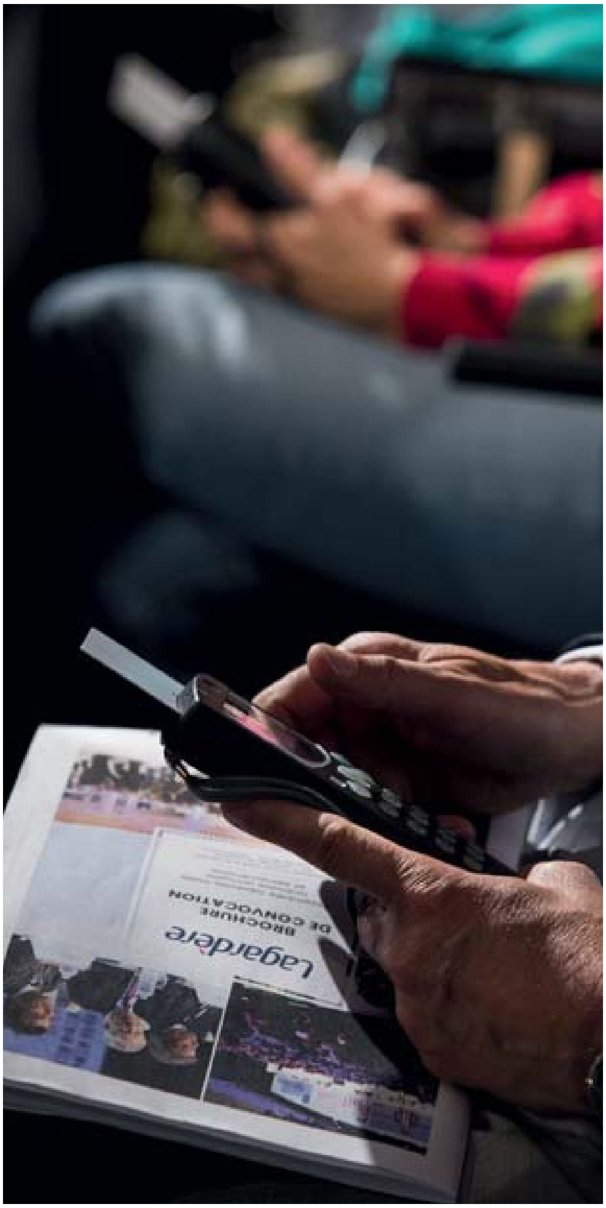
GENERAL MEETING BROCHURE

Annual Ordinary and Extraordinary General Meeting

Tuesday, 5 May 2020 at 10 a.m.



Lagardère

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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,

2019 was a year of transformation and refocusing for the Lagardère group.

Our strategy is now concentrated on two priority areas: Lagardère Publishing, our power engine, and Lagardère Travel Retail, our growth engine.

These two divisions are highly complementary in terms of growth and profitability and will give the Group a more coherent profile, as regards both industry leadership and market development.

Even though it has involved some painful decisions, this deep-seated transformation means that we can continue expanding our two businesses – among the leaders in their industries – thereby guaranteeing the Group's robustness and staying power.

The disposals carried out as part of our strategic refocusing have given us the resources we needed to strengthen our divisions on their respective markets, with several large-scale acquisitions finalised in 2019. These included Gigamic, Short Books and Blackrock Games at Lagardère Publishing, and International Duty Free (IDF) at Lagardère Travel Retail.

Revenue for Lagardère Publishing came in at €2,384 million for 2019, up 5.9% on a consolidated basis and up 2.8% like for like. Recurring EBIT climbed 10% to €220 million. Lagardère Travel Retail also delivered growth, with revenue up 16.1% on a consolidated basis (up 6.3% like for like) at €4,264 million, and recurring EBIT €31 million higher at €152 million. We emerged from 2019 with a streamlined profile and having delivered on our forecasts, posting recurring EBIT of €361 million for the target scope.

Within the context of this transformation, I would like to emphasise the importance I place on our CSR policy, which is now integral to how businesses are assessed and valued. We have identified three priorities which will continue to guide our efforts in this area: placing people at the heart of our strategy, reducing the environmental impact of our products and services, and sharing the social and cultural diversity of our businesses.

Our efforts over the past few years to give our Group a renewed attractiveness and to create value for our shareholders will continue apace despite the current crisis. Our achievements would not have been possible without the unwavering commitment and talent of all of our employees, to whom I am sincerely grateful.

The Covid-19 epidemic which first emerged in China at the beginning of 2020 before spreading to the rest of the world is having a significant impact on our businesses, and particularly Travel Retail. At the date of this document, it is not currently possible to foresee how this unprecedented crisis will develop going forward. However, I would like to stress that since the early days of the epidemic, the Group's primary concern has been how best to protect its employees. We have also rolled out a cost-cutting plan in agreement with our customers and partners.

We constantly seek to ensure that our shareholders are compensated fairly, and we continue to pay out dividends that ensure a good return on the Lagardère share.

I would like to thank all of our shareholders for their loyalty and support.

Arnaud Lagardère

General and Managing Partner of Lagardère SCA

IMPORTANT NOTICE

Pursuant to applicable law and regulations, the notice of meeting published on 4 March 2020 informed Lagardère SCA shareholders that they were shortly to receive an invitation to an Annual Ordinary and Extraordinary General Meeting to take place at 10 a.m. on Tuesday 5 May 2020 at the Carrousel du Louvre, 99 rue de Rivoli, Paris 75001, France. In light of the evolving situation concerning the coronavirus (Covid-19) epidemic and the fight to control the spread of the disease, the ways in which you can attend the General Meeting will most likely change in line with health and/or legal requirements. We therefore ask you to regularly consult the 2020 General Meeting pages of the Company's website (www.lagardere.com) for the latest information on this topic.

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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 (*Code de commerce*), the General Meeting of 5 May 2020 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 (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 Thursday, 30 April 2020.

METHODS OF PARTICIPATING IN THE GENERAL MEETING

YOU WISH TO ATTEND THE GENERAL MEETING IN PERSON

Shareholders wishing to attend the General 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.

INFORMATION ON THE CORONAVIRUS

In light of the evolving situation concerning the coronavirus (Covid-19) epidemic and the fight to control the spread of the disease, the French government have taken steps to minimise all contact and travel. In a decree issued on 16 March 2020, containment measures were introduced for the entire country, effective from 17 March and for a minimum two-week period.

This situation prevents shareholders from attending General Meetings in person. An emergency law was adopted by parliament authorising the government to legislate by decree in order to exceptionally allow General Meetings to be held behind closed doors so that shareholders can rule on essential decisions relating to the operation of the Company and its businesses while complying with the restrictions imposed to address the health crisis.

In the event of a closed-door General Meeting, certain traditional ways of participating (attendance in person, giving proxy to a third party) described below, along with the rights that can typically be exercised at such meetings, would exceptionally be unavailable. Shareholders would nevertheless be able to participate in the General Meeting by voting by post or online, or by giving proxy to the Chairman, using either the paper form sent to them with the invitation to the meeting or online via the Votaccess secure platform. Regardless of the number of shares they hold, shareholders may send the Managing Partners written questions that will be answered during the 5 May 2020 General Meeting, to be webcast live and recorded for later viewing, in French and English, on the Company's website (www.lagardere.com).

Please regularly consult the 2020 General Meeting pages of the Company's website (www.lagardere.com) for all the latest information on this topic, which we will promptly relay to you.

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 by 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.

Such proxy may 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 shareholders 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 Thursday, 30 April 2020. 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

IMPORTANT NOTICE: NEW RULES ON ABSTENTIONS

French law 2019-744 of 19 July 2019 introduced changes in how votes cast at General Meetings are calculated. **Since 1 January 2020, abstentions, blank and spoiled voting forms – which were previously considered as votes cast against a given resolution – have been excluded from the vote count** and are therefore no longer taken into consideration for the purpose of determining whether a resolution has been passed.

The paper and electronic voting and proxy forms have therefore been modified to allow shareholders to separately abstain or cast a vote against the various resolutions submitted for their approval.

Please carefully read the instructions given below for the paper form and on the Votaccess secure platform for the online form, which explain how to fill in your paper form according to your chosen method of participation and the vote you wish to cast.

In particular, we draw your attention to the section of the new form relative to amendments and/or new resolutions that may be presented on the day of and during the General Meeting:

In accordance with the law, these amendments and new resolutions, filed on the day of and during the Meeting without the shareholders first having been informed, can only concern (i) items that do not modify the agenda of the Meeting, and (ii) the removal and/or replacement of members of the Supervisory Board.

You can choose to (1) vote "against" these resolutions, (2) grant powers to the Chairman of the Meeting, (3) grant powers to a proxy, who will attend the Meeting on the relevant date, or (4) abstain from voting.

If you choose to abstain, shareholders should note that this will have the opposite effect as compared to previous General Meetings. Up to and including the 2019 General Meeting, an abstention was counted as a vote against the adoption of such resolutions. However, in respect of the 2020 General Meeting, abstentions will in fact help such resolutions to pass, since they automatically lower the majority required.

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 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*) will 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 by 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, 14 April 2020 and 3:00 p.m. Paris time on Monday, 4 May 2020.

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 **Thursday, 30 April 2020** 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 Saturday, 2 May 2020.

HOW TO FILL IN YOUR PAPER FORM

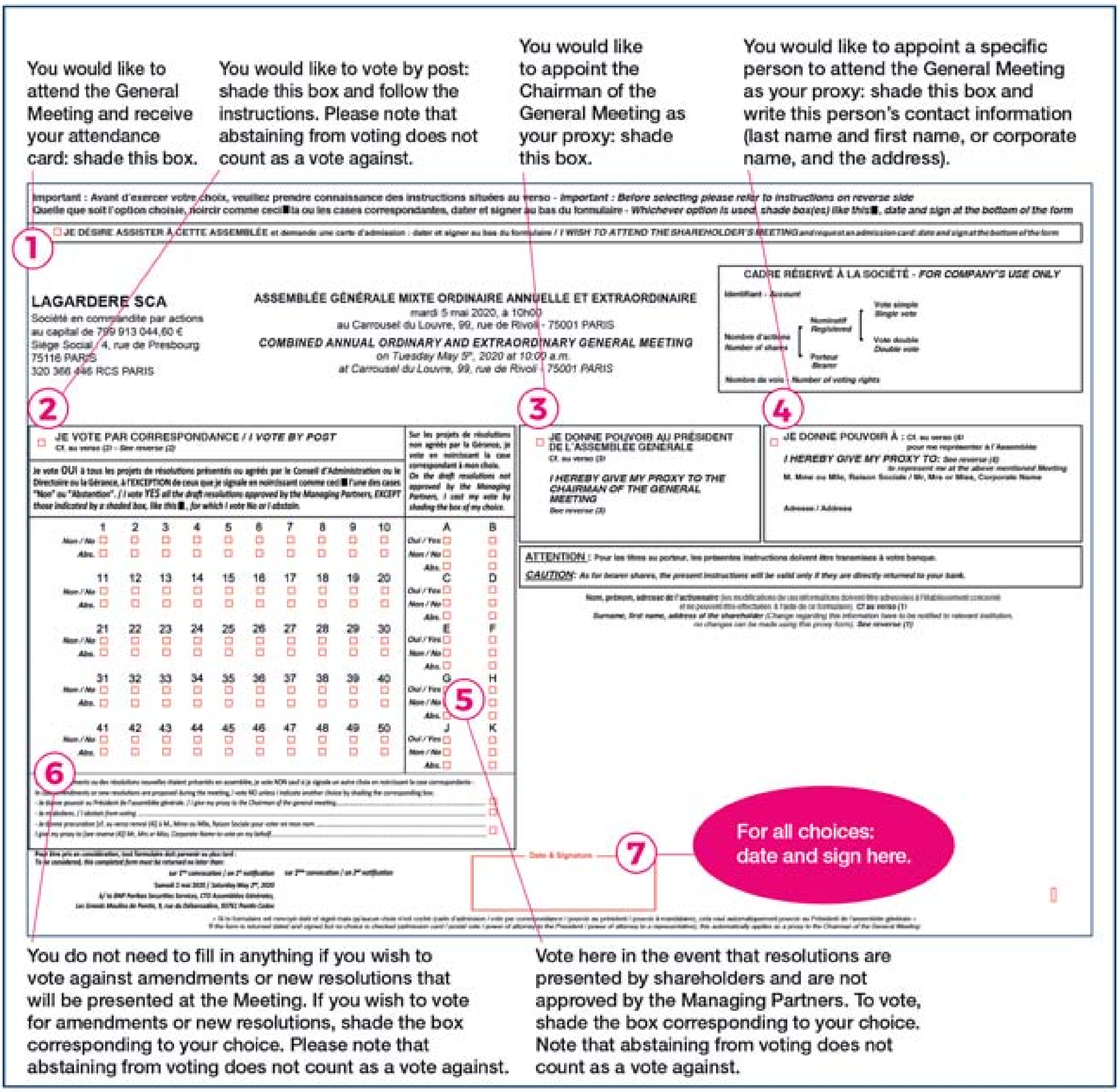
As previously indicated, **the single postal voting and proxy form has been modified** to allow shareholders to separately abstain or cast a vote against the various resolutions submitted for their approval.

Please read the instructions below carefully, which explain how to fill in your paper form according to your chosen method of participation and the vote you wish to cast.

