

Voting under the quorum and majority conditions required for Ordinary General Meetings, having considered the reports of the Managing Partners and the Supervisory Board, the shareholders ratify the temporary appointment by the Board on 12 September 2018 of Jamal Benomar as a member of the Supervisory Board. Mr Benomar replaces Pierre Lescure, who has resigned from the Board, for the remainder of Mr Lescure's term of office, which expires at the close of this Annual General Meeting.

EIGHTH RESOLUTION

RE-APPOINTMENT OF JAMAL BENOMAR 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, having considered the reports of the Managing Partners and the Supervisory Board and having noted that Jamal Benomar's term of office as a member of the Supervisory Board is due to expire at the close of this Meeting, the shareholders re-appoint Jamal Benomar as a member of the Supervisory Board for a term of four years, expiring at the close of the Annual General Meeting to be called in 2023 to approve the financial statements for the year ending 31 December 2022.

9TH RESOLUTION: RE-APPOINTMENT OF SUSAN M. TOLSON AS A MEMBER OF THE SUPERVISORY BOARD

SUSAN M. TOLSON

Date of birth: 7 March 1962

Nationality: American

First appointed: 10 May 2011

Date of most recent re-appointment: 5 May 2015

Positions within Lagardère SCA: Member of the Supervisory Board

Number of Lagardère SCA shares held: 600

Professional background and education

Susan M. Tolson graduated from Smith College in 1984 with a B.A. cum laude before obtaining an MBA from Harvard in 1988. She joined Prudential Bache Securities as a corporate finance analyst in 1984 and subsequently took on the position of Investment Officer in Private Placements at Aetna Investment Management in 1988. In 1990, she joined The Capital Group Companies – a major private US investment fund formed in 1931 – where between April 1990 and June 2010 she successively served as a financial analyst, senior account manager and then Senior Vice-President, a position she left to join her husband in Paris.

Over the last 20 years, Susan M. Tolson has issued recommendations and made decisions relating to investments in numerous business sectors, including the media and entertainment industries.

Directorships and other positions currently held by Susan M. Tolson

In France

- Director, WorldLine E-Payment Services and Member of the Audit, Governance and Remuneration Committees

Outside France

- Director, Outfront Media[1], Chair of the Governance and Appointments Committee and member of the Audit Committee
- Director, Take-Two Interactive[1], member of the Audit Committee
- Member of the Los Angeles World Affairs Council, the Paley Center For Media and the Los Angeles Society of Financial Analysts

Directorships and other positions held during the last five years

- Director, America Media, Inc.
- Member of the Board of Trustees, American University of Paris
- Honorary Chair, American Women's Group in Paris
- Director, Fulbright Commission
- Honorary Chair, American Friends of The Musée d'Orsay
- Director, the American Cinémathèque
- Director, Terra Alpha LLC

NINTH RESOLUTION

RE-APPOINTMENT OF SUSAN M. TOLSON 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, having considered the reports of the Managing Partners and the Supervisory Board and having noted that Susan M. Tolson's term of office as a member of the Supervisory Board is due to expire at the close of this Meeting, the shareholders re-appoint Susan M. Tolson as a member of the Supervisory Board for a term of four years, expiring at the close of the Annual General Meeting to be called in 2023 to approve the financial statements for the year ending 31 December 2022.

(1) Listed company.

10TH RESOLUTION: APPOINTMENT OF GILLES PETIT AS A NEW MEMBER OF THE SUPERVISORY BOARD FOR A TERM OF FOUR YEARS

GILLES PETIT

Date of birth: 22 March 1956

Nationality: French

First appointed: N/A

Positions within Lagardère SCA: N/A

Number of Lagardère SCA shares held: N/A

Professional background and education

Gilles Petit is a well-known figure in the French distribution landscape. Having begun his career in 1980 with Arthur Andersen, he joined the Promodès group in 1989, where at the time of the merger with Carrefour in 1999, he held the position of Chief Executive Officer of the hypermarkets division for Promodès in France. He was successively appointed managing director of Carrefour Belgium in 2000, of Carrefour Spain in 2005, and of Carrefour France in 2008, until in 2010 he joined Elior as Chief Executive Officer and Chairman of the executive committee, taking charge of its stock market listing on Euronext Paris in 2014. He was appointed chief executive officer of Maisons du Monde in 2015, and also successfully led the stock market listing of that company.

Gilles Petit is a graduate of the École supérieure de commerce de Reims, in France.

Directorships and other positions currently held by Gilles Petit:

In France

- Director and Senior Advisor to the Chief Executive Officer of Maisons du Monde SA[1]
- Chairman of Gilles Petit Conseil
- Director of Union des annonceurs

Outside France

N/A

Directorships and other positions held during the last five years

- Chief Executive Officer, Maisons du Monde SA
- Chief Executive Officer, Elior
- Director and Chairman and Chief Executive Officer, Elior Concessions
- Director and Chairman and Chief Executive Officer, Elior Catering and Services
- Director and Chairman and Chief Executive Officer, Elior Finance
- Director, Ansamble Investissements
- Director, Areas
- Director, Serunion
- Director, Elior UK Ltd
- Director, Elior Ristorazione
- Director, Gourmet Acquisition Holdings Inc.
- Director, Trusthouse Services Holdings LLC
- Permanent representative of Elior, Chairman of Bercy Participations
- Permanent representative of Elior Catering and Services to the Board of Directors of Elior Entreprises
- Permanent representative of Elior Catering and Services to the Board of Directors of Elres

TENTH RESOLUTION

APPOINTMENT OF GILLES PETIT AS A NEW 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 reports of the Managing Partners and the Supervisory Board, the shareholders appoint Gilles Petit as a member of the Supervisory Board for a term of four years, expiring at the close of the Annual General Meeting to be called in 2023 to approve the financial statements for the year ending 31 December 2022.

(1) Listed company.

11TH RESOLUTION: AUTHORISATION FOR THE MANAGING PARTNERS TO TRADE IN THE COMPANY'S SHARES

Presentation

In the eleventh resolution, the shareholders are asked to renew the authorisation given to the Managing Partners to trade in the Company's shares.

A breakdown of the transactions carried out by the Company in relation to its shares in 2018 is provided in chapter 2, section 2.1.3 of the Reference Document, including transactions carried out using the share buyback authorisation currently in force, which was given at the Annual General Meeting of 3 May 2018.

The applicable terms and conditions for the use of this new authorisation would be as follows:

- the number of shares purchased would not be able to exceed 10% of the Company's 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 28 February 2019 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 11,844,850, representing 9.03% of the share capital, assuming that the Company does not cancel or transfer any of the shares it currently holds;
- the total amount that could be invested in the share purchases would not exceed €500 million and the maximum per-share purchase price would be set at €40, excluding transaction expenses. This maximum per-share purchase price 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 for which it was originally granted, namely: to reduce the share capital; to award free shares or share options; to implement employee share ownership schemes; to allocate shares on the exercise of rights attached to securities that give access to the Company's share capital; to tender shares in exchange or as consideration for external growth transactions, a merger, demerger or asset contribution; and to maintain a liquid market in the Company's shares via liquidity agreements that comply with the rules set down by the French financial markets authority (*Autorité des marchés financiers* – 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 paragraphs b) and c) of article 4.1 of the EU Commission Delegated Regulation 2016/1052 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 laws and regulations, including through block purchases or sales and the use of derivatives (only calls);
- this new authorisation would be valid for a period of eighteen months as from the date of this Meeting and would cancel and supersede the authorisation for the same purpose given at the Annual General Meeting of 3 May 2018.

ELEVENTH RESOLUTION

EIGHTEEN-MONTH AUTHORISATION FOR THE MANAGING PARTNERS TO TRADE IN THE COMPANY'S SHARES

Voting under the quorum and majority conditions required for Ordinary General Meetings, having considered the reports of the Managing Partners and the Supervisory Board and in compliance with the applicable laws 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. 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. Furthermore, pursuant to article L. 225-209 of the French Commercial Code, (i) 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, and (ii) the number of shares bought back by the Company to be held for subsequent exchange or payment as consideration for a merger, demerger or asset contribution, may not exceed 5% of the share capital. 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 allocate 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 laws and regulations;
- to award or transfer shares to employees as part of a profit-sharing scheme;

- to award shares to employees and corporate officers of the Company and of entities or groups related to it for any other purpose permitted by the applicable law and regulations;
- to allocate shares upon the exercise of rights attached to securities that give access, by any means whatsoever, to the Company's share capital;
- to maintain a liquid market in the Company's shares via liquidity agreements 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;
- and, more generally, to carry out any other transaction permitted by the applicable laws 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 paragraphs b) and c) of article 4.1 of the EU Commission Delegated Regulation 2016/1052 or during a public tender offer for the Company's shares – on or off-market or over the counter, by any means permitted under the applicable laws 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 laws 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 from the date of this Meeting. It cancels and supersedes the authorisation given in the tenth resolution of the 3 May 2018 Annual General Meeting.

12TH AND 13TH RESOLUTIONS: AUTHORISATIONS TO AWARD FREE SHARES TO GROUP EMPLOYEES AND SENIOR MANAGERS

Presentation

For many years now, the Lagardère group has had a policy of closely involving its employees in its performance and growth.

This policy enables the Group to single out and foster loyalty among key people who have particularly contributed to its performance and whom the Group wishes to retain on a durable basis in order to future-proof its growth as part of its long-term corporate strategy.

For Lagardère SCA's executive corporate officers, the members of the Enlarged Committee and the Group's other senior managers, free share awards – which are all subject to exacting performance conditions – are also an important way of incentivising and encouraging a long-term vision.

In accordance with best corporate governance practices, the Lagardère SCA free share plans are not just restricted to executive corporate officers and senior managers. They also cover some 500 Group employees each year, notably young high-potential managers identified during the talent management process.

For some beneficiaries, there are no performance conditions attached to the vesting of their shares, although they must have formed part of the Group for at least three years at the vesting date. Free share awards are an important tool in the Group's human resources strategy, enabling it to recruit, incentivise and retain key talent. It is vital for the Group to retain their high-level expertise in diverse, and often highly competitive, fields, even though, due to the nature of their underlying jobs, not all beneficiaries may have a direct impact on the Group's financial performance.

In addition, as free share awards offer fiscal conditions that are more advantageous than cash-based remuneration, they are an effective way of containing payroll costs.

These plans contribute to the Group's ongoing development and closely align beneficiaries' interests with those of the Company and its shareholders over the long term.

In the twelfth and thirteenth resolutions the shareholders are invited to renew the previous free share award authorisations given at the Annual General Meeting of 3 May 2016, which are due to expire on 3 July 2019. The new authorisations would be valid for a period of thirty-eight months and would supersede the authorisations given for the same purpose that are currently in force.

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

The shares awarded would only vest after a period of no less than three years.

If the Managing Partners so decide, the shares may also be subject to a lock-up period.

In all circumstances, the executive corporate officers would be subject to specific holding requirements, as defined by the Supervisory Board in compliance with the applicable laws and the recommendations of the Afep-Medef Corporate Governance Code.

In accordance with the most recent rules set by Lagardère SCA's Supervisory Board, all of the vested shares granted to executive corporate officers would be subject to an initial two-year lock-up period and each executive corporate officer would then be required to keep in a registered share account (*compte nominatif pur*) (i) 25% of the vested shares until he ceases to hold the position of executive corporate officer of Lagardère SCA, and (ii) a further 25% of the vested shares until the value of the Lagardère SCA shares held by said officer equals at least one year of his gross fixed and variable remuneration.

The purpose of the twelfth resolution is to authorise awards of free shares of the Company to the executive corporate officers of Lagardère SCA, the members of the Enlarged Committee and the Group's other senior managers, subject to the following ceilings (which are unchanged from the previous authorisation granted for the same purpose):

- 0.025% of the Company's current share capital per calendar year for each executive corporate officer of Lagardère SCA;
- 0.4% of the Company's current share capital per calendar year for all other beneficiaries (members of the Enlarged Committee and the Group's other senior managers).

In the thirteenth resolution, shareholders are asked to authorise the award of free shares of the Company to other employees of the Lagardère group (excluding in all cases the executive corporate officers and the Enlarged Committee). The number of

free shares that could be awarded each calendar year pursuant to this resolution would not be able to exceed 0.4% of the Company's current share capital, i.e., the same as the ceiling authorised at the 2016 Annual General Meeting.

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 the vesting and lock-up periods and the applicable vesting conditions. For each beneficiary, the free shares would only vest if he or she has formed part of the Group for a period of at least three years at the vesting date.

All of the shares awarded under the twelfth resolution would be subject to exacting performance conditions. All or some of the shares awarded under the thirteenth resolution may also be subject to such performance conditions.

For the shares awarded under the twelfth resolution, the achievement of the applicable performance conditions would be measured over a period of at least three consecutive fiscal years, including the fiscal year during which the performance shares are initially awarded (the "reference period").

In order to take into account the change in the Company's profile in connection with the strategic refocusing process that began in 2018, and with a view to continuing to apply best corporate governance practices and meet stakeholders' expectations, the Managing Partners, in agreement with the Appointments, Remuneration and Governance Committee and the Supervisory Board, have decided to change the structure of the performance conditions that were set in 2016, notably to include an external relative criterion and a CSR criterion.

The new performance conditions applicable as from 2019 would be based on the following criteria, which are key indicators used for the Group's strategy and would ensure that the beneficiaries' interests are closely aligned with those of the Company and its stakeholders:

- For 40% of the performance shares awarded: the average annual growth rate for Group recurring operating profit (determined using the calculation method for the "Group recurring EBIT" market guidance), must be equal to an average growth rate determined by the Managing Partners and validated by the Appointments, Remuneration and Governance Committee and the Supervisory Board (the "target rate").

  For this objective, with the approval of the Appointments, Remuneration and Governance Committee and the Supervisory Board, the Managing Partners would set a vesting "trigger rate", i.e., the rate (i) above which 0% to 100% of the shares allocated to this objective would vest (determined on a straight-line proportionate basis) and (ii) below which no shares would vest. In all cases, however, the trigger rate could not be less than 66% of the target rate.
- For 20% of the performance shares awarded: the cumulative amount of free cash flow excluding growth capex during the reference period must equal a cumulative amount determined by the Managing Partners and validated by the Appointments, Remuneration and Governance Committee and the Supervisory Board (the "target amount").

  For this objective, with the approval of the Appointments, Remuneration and Governance Committee and the Supervisory Board, the Managing Partners would set a vesting "trigger amount", i.e., the amount (i) above which 0% to 100% of the shares allocated to this objective would vest (determined on a straight-line proportionate basis) and (ii) below which no shares would vest. In all cases, however, the trigger amount could not in any event be less than 66% of the target amount.
- For 20% of the performance shares awarded: Lagardère SCA's relative Total Shareholder Return (TSR) over the reference period with regard to (i) the TSR of a panel of competitor companies, for 10% of the shares awarded, and (ii) the TSR of the other companies in the CAC Mid 60 index, also for 10% of the shares awarded.

  For each 10% portion, the shares awarded would vest fully if the average annual TSR of Lagardère SCA during the reference period is at least equal to the average annual TSR of the reference panel, below which no shares would vest.
- For 20% of the performance shares awarded: the achievement of a precise objective based on a quantifiable criterion related to the Group's priority commitments under its Corporate Social Responsibility policy. Said objective could for example concern gender equality, a reduction in the environmental impact of its activities or the Group's overall non-financial performance.

  The precise objective and the trigger threshold for the CSR criterion would be set by the Managing Partners, with the approval of the Appointments, Remuneration and Governance Committee and the Supervisory Board.

For the first performance share plan set up in 2019 using this authorisation, the performance objectives described above that must be achieved over the three years between 2019 and 2021 would be as follows, further to their validation by the Appointments, Remuneration and Governance Committee and by the Supervisory Board:

- For 40% of the shares awarded: 5% average annual growth rate for Group recurring operating profit. The vesting trigger rate would be a growth rate of 3.3%, and for growth rates between 3.3% and 5% the number of vested shares would be determined on a straight-line proportionate basis (ranging from 0% to 100% of the shares allocated).
- For 20% of the shares awarded: cumulative free cash flow excluding growth capex of €900 million. The vesting trigger amount would be €613 million, and for cumulative amounts between €613 million and €900 million the number of vested shares would be determined on a straight-line proportionate basis (ranging from 0% to 100% of the shares allocated).
- For 20% of the shares awarded: Lagardère SCA's relative Total Shareholder Return (TSR) over the reference period with regard to (i) the TSR of a panel of eight competitor companies (Relx, Pearson, Mondadori, Bloomsbury, Dufry, Valora, WH Smith, Autogrill), for 10% of the shares awarded, and (ii) the TSR of the other companies in the CAC Mid 60 index, also for 10% of the shares awarded. As this is a relative criterion, the target rates for each portion of shares awarded will only be known and communicated at the end of the reference period.
- For 20% of the shares awarded: achievement by 2021 of an overall proportion of female executive managers equal to 45%. The vesting trigger rate would be 42% and for percentages between 42% and 45%, the number of vested shares would be determined on a straight-line proportionate basis (ranging from 0% to 100% of the shares allocated). This objective is a key indicator used for the Group's strategy of promoting diversity and gender balance, corresponding to one of the five priorities in the Group's CSR roadmap defined between the Company and all of its stakeholders. This key indicator will be measured, audited by an independent third

party and published each year in the Group's non-financial statement.

With the approval of the Appointments, Remuneration and Governance Committee and the Supervisory Board, the Managing Partners would determine the precise performance conditions for the following plans to be set up in 2020 and 2021, in accordance with the principles described above. The performance objectives set would be as exacting and relevant as for the first plan taking into account any changes in the Group's operating environment.

Generally, any performance share awards to the 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. In accordance with best corporate governance practices, 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.

TWELFTH RESOLUTION

THIRTY-EIGHT MONTH AUTHORISATION FOR THE MANAGING PARTNERS 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, 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 the Managing Partners may, at their full discretion, set a lock-up period starting from the vesting date during which the beneficiaries are required to hold their vested shares, it being specified that for the executive corporate officers of Lagardère SCA, the said period may not be less than two years, except in the event of a beneficiary's death or if a 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 pursuant to the applicable legal provisions;
- note that this authorisation automatically entails the waiver by shareholders of their preferential 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 share premiums and amend the Company's Articles of Association accordingly,
  - generally, take any necessary or expedient 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 twelfth resolution of the 3 May 2016 Annual General Meeting.

THIRTEENTH RESOLUTION

THIRTY-EIGHT MONTH AUTHORISATION FOR THE MANAGING PARTNERS 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 preserve 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 the Managing Partners may, at their full discretion, set a lock-up period starting from the vesting date during which the beneficiaries are required to hold their vested shares, except in the event of a beneficiary's death or if a 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 pursuant to the applicable legal provisions;
- note that this authorisation automatically entails the waiver by shareholders of their preferential 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 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 share premiums and amend the Company's Articles of Association accordingly,
  - generally, take any necessary or expedient 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 thirteenth resolution of the 3 May 2016 Annual General Meeting.

14TH TO 23RD RESOLUTIONS: RENEWAL OF FINANCIAL AUTHORISATIONS

Presentation

The purpose of the fourteenth to twenty-third resolutions is to renew the financial authorisations that are regularly given to the Managing Partners by shareholders, the most recent of which were given in 2017 and expire this year.

These authorisations are aimed at giving the Managing Partners the necessary flexibility to carry out the financing operations that are the most suited to the Company's requirements and the market context, by enabling it to take advantage of conditions and opportunities in the financial markets and carry out corporate actions in order to strengthen the Company's equity.

Under these new authorisations – which would be given for a period of twenty-six months – the Managing Partners would have full powers, subject to the conditions provided for by law and in accordance with the ceilings set by shareholders, to issue ordinary shares and/or other securities, to determine all the terms and conditions of the issue(s), to place on record the resulting capital increase(s) and to amend the Company's Articles of Association accordingly.

The Company's Statutory Auditors have drawn up reports on the various financial authorisations being sought and these reports are provided in section 6.4 of this document. If any of these authorisations are used, the Managing Partners and the Statutory Auditors would, where required by law, draw up additional reports which would be provided to you at the following Annual General Meeting.

The authorisations concerning the issue of securities giving access to the Company's share capital would automatically entail the waiver by the shareholders of their preferential rights to subscribe for the shares to which the issued securities carry rights.

The table below sets out the various financial authorisations currently in force which were granted by shareholders at the 2017 Annual General Meeting and which have not been used, and a summary of the main characteristics of the new authorisations submitted for shareholder approval at this Annual General Meeting.

Resolutions proposed at the 2019 AGM			Resolutions adopted at the 2017 AGM	
Type of authorisation	**Description**	**% share capital**	**% share capital**	**Utilisation**
Issue of securities – Validity: 26 months				
Issue of securities which do not result in a dilution of the Company's share capital[1] *(Fourteenth resolution)*	**Maximum nominal amount of debt securities: €1,500 million**	N/A	N/A	N/A
Capital increases with preferential subscription rights[1] *(Fifteenth resolution)*	**Overall ceiling including issues with a priority right: €300 million** ▸ Maximum nominal amount of capital increases: €265m ▸ Maximum nominal amount of debt securities: €1,500m ▸ Possibility for shareholders to have a preferential right to subscribe for any securities not taken up by other shareholders. ▸ Possibility for the Managing Partners to limit a capital increase to 75% of the original amount and to offer all or some of the unsubscribed shares on the market	**~37.5%** ~33%	~37.5% (€300m) ~33% (€265m)	N/A
Capital increases without preferential subscription rights[1]	**Overall ceiling (excluding issues with a priority right): €80 million**	**~10%**	~10% (€80m)	
Public offer with a priority right *(Sixteenth resolution)*	▸ Maximum nominal amount of capital increases: €160m ▸ Maximum nominal amount of debt securities: €1,500m ▸ Priority right for a minimum of five trading days ▸ Maximum discount of 5%	~20%	~20% (€160m)	N/A
Public offer without a priority right *(Seventeenth resolution)*	▸ Maximum nominal amount of capital increases: €80m ▸ Maximum nominal amount of debt securities: €1,500m ▸ Maximum discount of 5%	~10%	~10% (€80m)	N/A
Private placement as referred to in section II of article L. 411-2 of the French Monetary and Financial Code *(Eighteenth resolution)*	▸ Maximum nominal amount of capital increases: €80m ▸ Maximum nominal amount of debt securities: €1,500m ▸ Maximum discount of 5%	~10%	~10% (€80m)	N/A
Public exchange offers *(Twentieth resolution)*	▸ Maximum nominal amount of capital increases: €80m ▸ Maximum nominal amount of debt securities: €1,500m	~10%	~10% (€80m)	N/A
Contributions in kind *(Twentieth resolution)*	▸ Maximum nominal amount of capital increases: €80m ▸ Maximum nominal amount of debt securities: €1,500m	~10%	~10% (€80m)	N/A
Greenshoe option[1] *(Nineteenth resolution)*	▸ Issue of additional securities subject to the ceilings applicable to the original issue and not exceeding 15% of the original issue amount	15% of the original issue	15% of the original issue	N/A
Capital increases by capitalising reserves, profit and/or share premiums *(Twenty-second resolution)*	▸ **Maximum nominal amount of capital increases: €300m** ▸ Rights to fractions of shares neither transferable nor tradable	**~37.5%**	~37.5% (€300m)	N/A
Issues for employees and senior managers – Validity: 26 months				
Issue of securities for employees who are members of a corporate savings scheme *(Twenty-third resolution)*	▸ Annual ceiling: 0.5% ▸ Maximum discount of 20% ▸ Possibility of awarding free shares in replacement of the discount and/or employer's contribution	0.5% per year	0.5% per year	N/A

(1) Subject to the overall ceilings applicable to capital increases and issues of debt securities (*Twenty-first resolution*).

14TH RESOLUTION: ISSUE OF SECURITIES NOT RESULTING IN A DILUTION OF THE COMPANY'S SHARE CAPITAL

Presentation

In the fourteenth resolution, the shareholders are invited to authorise the Managing Partners to issue debt securities of Lagardère SCA that give access to new shares of subsidiaries and may also give access to existing shares and/or carry rights to the allocation of debt securities of Lagardère SCA or other entities. The aggregate nominal value of debt securities issued under this resolution would be capped at €1.5 billion.

Any issues carried out under this resolution would not therefore result in a dilution of the Company's share capital.

The Managing Partners would only be able to use this authorisation during a public offer for the Company's shares if they obtain specific prior approval from the Company's shareholders in a General Meeting.

FOURTEENTH RESOLUTION

TWENTY-SIX MONTH AUTHORISATION FOR THE MANAGING PARTNERS TO ISSUE DEBT SECURITIES GIVING IMMEDIATE OR FUTURE ACCESS TO THE SHARE CAPITAL OF THE COMPANY'S SUBSIDIARIES AND/OR ANY OTHER ENTITY, WITH A €1.5 BILLION CEILING ON THE DEBT SECURITIES ISSUED

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. 225-129-2 and L. 228-91 *et seq.* of the French Commercial Code, the shareholders:

- authorise the Managing Partners to issue, on one or more occasions, through a public offer or a private placement within the meaning of article L. 411-2-II of the French Monetary and Financial Code, debt securities which give access to new shares to be issued by entities in which the Company owns, directly or indirectly, over half of the capital at the issue date and may also give access to existing shares, and/or carry rights to the allocation of debt securities of the Company and/or of entities in which the Company owns, directly or indirectly, over half of the share capital at the issue date and/or of any other entities. The Managing Partners shall have full discretionary powers to determine the amount and timing of such issue(s), which may be carried out in France or abroad;
- resolve that the aggregate nominal amount of the debt securities that may be issued under this authorisation may not exceed one billion five hundred million euros (€1,500,000,000) or the equivalent amount in the case of issues denominated in foreign currency or a monetary unit determined by reference to a basket of currencies.
- resolve that the Managing Partners shall have full powers to use this authorisation, and in particular, in accordance with the applicable laws and regulations and the above-mentioned ceilings, to set all the terms and conditions of the issue(s), and generally, to enter into any agreements, give any commitments, and do everything appropriate or expedient to carry out the issue(s) decided pursuant to this authorisation;
- resolve that, for debt securities issued pursuant to this authorisation, the Managing Partners shall have full powers to determine whether they will be subordinated or non-subordinated (and where appropriate, their ranking), and to set their interest rates, their term (the securities may be dated or undated), their redemption price (which may be fixed or variable and may or may not include a premium), their redemption methods based on market conditions, the basis on which the debt securities will give access to the share capital of the companies concerned, and all of the other applicable terms and conditions;
- note that any decision taken pursuant to this authorisation to issue securities giving access to new shares to be issued by an entity in which the Company directly or indirectly owns over half of the share capital at the issue date shall require the approval of the shareholders of the entity concerned in an Extraordinary General Meeting;
- resolve that the Managing Partners may only use this authorisation during a public offer for the Company's shares if they obtain specific prior approval from the Company's shareholders in a General Meeting;
- resolve that this authorisation is given to the Managing Partners for a period of twenty-six months as from the date of this Meeting and that it cancels and supersedes the authorisation given in the sixteenth resolution of the 4 May 2017 Annual General Meeting.

15TH RESOLUTION: ISSUE OF ORDINARY SHARES AND OTHER SECURITIES, WITH PREFERENTIAL SUBSCRIPTION RIGHTS

Presentation

In the fifteenth resolution, the Managing Partners are seeking the shareholders' authorisation to issue various types of securities giving access to new or existing shares of the Company, and/or carrying rights to the allocation of debt securities of the Company, and/or giving access to shares and/or debt securities of the Company's subsidiaries and/or of other entities. The ceilings set in this resolution would be €265 million for capital increases (about 33% of the Company's current capital) and €1.5 billion for debt securities.

Issues carried out pursuant to this authorisation would be with preferential subscription rights. Consequently, existing shareholders would be protected against any dilutive effect of such issues as they would be able to maintain their percentage interest in the Company by exercising their preferential subscription rights, or even raise their interest by taking up any unsubscribed securities, or trade their preferential subscription rights in order to financially compensate for the dilutive effect on their interest, if they do not want to take up any of the securities offered.

The Managing Partners would only be able to use this authorisation during a public offer for the Company's shares if they obtain specific prior approval from the Company's shareholders in a General Meeting.