In particular, we draw your attention to the section of the new form relative to amendments and/or new resolutions that may be presented on the day of and during the General Meeting:

You can choose to (1) vote "against" these resolutions (by leaving all of the boxes blank), (2) grant powers to the Chairman of the Meeting, (3) grant powers to a proxy, who will attend the Meeting on the relevant date, or (4) abstain from voting.

If you choose to abstain, shareholders should note that this will have the opposite effect as compared to previous General Meetings. Up to and including the 2019 General Meeting, an abstention was counted as a vote against the adoption of such resolutions. However, in respect of the 2020 General Meeting, abstentions will in fact help such resolutions to pass, since they automatically lower the majority required.



GENERAL MEETING ONLINE

The entire General Meeting will be webcast live and recorded for later viewing, in French and English, on the Company's website (Lagardere.com).

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 Tuesday, 28 April 2020**.

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

2020 Annual General 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 2019.
- Approval of the consolidated financial statements for the year ended 31 December 2019.
- Allocation of the Company's profit and dividend payment.
- Re-appointment of Mazars as Statutory Auditor for a six-year term.
- Ratification of the co-optation of Nicolas Sarkozy as a member of the Supervisory Board.
- Ratification of the co-optation of Guillaume Pepy as a member of the Supervisory Board.
- Re-appointment of Guillaume Pepy as a member of the Supervisory Board for a four-year term.
- Re-appointment of Martine Chêne as a member of the Supervisory Board for a four-year term.
- Approval of the information disclosed pursuant to article L.225-37-3 I of the French Commercial Code concerning the remuneration of corporate officers.
- Approval of the components of remuneration and benefits paid during or allocated in respect of 2019 to Arnaud Lagardère, Managing Partner.
- Approval of the components of remuneration and benefits paid during or allocated in respect of 2019 to Pierre Leroy, Managing Partner's representative.
- Approval of the components of remuneration and benefits paid during or allocated in respect of 2019 to Thierry Funck-Brentano, Managing Partner's representative.
- Approval of the components of remuneration and benefits paid during or allocated in respect of 2019 to Xavier de Sarrau, Chairman of the Supervisory Board until 4 December 2019.
- Approval of the components of remuneration and benefits paid during or allocated in respect of 2019 to Patrick Valroff, Chairman of the Supervisory Board from 4 December 2019.
- Approval of the remuneration policy for the executive corporate officers.
- Approval of the remuneration policy for the members of the Supervisory Board.
- Eighteen-month authorisation for the Managing Partners to trade in the Company's shares.
- Amendment of articles 12 and 14 A of the Articles of Association in order to incorporate the terms and conditions for appointing employee representative members of the Supervisory Board.
- Powers for formalities.

3

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 2019;
- allocate the Company's results for the year and propose the payment of a dividend of €1.00 per share, taking into account the uncertain context owing to the Covid-19 epidemic;
- re-appoint one of the Statutory Auditors;
- submit for your approval the proposed ratification of co-optations and re-appointments to the Supervisory Board;
- submit for your approval the components of remuneration paid during or allocated in respect of 2019 to the Company's executive corporate officers, as well as the remuneration policy set for these executive corporate officers pursuant to the new legal provisions resulting from French Government Order no. 2019-1234 of 27 November 2019 issued in application of the French "Pacte" law;
- renew the Company's share buyback programme; and
- amend the Company's Articles of Association in order to incorporate the terms and conditions for appointing employee representative members of the Supervisory Board.

***

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 2019,
  - 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 **Universal Registration Document** contains the Annual Financial Report within the meaning of the stock market regulations. In addition to providing information to the markets, the Universal Registration 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:

  section 3.2;
- the non-financial statement:

  chapter 4.

Chapter 2 of the **Universal Registration 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 2019 and a presentation of the resolutions submitted to you for approval. Please refer to the Universal Registration Document for more comprehensive information on each of these subjects.

3.1.1 RESULTS AND ACTIVITIES IN 2019

3.1.1.1 PRESENTATION OF THE 2019 CONSOLIDATED FINANCIAL STATEMENTS

Revenue up 4.5% like for like[(1)] for the target scope[(2)] and recurring EBIT[(1)] for the target scope[(2)] up 5.6%[(3)] to €361 million.

Sharp rise in free cash flow generation[(1)] for the target scope: up 20% to €250 million (excluding changes in working capital), and by 13% to €278 million including changes in working capital.

With the sale of Lagardère Sports and of numerous media assets, in 2019, the Lagardère group completed the bulk of its strategic refocusing plan.

In 2019, the Group continued to see strong growth in revenue and in recurring EBIT based on the target scope[(2)], driven by impressive momentum at Lagardère Publishing and Lagardère Travel Retail as the two divisions took full advantage of the opportunities resulting from their diverse geographic and business profiles.

Free cash flow for the target scope (excluding changes in working capital) totalled €250 million, a rise of 20% year on year led by strong margin growth in the Group's two businesses.

The Group also continued to develop its two pillars, with the acquisitions of Gigamic, Short Books and Blackrock Games at Lagardère Publishing, and of the International Duty Free group (IDF) at Lagardère Travel Retail. These acquisitions were mainly financed out of proceeds from the sale of media assets.

Continued growth momentum

The target scope reported revenue of €6,936 million in 2019, up 4.5% like for like. This growth momentum was powered by a solid performance at Lagardère Travel Retail, which delivered 6.3% growth, and by a good year at Lagardère Publishing, which advanced by 2.8%.

Continued rise in recurring EBIT

Recurring EBIT was 5.6% higher than in 2018, meeting the recurring EBIT target for the target scope as confirmed on 7 November 2019 ("Restated for the impact of IFRS 16 on concession agreements at Lagardère Travel Retail, at constant exchange rates and excluding Lagardère Travel Retail's acquisitions of Hojeij Branded Foods [HBF] and International Duty Free [IDF]").

Recurring EBIT for the target scope came in at €361 million versus €310 million in 2018, buoyed by good performances from Lagardère Travel Retail and Lagardère Publishing, and by the consolidation of HBF.

Profit before finance costs and tax was €411 million in 2019, compared with €451 million in 2018 which had included the one-off capital gain on the sale of the office building located in rue François 1er (Paris, France).

Profit for the period was €11 million, down from €199 million in 2018 owing to the adverse impact of discontinued operations. Restated for non-recurring/non-operating items, **adjusted profit – Group share was €200 million, stable year on year.**

Solid financial position

At end-December 2019, net debt stood at €1,461 million. The leverage ratio (net debt[(1)]/recurring EBITDA[(1)]) at both end-2019 and end-2018 was 2.1.

Consolidated data

At 31 December 2019, Lagardère Sports is classified within "Assets held for sale and associated liabilities" in the consolidated balance sheet. In accordance with IFRS 5, the contribution of Lagardère Sports is presented as a single amount on the face of the 2019 consolidated income statement and consolidated statement of cash flows, within "Profit (loss) from discontinued operations" and "Net cash from (used in) discontinued operations", respectively. Data for 2018 have been restated for the purposes of comparability.

(1) Alternative performance measure, see definition in section G "Glossary".

(2) Lagardère Publishing, Lagardère Travel Retail, Lagardère News (*Paris Match*, *Le Journal du Dimanche*, Europe 1, Virgin Radio, RFM, the Elle brand licence), the Entertainment business, the Group Corporate function and the Lagardère Active Corporate function, whose costs are being wound down by 2020.

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

A) REVENUE AND RECURRING EBIT

Revenue

Revenue for the Lagardère group came in at €7,211 million for 2019, up 5% on a consolidated basis and up 4.1% like for like. The difference between consolidated and like-for-like revenue is essentially attributable to a €92 million positive foreign exchange effect resulting mainly from the appreciation of the US dollar. The €18 million negative scope effect reflects the disposals of media assets, chiefly offset by the two acquisitions carried out at Lagardère Travel Retail (HBF and IDF).

	Revenue (€m)		Change	
	2018	2019	on a consolidated basis	on a like-for-like basis
Lagardère Publishing	2,252	**2,384**	+5.9%	+2.8%
Lagardère Travel Retail	3,673	**4,264**	+16.1%	+6.3%
Other Activities(1)	301	**288**	-4.3%	-4.2%
Target scope	6,226	**6,936**	**+11.4%**	**+4.5%**
Non-retained scope(2)	642	**275**	-57.2%	-4.6%
LAGARDÈRE	**6,868**	**7,211**	**+5.0%**	**+4.1%**

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

(2) *Operations disposed of/disposals pending completion (Lagardère Active), excluding Lagardère Sports, classified as a discontinued operation in accordance with IFRS 5.*

Group recurring EBIT

	Group recurring EBIT (€m)		Change
	2018(1)	2019	(€m)
Lagardère Publishing	200	**220**	+20
Lagardère Travel Retail	121	**152**	+31
Other Activities(2)	(11)	**(11)**	0
Target scope	310	**361**	+51
Non-retained scope(3)	75	**17**	-58
LAGARDÈRE	385	**378**	**-7**

(1) *Restated for IFRS 16. See section F "Appendices".*

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

(3) *Operations disposed of/disposals pending completion (Lagardère Active), excluding Lagardère Sports, classified as a discontinued operation in accordance with IFRS 5.*

Group recurring EBIT totalled €378 million, down €7 million on 2018.

Recurring EBIT based on the target scope rose by €51 million year on year, to €361 million. The scope effect resulting from the acquisitions of HBF and IDF added €27 million, while changes in exchange rates added €7 million to the recurring EBIT figure.

Excluding these scope and foreign exchange effects, recurring EBIT for the target scope climbed 5.6% or €17 million, lifted by a strong year at Lagardère Publishing in both Illustrated Books and Education, as well as improved profitability for US operations, and by Lagardère Travel Retail thanks to a good showing in EMEA and North America.

Recurring EBIT for the non-retained scope amounted to €17 million, down €58 million year on year owing mainly to the various disposals at Lagardère Active during the year.

Lagardère Publishing

Revenue

Lagardère Publishing revenue was €677 million in fourth-quarter 2019, up 5.0% on a consolidated basis and up 1.7% like for like, thanks notably to the publication of a new Asterix album in late October 2019.

Full-year 2019:

Revenue totalled €2,384 million for the year, up 5.9% on a consolidated basis and up 2.8% like for like.

Revenue growth in 2019 was chiefly driven by a good performance in Education – particularly in France and Spain, the success of the new Asterix album, and sustained growth in Partworks and Mobile Games.

Revenue for France was up 6.3%, spurred by a sharp rise in Education on the back of the reform of two French high school levels, and by a solid increase in Illustrated Books thanks to the international success of the new Asterix album, *La Fille de Vercingétorix*, along with a good performance at Hachette Pratique, Hachette Jeunesse Licences and Larousse. General

Literature also had a good year, buoyed by the publication of the large-format version of Guillaume Musso's *La Vie secrète des écrivains*, and by growth in Le Livre de Poche paperbacks led by the publication of Musso's *La Jeune Fille et la Nuit*, and Valérie Perrin's *Changer l'eau des fleurs*. Lastly, Mobile Games also continued to generate good momentum.

The United Kingdom fell 1.4%, as a good performance for the backlist and for digital sales at Bookouture and the success of Billy Connolly's *Tall Tales and Wee Stories* late in the year failed to offset an unfavourable comparison effect resulting from the success of Michael Wolff's *Fire and Fury* in 2018 and of the J.K. Rowling/Robert Galbraith titles published in the last quarter of that year.

The United States slipped 1.0%. A sharp rise in revenue from digital audiobooks led by Malcolm Gladwell's *Talking to Strangers,* as well as the success of Andrzej Sapkowski's *The Witcher* at Orbit late in the year, only partially offset the unfavourable comparison effect with 2018, which had been boosted by the remarkable success of James Patterson and Bill Clinton's *The President is Missing* and by the publication of Nicholas Sparks' *Every Breath*.

Spain/Latin America posted 10.3% revenue growth, spurred by curriculum reform in Spain (concerning all primary school levels in Andalusia) and by the launch of the new Asterix album at Bruño.

Partworks delivered revenue growth of 4.9%, reflecting the good performance of first-half launches (particularly models and leisure crafts) in Japan, Germany and France.

E-books accounted for 7.7% of total Lagardère Publishing revenue in 2019 versus 7.9% in 2018, while digital audiobooks represented 3.4% of revenue versus 2.7% in 2018.

Recurring EBIT

Lagardère Publishing reported €220 million in recurring EBIT, up €20 million on 2018.

Recurring EBIT growth was led mainly by France, with Illustrated Books buoyed by the publication of a new Asterix album and Education by high school reform, as well as by Spain (new primary school textbooks) and the United States (growth in audiobooks and operating cost efficiency plan). Recurring EBIT for the division also benefited from a positive foreign exchange effect resulting from the appreciation of the US dollar.

Lagardère Travel Retail

Revenue

Revenue for fourth-quarter 2019 totalled €1,117 million, up 17.8% on a consolidated basis and up 5.8% like for like. The fourth-quarter performance was driven mainly by dynamic trading for the EMEA scope (excluding France) and for continental China. Platforms in North America also performed well in the fourth quarter. However, social incidents in France and Hong Kong dampened these gains.

Full-year 2019:

Revenue totalled €4,264 million for the year, up 16.1% on a consolidated basis and up 6.3% like for like.