FIFTEENTH RESOLUTION

TWENTY-SIX MONTH AUTHORISATION FOR THE MANAGING PARTNERS TO ISSUE – WITH PREFERENTIAL SUBSCRIPTION RIGHTS – ORDINARY SHARES OF THE COMPANY AND/OR SECURITIES GIVING IMMEDIATE OR FUTURE ACCESS TO THE COMPANY'S SHARE CAPITAL AND/OR CARRYING IMMEDIATE OR FUTURE RIGHTS TO THE ALLOCATION OF DEBT SECURITIES, SUBJECT TO CEILINGS OF €265 MILLION FOR INCREASES IN SHARE CAPITAL AND €1.5 BILLION FOR DEBT SECURITIES ISSUED

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. 225-129-2 and L. 228-91 *et seq.* of the French Commercial Code, the shareholders:

- authorise the Managing Partners to issue, on one or more occasions, (i) ordinary shares of the Company, (ii) equity securities of the Company giving access to shares in the Company and/or carrying rights to the allocation of debt securities of the Company, (iii) debt securities of the Company which give access to new shares and may also give access to existing shares in the Company and/or carry rights to the allocation of debt securities of the Company, (iv) equity securities of the Company giving access to new or existing shares and/or carrying rights to the allocation of debt securities of entities in which the Company owns, directly, or indirectly, over half of the share capital at the issue date, and/or (v) equity securities of the Company giving access to existing shares and/or carrying rights to the allocation of debt securities of other entities. The Managing Partners shall have full discretionary powers to determine the amount and timing of such issue(s), which may be carried out in France or abroad;
- resolve that the aggregate nominal amount of any increases in share capital carried out pursuant to this authorisation – immediately or in the future – may not exceed two hundred and sixty-five million euros (€265,000,000) (about 33% of the current capital). This ceiling does not, however, include the par value of any additional shares that may be issued pursuant to the applicable laws, regulations and any contractual provisions to protect the rights of holders of securities giving access to the Company share capital;
- resolve that the aggregate nominal amount of the debt securities that may be issued under this authorisation may not exceed one billion five hundred million euros (€1,500,000,000) or the equivalent amount in the case of issues denominated in foreign currency or a monetary unit determined by reference to a basket of currencies;
- resolve that, in accordance with the law, shareholders shall have a preferential right to subscribe for the ordinary shares and/or other securities issued under this authorisation which shall be exercisable in proportion to their existing interests in the Company's capital. In addition, the Managing Partners may grant shareholders a preferential right to subscribe for any ordinary shares and/or other securities not taken up by other shareholders. If the issue is oversubscribed, such additional preferential rights will also be exercisable in proportion to the existing holdings of the shareholders concerned and within the limits of their requests;
- resolve that if the entire amount of any issue is not taken up by shareholders using the above-mentioned rights, the Managing Partners may take the courses of action permitted by law, in the order of their choice, including offering all or some of the unsubscribed securities on the market;
- note that this authorisation automatically entails the waiver by shareholders of their preferential rights to subscribe for the shares to be issued on exercise of rights to shares attached to any securities issued pursuant to this authorisation;
- note that any decision taken pursuant to this authorisation to issue securities giving access to new shares to be issued by an entity in which the Company directly or indirectly owns over half of the share capital at the issue date shall require the approval of the shareholders of the entity concerned in an Extraordinary General Meeting;
- resolve that the Managing Partners shall have full powers to use this authorisation, and in particular, in accordance with the applicable laws and regulations and the above-mentioned ceilings, to set all the terms and conditions of the issue(s), place on record the resulting capital increases and amend the Company's Articles of Association accordingly;
- resolve that, for debt securities issued pursuant to this authorisation, the Managing Partners shall have full powers to determine whether they will be subordinated or non-subordinated (and where appropriate, their ranking), and to set their interest rates, their term (the securities may be dated or undated), their redemption price (which may be fixed or variable and may or may not include a premium), their redemption methods based on market conditions, the basis on which the debt securities will give access to the share capital of the companies concerned, and all of the other applicable terms and conditions;
- resolve that the Managing Partners may only use this authorisation during a public offer for the Company's shares if they obtain specific prior approval from the Company's shareholders in a General Meeting;
- resolve that this authorisation is given to the Managing Partners for a period of twenty-six months as from the date of this Meeting and that it cancels and supersedes the authorisation given in the seventeenth resolution of the 4 May 2017 Annual General Meeting.

16TH TO 18TH RESOLUTIONS: ISSUE OF ORDINARY SHARES AND OTHER SECURITIES, WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS

Presentation

In the sixteenth to eighteenth resolutions, the Managing Partners are seeking authorisations to issue the same securities as those described in the fifteenth resolution, but subject to lower ceilings as they would be carried out without preferential subscription rights.

Under the sixteenth resolution, the Managing Partners would be authorised to carry out issues by way of one or more public offers, with a ceiling of €160 million set for the resulting capital increase(s), representing approximately 20% of the Company's current capital. Shareholders would have a priority right for at least five trading days to subscribe for such an issue if they wish to avoid their interest in the Company being diluted. Unlike preferential subscription rights, these priority rights are not tradable, which means that shareholders who do not wish to take up any of the securities offered would not be able to sell their priority right to obtain financial compensation for the dilution of their interest in the Company.

Capital increases resulting from issues carried out pursuant to this authorisation, together with those carried out with preferential subscription rights, would not be able to exceed an aggregate nominal amount of €300 million, representing approximately 37.5% of the Company's share capital (see the twenty-first resolution below).

If the seventeenth resolution is adopted, the Managing Partners would be authorised to carry out issues by way of one or more public offers, without a priority subscription right as described above. This authorisation would give the Company the reactivity that it may need to rapidly seize any financing opportunities that may arise in the event of high market volatility. However, the maximum aggregate nominal amount of any capital increases resulting from issues carried out under this authorisation would be set at €80 million, representing approximately 10% of the Company's current share capital.

The eighteenth resolution concerns issues carried out via private placements, i.e., when the securities are only issued to a select number of investors, mainly comprising professionals as defined in the French Monetary and Financial Code. The purpose of this authorisation is to give the Company a way of raising financing that is simpler and more suited to rapidly seizing market opportunities, as private placement procedures involve less complex formalities in view of the categories of investors involved. The maximum aggregate nominal amount of any capital increases resulting from these issues would also be set at €80 million (representing approximately 10% of the Company's current share capital).

The overall maximum nominal amount of debt securities that could be issued under the sixteenth, seventeenth and eighteenth resolutions would be capped at €1.5 billion.

The issue price set by the Managing Partners for any shares issued under the above three authorisations would not be less than the price provided for in the applicable regulations in force on the issue date (currently, the weighted average of the prices quoted for Lagardère SCA shares over the three trading days preceding the pricing date, less a potential maximum 5% discount).

The Managing Partners would only be able to use the authorisations given in the sixteenth, seventeenth and eighteenth resolutions during a public offer for the Company's shares if they obtain specific prior approval from the Company's shareholders in a General Meeting.

SIXTEENTH RESOLUTION

TWENTY-SIX MONTH AUTHORISATION FOR THE MANAGING PARTNERS TO ISSUE BY WAY OF A PUBLIC OFFER – WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS BUT WITH A PRIORITY RIGHT FOR AT LEAST FIVE TRADING DAYS – ORDINARY SHARES OF THE COMPANY AND/OR SECURITIES GIVING IMMEDIATE OR FUTURE ACCESS TO THE COMPANY'S SHARE CAPITAL AND/OR CARRYING IMMEDIATE OR FUTURE RIGHTS TO THE ALLOCATION OF DEBT SECURITIES, SUBJECT TO CEILINGS OF €160 MILLION FOR INCREASES IN SHARE CAPITAL AND €1.5 BILLION FOR DEBT SECURITIES ISSUED

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. 225-129-2, L. 225-135 and L. 228-91 *et seq.* of the French Commercial Code, the shareholders:

- authorise the Managing Partners to issue, on one or more occasions – without preferential subscription rights but with a priority right – (i) ordinary shares of the Company, (ii) equity securities of the Company giving access to shares in the Company and/or carrying rights to the allocation of debt securities of the Company, (iii) debt securities of the Company which give access to new shares and may also give access to existing shares in the Company and/or carry rights to the allocation of debt securities of the Company, (iv) equity securities of the Company giving access to new or existing shares and/or carrying rights to the allocation of debt securities of entities in which the Company owns, directly, or indirectly, over half of the share capital at the issue date, and/or (v) equity securities of the Company giving access to existing shares and/or carrying rights to the allocation of debt securities of other entities. The Managing Partners shall have full discretionary powers to determine the amount and timing of such issue(s), which may be carried out in France or abroad;
- resolve that the aggregate nominal amount of any increases in share capital carried out pursuant to this authorisation – immediately or in the future – may not exceed one hundred and sixty million euros (€160,000,000) (about 20% of the current capital). This ceiling does not, however, include the par value of any additional shares that may be issued pursuant to the applicable laws, regulations and any contractual provisions to protect the rights of holders of securities giving access to the Company share capital;
- resolve that the aggregate nominal amount of the debt securities that may be issued under this authorisation may not exceed one billion five hundred million euros (€1,500,000,000) or the equivalent amount in the case of issues denominated in foreign currency or a monetary unit determined by reference to a basket of currencies;
- resolve to cancel shareholders' preferential rights to subscribe for the ordinary shares and/or other securities to be issued under this authorisation, it being understood that the Managing Partners must grant the shareholders a priority right

for at least five trading days to subscribe for the issue in accordance with the terms and conditions to be set by the Managing Partners in compliance with the applicable laws and regulations;

- note that this authorisation automatically entails the waiver by shareholders of their preferential rights to subscribe for the shares to be issued on exercise of rights to shares attached to any securities issued pursuant to this authorisation;
- note that any decision taken pursuant to this authorisation to issue securities giving access to new shares to be issued by an entity in which the Company directly or indirectly owns over half of the share capital at the issue date shall require the approval of the shareholders of the entity concerned in an Extraordinary General Meeting;
- resolve that the issue price of ordinary shares to be issued under this authorisation shall not be less than the price provided for in the applicable regulations in force on the issue date (currently, the weighted average of the prices quoted for Lagardère SCA shares over the three trading days preceding the pricing date, less a potential maximum 5% discount);
- resolve that the issue price of securities giving immediate or future access to the Company's share capital shall be calculated such that the amount received by the Company at the time of issue plus any amounts it subsequently receives on exercise of the rights attached to the issued securities is at least equal to the minimum issue price provided for in the applicable regulations referred to above;
- resolve that the Managing Partners shall have full powers to use this authorisation, and in particular, in accordance with the applicable laws and regulations and the above-mentioned ceilings, to set all the terms and conditions of the issue(s), place on record the resulting capital increases and amend the Company's Articles of Association accordingly;
- resolve that, for debt securities issued pursuant to this authorisation, the Managing Partners shall have full powers to determine whether they will be subordinated or non-subordinated (and where appropriate, their ranking), and to set their interest rates, their term (the securities may be dated or undated), their redemption price (which may be fixed or variable and may or may not include a premium), their redemption methods based on market conditions, the basis on which the debt securities will give access to the share capital of the companies concerned, and all of the other applicable terms and conditions;
- resolve that the Managing Partners may only use this authorisation during a public offer for the Company's shares if they obtain specific prior approval from the Company's shareholders in a General Meeting;
- resolve that this authorisation is given to the Managing Partners for a period of twenty-six months as from the date of this Meeting and that it cancels and supersedes the authorisation given in the eighteenth resolution of the 4 May 2017 Annual General Meeting.

SEVENTEENTH RESOLUTION

TWENTY-SIX MONTH AUTHORISATION FOR THE MANAGING PARTNERS TO ISSUE BY WAY OF A PUBLIC OFFER – WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS AND WITHOUT A PRIORITY RIGHT – ORDINARY SHARES OF THE COMPANY AND/OR SECURITIES GIVING IMMEDIATE OR FUTURE ACCESS TO THE COMPANY'S SHARE CAPITAL AND/OR CARRYING IMMEDIATE OR FUTURE RIGHTS TO THE ALLOCATION OF DEBT SECURITIES, SUBJECT TO CEILINGS OF €80 MILLION FOR INCREASES IN SHARE CAPITAL AND €1.5 BILLION FOR DEBT SECURITIES ISSUED

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. 225-129-2, L. 225-135 and L. 228-91 *et seq.* of the French Commercial Code, the shareholders:

- authorise the Managing Partners to issue, on one or more occasions – without preferential subscription rights and without a priority right – (i) ordinary shares of the Company, (ii) equity securities of the Company giving access to shares in the Company and/or carrying rights to the allocation of debt securities of the Company, (iii) debt securities of the Company which give access to new shares and may also give access to existing shares in the Company and/or carry rights to the allocation of debt securities of the Company, (iv) equity securities of the Company giving access to new or existing shares and/or carrying rights to the allocation of debt securities of entities in which the Company owns, directly, or indirectly, over half of the share capital at the issue date, and/or (v) equity securities of the Company giving access to existing shares and/or carrying rights to the allocation of debt securities of other entities. The Managing Partners shall have full discretionary powers to determine the amount and timing of such issue(s), which may be carried out in France or abroad;
- resolve that the aggregate nominal amount of any increases in share capital carried out pursuant to this authorisation – immediately or in the future – may not exceed eighty million euros (€80,000,000) (about 10% of the current capital). This ceiling does not, however, include the par value of any additional shares that may be issued pursuant to the applicable laws, regulations and any contractual provisions to protect the rights of holders of securities giving access to the Company's share capital;
- resolve that the aggregate nominal amount of the debt securities that may be issued under this authorisation may not exceed one billion five hundred million euros (€1,500,000,000) or the equivalent amount in the case of issues denominated in foreign currency or a monetary unit determined by reference to a basket of currencies;
- resolve to cancel shareholders' preferential rights to subscribe for the ordinary shares and/or other securities to be issued under this authorisation;

- note that this authorisation automatically entails the waiver by shareholders of their preferential rights to subscribe for the shares to be issued on exercise of rights to shares attached to any securities issued pursuant to this authorisation;
- note that any decision taken pursuant to this authorisation to issue securities giving access to new shares to be issued by an entity in which the Company directly or indirectly owns over half of the share capital at the issue date shall require the approval of the shareholders of the entity concerned in an Extraordinary General Meeting;
- resolve that the issue price of ordinary shares to be issued under this authorisation shall not be less than the price provided for in the applicable regulations in force on the issue date (currently, the weighted average of the prices quoted for Lagardère SCA shares during the three trading days preceding the pricing date, less a potential maximum 5% discount);
- resolve that the issue price of securities giving immediate or future access to the Company's share capital shall be calculated such that the amount received by the Company at the time of issue plus any amounts it subsequently receives on exercise of the rights attached to the issued securities is at least equal to the minimum issue price provided for in the applicable regulations referred to above;
- resolve that the Managing Partners shall have full powers to use this authorisation, and in particular, in accordance with the applicable laws and regulations and the above-mentioned ceilings, to set all the terms and conditions of the issue(s), place on record the resulting capital increases and amend the Company's Articles of Association accordingly;
- resolve that, for debt securities issued pursuant to this authorisation, the Managing Partners shall have full powers to determine whether they will be subordinated or non-subordinated (and where appropriate, their ranking), and to set their interest rates, their term (the securities may be dated or undated), their redemption price (which may be fixed or variable and may or may not include a premium), their redemption methods based on market conditions, the basis on which the debt securities will give access to the share capital of the companies concerned, and all of the other applicable terms and conditions;
- resolve that the Managing Partners may only use this authorisation during a public offer for the Company's shares if they obtain specific prior approval from the Company's shareholders in a General Meeting;
- resolve that this authorisation is given to the Managing Partners for a period of twenty-six months as from the date of this Meeting and that it cancels and supersedes the authorisation given in the nineteenth resolution of the 4 May 2017 Annual General Meeting.