Despite the slowdown towards the end of the year owing to the strikes, France reported a sharp 7.6% rise in revenue, buoyed by good Duty Free trading at regional platforms (Nice, Marseille and Nantes), growth in the Foodservice network (Toulouse) and the success of the new Relay concept at Travel Essentials.

The EMEA region (excluding France) enjoyed robust momentum (up 6.9%), attributable to a good performance in Italy for Duty Free operations (Rome, Venice and regional airports) and Travel Essentials (favourable network impact), as well as in Romania, Spain and Portugal. The Middle East also reported solid revenue growth, with the opening of the new Dubai Foodcourt and ongoing business expansion in Africa.

In North America, business grew by 2.9% (by 3.6% on a same-store basis), reflecting a dynamic performance at Travel Essentials driven by sales initiatives and Foodservice operations, despite the adverse impact of US-China trade tensions on Canadian airport traffic.

Asia-Pacific advanced 7.2%, spurred by growth in China (continental China and Hong Kong) which benefited from the new openings and modernisation initiatives carried out in 2018 and 2019. Business contracted in the Pacific region due to the economic slowdown in Australia and an unfavourable network effect, despite the full-year impact of new outlets opened in Christchurch, New Zealand.

Recurring EBIT

Recurring EBIT moved up €31 million to €152 million.

This impressive increase mainly reflects the impact of the acquisitions of HBF in November 2018 and of IDF in the final quarter of 2019, and bullish performances from North America and Italy. France also had a very good year in 2019, despite the impact of the strikes. Business continued to ramp up despite events in Hong Kong, the collapse of the Icelandic airline WOW Air and the weak Australian economy.

Other Activities

Revenue

Revenue for 2019 totalled €288 million, down 4.2% like for like and down 4.3% on a consolidated basis.

The revenue decline for Other Activities is chiefly the result of a 12.5% fall in Radio revenue owing to lower audience figures for Europe 1. Revenue also contracted for Lagardère News (down 6.9%), as upbeat advertising revenues failed to fully counter the drop in circulation revenues, which accelerated towards the end of the year owing to the strikes in France.

Recurring EBIT

Recurring EBIT for Other Activities in 2019 remained stable year on year, at a negative €11 million.

The gradual reduction in overheads linked to the disappearance of the former Lagardère Active Corporate function, whose costs are being fully wound down in 2020, was offset by the combined impact of a decline in Europe 1 advertising revenues and in the circulation of press titles.

Non-retained scope

Revenue for the non-retained scope in 2019 was down 57.2% on a consolidated basis, at €275 million. Recurring EBIT amounted to €17 million for the year.

B) MAIN INCOME STATEMENT ITEMS

(in millions of euros)	2018[1]	2019
Revenue	6,868	**7,211**
Group recurring EBIT	385	**378**
Income from equity-accounted companies[2]	3	**6**
Non-recurring/non-operating items	22	**(33)**
Impact of IFRS 16 on concession agreements	41	**60**
Profit before finance costs and tax	451	**411**
Interest expense on lease liabilities	(76)	**(85)**
Finance costs, net	(57)	**(53)**
Profit before tax	318	**273**
Income tax expense	(124)	**(55)**
Profit (loss) from discontinued operations	5	**(207)**
Profit for the period	199	**11**
Minority interests	22	**26**
Profit (loss) – Group share	177	**(15)**

(1) Restated for IFRS 16. See section F "Appendices".
(2) Before impairment losses.

Income from equity-accounted companies

Income from equity-accounted companies (before impairment losses) came in at **€6 million** in 2019, 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 negative amount of €33 million, compared with a net positive amount of €22 million in 2018, and mainly included:

- €134 million in net disposal gains, chiefly relating to the sale of TV channels in September 2019 (€99 million), BilletReduc in February 2019 (€18 million) and South African Radio operations (€13 million) in January 2019. In 2018, net disposal gains amounted to €205 million, including a gain of €245 million on the sale of the rue François 1er office building in Paris (France) and a loss of €40 million on the sale of the interest in Marie Claire group;
- €34 million in impairment losses against property, plant and equipment and intangible assets, including €6 million attributable to Lagardère Travel Retail and €26 million attributable to the non-retained scope;
- €42 million in restructuring costs, a sharp €29 million decrease on 2018, including €15 million at Other Activities resulting from the late-2019 redundancy plan for the Group Corporate function, €14 million at Lagardère Travel Retail including HBF integration costs, and €12 million at Lagardère Publishing relating to the streamlining of distribution centres in the United Kingdom;
- €91 million in amortisation of intangible assets and costs relating to the acquisition of consolidated companies, including €82 million for Lagardère Travel Retail and €8 million for Lagardère Publishing.

Impact of IFRS 16 on concession agreements

The impact of applying IFRS 16 on concession agreements amounted to a positive €60 million in 2019, versus a positive €41 million in 2018.

Interest expense on lease liabilities

Interest expense on lease liabilities represented €85 million in 2019, versus €76 million in 2018. The €9 million rise in this item results from the consolidation of HBF and IDF.

Finance costs, net

Net finance costs amounted to €53 million in 2019, a slight improvement on the prior year.

Income tax expense

Income tax expense totalled €55 million, down €69 million year on year. Income tax expense in 2018 notably included €83 million in one-off tax payable on the sale by Lagardère Active of the rue François 1er office building in Paris (France) and €14 million in tax savings resulting from the Lagardère Active restructuring plan.

Profit (loss) from discontinued operations

Discontinued operations relate to Lagardère Sports, which generated a total loss of €207 million in 2019 (the purchase offer received in December 2019 led the Group to recognise a €234 million impairment loss against the business).

Profit

Taking account of all these items, profit for the year came out at €11 million, including a loss of €15 million attributable to the Group.

Profit attributable to minority interests in 2019 was €26 million, versus €22 million attributable to minority interests in 2018, reflecting the performance of *Le Livre de Poche* paperbacks at Lagardère Publishing and North American and Italian operations at Lagardère Travel Retail.

Adjusted profit – Group share

Adjusted profit – Group share (excluding non-recurring/non-operating items) totalled **€200 million** in 2019, in line with the 2018 figure.

(in millions of euros)	2018[1]	2019
Group recurring EBIT[2]	385	**378**
Income from equity-accounted companies[3]	+3	**+6**
Interest expense on lease liabilities – buildings and other leases	-17	**-19**
Finance costs, net	-57	**-53**
Tax effects[4]	-85	**-77**
o/w attributable to minority interests	-29	**-35**
Adjusted profit – Group share[2]	200	**200**

(1) Restated for IFRS 16. See section F "Appendices".
(2) Alternative performance measure, see definition in section G "Glossary".
(3) Before impairment losses.
(4) Excluding tax on non-recurring/non-operating items.

Earnings per share

Earnings per share – Group share represented a negative €0.12, versus a positive €1.36 in 2018.

Adjusted earnings per share – Group share was €1.55, versus €1.54 in 2018.

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

C) OTHER FINANCIAL INFORMATION

Cash flow from operations and investing activities

(in millions of euros)	2018[1]	2019
Cash flow from operations before changes in working capital and income taxes paid[2]	439	**495**
Changes in working capital	18	**34**
Income taxes paid excluding taxes on property disposals	(30)	**(52)**
Cash flow from operations[2]	427	**477**
Purchases/disposals of property, plant and equipment and intangible assets[3]	(186)	**(197)**
Free cash flow excluding property disposals	241	**280**
Property disposals net of tax paid and related refitting costs	183	**14**
Free cash flow[4]	424	**294**
Purchases of investments	(339)	**(287)**
Disposals of financial investments	148	**323**
Cash flow from operations and investing activities	233	**330**

(1) Restated for IFRS 16. See section F "Appendices".
(2) Before taxes on property disposals.
(3) Excluding property disposals and refitting costs.
(4) Alternative performance measure.

Cash flow from operations

Cash flow from operations before changes in working capital amounted to €495 million in 2019 compared to €439 million in 2018. This increase chiefly results from the favourable impact of business at Lagardère Publishing (€32 million) and Lagardère Travel Retail (€49 million), only partly offset by the €32 million decline for the non-retained scope.

Changes in working capital represented an inflow of €34 million over the year, compared to an inflow of €18 million in 2018. This €16 million increase reflects (i) a rise of €49 million for Lagardère Publishing resulting from lower author advances at the end of the year and a year-on-year reduction in Partworks inventories, which had been affected by a busy launch schedule at the end of 2017, and (ii) a rise of €26 million for the non-retained scope, including a €22 million inflow relating to the collection of a portion of the proceeds from the sale of most of the magazine publishing titles to Czech Media Invest (CMI).

The increase is offset by a €73 million decline for Lagardère Travel Retail (2018 had been boosted by a favourable one-off impact linked to the working capital optimisation drive).

Income taxes paid (excluding tax on property disposals) totalled €52 million in 2019 compared to €30 million in 2018. The increase in this item reflects adverse changes in tax settlements in connection with tax consolidation in France and the impact of higher taxation on cross-border trade in the United States.

Purchases/disposals of property, plant and equipment and intangible assets

Net purchases and disposals of property, plant and equipment and intangible assets (excluding property disposals) represented an outflow of €197 million in 2019, chiefly relating to Lagardère Travel Retail (€156 million), with a significant portion corresponding to the opening of new stores. The balance (€35 million) results essentially from Lagardère Publishing and is mainly attributable to the end of investments in logistics projects in the United Kingdom and in new information systems projects in France.

Free cash flow

Further to the implementation of the strategic refocusing plan, free cash flow for the target scope excluding changes in working capital is presented in the following table:

- illustrating the generation of free cash flow for the Group's new scope, stripping out the volatility of changes in working capital, which should be neutral over the long term; and
- presenting separately the contribution of non-retained assets together with the costs associated with the refocusing plan.

	2018(1)	**2019**
Cash flow from operations before changes in working capital and income taxes paid(2)	402	**491**
Income taxes paid excluding taxes on property disposals	(14)	**(46)**
Purchases/disposals of property, plant and equipment and intangible assets(3)	(180)	**(195)**
Free cash flow excluding changes in working capital for the target scope	208	**250**
Changes in working capital for the target scope	38	**28**
Free cash flow for the target scope	246	**278**
Property disposals net of tax paid and related refitting costs	183	**14**
Restructuring costs relating to the Group's strategic refocusing	-	**(19)**
Other cash flow from operations – non-retained scope(4)	(5)	**21**
Free cash flow for the non-retained scope	178	**16**
Free cash flow(2)	424	**294**

(1) Restated for IFRS 16. See section F "Appendices".
(2) Alternative performance measure.
(3) Excluding property disposals and refitting costs.
(4) Operations disposed of/disposals pending completion (Lagardère Active), excluding Lagardère Sports, classified as a discontinued operation in accordance with IFRS 5.

The Group's free cash flow totalled €294 million in 2019 versus €424 million in 2018. The €130 million decrease reflects the sharp decrease in free cash flow for the non-retained scope (negative €162 million impact), partly offset by a significant €32 million improvement in free cash flow for the target scope.

Excluding changes in working capital, free cash flow for the target scope was €250 million, up €42 million on 2018 thanks to a sharp rise for the Group's two businesses (cash flow from operations before changes in working capital up €89 million), tempered by a rise in income taxes paid (€32 million negative impact) and in purchases of property, plant and equipment and intangible assets (€15 million negative impact) related mainly to the consolidation of HBF.

Changes in working capital represented a positive €28 million impact, €10 million lower than in 2018.

As a result, free cash flow for the target scope was €278 million, up €32 million year on year.

Free cash flow for the non-retained scope totalled €16 million in 2019, down by €162 million versus 2018, driven by:

- the €169 million decrease in property disposals, with 2018 including the sale of the rue François 1er office building in Paris (France);
- outflows relating to restructuring costs for the former Lagardère Active Corporate function;
- partly offset by a higher contribution from divested activities, including an inflow of €22 million relating to the collection of a portion of the proceeds from the sale of most of the magazine publishing titles to Czech Media Invest (CMI).

Purchases/disposals of investments

Purchases of investments represented an outflow of €287 million and mainly related to the acquisition of the IDF group in Belgium, and to a lesser extent the acquisition of Autogrill Cz in the Czech Republic by Lagardère Travel Retail. Purchases of investments also include Lagardère Publishing's acquisitions of Gigamic and Blackrock Games in France, and of Short Books in the United Kingdom.

Disposals of financial investments represented an inflow of €323 million (including €7 million in interest received) in 2019, with €316 million of this amount corresponding mainly to disposals at Lagardère Active as part of the strategic refocusing plan, including the sale of the TV channels in September 2019, of BilletReduc and most of the magazine publishing titles in France in February 2019, and of South African Radio operations in January 2019.

Cash flow from operations and investing activities

In all, cash flow from operations and investing activities represented a net inflow of €330 million in 2019, compared with a net inflow of €233 million in 2018.

Financial position

At end-December 2019, net debt stood at €1,461 million compared to €1,367 million one year earlier. Acquisitions were primarily financed out of proceeds from disposals carried out in 2019.

The Group's liquidity position remains very solid, with €2,163 million in available liquidity (available cash and short-term investments reported on the balance sheet totalling €913 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 stable leverage ratio (net debt[1]/recurring EBITDA[1]) of 2.1.