EIGHTEENTH RESOLUTION

TWENTY-SIX MONTH AUTHORISATION FOR THE MANAGING PARTNERS TO ISSUE BY WAY OF A PRIVATE PLACEMENT AS REFERRED TO IN SECTION II OF ARTICLE L. 411-2 OF THE FRENCH MONETARY AND FINANCIAL CODE – WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS – ORDINARY SHARES OF THE COMPANY AND/OR SECURITIES GIVING IMMEDIATE OR FUTURE ACCESS TO THE COMPANY'S SHARE CAPITAL AND/OR CARRYING IMMEDIATE OR FUTURE RIGHTS TO THE ALLOCATION OF DEBT SECURITIES, SUBJECT TO CEILINGS OF €80 MILLION FOR INCREASES IN SHARE CAPITAL AND €1.5 BILLION FOR DEBT SECURITIES ISSUED

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. 225-129-2, L. 225-135, L. 225-136 and L. 228-91 *et seq.* of the French Commercial Code, the shareholders:

- authorise the Managing Partners to issue, on one or more occasions, by way of a private placement as referred to in section II of article L. 411-2 of the French Monetary and Financial Code (i) ordinary shares of the Company, (ii) equity securities of the Company giving access to shares in the Company and/or carrying rights to the allocation of debt securities of the Company, (iii) debt securities of the Company which give access to new shares and may also give access to existing shares in the Company and/or carry rights to the allocation of debt securities of the Company, (iv) equity securities of the Company giving access to new or existing shares and/or carrying rights to the allocation of debt securities of entities in which the Company owns, directly, or indirectly, over half of the share capital at the issue date, and/or (v) equity securities of the Company giving access to existing shares and/or carrying rights to the allocation of debt securities of other entities. The Managing Partners shall have full discretionary powers to determine the amount and timing of such issue(s), which may be carried out in France or abroad;
- resolve that the aggregate nominal amount of any increases in share capital carried out pursuant to this authorisation – immediately or in the future – may not exceed eighty million euros (€80,000,000) (about 10% of the current capital). This ceiling does not, however, include the par value of any additional shares that may be issued pursuant to the applicable laws, regulations and any contractual provisions to protect the rights of holders of securities giving access to the Company share capital;
- resolve that the aggregate nominal amount of the debt securities that may be issued under this authorisation may not exceed one billion five hundred million euros (€1,500,000,000) or the equivalent amount in the case of issues denominated in foreign currency or a monetary unit determined by reference to a basket of currencies;
- resolve to cancel shareholders' preferential rights to subscribe for the ordinary shares and/or other securities to be issued under this authorisation;

- note that this authorisation automatically entails the waiver by shareholders of their preferential rights to subscribe for the shares to be issued on exercise of rights to shares attached to any securities issued pursuant to this authorisation;
- note that any decision taken pursuant to this authorisation to issue securities giving access to new shares to be issued by an entity in which the Company directly or indirectly owns over half of the share capital at the issue date shall require the approval of the shareholders of the entity concerned in an Extraordinary General Meeting;
- resolve that the issue price of ordinary shares to be issued under this authorisation shall not be less than the price provided for in the applicable regulations in force on the issue date (currently, the weighted average of the prices quoted for Lagardère SCA shares over the three trading days preceding the pricing date, less a potential maximum 5% discount);
- resolve that the issue price of securities giving immediate or future access to the Company's share capital shall be calculated such that the amount received by the Company at the time of issue plus any amounts it subsequently receives on exercise of the rights attached to the issued securities is at least equal to the minimum issue price provided for in the applicable regulations referred to above;
- resolve that the Managing Partners shall have full powers to use this authorisation, and in particular, in accordance with the applicable laws and regulations and the above-mentioned ceilings, to set all the terms and conditions of the issue(s), place on record the resulting capital increases and amend the Company's Articles of Association accordingly;
- resolve that, for debt securities issued pursuant to this authorisation, the Managing Partners shall have full powers to determine whether they will be subordinated or non-subordinated (and where appropriate, their ranking), and to set their interest rates, their term (the securities may be dated or undated), their redemption price (which may be fixed or variable and may or may not include a premium), their redemption methods based on market conditions, the basis on which the debt securities will give access to the share capital of the companies concerned, and all of the other applicable terms and conditions;
- resolve that the Managing Partners may only use this authorisation during a public offer for the Company's shares if they obtain specific prior approval from the Company's shareholders in a General Meeting;
- resolve that this authorisation is given to the Managing Partners for a period of twenty-six months as from the date of this Meeting and that it cancels and supersedes the authorisation given in the twentieth resolution of the 4 May 2017 Annual General Meeting.

19TH RESOLUTION: AUTHORISATION TO ISSUE ADDITIONAL SECURITIES IN THE EVENT THAT AN ISSUE IS OVERSUBSCRIBED

Presentation

The purpose of the nineteenth resolution is to allow the Managing Partners to issue additional securities in the event that an issue carried out pursuant to any of the above resolutions is oversubscribed. The additional securities would have to be issued within 30 days of the close of the subscription period for the original issue, and at the same price. They would be subject to the same ceilings as applicable for the original issue and would not be able to exceed 15% of the original issue amount.

NINETEENTH RESOLUTION

AUTHORISATION FOR THE MANAGING PARTNERS TO ISSUE ADDITIONAL SECURITIES IN THE EVENT THAT AN ISSUE IS OVERSUBSCRIBED, SUBJECT TO THE CEILINGS APPLICABLE TO THE ORIGINAL ISSUE

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 article L. 225-135-1 of the French Commercial Code, the shareholders:

- authorise the Managing Partners to increase the number of ordinary shares and/or other securities issued pursuant to the fourteenth, fifteenth, sixteenth, seventeenth or eighteenth resolutions in the event that an issue is oversubscribed. The additional securities must be issued within 30 days of the close of the subscription period for the original issue, at the same price and in accordance with the same terms and conditions as for the original issue. They will be subject to the same ceilings as applicable under the resolution used to carry out the original issue and may not exceed 15% of the original issue amount;
- resolve that this authorisation is given to the Managing Partners for a period of twenty-six months as from the date of this Meeting and that it cancels and supersedes the authorisation given in the twenty-first resolution of the 4 May 2017 Annual General Meeting.

20TH RESOLUTION: ISSUE OF ORDINARY SHARES AND/OR OTHER SECURITIES AS CONSIDERATION FOR SECURITIES TENDERED AS PART OF A PUBLIC EXCHANGE OFFER OR A CONTRIBUTION IN KIND

Presentation

In the twentieth resolution, the shareholders are invited to authorise the Managing Partners to issue securities as consideration for (i) securities tendered to the Company for the purposes of a public exchange offer as referred to in article L. 225-148 of the French Commercial Code or (ii) contributions in kind granted to the Company and consisting of shares or securities giving access to the share capital of another company, when the legal provisions governing public exchange offers do not apply.

Issues carried out pursuant to this authorisation would therefore be without preferential subscription rights.

The maximum aggregate nominal amount of any capital increases carried out under this resolution would be €80 million (representing approximately 10% of the Company's current capital).

The overall maximum nominal amount of debt securities that could be issued pursuant to this authorisation would be set at €1.5 billion.

The Managing Partners would only be able to use this authorisation during a public offer for the Company's shares if they obtain specific prior approval from the Company's shareholders in a General Meeting.

TWENTIETH RESOLUTION

TWENTY-SIX MONTH AUTHORISATION FOR THE MANAGING PARTNERS TO ISSUE – WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS – ORDINARY SHARES OF THE COMPANY AND/OR SECURITIES GIVING IMMEDIATE OR FUTURE ACCESS TO THE COMPANY'S SHARE CAPITAL AND/OR CARRYING IMMEDIATE OR FUTURE RIGHTS TO THE ALLOCATION OF DEBT SECURITIES, AS CONSIDERATION FOR SECURITIES TENDERED AS PART OF A PUBLIC EXCHANGE OFFER OR A CONTRIBUTION IN KIND, SUBJECT TO CEILINGS OF €80 MILLION FOR INCREASES IN SHARE CAPITAL AND €1.5 BILLION FOR DEBT SECURITIES ISSUED

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. 225-129-2, L. 225-135 and L. 228-91 *et seq.* of the French Commercial Code, the shareholders:

- authorise the Managing Partners to issue, on one or more occasions, in accordance with articles L. 225-148 and L. 225-147 of the French Commercial Code (i) ordinary shares of the Company, (ii) equity securities of the Company giving access to shares in the Company and/or carrying rights to the allocation of debt securities of the Company, (iii) debt securities of the Company which give access to new shares and may also give access to existing shares in the Company and/or carry rights to the allocation of debt securities of the Company, (iv) equity securities of the Company giving access to new or existing shares and/or carrying rights to the allocation of debt securities of entities in which the Company owns, directly or indirectly, over half of the share capital at the issue date, and/or (v) equity securities of the Company giving access to existing shares and/or carrying rights to the allocation of debt securities of other entities, as consideration either for (a) securities tendered as part of a public exchange offer for securities in companies whose shares are admitted to trading on a regulated market of a country that is either party to the European Economic Area agreement or a member of the Organisation for Economic Co-operation and Development or (b) contributions in kind granted to the Company and comprising shares or securities giving access to the share capital of another company, when the provisions of article L. 225-148 of the French Commercial Code on public exchange offers do not apply. The Managing Partners shall have full discretionary powers to determine the amount and timing of such issue(s), which may be carried out in France or abroad;
- resolve that the aggregate nominal amount of any increases in share capital carried out pursuant to this authorisation – immediately or in the future – may not exceed eighty million euros (€80,000,000) (about 10% of the current capital). This ceiling does not, however, include the par value of any additional shares that may be issued pursuant to the applicable laws, regulations and any contractual provisions to protect the rights of holders of securities giving access to the Company share capital;
- resolve that the aggregate nominal amount of the debt securities that may be issued under this authorisation may not exceed one billion five hundred million euros (€1,500,000,000) or the equivalent amount in the case of issues denominated in foreign currency or a monetary unit determined by reference to a basket of currencies;
- resolve to cancel shareholders' preferential rights to subscribe for the ordinary shares and/or other securities to be issued under this authorisation;
- note that this authorisation automatically entails the waiver by shareholders of their preferential rights to subscribe for the shares to be issued on exercise of rights to shares attached to any securities issued pursuant to this authorisation;
- note that any decision taken pursuant to this authorisation to issue securities giving access to new shares to be issued by an entity in which the Company directly or indirectly owns over half of the share capital at the issue date shall require the approval of the shareholders of the entity concerned in an Extraordinary General Meeting;
- resolve that the Managing Partners shall have full powers to use this authorisation, and in particular, in accordance with the applicable laws and regulations and the above-mentioned ceilings, to set all the terms and conditions of the issue(s), place on record the resulting capital increases and amend the Company's Articles of Association accordingly;
- resolve that, for debt securities issued pursuant to this authorisation, the Managing Partners shall have full powers to determine whether they will be subordinated or non-subordinated (and where appropriate, their ranking), and to set their interest rates, their term (the securities may be dated or undated), their redemption price (which may be fixed or variable and may or may not include a premium), their redemption methods based on market conditions, the basis

on which the debt securities will give access to the share capital of the companies concerned, and all of the other applicable terms and conditions;

- resolve that the Managing Partners may only use this authorisation during a public offer for the Company's shares if they obtain specific prior approval from the Company's shareholders in a General Meeting;
- resolve that this authorisation is given to the Managing Partners for a period of twenty-six months as from the date of this Meeting and that it cancels and supersedes the authorisation given in the twenty-second resolution of the 4 May 2017 Annual General Meeting.

21ST RESOLUTION: OVERALL CEILINGS ON CAPITAL INCREASES AND ISSUES OF DEBT SECURITIES

Presentation

In the same way as for the resolution approved at the 4 May 2017 Annual General Meeting, and in accordance with article L. 225-129-2 of the French Commercial Code, in the twenty-first resolution the shareholders are being asked to set the following overall ceilings:

- €300 million (about 37.5% of the Company's current capital) for the aggregate nominal amount of any increases in share capital carried out – immediately or in the future – with preferential subscription rights or with a priority right for at least five trading days, pursuant to the above-described authorisations. This aggregate amount may be adjusted, pursuant to the applicable laws, regulations and any contractual provisions, to protect the rights of holders of securities giving access to the Company's share capital;
- €80 million (about 10% of the Company's current capital) for the aggregate nominal amount of any increases in share capital carried out – immediately or in the future – without preferential subscription rights or a priority right, pursuant to the above-described authorisations. This aggregate amount may be adjusted, pursuant to the applicable laws, regulations and any contractual provisions, to protect the rights of holders of securities giving access to the Company's share capital;
- €1.5 billion (or the equivalent amount in the case of issues denominated in foreign currency) for the aggregate nominal amount of any debt securities issued pursuant to the above-described authorisations.

TWENTY-FIRST RESOLUTION

OVERALL CEILINGS OF €80 MILLION, €300 MILLION AND €1.5 BILLION ON THE TOTAL AMOUNTS OF CAPITAL INCREASES AND ISSUES OF DEBT SECURITIES RESULTING FROM THE AUTHORISATIONS IN THE PRECEDING RESOLUTIONS

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, as a consequence of the adoption of the fourteenth, fifteenth, sixteenth, seventeenth, eighteenth, nineteenth and twentieth resolutions, the shareholders:

- resolve that the aggregate nominal amount of any increases in share capital carried out immediately or in the future – without preferential subscription rights and without a priority right, pursuant to the authorisations given to the Managing Partners in the seventeenth, eighteenth, nineteenth and twentieth resolutions – may not exceed eighty million euros (€80,000,000) (about 10% of the current capital). This ceiling does not, however, include the par value of any additional shares that may be issued pursuant to the applicable laws, regulations and any contractual provisions, to protect the rights of holders of securities giving access to the Company's share capital;
- resolve that the aggregate nominal amount of any increases in share capital carried out immediately or in the future – with preferential subscription rights or with a priority right, pursuant to the authorisations given to the Managing Partners in the fifteenth and sixteenth resolutions – may not exceed three hundred million euros (€300,000,000) (about 37.5% of the current capital). This ceiling does not, however, include the par value of any additional shares that may be issued pursuant to the applicable laws, regulations and any contractual provisions, to protect the rights of holders of securities giving access to the Company's share capital;
- resolve that the aggregate nominal amount of any debt securities issued under the authorisations given to the Managing Partners in the fourteenth, fifteenth, sixteenth, seventeenth, eighteenth and twentieth resolutions may not exceed one billion five hundred million euros (€1,500,000,000) or the equivalent amount in the case of issues denominated in foreign currency or a monetary unit determined by reference to a basket of currencies.

22ND RESOLUTION: AUTHORISATION TO INCREASE THE COMPANY'S SHARE CAPITAL BY CAPITALISING RESERVES, PROFIT OR SHARE PREMIUMS

Presentation

In the twenty-second resolution, the shareholders are asked to authorise the Managing Partners to capitalise reserves, profit or share premiums and to issue bonus shares to shareholders and/or increase the par value of existing shares, subject to a specific ceiling of €300 million (about 37.5% of the Company's current capital).

Consequently, any capital increases carried out pursuant to this authorisation would not involve the contribution of new funds by shareholders and would not lead to any changes in the amount of the Company's equity.

The Managing Partners would only be able to use this authorisation during a public offer for the Company's shares if they obtain specific prior approval from the Company's shareholders in a General Meeting.

TWENTY-SECOND RESOLUTION

TWENTY-SIX MONTH AUTHORISATION FOR THE MANAGING PARTNERS TO INCREASE THE COMPANY'S SHARE CAPITAL BY CAPITALISING RESERVES, PROFIT OR SHARE PREMIUMS AND ISSUING BONUS SHARES AND/OR INCREASING THE PAR VALUE OF EXISTING SHARES, SUBJECT TO A CEILING OF €300 MILLION

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, pursuant to the provisions of articles L. 225-129-2 and L. 225-130 of the French Commercial Code, the shareholders:

- authorise the Managing Partners to increase the Company's share capital, on one or more occasions, by capitalising reserves, profit or share premiums and issuing bonus shares and/or increasing the par value of existing shares. The Managing Partners shall have full discretionary powers to determine the amount and timing of said capital increase(s);
- resolve that the aggregate nominal amount of any increases in share capital carried out pursuant to this authorisation – immediately or in the future – may not exceed three hundred million euros (€300,000,000) (about 37.5% of the current capital). This ceiling is separate from the ceilings set in the twenty-first resolution and does not include the par value of any additional shares that may be issued pursuant to the applicable laws, regulations and any contractual provisions, to protect the rights of holders of securities giving access to the Company's share capital;
- resolve that if the Managing Partners use this authorisation, any rights to fractions of shares shall be non-transferable and non-tradable and the corresponding shares shall be sold, with the sale proceeds allocated among the rights holders, within the timeframes and in accordance with the conditions provided for in the applicable regulations;
- resolve that the Managing Partners shall have full powers to use this authorisation, and in particular, in accordance with the applicable law and regulations and the above-mentioned ceilings, to set all the terms and conditions of the issue(s), place on record the resulting capital increases and amend the Company's Articles of Association accordingly;
- resolve that the Managing Partners may only use this authorisation during a public offer for the Company's shares if they obtain specific prior approval from the Company's shareholders in a General Meeting;
- resolve that this authorisation is given to the Managing Partners for a period of twenty-six months as from the date of this Meeting and that it cancels and supersedes the authorisation given in the twenty-fourth resolution of the 4 May 2017 Annual General Meeting.

23RD RESOLUTION: AUTHORISATION TO ISSUE SHARES AND/OR OTHER SECURITIES TO EMPLOYEES UNDER CORPORATE SAVINGS SCHEMES

Presentation

The purpose of the twenty-third resolution is to authorise the Managing Partners to issue shares and/or securities giving access to the Company's share capital to Group employees who are members of corporate savings schemes.

Shareholders' preferential rights to subscribe for the securities issued under this resolution would therefore be cancelled in favour of the employees concerned.

The Group's employees currently hold approximately 0.51% of the Company's share capital under corporate savings schemes, mainly through a company mutual fund. Taking into account the shares that they hold individually, this interest is equal to 1.98%.

The aggregate maximum nominal amount of any capital increases carried out pursuant to this authorisation would not be able to represent more than 0.5% of the Company's outstanding share capital in any given year.

TWENTY-THIRD RESOLUTION

TWENTY-SIX MONTH AUTHORISATION FOR THE MANAGING PARTNERS TO ISSUE – WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS – ORDINARY SHARES OF THE COMPANY AND/OR SECURITIES GIVING ACCESS TO THE COMPANY'S SHARE CAPITAL, TO EMPLOYEES UNDER CORPORATE SAVINGS SCHEMES, PROVIDED THAT SUCH ISSUES DO NOT REPRESENT MORE THAN 0.5% OF THE COMPANY'S OUTSTANDING SHARE CAPITAL IN ANY GIVEN YEAR

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. 225-129-2, L. 225-129-6, L. 225-138, L. 225-138-1 and L. 228-91 *et seq.* of the French Commercial Code and article L. 3332-18 *et seq.* of the French Labour Code, the shareholders:

- authorise the Managing Partners to issue, on one or more occasions, through the issue of ordinary shares and/or securities giving access to the Company's share capital. The Managing Partners shall have full discretionary powers to determine the amount and timing of such issue(s), which may be carried out in France or abroad;
- resolve that the total number of ordinary shares that may be issued under this authorisation – immediately or in the future – may not represent more than 0.5% of the Company's outstanding share capital in any given year. This ceiling does not, however, include the par value of any additional shares that may be issued pursuant to the applicable laws, regulations and any contractual provisions, to protect the rights of holders of securities giving access to the Company's share capital;
- resolve to cancel shareholders' preferential rights to subscribe for the ordinary shares and/or other securities to be issued in favour of employees of the Company and/or of entities or groups related to it within the meaning of article L. 225-180 of the French Commercial Code who are members of a corporate savings scheme;
- resolve that the subscription price of the new ordinary shares that may be issued under this authorisation must be set in accordance with the laws and regulations in force at the issue date(s) (currently said price may not exceed the average of the prices quoted for Lagardère SCA shares in the twenty trading days preceding the date of the Managing Partners' decision setting the start date of the subscription period, and may not be more than 20% lower than this average, or more than 30% lower than this average if the minimum holding period provided for in the savings scheme in accordance with articles L. 3332-25 and L. 3332-26 of the French Labour Code is ten years or more);
- resolve that in the event of the issuance of securities giving access to new shares, the subscription price will also be determined by reference to the terms and conditions described in the preceding paragraph;
- authorise the Managing Partners – in accordance with article L. 3332-21 of the French Labour Code – to award, free of consideration, ordinary shares of the Company and/or other securities giving access to the Company's share capital, to employees of the Company and/or of entities or groups related to it within the meaning of article L. 225-180 of the French Commercial Code who are members of a corporate savings scheme;
- resolve that the Managing Partners shall have full powers to use this authorisation, and particularly, subject to the above-mentioned ceilings and the conditions set by the applicable law and regulations to:
  - draw up a list of the entities and groups whose employees are eligible for the issues,
  - set the eligibility conditions for the issues, particularly in terms of seniority,
  - decide whether the shares and/or other securities issued may be subscribed for individually by employees or through a company mutual fund or another structure or entity recognised by the applicable legal or regulatory provisions,
  - set the terms and conditions of the issues and awards and, in particular, set the number of ordinary shares and/or other securities to be issued, as well as the issue price and the start and end dates of the subscription periods,
  - for awards of free shares or securities giving access to the Company's share capital, either (i) use these shares or securities to replace, in full or in part, the maximum discounts provided for above for the purpose of determining the subscription price of shares purchased by corporate savings scheme members, or (ii) offset the value of these shares or securities against the employer's contribution to the corporate savings scheme, or (iii) use a combination of both of these possibilities,
  - place on record the resulting capital increases and amend the Company's Articles of Association accordingly,
  - in general, do whatever may be appropriate or expedient to carry out any issues decided on pursuant to this authorisation;
- resolve that this authorisation is given to the Managing Partners for a period of twenty-six months as from the date of this Meeting and that it cancels and supersedes the authorisation given in the twenty-fifth resolution of the 4 May 2017 Annual General Meeting.

24TH RESOLUTION: POWERS FOR FORMALITIES

Presentation

The aim of this resolution is to grant the powers required to carry out the necessary formalities following the Annual General Meeting.

TWENTY-FOURTH 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 or a certified copy or extract of the minutes of this Meeting to fulfil all of the necessary filing and other formalities.

5

REPORT OF THE SUPERVISORY BOARD

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 2018, 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 2018 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 2018, the Supervisory Board met six times with an average attendance rate of 92%. 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 situation of the radio business and the acquisition of Hojeij Branded Foods by Lagardère Travel Retail, as well as the Group's work to comply with the General Data Protection Regulation.

In preparation for the General Meeting, the Supervisory Board approved the Corporate Governance Report, finalised its report to the shareholders and proposed the re-appointment of certain members whose terms of office were set to expire. It also gave its recommendation on the draft resolutions proposed by a group of minority shareholders. After the General Meeting, the Supervisory Board decided to re-elect its Chairman and to appoint the members of the Audit Committee, including its Chairman.

In terms of its operation, the Board conducted a self-assessment and considered the findings. It also accepted the resignation of one of its members and co-opted a new member by way of replacement.

As is the case each year, the Supervisory Board convened for a seminar during which its members discussed the Group's strategy in depth.

On the recommendation of the Chairman, the Supervisory Board continued its practice of holding informal meetings between certain Board members, the Managing Partners and the divisions' main senior executives, on specific issues and strategy, as well as in the context of the integration of new Board member Jamal Benomar.

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 service agreement with the Group. A progress report on the Group's Compliance program, together with the risk map and the findings of the internal control self-assessment were also presented to the Audit Committee.

The non-recurring matters handled by the Audit Committee in 2018 concerned the Group's financing policy and the impact for the Group of the application of IFRS 16.

The Appointments, Remuneration and Governance Committee performed an annual review of the membership of the Board and the independence of its members, prepared the re-appointment of the members whose term of office was set to expire, recommended to the Board a reduction in its size, reviewed two proposed appointments to the Supervisory Board further to the submission of draft resolutions by a group of minority shareholders, reviewed the main comments of the principal proxy advisors and investors in preparation for the General Meeting, reviewed a proposed appointment to the Board, and managed the self-assessment of the membership and operation of the Supervisory Board and its Committees. Lastly, the findings of the Millennials study led by two members were presented to the Board.

As regards remuneration, the Board discussed the remuneration policy for Lagardère SCA's executive corporate officers.

In terms of corporate social responsibility (CSR), the Board reviewed the CSR roadmap.

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Having reviewed the financial statements and results for the year ended 31 December 2018, and without going back over the Managing Partners' detailed comments in this respect, we remind you that:

- the Group's consolidated revenue amounted to €7,258 million;
- recurring operating profit of fully consolidated companies stood at €401 million; and
- consolidated profit for the year totalled €216 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 2018.

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.

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The other main resolutions on the agenda concern:

- opinions on the components of remuneration payable or granted to Arnaud Lagardère and the representatives of the other Managing Partner as well as to the Chairman of the Supervisory Board in respect of 2018;
- the renewal, for a period of eighteen months, of the authorisation given to the Managing Partners to trade in the Company's shares, under conditions similar of the Company to those adopted by the General Meeting of 3 May 2018;
- the renewal, for a period of thirty-eight months, of the authorisations to award free shares of the Company to employees and executives of the Group;
- the renewal, for a period of twenty-six months, of the financial authorisations to be given to the Managing Partners, subject to ceilings similar to those approved by the General Meeting of 4 May 2017, to carry out various financial operations, including:
  - the issuance of debt securities giving access to the share capital of the Company's subsidiaries and/or any other entity,
  - the issuance, with or without preferential subscription rights, of ordinary shares of the Company and/or any other securities,

- the issuance, without preferential subscription rights, of ordinary shares of the Company and/or any other securities by means of a private placement as referred to in section II of article L. 411-2 of the French Monetary and Financial Code (*Code monétaire et financier*),
- the issuance, without preferential subscription rights, of ordinary shares of the Company and/or any other securities as consideration for securities tendered as part of a public exchange offer or a contribution in kind,
- an increase in the Company's share capital by capitalising reserves, profit or share premiums and issuing new shares or increasing the par value of existing shares;
- the issuance, without preferential subscription rights, of ordinary shares of the Company and/or securities giving access to the Company's share capital, to employees within the scope of corporate savings schemes.