D) KEY EVENTS SINCE 7 NOVEMBER 2019

Chairmanship of the Supervisory Board of Lagardère SCA

At its meeting on 4 December 2019, the Supervisory Board, acting on the recommendation of the Appointments, Remuneration and Governance Committee, decided to appoint Patrick Valroff as its Chairman and as Chairman of the Audit Committee of Lagardère SCA, further to the resignation of Xavier de Sarrau for personal reasons.

Sale of Lagardère Sports to H.I.G. Capital

On 16 December 2019, the Lagardère group announced that it had received an offer from H.I.G. Capital to acquire 75% of the capital of Lagardère Sports. The preliminary sale agreement was signed on 20 February 2020. The transaction is targeted to close before the end of the first quarter of 2020 and is subject to clearance from the competition authorities.

E) OUTLOOK

The Covid-19 epidemic which first emerged in China at the beginning of 2020 is having a significant impact on the Group's operations.

At the time of the publication of the full-year 2019 results on 27 February 2020, the impacts were mainly being felt at Lagardère Travel Retail, and specifically in the Asia-Pacific zone and international travel hubs. This led the Group to estimate the adverse impact on recurring EBIT, excluding the impact of its action plan, at around €20 million in the first quarter of 2020, and to issue a 2020 recurring EBIT[1] growth target of between 4% and 6% at constant exchange rates, excluding the acquisition of IDF and the effect of the coronavirus.

The effects of the epidemic have since extended to Lagardère Travel Retail's other businesses and, to a lesser extent, to the rest of the Group's activities, given both the rapid spread of the virus and the government lockdowns and closures that have been ordered in many of the countries in which the Group has operations.

Since the outset of this health crisis, the Group's primary concern has been to protect employees, customers and partners. It also very quickly implemented significant measures to mitigate the financial impacts in the following four areas: adapting sales and prices where possible, reducing overheads, reviewing investments and reducing working capital.

Given the uncertain context, however, it is not currently possible to predict the duration of the crisis or to precisely assess its impacts on the Group. Accordingly, the Group is no longer able to give a recurring EBIT growth target for 2020 and is suspending the market guidance announced on 27 February 2020.

F) APPENDICES

Fourth-quarter 2019 revenue

	Revenue (€m)		Change	
	Q4 2018	**Q4 2019**	on a consolidated basis	on a like-for-like basis
Lagardère Publishing	645	**677**	+5.0%	+1.7%
Lagardère Travel Retail	948	**1,117**	+17.8%	+5.8%
Other Activities[1]	91	**80**	-12.1%	-10.1%
Target scope	1,684	**1,874**	**+11.3%**	**+3.4%**
Non-retained scope[2]	196	**88**	-55.1%	+8.0%
LAGARDÈRE	**1,880**	**1,962**	**+4.4%**	**+3.6%**

(1) *Lagardère News (*Paris Match, Le Journal du Dimanche, *Europe 1, Virgin Radio, RFM and the Elle brand licence), the Entertainment businesses, the Group Corporate function, and the Lagardère Active Corporate function, whose costs are being wound down by 2020.*
(2) *Operations disposed of/disposals pending completion (Lagardère Active), excluding Lagardère Sports, classified as a discontinued operation in accordance with IFRS 5.*

Changes in scope of consolidation and exchange rates

Full-year 2019:

The difference between consolidated and like-for-like revenue data is attributable to a €92 million positive foreign exchange effect resulting chiefly from fluctuations in the US dollar, and to an €18 million negative scope effect, breaking down as:

- a €359 million negative impact resulting from disposals carried out in 2018 and 2019 at Lagardère Active as part of the strategic refocusing plan, including €248 million relating to the sale of most of the magazine publishing titles to Czech Media Invest in January 2019, €51 million relating to the sale of the TV channels in September 2019 and €30 million relating to the sale of Radio operations in Eastern Europe;
- a €314 million positive impact chiefly resulting from Lagardère Travel Retail's acquisitions of HBF in late November 2018 and of IDF at the end of September 2019;
- a €23 million positive impact at Lagardère Publishing, mainly reflecting the February 2019 acquisition of Gigamic.

(1) Alternative performance measure, see definition in section G "Glossary".

Operations disposed of or in exclusive sale negotiations

Disposals to date	2018 recurring EBIT (1)	2019 recurring EBIT	Estimated sale value (€m)	Date of sale
LARI – Eastern Europe	7	-	73	July 2018
Marie Claire	-	-	14	June 2018
MonDocteur				July 2018
Doctissimo	(4)	-	55	October 2018
Boursier				January 2019
BilletReduc				February 2019
Plurimédia				February 2019
Doctipharma	3	-	41	February 2019
LARI – Africa (Jacaranda, Mediamark, Vibe Radio [Senegal and Côte d'Ivoire])	1	-	18	Jacaranda and Vibe Radio: transactions closed in February 2019 Mediamark: transaction closed in September 2019
Magazine publishing titles (excluding *Paris Match*, *Le Journal du Dimanche* and the Elle brand licence)	22	-	52	February 2019
Mezzo	3	1	12	July 2019
DHP, other	1	0	1	July-October 2019
TV channels, excluding Mezzo	23	2	215	September 2019
Total	**56**	**3**		

(1) Restated for IFRS 16. See section F "Appendices".

Disposals pending completion	2018 recurring EBIT(1)	2019 recurring EBIT	Estimated sale value (€m)	Date of sale
Lagardère Sports	32	64	110	Signed 19 February 2020
Not yet sold				
Lagardère Studios	19	15		
Total	**51**	**79**		

(1) Restated for IFRS 16. See section F "Appendices".

G) GLOSSARY

Lagardère uses alternative performance measures which serve as key indicators of the Group's operating and financial performance. These indicators are tracked by the Executive Committee in order to assess performance and manage the business, as well as by investors in order to monitor the Group's operating performance, along with the financial metrics defined by the IASB. These indicators are calculated based on accounting items taken from the consolidated financial statements prepared under IFRS and a reconciliation with those items is provided in this press release, in the full-year 2019 results presentation, or in the notes to the consolidated financial statements.

Like-for-like revenue

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 F "Appendices".

Recurring EBIT

The Group's main performance indicator is recurring operating profit of fully consolidated companies (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 and finance lease arrangements:
  - cancellation of fixed rental expense[1] on concession agreements,
  - depreciation of right-of-use assets on concession agreements,
  - gains and losses on lease modifications under concession agreements.

The reconciliation between recurring operating profit of fully consolidated companies (recurring EBIT) and profit before finance costs and tax is set out on slide 18 of the full-year 2019 results presentation, available on the corporate website at www.lagardere.com/Investor relations/Corporate publications.

Operating margin

Operating margin is calculated by dividing recurring operating profit of fully consolidated companies (recurring EBIT) by revenue.

Recurring EBITDA over a rolling 12-month period

Recurring EBITDA is calculated as recurring operating profit of fully consolidated companies (Group recurring EBIT) plus dividends received from equity-accounted companies, less depreciation and amortisation charged against property, plant and equipment and intangible assets, amortisation of the cost of obtaining contracts, and the cancellation of fixed rental expense[1] on property and other leases, plus recurring EBITDA from discontinued operations.

The reconciliation between recurring EBITDA and recurring operating profit of fully consolidated companies (recurring EBIT) is set out on slide 39 of the full-year 2019 results presentation, available on the corporate website at www.lagardere.com.

Adjusted profit – Group share

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,
  - amortisation of acquisition-related intangible assets;
- specific major disputes unrelated to the Group's operating performance;
- non-recurring changes in deferred taxes;
- items related to leases and finance lease arrangements:
  - cancellation of fixed rental expense[1] on concession agreements,
  - depreciation of right-of-use assets on concession agreements,
  - interest expense on lease liabilities under concession agreements,
  - gains and losses on lease modifications under concession agreements;
- tax effects of the above items;
- profit (loss) from discontinued operations;
- adjusted profit attributable to minority interests: profit attributable to minority interests adjusted for minorities' share in the above items.

Adjusted profit – Group share

The reconciliation between profit and adjusted profit – Group share is set out on slide 34 of the full-year 2019 results presentation, available on the corporate website at www.lagardere.com.

Free cash flow

Free cash flow is calculated as cash flow from operations before changes in working capital, the repayment of lease liabilities and related interest paid, changes in working capital and interest paid plus net cash flow relating to acquisitions and disposals of property, plant and equipment and intangible assets.

The reconciliation between cash flow from operations and free cash flow is set out on slide 32 of the full-year 2019 results presentation, available on the corporate website at www.lagardere.com.

Net debt

Net debt is calculated as the sum of the following items:

- short-term investments and cash and cash equivalents;
- financial instruments designated as hedges of debt;
- non-current debt;
- current debt.

Net debt

The reconciliation between balance sheet items and net debt is set out on slide 38 of the full-year 2019 results presentation, available on the corporate website at www.lagardere.com.

(1) Cancellation of fixed rental expense on concession agreements is equal to the repayment of the lease liability, the associated change in working capital and interest paid in the statement of cash flows.

3.1.1.2 PARENT COMPANY RESULTS

INCOME STATEMENT

The condensed income statement is as follows:

(in millions of euros)	2018	**2019**
Operating revenues	60	**71**
Operating loss	(10)	**(10)**
Net financial income	198	**37**
Earnings before tax and exceptional items	188	**27**
Net exceptional expense	(5)	**0**
Income tax benefit	95	**51**
Profit for the year	278	**78**

BALANCE SHEET

The condensed balance sheet is as follows:

(in millions of euros)	31 Dec. 2018	**31 Dec. 2019**
Assets		
Fixed assets	5,362	**5,387**
– of which investments in subsidiaries and affiliates	4,561	**4,555**
Current assets	186	**361**
Deferred charges and translation adjustments	9	**6**
Total assets	5,557	**5,754**
Liabilities and shareholders' equity		
Shareholders' equity	2,995	**2,887**
– of which share capital	800	**800**
– share premiums and reserves	1,817	**1,803**
– retained earnings	100	**206**
– profit for the year	278	**78**
Provisions for risks and liabilities	31	**32**
Liabilities	2,531	**2,835**
– of which borrowings	2,472	**2,774**
Total liabilities and shareholders' equity	5,557	**5,754**

Lagardère SCA is the holding company of the Lagardère group and had eight employees at 31 December 2019.

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.

2020 challenges

What were the key highlights for Lagardère Publishing in 2019?

"2019 was a good year for Lagardère Publishing, characterised by solid performances right across the world. Large-scale high school curriculum reform, a new Asterix album, successful youth licences, an impressive programme in practical titles and a firm performance in literature crowned by numerous awards, combined to drive our growth in France.

Internationally, the United States enjoyed traction from successful releases in adult literature, youth and science fiction. Meanwhile, acquisitions continued in the United Kingdom and the growth of the audio format was confirmed in all markets, as was the success of Partworks.

Lastly, we launched a new activity in the field of Board Games, extending the diversification dating back to the arrival of Mobile Games in 2016, without losing touch with our know-how or our business model."

What are your challenges and priorities for 2020?

"In the context of the coronavirus epidemic, we are adopting a cautious approach to 2020. The crisis triggered by the epidemic is unprecedented, and has caused everyone to redefine their priorities, lifestyle and consumption habits. As a business, our first concern is to protect our employees and to take the necessary measures to address the developments in the situation. Owing to the uncertainties inherent to a crisis of this magnitude, it is still too early to foresee the impact of this situation on the markets for our businesses in 2020.

Otherwise, comparing it with 2019, the year will be a little slower without a new Asterix album and with a less abundant Partworks programme, not to mention a smaller boost from curriculum reform in France. However, we will be able to count on the acquisitions made in 2019, our teams' ability to innovate and the growth of the audio book segment to make the year a success.

In light of the exceptional circumstances caused by Covid-19, we will continue to rigorously manage our business and our investments in modernising Lagardère Publishing's assets. We will also continue to monitor our environmental footprint and place people at the heart of our strategy. Signatory of the French government's Manifesto for the inclusion of people with disabilities in economic life, and a committed force for several years in initiatives designed to make our books accessible to all, we believe more firmly than ever that diversity is a source of richness and that it should be encouraged.

To conclude, we will pursue our external growth strategy guided by the same rigorous management practices, remaining on the lookout for any acquisition opportunities that would allow us to expand further in our diversification segments as well as in our traditional stamping ground of publishing."

Arnaud Nourry

Chairman and Chief Executive Officer of Hachette Livre

2019 overview

2019 was a fine year driven by the momentum of our various activities in France and internationally, amply illustrating that we have the right business model and underscoring our ability to seize growth opportunities.

In a global publishing market characterised by an upswing in growth in France (up 1.3%)(1) and continued expansion in the United States, the United Kingdom (up 2.4%)(2) and Spain (up 1.1%)(3), Lagardère Publishing delivered revenue of €2,384 million (including acquisitions), an increase of 2.8% on a like-for-like basis compared with 2018, and recurring EBIT of €220 million, up 10%(4). Hachette Livre's sterling performances in France and Spain, and growth in Partworks and Mobile Games were the driving force behind the increase in our earnings.

In France, the autumn saw a slew of literary awards (Grand Prix du roman de l'Académie française, Médicis prize, Femina essay prize, Giono prize, Décembre prize, etc.), while Guillaume Musso held a firm grip on the two top spots on the bestseller list. At the same time, large-scale curriculum reform simultaneously affecting two senior secondary classes was reflected in excellent results for Hatier and Hachette Éducation, which consolidated their respective market shares.