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

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As regards the Supervisory Board, the terms of office of four of its members are due to expire at the end of the General Meeting to be held on 10 May 2019. In view of their seniority on the Board, Georges Chodron de Courcel and François Roussely have expressed their wish not to be re-appointed.

Acting on the recommendation of the Appointments, Remuneration and Governance Committee, and with the support of an independent recruitment consultant, the Supervisory Board is proposing the appointment of Gilles Petit as a new member. Having begun his career as an auditor, Gilles Petit joined the Carrefour group, where he successively held a number of operational positions spanning some 20 years, including as Managing Director of Carrefour Belgium, Carrefour Spain and Carrefour France. He then joined Elior as Chief Executive Officer and Chairman of the executive committee for five years, taking charge of its stock market listing on Euronext Paris in 2014. In 2015, he was appointed Chief Executive Officer of Maisons du Monde, where he also successfully led a stock market listing before preparing his own succession. His experience as an international business executive in Europe especially, as well as in the United States, his in-depth knowledge of the distribution and B-to-C and B-to-B sectors as well as his financial and operational expertise, will round out the skills and experience already assembled on the Board.

In addition, further to reviewing the situations of Jamal Benomar and Susan Tolson, whose terms of office are due to expire, and with regard to their skills, experience and value for the Board, as well as their independence, the Board recommended their re-appointment.

- Jamal Benomar was co-opted by the Supervisory Board on 12 September 2018 to replace Pierre Lescure, who resigned from his office.

  Jamal Benomar has 35 years' experience in roles with international responsibility, including as Special Adviser to the UN Secretary-General and as Under Secretary-General. He has dual British and Moroccan citizenship and lives in New York. After earning degrees in sociology, economics and politics from the Universities of Rabat, Paris and London, Jamal Benomar worked as a lecturer and research associate. At the UN, his work focused on diplomatic actions and governance issues.

  The Supervisory Board considered that his unique international culture and experience, as well as his extensive knowledge of the economics and institutions of numerous countries, especially in Africa and the Middle East, both of which are areas of potential development for the Lagardère group, greatly enhance its work.

- Susan Tolson was appointed as a member of the Supervisory Board in May 2011. She graduated from Smith College in 1984 with a B.A. cum laude before obtaining an MBA from Harvard in 1988. She worked for 20 years at The Capital Group Companies – a major private US investment fund formed in 1931 – where she successively served as a financial analyst, senior account manager and then Senior Vice-President.

  During her career, Susan M. Tolson has issued recommendations and made decisions relating to investments in numerous business sectors, including the media and entertainment industries. Her proven experience at a high level in the world of business, knowledge of the media world and international experience via a career in the financial sector in the United States are considerable assets for the Supervisory Board.

Further to this appointment and these re-appointments, the Supervisory Board will be reduced to 12 members, representing its new effective maximum size as provided for by the Articles of Association, in accordance with the decision of the shareholders at the General Meeting on 3 May 2018.

It is proposed that these members be appointed or re-appointed for terms of four years.

The Supervisory Board

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6

REPORTS OF THE STATUTORY AUDITORS AND THE INDEPENDENT THIRD PARTY

6.1 STATUTORY AUDITORS' REPORT ON THE COMPANY'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

To the Annual General Meeting of Lagardère SCA,

OPINION

In compliance with the engagement entrusted to us by your General Meetings, we have audited the accompanying financial statements of Lagardère SCA for the year ended 31 December 2018.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the company as at 31 December 2018 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

BASIS OF THE AUDIT OPINION

AUDIT FRAMEWORK

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the financial statements" section of our report.

INDEPENDENCE

We conducted our audit engagement in compliance with the independence rules applicable to us, for the period from 1 January 2018 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by article 5(1) of Regulation (EU) No 537/2014 or the French Code of Ethics (*Code de déontologie*) for Statutory Auditors.

JUSTIFICATION OF OUR ASSESSMENTS – KEY AUDIT MATTERS

In accordance with the requirements of articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgement, were of most significance in our audit of the financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the parent company financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the parent company financial statements.

MEASUREMENT OF INVESTMENTS IN AND LOANS AND ADVANCES TO SUBSIDIARIES

Description of risk

At 31 December 2018, the carrying amount of investments in subsidiaries and affiliates recognised in the balance sheet amounted to €4,561 million, representing 82% of total assets. Loans and advances to subsidiaries and affiliates amounted to €757 million, or 14% of total assets.

As indicated in note 2 to the financial statements on accounting policies, investments in subsidiaries are measured at historical cost or subscription value less impairment for any excess of those amounts over value in use. Value in use is generally estimated on the basis of a review of the past year and outlook for future years, together with any other relevant information that may contribute to a meaningful valuation. The recoverability of loans and advances to subsidiaries and affiliates is assessed based on the characteristics of the loan and the profitability outlook for the entities concerned. In principle, these receivables are only impaired once the corresponding investments have been written down in full.

Estimating the value in use of investments requires management to exercise judgement in choosing the criteria to be taken into account in assessing them (corresponding to historical or projected data, depending on the circumstances).

In this context and given the inherent uncertainty associated with certain criteria, notably achievement of forecasts, we deemed the correct valuation of investments in subsidiaries and affiliates as well as associated receivables to be a key audit matter.

How our audit addressed this risk

Our audit work consisted in:

- obtaining an understanding of the methods used by management to implement impairment tests;
- assessing whether values in use are estimated on an appropriate basis;
- comparing the carrying amounts of investments to their value in use;
- assessing the recoverability of the associated receivables.

SPECIFIC VERIFICATIONS

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French legal and regulatory provisions.

INFORMATION GIVEN IN THE MANAGEMENT REPORT AND IN THE OTHER DOCUMENTS PROVIDED TO THE SHAREHOLDERS WITH RESPECT TO THE COMPANY'S FINANCIAL POSITION AND FINANCIAL STATEMENTS

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Managing Partners' management report and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements.

We attest to the fair presentation and the consistency with the annual financial statements of the information given with respect to the payment terms referred to in article D. 441-4 of the French Commercial Code.

REPORT ON CORPORATE GOVERNANCE

We attest that the Supervisory Board's report on corporate governance sets out the information required by articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code.

Concerning the information given in accordance with the requirements of article L. 225-37-3 of the French Commercial Code relating to remuneration and benefits received by corporate officers and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling it or controlled by it. Based on this work, we attest to the accuracy and fair presentation of this information.

Concerning the information given in accordance with the requirements of article L. 225-37-5 of the French Commercial Code relating to those items your Company has deemed liable to have an impact in the event of a takeover bid or exchange offer, we have verified its consistency with the underlying documents that were disclosed to us. Based on this work, we have no matters to report with regard to this information

OTHER INFORMATION

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

APPOINTMENT OF THE STATUTORY AUDITORS

We were appointed Statutory Auditors of Lagardère SCA by the General Meetings held on 29 June 1987 for ERNST & YOUNG et Autres and on 20 June 1996 for Mazars.

At 31 December 2018, ERNST & YOUNG et Autres and Mazars were in the thirty-second year and the twenty-third year of total uninterrupted engagement, respectively.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for preparing financial statements presenting a true and fair view in accordance with French accounting principles, and for implementing the internal control procedures it deems necessary for the preparation of financial statements free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

These financial statements have been approved by the Managing Partners.

RESPONSIBILITIES OF THE STATUTORY AUDITORS RELATING TO THE AUDIT OF THE PARENT COMPANY FINANCIAL STATEMENTS

OBJECTIVE AND AUDIT APPROACH

Our role is to issue a report on the parent company financial statements. Our objective is to obtain reasonable assurance about whether the Company's financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these parent company financial statements.

As specified in article L. 823-10-1 of the French Commercial Code, our audit does not include assurance on the viability of the Company or the quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgement throughout the audit. They also:

- identify and assess the risks of material misstatement in the parent company financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the parent company financial statements;
- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the parent company financial statements or, if

such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;

- evaluate the overall presentation of the parent company financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

REPORT TO THE AUDIT COMMITTEE

We submit a report to the Audit Committee which includes, in particular, a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgement, were the most significant for the audit of the financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in articles L. 822-10 to L. 822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit Committee.

French language original signed at Paris-La Défense and Courbevoie, on 19 March 2019

The Statutory Auditors

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

6.2 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

To the Annual General Meeting of Lagardère SCA,

OPINION

In compliance with the engagement entrusted to us by your General Meetings, we have audited the accompanying consolidated financial statements of Lagardère SCA for the year ended 31 December 2018.

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 Group at 31 December 2018 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.

The audit opinion expressed above is consistent with our report to the Audit Committee.

BASIS OF THE AUDIT OPINION

AUDIT FRAMEWORK

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our responsibilities under these standards are described in the section of this report entitled "Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements".

INDEPENDENCE

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from 1 January 2018 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in article 5(1) of Regulation (EU) No. 537/2014 or in the French Code of Ethics (*Code de déontologie*) for Statutory Auditors.

EMPHASIS OF MATTER

Without qualifying our opinion, we draw your attention to the matters set out in notes 1.1 and 1.2 to the consolidated financial statements, which describe:

- the impacts of the first-time application in 2018 of IFRS 15 – Revenue from Contracts with Customers and IFRS 9 – Financial Instruments;
- the estimate of the expected impacts of applying IFRS 16 – Leases, effective 1 January 2019.

JUSTIFICATION OF OUR ASSESSMENTS – KEY AUDIT MATTERS

In accordance with the requirements of articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgement, were of most significance in our audit of the consolidated financial statements, as well as how we addressed those risks.

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 as expressed above. We do not express an opinion on specific items of the consolidated financial statements.

IMPACTS OF THE GROUP'S STRATEGIC REPOSITIONING

Description of risk

Note 4.3 "Assets held for sale and associated liabilities" to the consolidated financial statements refers to the announcements made by the Group in the spring of 2018 concerning its strategic repositioning around two priority areas, Lagardère Publishing and Lagardère Travel Retail. In this context, management has taken a series of decisions to sell or withdraw from some of its business activities.

The accounting impact of these decisions is based on assumptions made by management concerning the classification of certain assets and associated liabilities as held for sale, the measurement at fair value of these assets and associated liabilities, and the measurement of restructuring costs in connection with the strategic repositioning.

We deemed the impacts of the Group's strategic refocusing to be a key audit matter as it requires significant judgement from management.

How our audit addressed this risk

We engaged in several discussions with Group management and with the management of the divisions concerned in order to gain an understanding of the progress made in the various sale processes initiated and their impacts on the presentation of the consolidated financial statements.

We analysed the criteria used by management to present certain assets as held for sale, and assessed their conformity with the applicable accounting standards.

We performed a critical review of the valuation tests carried out on these assets, based on the preliminary offers received by the Group, where applicable.

We conducted a critical review of the methods used to measure the restructuring provisions set aside in respect of the strategic repositioning.

We verified the appropriate accounting for assets divested during the year, in particular with regard to any underlying legal agreements.

We also examined the appropriateness of the disclosures provided in notes 4.3 and 8 to the consolidated financial statements.

MEASUREMENT OF GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES

Description of risk

Goodwill and other intangible assets with indefinite useful lives, which have carrying amounts of €1,624 million and €145 million, respectively, at 31 December 2018, are recognised in accordance with the methods set out in notes 3.8 and 3.9 to the consolidated financial statements.

At each accounts closing, management verifies that the recoverable amount of goodwill and intangible assets with indefinite useful lives is higher than the carrying amount, and that there are no indications of impairment. The estimated future cash flows used in the impairment tests are based on the internal budgets drawn up at the end of the year. They are determined using key assumptions and assessments that factor in the effects of the economic environment – as identified at the date of the budget – on forecast future cash flows for the coming three years,

apart from in the specific area of sporting events for which forecast cash flows are calculated beyond three years.

The cash flows are discounted using a post-tax discount rate specific to each business. A perpetuity growth rate, which is also specific to each business, is used for periods subsequent to those covered in the budgets. The procedures used to test assets for impairment at the level of the cash-generating units (CGUs) to which the assets were allocated are described in note 3.10 and the assumptions used are set out in note 10 to the consolidated financial statements.

Regarding goodwill and intangible assets with indefinite useful lives for the Lagardère Sports and Entertainment division, which have a carrying amount of €188 million at 31 December 2018, the achievement of the assumptions used by management to determine future cash flow forecasts depends on the conditions under which contracts in force are executed, the ability to renew them or to win new ones, as well as the related margins.

In view of the significance of management judgement required and of the uncertainties inherent in the assumptions used, we deemed the measurement of goodwill and intangible assets with indefinite useful lives to be a key audit matter.

How our audit addressed this risk

We analysed whether the method used by the Company complies with the accounting standards in force.

We held discussions with management to assess the assumptions used and performed a critical review of the procedures implemented to measure these assets, and analysed in particular:

- the completeness of the data included in the carrying amounts of the CGUs tested, as well as the consistency of the measurements with the cash flow forecasts used for the recoverable amounts;
- the reasonableness of the cash flow forecasts compared to the economic and financial environments of the most sensitive CGUs, and the reliability of the estimation process;
- the consistency of the cash flow forecasts with the latest estimates prepared by the management under the supervision of the Managing Partners as part of the budget process;
- the consistency of the growth and discount rates used to project future cash flows, with the support of our valuation experts;
- the calculation of the discount applied to estimated future cash flows;
- the sensitivity of calculations performed by management to changes in the main assumptions used.

Lastly, we also examined the appropriateness of the disclosures provided in note 10 to the consolidated financial statements.

RECOGNITION OF SPORTS RIGHTS MARKETING CONTRACTS

Description of risk

In the context of its sports rights marketing activity, Lagardère Sports and Entertainment enters into multi-annual agreements with rights holders, in some cases guaranteeing them a minimum income. At 31 December 2018, obligations in respect of such guarantees amounted to €981 million, as described in note 32 to the consolidated financial statements.

In this context, the division is required to make estimates, in particular concerning:

- the annual allocation of revenue generated by each event in respect of these contracts;
- its ability to generate total revenue in excess of the obligations granted to rights holders, and to determine a global margin to be generated by the contract.

In the event that the expected revenue is lower than the minimum guaranteed payment or does not cover direct costs associated with the execution of the contract, the division recognises a provision for expected contract losses.

The accounting methods relating to those contracts are described in notes 3.1 and 3.19 to the consolidated financial statements.

In light of the judgement required by management in determining expected revenue and allocating it to events, we deemed the accounting of sports rights marketing contracts by Lagardère Sports and Entertainment to be a key audit matter.

How our audit addressed this risk

Our audit work consisted in:

- gaining an understanding of the process implemented within the division to identify all commitments given and recorded on- or off-balance sheet in respect of these contracts, and determining the revenue recognition methods (including its allocation to events);
- analysing, for a selection of contracts, the assumptions used for revenue and expected margins compared with contracted sales, and direct cost projections related to those contracts;
- analysing the provisions for expected losses recorded for certain contracts;
- assessing the reasonableness of the disclosures in notes to the consolidated financial statements, regarding commitments given recorded on- or off-balance sheet related to these contracts, and regarding commitments received related to contracted sales.

REVENUE RECOGNITION BY LAGARDÈRE PUBLISHING – ESTIMATING RETURNS

Description of risk

Revenue recognition for Lagardère Publishing is subject to management estimates mainly in respect of the amount of returns.

The revenue recognition principles are described in notes 3.1 and note 31 to the consolidated financial statements. Estimated returns recognised as a deduction from revenue amounted to €299 million at 31 December 2018.

This amount represents distributors' right to return unsold copies to Lagardère Publishing in its capacity as publisher. This right recognised as a deduction from revenue is estimated on the basis of forecast sales during the year and of historical returns data. This estimate is calculated on a statistical basis using the actual rate of returns for the previous year, adjusted for fluctuations in sales volumes and changes in the operating environment during the current year.

Given the significance of estimated returns, and of the assumptions and areas of judgement involved in their calculation, we deemed revenue recognition for Lagardère Publishing to be a key audit matter.

How our audit addressed this risk

Our work consisted primarily in:

- describing and testing the sales process, including the treatment of returns;
- obtaining an understanding of the method used to calculate returns and of the main assumptions used for estimating returns at the year-end;
- performing a critical review of the return rates applied and of the applicable calculation assumptions including, in particular the corresponding margins;
- comparing estimated return rates with historical rates;
- reviewing the effective existence of the sales and returns used for calculation purposes;
- verifying the arithmetical accuracy of the statistical method applied;
- identifying any specific factors resulting in manual adjustments.

SPECIFIC VERIFICATIONS

As required by legal and regulatory provisions and in accordance with professional standards applicable in France, we have also verified the information pertaining to the Group presented in the management report of the Managing Partners.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the Group management report includes the consolidated non-financial information statement required under article L. 225-102-1 of the French Commercial Code. However, in accordance with article L. 823-10 of the French Commercial Code, we have not verified the fair presentation and consistency with the consolidated financial statements of the information given in that statement, which will be the subject of a report by an independent third party.

DISCLOSURES RESULTING FROM OTHER LEGAL AND REGULATORY REQUIREMENTS

APPOINTMENT OF THE STATUTORY AUDITORS

We were appointed as Statutory Auditors of Lagardère SCA by the Annual General Meetings held on 20 June 1996 for Mazars and on 29 June 1987 for ERNST & YOUNG et Autres.

At 31 December 2018, Mazars and ERNST & YOUNG et Autres were in the twenty-third year and thirty-second year of total uninterrupted engagement, respectively.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE RELATING TO THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for preparing consolidated financial statements presenting a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and for implementing the internal control procedures it deems necessary for the preparation of consolidated financial statements free of material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless it expects to liquidate the company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The consolidated financial statements were approved by the Managing Partners.

RESPONSIBILITIES OF THE STATUTORY AUDITORS RELATING TO THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OBJECTIVE AND AUDIT APPROACH

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements taken as a whole are free of material misstatement. Reasonable assurance corresponds to a high level of assurance, but does not guarantee that an audit carried out in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these consolidated financial statements.

As specified in article L. 823-10-1 of the French Commercial Code, our audit does not include assurance on the viability of the Company or the quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgement throughout the audit. They also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the consolidated financial statements;
- assess the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;

- evaluate the overall presentation of the consolidated financial statements and assess whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditors are responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed thereon.

REPORT TO THE AUDIT COMMITTEE

We submit a report to the Audit Committee which includes, in particular, a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgement, were of most significance in the audit of the consolidated financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in articles L. 822-10 to L. 822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit Committee.

French language original signed at Courbevoie
and Paris-La Défense, on 19 March 2019

The Statutory Auditors

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

6.3 STATUTORY AUDITORS' SPECIAL REPORT ON RELATED-PARTY AGREEMENTS AND COMMITMENTS

To the Annual General Meeting of Lagardère SCA,

In our capacity as Statutory Auditors of Lagardère SCA, we hereby report to you on related-party agreements and commitments.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of, as well as the reasons provided for, the agreements and commitments that have been disclosed to us or that we may have identified as part of our engagement, without commenting on their relevance or substance or identifying any undisclosed agreements or commitments. Under the provisions of article R. 226-2 of the French Commercial Code (*Code de commerce*), it is the responsibility of the shareholders to determine whether the agreements and commitments are appropriate and should be approved.

Where applicable, it is also our responsibility to provide shareholders with the information required by article R. 226-2 of the French Commercial Code in relation to the implementation during the year of agreements and commitments already approved by the General Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

AGREEMENTS AND COMMITMENTS SUBMITTED FOR THE APPROVAL OF THE GENERAL MEETING

AGREEMENTS AND COMMITMENTS AUTHORISED AND ENTERED INTO DURING THE YEAR

We were not informed of any agreement or commitment authorised and entered into during the year to be submitted for approval at the General Meeting pursuant to the provisions of article L. 226-10 of the French Commercial Code.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE GENERAL MEETING

In application of article R. 226-2 of the French Commercial Code, we were informed that the following agreements and commitments, approved by the General Meeting in previous years, remained in force during the year ended 31 December 2018.

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 financing, human potential and corporate image. All senior executives working at Lagardère Capital & Management are members of the executive bodies of the Group and of its principal subsidiaries.

Following the various reorganisations 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 by an amendment approved by the Supervisory Board on 12 March 2004, with retroactive effect from 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 subject to an absolute upper limit of €1 million. For 2018, this margin amounted to €1 million.

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

At its meeting of 14 September 2005, your Supervisory Board approved the introduction of a supplementary 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 a supplementary pension upon retirement at the age of 65 equal to 35% of a benchmark remuneration, which may not exceed 50 times the annual limit defined by the French social security system.

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

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. The pension earned under this plan is payable on condition the beneficiary is still with the Company at retirement or on early retirement. It also remains payable in the event of termination after the age of 55 or invalidity.

For 2018, the amount billed by Lagardère Capital & Management in accordance with these agreements amounted to €21 million, versus €23.8 million in 2017.

French language original signed at Paris-La Défense and Courbevoie, on 19 March 2019

The Statutory Auditors

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

6.4 STATUTORY AUDITORS' SPECIAL REPORTS ON THE FINANCIAL AUTHORISATIONS

6.4.1 STATUTORY AUDITORS' SPECIAL REPORT ON THE AUTHORISATION TO AWARD EXISTING OR NEW SHARES FREE OF CONSIDERATION (12TH RESOLUTION)

To the Shareholders,

In our capacity as Statutory Auditors of your Company and in accordance with article L. 225-197-1 of the French Commercial Code (*Code de commerce*), we hereby report to you on the proposal for the free award of existing or new shares, for 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, which is submitted for your approval.

The number of free shares that may be awarded each calendar year to all beneficiaries (excluding the executive corporate officers of Lagardère SCA), may not exceed 0.40% 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 free shares that may be awarded each calendar year to each of the executive corporate officers of Lagardère SCA 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 authorise them, for a 38-month period, 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 performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying, in particular, that the proposed terms and conditions described in the report of the Managing Partners comply with the applicable legal provisions.

We have no matters to report on the information provided in the report of the Managing Partners, with respect to the proposed authorisation to award free shares.

French language original signed at Courbevoie
and Paris-La Défense, on 1 April 2019

The Statutory Auditors

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

6.4.2 STATUTORY AUDITORS' SPECIAL REPORT ON THE AUTHORISATION TO AWARD EXISTING OR NEW SHARES FREE OF CONSIDERATION (13TH RESOLUTION)

To the Shareholders,

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

The number of shares that may be awarded each calendar year under this authorisation may not exceed 0.40% 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 authorise them, for a 38-month period, 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 performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying, in particular, that the proposed terms and conditions described in the report of the Managing Partners comply with the applicable legal provisions.

We have no matters to report on the information provided in the report of the Managing Partners, with respect to the proposed authorisation to award free shares.

French language original signed at Courbevoie and Paris-La Défense, on 1 April 2019

The Statutory Auditors

MAZARS
Thierry Blanchetier

ERNST & YOUNG et Autres
Bruno Bizet

6.4.3 STATUTORY AUDITORS' SPECIAL REPORT ON THE ISSUE OF SHARES AND/OR SECURITIES WITH OR WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS FOR EXISTING SHAREHOLDERS (14TH TO 22ND RESOLUTIONS)

To the Shareholders,

In our capacity as Statutory Auditors of your Company and in accordance with the requirements of articles L. 228-92 and L. 225-135 *et seq.* of the French Commercial Code (*Code de commerce*), we hereby present our report to you on the proposed delegation of authority to the Managing Partners to issue shares and/or other securities, which is submitted for your approval.

On the basis of their report, the Managing Partners propose that your delegate, for a 26-month period, authority to decide on the following transactions and set the definitive conditions for these issues, and where applicable, to cancel your preferential subscription rights:

- the issue (fourteenth resolution), through a public offer or a private placement within the meaning of article L. 411-2-II of the French Monetary and Financial Code (*Code monétaire et financier*), of debt securities which give access to new shares to be issued by entities in which the Company owns, directly or indirectly, over half of the capital at the issue date and may also give access to existing shares, and/or carry rights to the allocation of debt securities of the Company and/or of entities in which the Company owns, directly or indirectly, over half of the share capital at the issue date and/or of any other entities;
- the issue with preferential subscription rights (fifteenth resolution) of (i) ordinary shares of the Company, (ii) equity securities of the Company giving access to shares in the Company and/or carrying rights to the allocation of debt securities of the Company, (iii) debt securities of the Company which give access to new shares and may also give access to existing shares in the Company and/or carry rights to the allocation of debt securities of the Company, (iv) equity securities of the Company giving access to new or existing shares and/or carrying rights to the allocation of debt securities of entities in which the Company owns, directly, or indirectly, over half of the share capital at the issue date, and/or (v) equity securities of the Company giving access to existing shares and/or carrying rights to the allocation of debt securities of other entities;
- the issue without preferential subscription rights by means of a public offer but with a priority right for at least five trading days (sixteenth resolution), and without a priority right (seventeenth resolution), of (i) ordinary shares of the Company, (ii) equity securities of the Company giving access to shares in the Company and/or carrying rights to the allocation of debt securities of the Company, (iii) debt securities of the Company which give access to new shares and may also give access to existing shares in the Company and/or carry rights to the allocation of debt securities of the Company, (iv) equity securities of the Company giving access to new or existing shares and/or carrying rights to the allocation of debt securities of entities in which the Company owns, directly, or indirectly, over half of the share capital at the issue date, and/or (v) equity securities of the Company giving access to existing shares and/or carrying rights to the allocation of debt securities of other entities;
- the issue without preferential subscription rights, by means of a private placement as referred to in section II of article L. 411-2 of the French Monetary and Financial Code and within the limit of 20% of share capital per year (eighteenth resolution) of, (i) ordinary shares of the Company, (ii) equity securities of the Company giving access to shares in the Company and/or carrying rights to the allocation of debt securities of the Company, (iii) debt securities of the Company which give access to new shares and may also give access to existing shares in the Company and/or carry rights to the allocation of debt securities of the Company, (iv) equity securities of the Company giving access to new or existing shares and/or carrying rights to the allocation of debt securities of entities in which the Company owns, directly, or indirectly, over half of the share capital at the issue date, and/or (v) equity securities of the Company giving access to existing shares and/or carrying rights to the allocation of debt securities of other entities;
- the issue as consideration for securities tendered as part of a public exchange offer, in accordance with article L. 225-148 of the French Commercial Code (twentieth resolution), of (i) ordinary shares of the Company, (ii) equity securities of the Company giving access to shares in the Company and/or carrying rights to the allocation of debt securities of the Company, (iii) debt securities of the Company which give access to new shares and may also give access to existing shares in the Company and/or carry rights to the allocation of debt securities of the Company, (iv) equity securities of the Company giving access to new or existing shares and/or carrying rights to the allocation of debt securities of entities in which the Company owns, directly, or indirectly, over half of the share capital at the issue date, and/or (v) equity securities of the Company giving access to existing shares and/or carrying rights to the allocation of debt securities of other entities;
- the issue as consideration for contributions in kind granted to the Company and comprising shares or securities giving access to the share capital of another company, in accordance with article L. 225-147 of the French Commercial Code (twentieth resolution), of (i) ordinary shares of the Company, (ii) equity securities of the Company giving access to shares in the Company and/or carrying rights to the allocation of debt securities of the Company, (iii) debt securities of the Company which give access to new shares

and may also give access to existing shares in the Company and/or carry rights to the allocation of debt securities of the Company, (iv) equity securities of the Company giving access to new or existing shares and/or carrying rights to the allocation of debt securities of entities in which the Company owns, directly, or indirectly, over half of the share capital at the issue date, and/or (v) equity securities of the Company giving access to existing shares and/or carrying rights to the allocation of debt securities of other entities.

The aggregate nominal amount of immediate or future increases in share capital to be carried out may not exceed (twenty-first resolution) €80 million under the seventeenth to twentieth resolutions, and €300 million under the fifteenth and sixteenth resolutions, it being specified that the individual ceilings are set at €265 million under the fifteenth resolution, €160 million under the sixteenth resolution and €80 million under the seventeenth, eighteenth and twentieth resolutions. The aggregate nominal amount of debt securities that can be issued may not exceed (twenty-first resolution) €1.5 billion under the fourteenth to eighteenth and twentieth resolutions.