In the United States, Hachette Book Group placed 211 titles in *The New York Times* Best Sellers list, 29 of which reached first place, and its authors won an array of literary awards. Two new imprints also emerged, Voracious at Little, Brown and Company, and Hachette Go at Hachette Books. Lastly, the arrival of publisher Lonely Planet as a distribution partner will allow Hachette Book Group to distribute roughly half the travel guides sold in the United States in the first half of 2020.

Elsewhere, 108 Hachette UK titles made it into *The Sunday Times* bestseller list in the United Kingdom, eight of which making it to the top spot. In addition, the e-book and audio formats once again contributed significantly to the overall performance. And the new Hachette UK distribution centre in Didcot was rated "Very Good" by BREEAM (Building Research Establishment Environmental Assessment Method), a method for assessing the environmental performance of buildings.

In Spain, the division had a good year, with new programmes in six primary levels in Andalusia and the stellar performance of the latest Asterix album.

Partworks also experienced a fresh year of growth, with 92 new collections launched in 36 countries, thereby consolidating the division's global number one position in on that market.

Lastly, while sales of e-books contracted slightly in the United States, audio books continued to enjoy spectacular growth across all geographies. The proportion of digital activities grew year on year, accounting for 11.1% of Lagardère Publishing's revenue in 2019.

Leading positions

- No. 1 publisher in France.
- No. 1 publisher of partworks worldwide.
- No. 1 book distributor in France.
- No. 2 publisher in the United Kingdom.
- No. 3 private-capital publisher in the trade and educational markets.
- No. 4 publisher in the United States.

2019 key dates

- 31 January: Hachette Livre acquires Gigamic, a company specialising in developing, publishing and distributing board games.
- 28 February: the *Roller Splat!* game, developed by the Neon Play studio (Hachette Mobile Studios), takes first place in the charts of the world's most downloaded games.
- 2 April: release of *La Vie secrète des écrivains* by Guillaume Musso, at Calmann-Lévy.
- 4 June: Octopus Publishing Group, a Hachette UK subsidiary specialising in illustrated books, buys British publishing house Short Books.
- 13 August: Little, Brown and Company releases J.D. Salinger's novels in digital format.
- 14 October: Abhijit V. Banerjee and Esther Duflo, authors at PublicAffairs (Hachette Book Group), receive the Nobel Prize in Economics. Raimon Portell, author at Barcanova (Hachette España), receives the Premio Nacional de Literatura Infantil y Juvenil 2019 for *Camins d'aigua*.
- 23 October: Hachette Livre acquires Blackrock Games, the third-largest distributor of board games in France.
- 24 October: release of the 38th Asterix album, *La Fille de Vercingétorix*, at Éditions Albert René.

(1) Source: GfK (by value).
(2) Source: Nielsen BookScan (by value).
(3) Source: GfK (by value).
(4) 2018 data restated for the retrospective application of IFRS 16.

2019 key figures

- 211 titles published by Hachette Book Group featured in *The New York Times* bestseller list, 29 of which reached first place.
- 92 launches of new partworks worldwide.
- 17,160 new titles published by Lagardère Publishing worldwide.
- 4th Scope 3 Bilan Carbone® audit in France.
- 6,879 permanent employees worldwide at Hachette Livre.
- 1 million copies of *Talking to Strangers*, Malcolm Gladwell's book published in September 2019, sold across all formats.

B) LAGARDÈRE TRAVEL RETAIL

With operations in 39 countries and territories 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, Aelia Duty Free and Vino Volo, and numerous restaurant and selective distribution brands either under licence or directly operated.

2020 challenges

What were the key highlights for Lagardère Travel Retail in 2019?

"We enjoyed another year of growth, driven by:

- a good performance in existing stores thanks both to strong growth in traffic and the positive effects of our commercial strategy of keeping one step ahead of travellers' new needs;
- the success of network modernisations and openings;
- our entry into four new markets.

We also acquired International Duty Free, a major player in Travel Retail, with a leading position in Belgium and operations in Luxembourg and Kenya.

Lastly, we renewed some of our major contracts, notably the concessions at Prague's Václav-Havel airport (Czech Republic), and won new ones, including the concessions at the airports in New Orleans (United States), Adelaide (Australia) and Bahrain, which will fuel our growth in 2020 and beyond."

What are your challenges and priorities for 2020?

"During the first six months of the year, our operations benefited from a rise in passenger traffic, network expansion and our September 2019 acquisition of IDF. However, the Covid-19 epidemic which first emerged in China followed by the Asia-Pacific region at the end of January, has now become a pandemic, affecting most countries across the globe, and in particular our operations in Europe and North America. Much of our Travel Retail sales network in both airports and railway stations is currently either closed or severely disrupted. Operations in continental China are gradually resuming. All of our teams are working to manage this major crisis, with action plans put in place to maximise revenue and to protect earnings and cash flow generation.

Once the crisis is under control, we will also work to prepare and ensure that our operations resume as quickly as possible, and we will continue our growth and innovation drive as well as all of our sustainability initiatives."

Dag Rasmussen

Chairman and Chief Executive Officer of Lagardère Travel Retail

2019 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.

Good organic growth across all geographic areas

In France, the Travel Essentials, Duty Free & Fashion segments continued their strong growth in airports, with the opening of new retail areas covering more than 3,200 sq.m. in the new Terminal 3 at Paris-Orly and the creation of the Aelia Duty Free Smart Traveler concept in Beauvais.

In Europe, Lagardère Travel Retail continued its organic growth, with the opening of 12 Relay stores in the Canary Islands, four restaurants at Malaga airport (Spain) and two points of sale with strong local identities (The Fashion Gallery and an Aida restaurant) in Vienna, Austria. The division was also able to adapt its Aelia Duty Free concept in Geneva (Switzerland), with the opening of a dedicated store for diplomats. Lastly, 28 Smullers fast food restaurants have been taken over and modernised at Dutch railway stations, where they have been a resounding success.

In Africa, following an initial establishment in Senegal, development continued in Gabon, where operations in Travel Essentials (Relay), Duty Free (Aelia Duty Free) and Foodservice (Trib's) stores were opened on more than 600 sq.m. at Léon-Mba airport in Libreville.

Many Travel Essentials stores have also been opened in United States, notably in the airports of New Orleans, Milwaukee, Cincinnati, San Francisco and Atlanta, and in Foodservice in Orlando, Greenville and Austin.

In China, Lagardère Travel Retail once again demonstrated its ability to meet all the needs of airport licensors with the opening of more than 30 stores covering more than 2,100 sq.m. in Beijing-Daxing, plus more than 30 stores on more than 3,000 sq.m. in Shanghai-Pudong. In addition, two fashion stores and a restaurant were opened in Hong Kong.

Strong external growth thanks to successful acquisitions

Expansion was stepped up a notch in the Duty Free activity with the acquisition of International Duty Free (IDF), Belgium's leading Travel Retail operator. IDF also has operations in Luxembourg and Kenya.

In addition, following the acquisition of Autogrill's activities in the Czech Republic, the Foodservice segment was strengthened by the takeover of ten restaurants located in Prague's central railway station.

Lastly, in the United States, the integration of Hojeij Branded Foods (American leader in Foodservice in airports) continued apace, with the opening of numerous restaurants, including the first Louie Bar in the airport area at Dallas-Fort Worth.

Winning tenders to drive growth

A large number of tenders were won in 2019, including Václav-Havel Airport in Prague (Czech Republic), with 18 stores in Duty Free and seven in Travel Essentials. In France, the contract for the operation of the eight Eiffel Tower souvenir shops has been renewed. In addition, in Germany, the contract for the operation of 15 Foodservice outlets at Frankfurt Airport has also been renewed.

Leading positions

- No. 1 operator in Travel Essentials worldwide.
- No. 1 operator in Fashion in travel areas in Europe.
- No. 1 international Retail operator in airports in China.
- No. 1 Travel Retail operator in France, Poland and the Czech Republic.
- No. 4 Travel Retail operator worldwide.
- No. 4 Foodservice operator in travel areas worldwide.

2019 key dates

- February: launch of the Foodservice activity in the Netherlands with the takeover of 28 Smullers restaurants. Renewal of the Duty Free & Fashion concession agreement at Adelaide airport (Australia).
- March: launch of the Aelia Duty Free Smart Traveler concept at Beauvais airport (France).
- April: opening of 3,200 sq.m. of retail space in Travel Essentials (six stores) and Duty Free & Fashion (five stores) in the new Terminal 3 at Paris-Orly airport (France). Start of activity in Gabon with the opening of a Relay store and an Aelia Duty Free store at Léon-Mba airport in Libreville.
- May: finalisation of the acquisition of ten restaurants in the central railway station in Prague (Czech Republic).
- June: renewal and extension of the Duty Free & Fashion concession at Prague's Václav-Havel airport (Czech Republic). Lagardère Travel Retail comes away from the Airport Food & Beverage Awards (FAB) as the most highly awarded Airport Foodservice operator, with eight prizes.
- July: launch of the Fashion activity in Austria with the opening of The Fashion Gallery at Vienna Airport.
- September: opening of 30 stores in Travel Essentials, Duty Free & Fashion and Foodervice spanning more than 3,000 sq.m. at Shanghai-Pudong Airport (China). Opening of 30 stores on more than 2,100 sq.m. in the new Beijing-Daxing airport (China). Completion of the acquisition of Belgian company International Duty Free (IDF).
- October: opening of a store for diplomats in Geneva (Switzerland).
- November: renewal of the Fashion concession agreement at Shenzhen airport (China).

2019 key figures

- Consolidated revenue of Lagardère Travel Retail: €4,264 million.
- 24,959 permanent employees worldwide.
- Over 4,800 stores in 39 countries and territories.
- Over 120 CSR initiatives launched by Lagardère Travel Retail employees.

C) OTHER ACTIVITIES

The Group's business scope also comprises "Other Activities", mainly including Lagardère News (*Paris Match*, *Le Journal du Dimanche*, Europe 1, Virgin Radio, RFM and the Elle brand licence) together with Lagardère Live Entertainment.

Lagardère News

Press

Paris Match, France's leading news magazine in terms of both audience and circulation, celebrated its 70th anniversary in 2019 with 13.5 million weekly readers across its various formats(1). *Paris Match* also pressed ahead with its diversification into event organisation, new webseries and videos. *Le Journal du Dimanche*: France's "must-read" weekend paper, totalled 3.8 million weekly readers across its various formats. In 2019, it launched a small-format daily, *Le Journal de Demain*, which gained more than 80,000 subscribers in a matter of weeks.

Radio

In 2019, 3.2 million listeners(2) tuned into Europe 1 each day, and listeners downloaded more than 20.3 million of the station's podcasts.

With 2.1 million daily listeners(3), Virgin Radio is the number two music radio station in France(4).

RFM also boasts 2.1 million daily listeners, and has the second-highest audience share in the 35+ age bracket as well as a very solid position on the adult music scene(5).

Elle brand licence

Elle International, the world's leading women's media network, continued its development with highlights including the publication of *Elle Décoration* in Portugal and the signing of the launch agreement for *Elle* in Brazil. In the non-media licensing business, the Elle network launched a number of new lines including Elle Homme in China and Elle watches with the Fossil group worldwide, as well as inaugurating new Elle Café stores in China and Thailand.

Lagardère Live Entertainment

Lagardère Live Entertainment, a leading show producer in France, had an outstanding year in 2019 with almost one million spectators turning up to see its touring artists (including -M-, Kev Adams, Jean-Louis Aubert, etc.) and the organisation of a version of the musical *Les Choristes* in China.

In 2019, Lagardère Live Entertainment also welcomed more than one million spectators to 743 shows across its various venues (Folies Bergère, Casino de Paris, Bataclan, Arkéa Arena and Arena du Pays d'Aix).

(1) Source: ACPM Brand One Next Global 2019 V1.
(2) Source: Médiamétrie 126,000 Radio; 13+; Monday-Friday, 5 a.m.-midnight; November-December 2019; cumulative audience.
(3) Source: Médiamétrie 126,000 Radio; 13+ and 25-49; average Monday-Friday; 5 a.m.-midnight and 7 a.m.-10 a.m.; November-December 2019; cumulative audience, audience share and quarter-hour average.
(4) Source: Médiamétrie 126,000 Radio; 13+ and 25-49; average Monday-Friday; 5 a.m.-midnight and 7 a.m.-10 a.m.; November-December 2019; cumulative audience, audience share and quarter-hour average.
(5) Source: Médiamétrie 126,000 Radio; 13+, 35+; upper occupational groups; average Monday-Friday; 5 a.m.-midnight; November-December 2019; cumulative audience, audience share and listening time per listener.

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	2015	2016	2017	2018	**2019**
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	56,327	59,453	59,546	60,202	**71,202**
b)	Earnings before tax, depreciation, amortisation and provisions	(13,960)	(40,470)	82,873	188,116	**31,627**
c)	Income tax	74,308(1)	63,132(1)	87,805(1)	94,576(1)	**51,161(1)**
d)	Earnings after tax, depreciation, amortisation and provisions	41,082	31,440	162,282	277,979	**77,512**
e)	Dividends paid	168,088	170,025	170,604	171,673	(2)
III	**Earnings per share (in euros)**					
a)	Earnings per share after tax, but before depreciation, amortisation and provisions	(0.67)	0.17	1.30	2.16	**0.63**
b)	Earnings per share after tax, depreciation, amortisation and provisions	0.31	0.24	1.24	2.12	**0.59**
c)	Dividend per share	1.30	1.30	1.30	1.30	(3)
IV	**Personnel**					
a)	Average headcount	9	9	8	8	**8**
b)	Total wages and salaries	2,509,884	2,944,590	2,607,183	1,739,429	**2,160,348**
c)	Total employee benefit expense	1,038,059	1,025,805	1,275,889	896,224	**735,669**

(1) Mainly the tax gain resulting from tax consolidation.
(2) The Annual General Meeting on 5 May 2020 will be asked to approve a dividend of €1.00 per share.
(3) The Annual General Meeting on 5 May 2020 will be asked to approve a dividend of €1.00 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 2019.

***

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 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 over 400 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 2019

In the course of 2019, 581,012 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.

- 59,000 shares vested on 1 April 2019 for beneficiaries of the 1 April 2015 performance share plan and for the heirs of a beneficiary under the 16 April 2018 free share plan;
- 522,012 shares vested on 10 May 2019 for beneficiaries of the 9 May 2016 free and performance share plans.

2. RIGHTS TO FREE SHARES AWARDED IN 2019

Based on the authorisation given by the General Meeting of 3 May 2016 (13th resolution), on 8 April 2019, the Managing Partners of the Company awarded 474,990 rights to free shares (representing 0.362% of the total number of shares comprising the share capital) to 370 beneficiaries, comprising employees and executive corporate officers of the Company and companies related to it. The rights are subject to the vesting conditions described below.

- Three-year presence condition:

  The shares will only vest on the condition that at midnight on 8 April 2022, the beneficiaries have neither resigned nor been terminated or dismissed for serious or gross misconduct.

- Vesting periods:

  For beneficiaries residing in France for tax purposes, the shares will vest on 9 April 2022 following a three-year vesting period.

  For beneficiaries residing overseas for tax purposes, the shares will vest on 9 April 2023 following a four-year vesting period.

- Holding periods:

  For beneficiaries residing in France for tax purposes, the holding period has been set at two years (i.e., the shares must be kept in a registered account until 9 April 2024 inclusive).

  Beneficiaries residing overseas for tax purposes 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.

- Value of the shares awarded:

  The value of the free shares awarded was €23.52 per share at the opening of trading on the Paris stock exchange on 8 April 2019. Determined in accordance with IFRS, this value was €19.03 per share for the shares vesting on 9 April 2022, and €17.85 per share for the shares vesting on 9 April 2023.

Based on the new authorisation given by the General Meeting of 10 May 2019 (12th resolution), on 14 May 2019, the Managing Partners of the Company awarded 232,370 rights to free performance shares (representing 0.177% of the total number of shares comprising the share capital) to 40 beneficiaries, comprising employees and executive corporate officers of the Company and companies related to it. The rights are subject to the vesting conditions described below.

- Performance conditions:
  - *Objective relating to growth in Group recurring operating profit:*

    Vesting for 40% of the shares awarded is subject to the average annual growth rate for Group recurring operating profit over the 2019-2021 period, as calculated based on the rules defined in the market guidance ("Group recurring EBIT") being equal to or more than 5%.

    No shares will vest in the event that the average annual growth rate for Group recurring operating profit over the 2019-2021 period is less than 3.3%.

    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 2019-2021 period is between 3.3% and 5%.
  - *Free cash flow objective:*

    Vesting for 20% of the shares awarded is subject to the cumulative free cash flow excluding growth capex over the 2019-2021 period being equal to or more than €900 million.

    No shares will vest in the event that cumulative free cash flow excluding growth capex over the 2019-2021 period is less than €613 million.

    Shares will vest proportionally on a linear basis (from 0% to 100% of the shares awarded) in the event that free cash flow excluding growth capex over the 2019-2021 period is between €613 million and €900 million.
  - *Total Shareholder Return (TSR) objective:*

    Vesting for 20% of the shares awarded is subject to Lagardère SCA's Total Shareholder Return (TSR) over the 2019-2021 period relative 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 each of the aforementioned 10% of shares, the shares awarded will vest fully if the average annual TSR of Lagardère SCA over the 2019-2021 period is at least equal to the average annual TSR of the reference panel, and no shares will vest if the average annual TSR of Lagardère SCA is lower than the average annual TSR of the reference panel.
  - *Non-financial performance objective:*

    Vesting for 20% of the shares awarded is subject to the overall proportion of women in senior management at Lagardère group in 2021 being equal to or more than 45%. This objective, a key indicator used for the Group's strategy of promoting diversity and gender balance, will be assessed and audited by the independent third party and published within the scope of the Group's non-financial performance statement for 2021.

    No shares will vest in the event the overall proportion of women in senior management in 2021 is less than 42%.

    Shares will vest proportionally on a linear basis (from 0% to 100% of the shares awarded) in the event that the proportion of women in senior management in 2021 is between 42% and 45%.
- Three-year presence condition:

  The shares will only vest on the condition that at midnight on 14 May 2022, the beneficiaries have neither resigned nor been terminated or dismissed for serious or gross misconduct.

  For information regarding the Company's executive corporate officers, please see the relevant section below.
- Vesting period:

  The shares will vest for all beneficiaries on 15 May 2022 following a three-year vesting period.
- Holding period:

  Beneficiaries 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 Company's executive corporate officers, please see the relevant section below.
- Value of the shares awarded:

  The value of the free shares awarded was €22.34 per share at the opening of trading on the Paris stock exchange on 14 May 2019. Determined in accordance with IFRS, the value of the free shares awarded represents €16.95 per share.

Based on the new authorisations given by the General Meeting of 10 May 2019 (12th and 13th resolutions), on 10 October 2019 the Managing Partners of the Company awarded 79,000 rights to free shares (representing 0.06% of the total number of shares comprising the share capital) to 35 beneficiaries, and 21,000 rights to free performance shares (representing 0.016% of the total number of shares comprising the share capital) to seven beneficiaries, comprising employees and executive corporate officers of the Company and companies related to it. The rights are subject to the vesting conditions described below.

- Three-year presence condition:

  The shares will only vest on the condition that at midnight on 10 October 2022, the beneficiaries have neither resigned nor been terminated or dismissed for serious or gross misconduct.
- Vesting period:

  The shares will vest for all beneficiaries on 11 October 2022 following a three-year vesting period.
- Holding period:

  Beneficiaries 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.
- Performance conditions:

  The 21,000 rights to performance shares are subject to the same performance conditions as those set for the 14 May 2019 plan.

- Value of the shares awarded:

  The value of the free shares awarded was €19.60 per share at the opening of trading on the Paris stock exchange on 10 October 2019. Determined in accordance with IFRS, the value of the free shares awarded was €15.70 per share, while the value of the performance shares was €14.49 per share.

3. FREE SHARE AWARD PLANS IN FORCE IN 2019

The main characteristics of all of the free share award plans which expired in 2019 or were in force as of 31 December 2019 are summarised in the table below.

Date of the plan	Total number of rights awarded	Total number of rights forfeited	Total number of shares vested	Number of outstanding rights
1 April 2015	444,440	6,000	438,440	-
9 May 2016	829,660	115,208	528,212	186,240
6 April 2017	817,660	7,650	5,000	805,010
16 April 2018	812,460	16,600	5,000	790,860
8 April 2019	474,990	10,000	-	464,990
14 May 2019	232,370	4,000	-	228,370
10 October 2019	100,000	-	-	100,000
Total	**3,711,580**	**159,458**	**976,652**	**2,575,470**

3.2.1.2 FREE SHARES AWARDED GRANTED BY ENTITIES OR GROUPS RELATED TO THE COMPANY

In the course of 2019, 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 2019, 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 14 May 2019 plan described above (representing 0.024% of the total number of shares comprising the share capital and a carrying amount of €524,480 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 13 March 2019, confirmed the terms and conditions governing the ceilings and holding conditions applicable to free shares awarded to the Managing Partners, and validated a new system for setting performance conditions, designed to include an external criterion and a CSR criterion and aimed at reflecting changes in the Company's profile as part of the Group's strategic refocusing and continuing to apply best governance practices that meet the expectations of stakeholders.

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 14 May 2022), except in cases of forced termination for reasons other than misconduct.

Upon expiry of the initial two-year holding period applicable from 15 May 2022 to 15 May 2024 inclusive to all vested shares, each executive corporate officer will 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 2019, 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 2019, Lagardère SCA's eight employees were awarded a total number of 38,120 rights to free shares (representing 0.029% of the total number of shares comprising the share capital and a carrying amount of €685,799.60 under IFRS), i.e., an average number of 4,765 rights to shares awarded per person (representing 0.004% of the total number of shares comprising the share capital and a carrying amount of €85,724.95 under IFRS).

4. In 2019, 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

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 2019, showing a profit of €77.5 million compared with €278.0 million in 2018.

The second resolution concerns the approval of the consolidated financial statements for the year ended 31 December 2019, showing a loss attributable to owners of €15.1 million, compared with a profit of €193.6 million in 2018.

The Company's financial statements and consolidated financial statements for the year ended 31 December 2019 are set out in full in chapter 5 of the Universal Registration 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 2019

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 and the Statutory Auditors' report on the Company's financial statements for the year ended 31 December 2019, the shareholders approve those financial statements as set out and presented to them, showing a profit of €77,512,051.07, 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 €23,291 for the year ended 31 December 2019, and the tax charge borne as a result of those costs and expenses, which amounted to €4,121.

SECOND RESOLUTION

APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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 2019, the shareholders approve the consolidated financial statements as set out and presented to them, showing a loss attributable to owners of €15.1 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 €206,541,760.64, the Company's distributable profit amounts to €284,053,811.71.

In agreement with the Supervisory Board, the Managing Partners propose allocating this distributable profit as follows:

- to pay a dividend of €1.00 per share (i.e., a maximum aggregate payout of €131,133,286 based on the number of shares currently comprising the Company's share capital). The ex-dividend date would be Thursday, 7 May 2020, and the dividend would be paid as of Monday, 11 May 2020;
- to allocate the balance – corresponding to a minimum of €152,920,525.71 – to retained earnings.

The proposed per-share dividend of €1.00 aims to maintain a fair level of remuneration for shareholders, to which the Company remains attached in the context of a crisis that is also being felt by them, while continuing to support the significant measures to mitigate the financial impacts of the crisis that the Group has already implemented.

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:	€77,512,051.07
which, in addition to retained earnings of:	€206,541,760.64
makes a distributable profit of:	€284,053,811.71

Having noted that, in accordance with the Articles of Association, no amounts are payable to the General Partners, the shareholders resolve, on the recommendation of the Managing Partners and in agreement with the Supervisory Board, to pay an annual dividend of €1.00 per share, it being specified that:

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

The ex-dividend date will be Thursday, 7 May 2020 and the dividend will be paid as of Monday, 11 May 2020, to holders of registered shares (for *nominatif pur* shares) or their duly appointed representatives (for *nominatif administré* shares).

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 2019 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	2016	2017	2018
Dividends paid to shareholders			
Dividend per share	1.30	1.30	1.30
Total dividend payout	168,269,663.90	168,816,060.40	169,736,866.00
Dividends paid to the General Partners	1,755,816.74	1,787,729.79	1,936,270.63
Total	**170,025,480.64**	**170,603,790.19**	**171,673,136.63**

4TH RESOLUTION: RE-APPOINTMENT OF MAZARS AS STATUTORY AUDITOR FOR A SIX-YEAR TERM

Presentation

Mazars' term of office as Statutory Auditor of the Company is due to expire at the close of this Annual General Meeting.

Based on the recommendation of the Supervisory Board's Audit Committee, the shareholders are therefore invited to re-appoint Mazars as Statutory Auditor for a six-year term. In accordance with the new regulations applicable since the recent EU audit reforms, (i) this will be Mazars' last term of office, and (ii) Mazars will now be represented by a new signing partner.

Mazars has been one of the Company's two joint Statutory Auditors since 20 June 1996. Information on the amount of fees received by Mazars and the members of its network for services provided to the Lagardère group during 2019 is provided in the Universal Registration Document.

The Audit Committee has recommended reappointing Mazars for a final term as Statutory Auditor, under competitive conditions and taking account of good market practice, particularly in light of the firm's in-depth knowledge of the Group which is especially invaluable as it strategically refocuses its businesses.

Following Mazars' last term of office, which will expire at the Annual General Meeting to be called in 2026 to approve the 2025 financial statements, a new Statutory Auditor will have to be appointed following a selection procedure based on an audit tender process. The term of office of the Company's other joint Statutory Auditor – Ernst & Young et Autres – will expire at the 2023 Annual General Meeting and an audit tender offer will also need to be carried out at that stage to appoint another new Statutory Auditor.

As it is no longer necessary to appoint a Substitute Auditor when the Statutory Auditor is not an individual person or a one-person company, Thierry Colin's term of office, which is also due to expire at the close of this Annual General Meeting, will not be renewed.

FOURTH RESOLUTION

RE-APPOINTMENT OF MAZARS AS STATUTORY AUDITOR FOR A SIX-YEAR TERM

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 Mazars' term of office as Statutory Auditor is due to expire at the close of this Meeting, the shareholders re-appoint Mazars as Statutory Auditor for a six-year term expiring at the close of the Annual General Meeting to be called in 2026 to approve the 2025 financial statements.