These ceilings take into account the additional securities to be issued in application of the delegations of authority granted in respect of the fourteenth, fifteenth, sixteenth, seventeenth and eighteenth resolutions in accordance with article L. 225-135-1 of the French Commercial Code, in the event that shareholders adopt the nineteenth resolution.

The Managing Partners are responsible for drawing up a report in accordance with articles R. 225-113 *et seq.* of the French Commercial Code. It is our responsibility to express an opinion on the fair presentation of the information taken from the financial statements, on the proposed cancellation of the shareholders' preferential subscription rights and on other information relating to these transactions, contained in this report.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying the information disclosed in the report of the Managing Partners pertaining to the transactions and the methods used to set the issue price of the securities to be issued.

Subject to a subsequent examination of the terms and conditions of any proposed issues, we have no matters to report as regards the methods used to set the issue price of the securities to be issued given in the report of the Managing Partners in respect of the sixteenth, seventeenth and eighteenth resolutions.

As this report does not stipulate the methods used to set the issue price in the event that securities are issued pursuant to the fourteenth, fifteenth and twentieth resolutions, we do not express an opinion on the components used to calculate the issue price.

Since the final terms and conditions of the issues have not been set, we do not express an opinion in this respect or, consequently, on the cancellation of shareholders' preferential subscription right proposed in the sixteenth, seventeenth and eighteenth resolutions.

In accordance with article R. 225-116 of the French Commercial Code, we will draw up an additional report, where applicable, when these delegations of authority are used by your Managing Partners in the event of the issue of equity securities giving access to other shares and/or carrying rights to the allocation of debt securities, equity securities giving access to new shares, or in the event of an issue of shares without preferential subscription rights.

French language original signed at Paris-La Défense
and Courbevoie on 1 April 2019

The Statutory Auditors

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

6.4.4 STATUTORY AUDITORS' SPECIAL REPORT ON THE ISSUE OF ORDINARY SHARES AND OTHER SECURITIES GIVING ACCESS TO THE SHARE CAPITAL, RESERVED FOR MEMBERS OF THE GROUP'S CORPORATE SAVINGS SCHEME (23RD RESOLUTION)

To the Shareholders,

In our capacity as your Statutory Auditors of your Company and in accordance with articles L. 228-92 and L. 225-135 *et seq.* of the French Commercial Code (*Code de commerce*), we hereby report to you on the proposal to delegate to the Managing Partners authority to increase the share capital, on one or more occasions, by issuing ordinary shares and/or other securities giving access to the share capital, without preferential subscription rights for existing shareholders, to employees of the Company and related companies and other entities within the meaning of article L. 225-180 of the French Commercial Code (*Code de commerce*), who are members of a Group corporate savings scheme, which is submitted for your approval.

The maximum nominal amount liable to be issued each calendar year pursuant to this proposal may not exceed 0.5% of the number of shares currently making up the share capital.

This transaction is submitted to the shareholders for approval pursuant to the provisions of article L. 225-129-6 of the French Commercial Code and articles L. 3332-18 *et seq.* of the French Labour Code.

On the basis of their report, the Managing Partners propose that you delegate, for a 26-month period, authority to decide the issue, on one or more occasions, of shares or other securities, and to cancel shareholders' preferential subscription rights in respect of the securities to be issued. The Managing Partners would be responsible for setting the final terms and conditions of this transaction.

The Managing Partners are responsible for drawing up a report in accordance with articles R. 225-113 *et seq.* of the French Commercial Code. It is our responsibility to express an opinion on the fair presentation of the information taken from the financial statements, on the proposed cancellation of the shareholders' preferential subscription rights and on other information relating to these transactions, contained in this report.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying the information disclosed in the report of the Managing Partners pertaining to the transaction and the methods used to set the issue price of the securities to be issued.

Subject to a subsequent examination of the terms and conditions applicable to any issuance decided, we have no matters to report with regard to the methods of determining the issue price for securities contained in that report.

Since the final terms and conditions of the issues have not been set, we do not express an opinion in this respect or, consequently, on the proposed cancellation of shareholders' preferential subscription rights.

In accordance with article R. 225-116 of the French Commercial Code, we will prepare an additional report when the Managing Partners use this delegation of authority to issue shares or equity securities giving access to other shares, or equity securities giving access to new shares.

French language original signed at Courbevoie
and Paris-La Défense, on 1 April 2019

The Statutory Auditors

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

6.5 INDEPENDENT THIRD PARTY'S REPORT ON THE CONSOLIDATED NON-FINANCIAL STATEMENT

To the Shareholders,

In our quality as an independent third party, accredited by the COFRAC under number no. 3-1050 (whose scope is available at www.cofrac.fr), and as a member of the network of one of the statutory auditors of your entity (hereinafter "entity"), we hereby report to you on the consolidated non-financial statement for the year ended on the 31 December 2018 (hereinafter the "Statement"), included in the management report pursuant to the legal and regulatory provisions of articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*).

RESPONSIBILITY OF THE ENTITY

Pursuant to legal and regulatory requirements, the Managing Partners are responsible for preparing the Statement including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Criteria"), the main elements of which are presented in the Statement and available on request from the entity's registered office.

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by the provisions of article L. 822-11-3 of the French Commercial Code and the Code of Ethics (*Code de déontologie*) of our profession. In addition, we have implemented a quality control system, including documented policies and procedures regarding compliance with the ethical requirements, French professional guidance and applicable legal and regulatory requirements.

RESPONSIBILITY OF THE INDEPENDENT THIRD PARTY

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the provisions of article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with article R. 225-105 I, 3° and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks, hereinafter the "Information".

However, it is not our responsibility to comment on:

- the entity's compliance with other applicable legal and regulatory provisions, particularly the French duty of care law and anti-corruption and tax evasion legislation;
- the compliance of products and services with the applicable regulations.

NATURE AND SCOPE OF THE WORK

Our work described below has been performed in accordance with the provisions of articles A. 225-1 *et seq.* of the French Commercial Code determining the conditions in which the independent third party performs its engagement and with the professional guidance applicable in France to such engagements, as well as with the international ISAE standard 3000 – Assurance engagements other than audits or reviews of historical financial information.

The work that we conducted allows us to assess the compliance of the Statement with regulatory provisions and the fairness of the Information:

- we obtained an understanding of all the companies included in the scope of consolidation, the statement of the main social and environmental risks related to this activity, and, where applicable, the impact of this activity on compliance with human rights and anti-corruption and tax evasion legislation, as well as the resulting policies and their outcomes;
- we assessed the suitability of the Criteria with respect to their relevance, completeness, reliability, neutrality and understandability with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information set out in article L. 225-102-1 III of the French Commercial Code, as well as information regarding respect for human rights and the fight against corruption and tax evasion;
- we verified that the Statement includes an explanation for the absence of the information required by paragraph 2 of III of article L. 225-102-1 of the French Commercial Code;
- we verified that the Statement presents the business model and the principal risks associated with the activity of all the entities included in the scope of consolidation, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and outcomes, including key performance indicators;
- we verified, where relevant with respect to the principal risks or the policies presented, that the Statement provides the information required under article R. 225-105 II of the French Commercial Code;
- we assessed the process used to select and validate the principal risks;
- we asked about the existence of internal control and risk management procedures the entity has put in place;
- we assessed the consistency of the outcomes and the key performance indicators with respect to the principal risks and policies presented;
- we verified that the Statement includes a clear and reasoned explanation for the absence of a policy regarding one or more of those risks;
- we verified that the Statement covers the consolidated scope, i.e., all the companies included in the scope of consolidation in accordance with article L. 233-16 of the French Commercial Code;
- we assessed the data collection process implemented by the entity to ensure the completeness and fairness of the Information;

- for the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix 1, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of their trends;
  - substantive tests using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of operational scopes listed hereinafter: Hachette Livre (France), Hachette UK (United Kingdom), Lagardère Travel Retail (France), Duty Free Opérations (France) which cover between 18% and 44% of the consolidated data selected for these tests (18% of revenue, 23% of permanent workforce, 44% of paper purchased and supplied, 27% of tertiary energy consumption);
- we consulted documentary sources and conducted interviews to corroborate the qualitative information (measures and outcomes) that we considered the most important presented in Appendix 1;

We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry more extensive procedures.

MEANS AND RESOURCES

Our verification work mobilised the skills of three people and took place between July 2018 and March 2019 on a total duration of intervention of about seven weeks.

We conducted a dozen interviews with the persons responsible for the preparation of the Statement including, in particular, the Sustainable Development Department, the Risk and Internal Control Department, the Human Relations Department, the Communication Department and the Purchasing Department.

CONCLUSION

Based on our work, we have not identified any significant misstatement that causes us not to believe that the consolidated non-financial statement complies with the applicable regulatory provisions and that the Information, taken together, is fairly presented, in compliance with the Criteria.

COMMENT

Without qualifying our conclusion above and in compliance with the provisions of article A. 225-3 of the French Commercial Code, we have the following comment:

Given the diversity of the Group's activities and its decentralised organisation, the deployment of some of the measures and key performance indicators (in particular concerning the respect for human rights topic) still needs to be further developed.

French language original signed at Paris-La Défense,
on 19 March 2019

The independent third party

ERNST & YOUNG et Associés

Éric Duvaud	Jean-François Bélorgey
Partner, Sustainable Development	Partner

APPENDIX 1: INFORMATION CONSIDERED THE MOST IMPORTANT

Social Information	
Quantitative Information (including key performance indicators)	*Qualitative Information (measures or outcomes)*
The unsolicited departure rate in total and by geographic area The percentage of women among executives and managers The number of formal disputes involving discrimination	The internal talent management policy The place of women in the company and especially in executive positions The fight against stereotypes in relation to ethnic and social origins (analysis of recruitment procedures and training in decision-making bias)
Environmental Information	
Quantitative Information (including key performance indicators)	*Qualitative Information (measures or outcomes)*
The percentage of certified and recycled paper The percentage of audited countries in food safety in the Foodservice business The tertiary energy consumption The CO_2 emissions of scope 1 and 2 per euro of revenue	The policy of food safety and brand conformity of the Foodservice business (in particular the "Food Safety Guidelines" and the annual audit plan) The certified and recycled paper purchase process within Lagardère Publishing and Lagardère Active entities The analysis of significant sources of greenhouse gas emissions
Societal Information	
Quantitative Information (including key performance indicators)	*Qualitative Information (measures or outcomes)*
The air time allocated to women on Europe 1 and Virgin Radio The number of responsible supplier charters in force at year-end The number of suppliers and subcontractors assessed via the EcoVadis platform at 31 December The number of formal disputes involving forced labour and child labour	The actions of the entity Hachette Livre to promote freedom of expression and reading The actions in favour of parity and women's representation within the Radio division The assessment process of environmental, social and ethical performance of suppliers and subcontractors The audit process of suppliers and subcontractors within the entity Hachette

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ENVIRONMENTALLY-RESPONSIBLE SHARE OWNERSHIP – HELP PROTECT THE ENVIRONMENT

Respect for the environment is one of the core commitments of our corporate social responsibility policy. Please support this initiative to cut down the mass distribution of paper documents.

By opting for the electronic notice of meeting, you will receive all of the General Meeting documents by e-mail, a quick, simple and secure option that is also environmentally-friendly.

Current French legislation requires your prior written consent for such documents to be sent to you electronically. Once given however, such consent will be valid for all the registered positions you hold with BNP Paribas Securities Services. To benefit from the electronic notice, please complete the detachable coupon below (required for identification purposes) and return it to us in the enclosed prepaid envelope.

We feel sure that many of you will want to be part of this socially-responsible initiative.

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Complete the reply coupon below.
Detach it by cutting along the dotted line.
Put it in the enclosed prepaid envelope (marked with a T).

REPLY COUPON

Lagardère

Use **capital letters.** Must be returned in the prepaid envelope (marked with a T) enclosed.

I AGREE TO RECEIVE E-MAIL NOTIFICATION FOR LAGARDÈRE SCA GENERAL MEETINGS

I hereby authorize Lagardère SCA, as of the date of signature of this document, to notify me of Lagardère SCA general meetings, and send all relevant documentation, to the e-mail address indicated below. This consent applies only to all of my registered positions held with BNP Paribas Securities Services.

Mr / Mrs / Ms *(delete as appropriate)* Last name: |_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|

First name: |_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_| Date of birth: |_|_| |_|_| |_|_|_|_|

BNP Paribas shareholder number *(identification number):* |_|_|_|_|_|_|

You will find your identification number on the enclosed postal vote and proxy form.

Postal address:
|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|

Street name and number:
|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|

Additional address information (PO Box, etc.):
|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|

Postal Code: City: Country:
|_|_|_|_|_| |_|_|_|_|_|_|_|_|_|_|_|_|_|_|_| |_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|

E-mail address: |_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_| @ |_|_|_|_|_|_|_|_|_|_|_|

Date: Signature:

If, at any time, you decide that you would like to return to receiving notifications of general meetings, and the relevant documentation, by mail, simply notify us of this decision by registered letter with acknowledgement of receipt sent to: BNP Paribas Securities Services - 9 rue du Débarcadère - 93761 Pantin cedex - France.

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REQUESTS FOR DELIVERY OF DOCUMENTS AND INFORMATION

All documents and information pertaining to the General Meeting are available on the Company's website:
WWW.LAGARDERE.COM
In the "2019 Annual Shareholders' Meeting" section

This request must be returned to BNP Paribas Securities Services using the prepaid envelope (marked with a T) enclosed.

Lagardère

I, the undersigned (Last name and first name): .....

Address: .....

.....

Postal code: ..... City: .....

Identification number printed in the top right-hand corner of the voting form:

request that Lagardère SCA, in accordance with the terms of Article R.225-88 of the French Commercial Code, send me the documents and information listed in Articles R.225-81 and R.225-83 of said Code pertaining to the Friday 10 May 2019 General Meeting.

Signed in (city): ..... on (date): **2019**
Signature:

N.B.: Pursuant to Article R. 225-88 of the French Commercial Code, all holders of registered shares may obtain from the Company on request the delivery of the documents and information listed in Articles R. 225-81 and R. 225-83 of said Code for each subsequent general meeting of shareholders. Shareholders wishing to benefit from this option should indicate so on this request form.

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NOTES

NOTES

Document prepared by the Group Legal Department and the Corporate Communications Department

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