5TH TO 8TH RESOLUTIONS: MEMBERS OF THE SUPERVISORY BOARD – RATIFICATIONS OF CO-OPTATIONS AND RE-APPOINTMENTS

Presentation

In the fifth resolution, the shareholders are invited to ratify the Supervisory Board's 27 February 2020 co-optation of Nicolas Sarkozy as a Supervisory Board member to replace Xavier de Sarrau, who has resigned from the Board, for the remainder of his term of office, which is due to expire at the close of the 2022 Annual General Meeting.

In the sixth resolution, the shareholders are invited to ratify the Supervisory Board's 27 February 2020 co-optation of Guillaume Pepy as a member of the Supervisory Board to replace François David, who has resigned from the Board.

In the seventh resolution, the shareholders are invited to re-appoint Guillaume Pepy as a Supervisory Board member for a term of four years, as he was appointed by the Supervisory Board for the remainder of François David's term of office, which is due to expire at the close of this Annual General Meeting.

In the eighth resolution, the shareholders are invited to re-appoint Martine Chêne as a Supervisory Board member 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 fifth to eight resolutions, at the close of this Annual General Meeting, the Supervisory Board will (i) be made up of ten members, all of whom are independent, and (ii) include four women (representing 40% of its total members), which fully complies with the applicable legal provisions and the recommendations of the Afep-Medef Corporate Governance Code.

The number of Supervisory Board members will be increased to 12 when the two members representing Group employees join the Board, which will have to take place within six months of the Annual General Meeting. This requirement for employee representative Supervisory Board members was introduced by the new "Pacte" law in France and the shareholders are being asked to vote on the necessary changes to the Company's Articles of Association in the eighteenth resolution.

5TH RESOLUTION: RATIFICATION OF THE CO-OPTATION OF NICOLAS SARKOZY AS A MEMBER OF THE SUPERVISORY BOARD

NICOLAS SARKOZY

Date of birth: 28 January 1955

Nationality: French

First appointed: 27 February 2020

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

Number of Lagardère SCA shares held: 1,153

Professional background and education:

Nicolas Sarkozy is the 6th President of France's Fifth Republic (2007-2012).

Mayor of Neuilly-sur-Seine (1983-2002), National Assembly Representative for Hauts-de-Seine (1988-2002), President of the General Council for Hauts-de-Seine (2004-2007), Minister for the Budget (1993-1995), Minister for Communications (1994-1995), Government spokesman (1993-1995), Minister of the Interior, Internal Security and Local Freedoms (2002-2004), Minister of State, Minister for the Economy, Finance and Industry (2004), Minister of State, Minister of the Interior and Town and Country Planning (2005-2007). He was also the elected leader of French political parties UMP (2004-2007) and Les Républicains (2014-2016).

A trained lawyer, Nicolas Sarkozy is married and has four children. He is the author of several books, including *Libre*, *Témoignage*, *La France pour la vie*, *Tout pour la France* and *Passions*.

Directorships and other positions currently held by Nicolas Sarkozy:

In France

- Director and Chairman of the International Strategy Committee, Accor[1]
- Director and member of the Strategy Committee, Lucien Barrière group

Outside France

N/A

Directorships and other positions held during the last five years:

Chief Executive Officer, CSC SELAS

(1) Listed company.

FIFTH RESOLUTION

RATIFICATION OF THE CO-OPTATION OF NICOLAS SARKOZY AS A MEMBER OF THE SUPERVISORY BOARD

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 ratify the temporary appointment by the Supervisory Board on 27 February 2020 of Nicolas Sarkozy as a member of the Supervisory Board to replace Xavier de Sarrau, who has resigned from the Board, for the remainder of his term of office, which is due to expire at the close of the Annual General Meeting to be called in 2022 to approve the 2021 financial statements.

6TH AND 7TH RESOLUTIONS: RATIFICATION OF THE CO-OPTATION OF GUILLAUME PEPY AS A MEMBER OF THE SUPERVISORY BOARD AND RE-APPOINTMENT

GUILLAUME PEPY

Date of birth: 26 May 1958

Nationality: French

First appointed: 27 February 2020

Positions within Lagardère SCA: Member of the Supervisory Board, member of the Audit Committee and Chairman of the Strategy Committee

Number of Lagardère SCA shares held: 600

Professional background and education:

A gradutate of Institut d'études politiques de Paris and École nationale d'administration, Guillaume Pepy began his career as an auditor before becoming a legal assistant at the *Conseil d'État*, France's highest administrative court. Having pursued a career at ministerial office level (Technical Advisor to the Chief of Staff of the Budget department, Chief of Staff to the Minister for Civil Service and Administrative Reform, then Chief of Staff to the Minister for Labour, Employment and Vocational Training), he became Deputy Chief Executive Officer in charge of business development at the Sofres group in 1996. The following year, he took the helm at SNCF's Mainline Services unit, later becoming head of all passenger business. He created Voyages-sncf.com and served as its chairman from 1998 to 2006, before being appointed Group Chief Operating Officer by Louis Gallois in 2003. On 27 February 2008, he was appointed by Nicolas Sarkozy as Chairman of SNCF for a five-year term, and was re-appointed by François Hollande in 2013. In his second term, Guillaume Pepy's primary mission was to continue leading France's major rail reform and pave the way for the creation of the new SNCF rail group on 1 January 2020.

Directorships and other positions currently held by Guillaume Pepy:

In France

- Director, Chairman of the Appointments and Governance Committee and member of the Strategy Committee, Suez[1]
- Director, Patrimoine Orient-Express fund
- Director, Memorial pour la mémoire de la Shoah

Outside France

N/A

Directorships and other positions held during the last five years

- Chairman of the Audit and Financial Statements Committee, Suez
- Chairman of the Management Board, SNCF
- Chairman and Chief Executive Officer, SNCF Mobilités
- Member of the Supervisory Board, Systra
- Director, Comuto SA (BlaBlaCar)
- Member of the Supervisory Board, Keolis
- Member of the Board of Directors, Nuovo Traporto Viaggiatori
- Directorships and other positions held in various SNCF group companies

SIXTH RESOLUTION

RATIFICATION OF THE CO-OPTATION OF GUILLAUME PEPY AS A MEMBER OF THE SUPERVISORY BOARD

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 ratify the temporary appointment by the Supervisory Board on 27 February 2020 of Guillaume Pepy as a member of the Supervisory Board to replace François David, who has resigned from the Board, for the remainder of his term of office, which expires at the close of this Annual General Meeting.

SEVENTH RESOLUTION

RE-APPOINTMENT OF GUILLAUME PEPY 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 Guillaume Pepy'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 Guillaume Pepy 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 2024 to approve the 2023 financial statements.

(1) Listed company.

8TH RESOLUTION: RE-APPOINTMENT OF MARTINE CHÊNE AS A MEMBER OF THE SUPERVISORY BOARD

MARTINE CHÊNE

Date of birth: 12 May 1950

Nationality: French

First appointed: 29 April 2008

Date of most recent re-appointment: 4 May 2017

Positions within Lagardère SCA: Member of the Supervisory Board

Number of Lagardère SCA shares held: 400

Professional background and education:

Martine Chêne joined the Lagardère group in 1984, and worked as an archivist at Hachette Filipacchi Associés (HFA) until March 2009. She was the secretary of HFA's Works Committee, a CFDT union representative and an employee representative. She represented the CFDT union on the Group Employees' Committee.

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

EIGHTH RESOLUTION

RE-APPOINTMENT OF MARTINE CHÊNE AS A MEMBER OF THE SUPERVISORY BOARD FOR A FOUR-YEAR TERM

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 Martine Chêne'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 Martine Chêne 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 2024 to approve the 2023 financial statements.

9TH TO 16TH RESOLUTIONS: REMUNERATION OF LAGARDÈRE'S CORPORATE OFFICERS

Presentation

The new provisions of articles L.226-8 *et seq.* of the French Commercial Code introduced by French Government Order 2019-1234 of 27 November 2019 concerning the remuneration of corporate officers in listed companies provide for a single, strict legal framework for the remuneration of managing partners and supervisory board members of French partnerships limited by shares (*sociétés en commandite par actions*). This framework is based on the following say-on-pay votes at Annual General Meetings:

- *ex-post* votes on (i) the annual remuneration of all of the corporate officers, and (ii) the individual remuneration of the managing partners and the chairman of the supervisory board, paid during or granted for the previous fiscal year; and
- *ex-ante* votes on the respective remuneration policies for the managing partners and the members of the supervisory board.

In accordance with its Articles of Association, Lagardère SCA does not grant any remuneration to its Managing Partners – Arnaud Lagardère and Arjil Commanditée – Arco – for the performance of their duties.

Consequently, the new legal framework is, in principle, only applicable to the Company's Supervisory Board members.

However, in line with the Company's constant objective of implementing best corporate governance practices and meeting shareholders' expectations, it has been decided – in agreement with the General Partners and the Supervisory Board – to voluntarily extend the application of this legal framework to the Company's executive corporate officers representing the Managing Partners.

Therefore, in the ninth resolution the shareholders are invited to approve the information on the remuneration and benefits paid during or allocated in respect of 2019 to all of the executive corporate officers and all of the members of the Supervisory Board. This information – which is disclosed in accordance with article L.225-37-3 I. of the French Commercial Code – is presented in the Corporate Governance Report provided in sections 2.5 and 2.6 of the Universal Registration Document, which is available on the corporate website at www.lagardere.com.

In the tenth to fourteenth resolutions, the shareholders are invited to approve, via separate resolutions, the fixed, variable and extraordinary components of the total remuneration and benefits paid during or allocated in respect of 2019 to:

- Arnaud Lagardère, Managing Partner (tenth resolution);
- Pierre Leroy, Managing Partner's representative (eleventh resolution);
- Thierry Funck-Brentano, Managing Partner's representative (twelfth resolution);
- Xavier de Sarrau, Chairman of the Supervisory Board until 4 December 2019 (thirteenth resolution); and
- Patrick Valroff, Chairman of the Supervisory Board from 4 December 2019 (fourteenth resolution).

These remuneration components are presented in the Corporate Governance Report in sections 2.5 and 2.6 of the Universal Registration Document, which is available on the corporate website at www.lagardere.com. They are also summarised in the tables below, based on the format recommended in the Afep-Medef Corporate Governance Code.

Lastly, the purpose of the fifteenth and sixteenth resolutions is to put to shareholders the above-described *ex-ante* votes which are applicable for the first time at the 2020 Annual General Meeting. In these resolutions, the shareholders are therefore invited to approve the remuneration policies applicable respectively for the executive corporate officers (fifteenth resolution) and the members of the Supervisory Board (sixteenth resolution).

The remuneration policy for the executive corporate officers – the components of which were approved by the General Partners on the advice issued by the Appointments, Remuneration and Governance Committee and the Supervisory Board at their respective meetings on 25 and 28 February 2020 – is presented in the Corporate Governance Report drawn up pursuant to article L.226-10-1 of the French Commercial Code, set out in section 2.5 of the Universal Registration Document, which is available on the corporate website at www.lagardere.com.

The remuneration policy for the members of the Supervisory Board – the components of which were validated by the Appointments, Remuneration and Governance Committee and approved by the Supervisory Board at their respective meetings on 25 and 28 February 2020 – is presented in the Corporate Governance Report drawn up pursuant to article L.226-10-1 of the French Commercial Code in section 2.6 of the Universal Registration Document, which is available on the corporate website at www.lagardere.com.

ARNAUD LAGARDÈRE

Components of remuneration put to the shareholders' vote	Amounts paid in 2019	Amounts allocated in respect of 2019 (or accounting values)	Presentation
Annual fixed remuneration	€1,140,729	€1,140,729	► The gross amount of Arnaud Lagardère's annual fixed remuneration has not changed since 2009.
Annual variable remuneration	€1,628,200 (amount allocated in respect of 2018, approved by 96.88% of the votes at the 10 May 2019 Annual General Meeting – 4th resolution)	€1,569,750	► This annual variable remuneration is based solely on (i) quantitative financial criteria (75% weighting) and non-financial CSR criteria (25% weighting). ► The financial criteria are based on the Group's performance in 2019 (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 2019 and that generated in 2018) (see section 2.5 of the Universal Registration Document). ► The non-financial CSR criteria are based on the Group's 2019 performance concerning its key commitments under its Corporate Social Responsibility policy (proportion of female executive managers, Scope 1 and 2 CO_2 emissions per million euros of revenue, proportion of staff that have an employee representative, ranking in the Dow Jones Sustainability Index) (see section 2.5 of the Universal Registration Document). ► The achievement rates are applied to a benchmark amount of (i) €1,050,000 for the financial criteria (75% weighting) and (ii) €350,000 for the non-financial CSR criteria (25% weighting). ► Arnaud Lagardère's annual variable remuneration may not exceed 150% of his annual fixed remuneration. ► Based on the achievement rates attained in 2019 (1.12 for the financial criteria and 1.125 for the non-financial CSR criteria), Arnaud Lagardère's annual variable remuneration amounted to 137.61% of his annual fixed remuneration in 2019.
Multi-annual cash-settled variable remuneration	N/A	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	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	N/A	► Arnaud Lagardère did not receive any extraordinary remuneration for 2019.
Remuneration for offices held	N/A	N/A	► Arnaud Lagardère was not entitled to and did not receive any directors' fees for 2019.
Benefits in kind		€18,616	► This corresponds to Arnaud Lagardère's potential personal use of a company car.
Benefits linked to taking up or terminating office	N/A	N/A	► Arnaud Lagardère is not entitled to any benefits of this nature.
Benefits linked to non-competition agreements	N/A	N/A	► Arnaud Lagardère is not entitled to any benefits of this nature.
Supplementary pension plan	€0	€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 vested 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 €2,026,200 in 2019)). ► 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. ► In accordance with French Government Order no. 2019-697 dated 3 July 2019, which reformed the legal regime for professional supplementary pension plans in France, the benefits accrued under this plan have been frozen at the level attained at 31 December 2019, and no additional benefits will be accrued under the plan as from that date. ► At 31 December 2019, the estimated amount of Arnaud Lagardère's future annuity, determined in accordance with the applicable regulations, is €686,490, representing approximately 24.63% of his total gross remuneration (fixed and variable) paid in 2019. ► No benefits were due or paid to Arnaud Lagardère under this plan for 2019.

PIERRE LEROY

Components of remuneration put to the shareholders' vote	Amounts paid in 2019	Amounts allocated in respect of 2019 (or accounting values)	Presentation
Annual fixed remuneration	€1,474,000	€1,474,000	► The gross amount of Pierre Leroy's annual fixed remuneration has not changed since 2011.
Annual variable remuneration	€723,900 (amount allocated in respect of 2018, approved by 95.90% of the votes at the 10 May 2019 Annual General Meeting – 5th resolution)	€698,500	► Pierre Leroy's annual variable remuneration includes: • a portion based on quantitative criteria, as follows: – financial criteria (75% weighting) related to the Group's performance in 2019 (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 2019 and that generated in 2018) (see section 2.5 of the Universal Registration Document), – non-financial CSR criteria (25% weighting) related to the Group's 2019 performance concerning its key commitments under its Corporate Social Responsibility policy (proportion of female executive managers, Scope 1 and 2 CO_2 emissions per million euros of revenue, proportion of staff that have an employee representative, ranking in the Dow Jones Sustainability Index) (see section 2.5 of the Universal Registration Document); • a portion based on qualitative criteria, corresponding to a set of priority targets related to two domains, each of which has equal weighting: the roll-out of the Group's strategic plan, and the quality of its governance and management (see section 2.5 of the Universal Registration Document). ► Pierre Leroy's annual variable remuneration is based on (i) a "quantitative portion" benchmark amount of €400,000 and (ii) a "qualitative portion" benchmark amount of €200,000, representing an overall benchmark amount of €600,000. Consequently, 66.66% of his annual variable remuneration (i.e., a clear majority) is based on quantitative criteria and 33.33% on qualitative criteria. ► 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 25% of his annual fixed remuneration. Consequently, the qualitative portion may not represent more than 33% of his maximum annual variable remuneration. ► Based on the achievement rates attained in 2019 (1.12 for the financial criteria, 1.125 for the non-financial CSR criteria and 1.25 for the qualitative criteria), Pierre Leroy's annual variable remuneration amounted to 47.39% of his annual fixed remuneration in 2019.
Multi-annual cash-settled variable remuneration	N/A	N/A	► Pierre Leroy does not receive any multi-annual cash-settled variable remuneration.
Share options, performance shares and other grants of securities	N/A	€524,480	► In 2019 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 2022, 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 2019-2021: • for 40% of the shares: 5% average annual growth rate for Group recurring operating profit, with a minimum vesting trigger of 3.3% and the number of vested shares calculated on a straight-line proportionate basis (between 0% and 100%) if the growth rate achieved is between 3.3% and 5%; • for 20% of the shares: cumulative free cash flow excluding growth capex of €900 million, with a minimum vesting trigger of €613 million and the number of vested shares calculated on a straight-line proportionate basis (between 0% and 100%) if the figure achieved is between €613 million and €900 million; • for 20% of the shares: Lagardère SCA's average annual Total Shareholder Return (TSR) over the reference period compared with (i) the average annual TSR of a panel of eight competitor companies (Relx, Pearson, Mondadori, Bloomsbury, Dufry, Valora, WH Smith and Autogrill), for 10% of the shares, and (ii) the average annual TSR of the other companies in the CAC Mid 60 index, for the other 10%. As this is a relative criterion, the achievement rates of the objectives compared with each of the above panels will only be known and communicated at the end of the reference period. For each portion, the shares will vest in full if Lagardère SCA's TSR during the reference period is at least equal to the reference panel's TSR and no shares will vest if Lagardère SCA's TSR is below the reference panel's TSR; • for 20% of the shares: the proportion of female executive managers representing 45% by 2021, with a minimum vesting trigger of 42% and the number of vested shares calculated on a straight-line proportionate basis (between 0% and 100%) if the figure achieved is between 42% and 45%. ► Vested performance shares must be held for at least two years. Subsequently, a quarter of the shares must be held until Pierre Leroy has built up 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 for as long as he is with the Group. ► This performance share grant – which complies with the framework set by the Supervisory Board on 13 March 2019 – was carried out by the Managing Partners on 14 May 2019 using the authorisation given at the 10 May 2019 Annual General Meeting (12th resolution). ► Pierre Leroy did not receive any share options in 2019 and was not granted any securities other than the above-described performance shares.
Extraordinary remuneration	N/A	N/A	► Pierre Leroy did not receive any extraordinary remuneration for 2019.

Components of remuneration put to the shareholders' vote	Amounts paid in 2019	Amounts allocated in respect of 2019 (or accounting values)	Presentation
Remuneration for offices held	N/A	N/A	► Pierre Leroy was not entitled to and did not receive any directors' fees for 2019.
Benefits in kind		€16,281	► This corresponds to Pierre Leroy's potential personal use of a company car.
Benefits linked to taking up or terminating office	N/A	N/A	► Pierre Leroy is not entitled to any benefits of this nature.
Benefits linked to non-competition agreements	N/A	N/A	► Pierre Leroy is not entitled to any benefits of this nature.
Supplementary pension plan	€0	€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 vested 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 €2,026,200 in 2019)). ► 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. ► In accordance with French Government Order no. 2019-697 dated 3 July 2019, which reformed the legal regime for professional supplementary pension plans in France, the benefits accrued under this plan have been frozen at the level attained at 31 December 2019, and no additional benefits will be accrued under the plan as from that date. ► At 31 December 2019, the estimated amount of Pierre Leroy's future annuity, determined in accordance with the applicable regulations, is €686,490, representing approximately 31.23% of his total gross remuneration (fixed and variable) paid in 2019. ► No benefits were due or paid to Pierre Leroy under this plan for 2019.

THIERRY FUNCK-BRENTANO

Components of remuneration put to the shareholders' vote	Amounts paid in 2019	Amounts allocated in respect of 2019 (or accounting values)	Presentation
Annual fixed remuneration	€1,206,000	€1,206,000	► The gross amount of Thierry Funck-Brentano's annual fixed remuneration has not changed since 2011.
Annual variable remuneration	€723,900 (amount allocated in respect of 2018, approved by 95.90% of the votes at the 10 May 2019 Annual General Meeting – 5th resolution)	€698,400	► Thierry Funck-Brentano's annual variable remuneration includes: • a portion based on quantitative criteria, as follows: – financial criteria (75% weighting) related to the Group's performance in 2019 (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 2019 and that generated in 2018) (see section 2.5 of the Universal Registration Document), – non-financial CSR criteria (25% weighting) related to the Group's 2019 performance concerning its key commitments under its Corporate Social Responsibility policy (proportion of female executive managers, Scope 1 and 2 CO_2 emissions per million euros of revenue, proportion of staff that have an employee representative, ranking in the Dow Jones Sustainability Index) (see section 2.5 of the Universal Registration Document); • a portion based on qualitative criteria, corresponding to a set of priority targets related to two domains, each of which has equal weighting: the roll-out of the Group's strategic plan, and the quality of its governance and management (see section 2.5 of the Universal Registration Document). ► Thierry Funck-Brentano's annual variable remuneration is based on (i) a "quantitative portion" benchmark amount of €400,000 and (ii) a "qualitative portion" benchmark amount of €200,000, representing an overall benchmark amount of €600,000. Consequently, 66.66% of his annual variable remuneration (i.e., a clear majority) is based on quantitative criteria and 33.33% on qualitative criteria. ► 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 25% of his annual fixed remuneration. Consequently, the qualitative portion may not represent more than 33% of his maximum annual variable remuneration. ► Based on the achievement rates attained in 2019 (1.12 for the financial criteria, 1.125 for the non-financial CSR criteria and 1.25% for the qualitative criteria), Thierry Funk-Brentano's annual variable remuneration amounted to 57.92% of his annual fixed remuneration in 2019.
Multi-annual cash-settled variable remuneration	N/A	N/A	► Thierry Funck-Brentano does not receive any multi-annual cash-settled variable remuneration.
Share options, performance shares and other grants of securities	N/A	€524,480	► In 2019 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 2022, 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 2019-2021: • for 40% of the shares: 5% average annual growth rate for Group recurring operating profit, with a minimum vesting trigger of 3.3% and the number of vested shares calculated on a straight-line proportionate basis (between 0% and 100%) if the growth rate achieved is between 3.3% and 5%; • for 20% of the shares: cumulative free cash flow excluding growth capex of €900 million, with a minimum vesting trigger of €613 million and the number of vested shares calculated on a straight-line proportionate basis (between 0% and 100%) if the figure achieved is between €613 million and €900 million; • for 20% of the shares: Lagardère SCA's average annual Total Shareholder Return (TSR) over the reference period compared with (i) the average annual TSR of a panel of eight competitor companies (Relx, Pearson, Mondadori, Bloomsbury, Dufry, Valora, WH Smith and Autogrill), for 10% of the shares, and (ii) the average annual TSR of the other companies in the CAC Mid 60 index, for the other 10%. As this is a relative criterion, the achievement rates of the objectives compared with each of the above panels will only be known and communicated at the end of the reference period. For each portion, the shares will vest in full if Lagardère SCA's TSR during the reference period is at least equal to the reference panel's TSR and no shares will vest if Lagardère SCA's TSR is below the reference panel's TSR; • for 20% of the shares: the proportion of female executive managers representing 45% by 2021, with a minimum vesting trigger of 42% and the number of vested shares calculated on a straight-line proportionate basis (between 0% and 100%) if the figure achieved is between 42% and 45%. ► 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 built up 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 for as long as he is with the Group. ► This performance share grant – which complies with the framework set by the Supervisory Board on 13 March 2019 – was carried out by the Managing Partners on 14 May 2019 using the authorisation given at the 10 May 2019 Annual General Meeting (12th resolution). ► Thierry Funck-Brentano did not receive any share options in 2019 and was not granted any securities other than the above-described performance shares.
Extraordinary remuneration	N/A	N/A	► Thierry Funck-Brentano did not receive any extraordinary remuneration for 2019.
Remuneration for offices held	N/A	N/A	► Thierry Funck-Brentano was not entitled to and did not receive any directors' fees for 2019.

Components of remuneration put to the shareholders' vote	Amounts paid in 2019	Amounts allocated in respect of 2019 (or accounting values)	Presentation
Benefits in kind		€16,281	► This corresponds to Thierry Funck-Brentano's potential personal use of a company car.
Benefits linked to taking up or terminating office	N/A	N/A	► Thierry Funck-Brentano is not entitled to any benefits of this nature.
Benefits linked to non-competition agreements	N/A	N/A	► Thierry Funck-Brentano is not entitled to any benefits of this nature.
Supplementary pension plan	€0	€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 vested 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 €2,026,200 in 2019)). ► 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. ► In accordance with French Government Order no. 2019-697 dated 3 July 2019, which reformed the legal regime for professional supplementary pension plans in France, the benefits accrued under this plan have been frozen at the level attained at 31 December 2019, and no additional benefits will be accrued under the plan as from that date. ► At 31 December 2019, the estimated amount of Thierry Funck-Brentano's future annuity, determined in accordance with the applicable regulations, is €669,144, representing approximately 34.67% of his total gross remuneration (fixed and variable) paid in 2019. ► No benefits were due or paid to Thierry Funck-Brentano under this plan for 2019.

XAVIER DE SARRAU

Components of remuneration put to the shareholders' vote	Amounts paid in 2019	Amounts allocated in respect of 2019 (or accounting values)	Presentation
Annual fixed remuneration	€282,000 (this amount corresponds to (i) €222,000 in remuneration allocated in respect of 2019 and (ii) a residual amount of €60,000 corresponding to one-quarter of his remuneration allocated in respect of 2018 (approved by 97.74% of the votes at the 10 May 2019 Annual General Meeting – 6th resolution), which was not paid until 2019)	€222,000	► 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 Supervisory Board. ► The amount allocated in respect of 2019 corresponds to the proportion of his annual remuneration of €240,000 (unchanged since he took up office on 27 April 2010) calculated for the period until 4 December 2019 when he resigned as Chairman of the Supervisory Board.
Annual variable remuneration	N/A	N/A	► Xavier de Sarrau does not receive any annual variable remuneration.
Multi-annual cash-settled variable remuneration	N/A	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	N/A	► Xavier de Sarrau does not receive any share options, performance shares or grants of other securities.
Extraordinary remuneration	N/A	N/A	► Xavier de Sarrau has not received any extraordinary remuneration since he took up office on 27 April 2010.
Remuneration for offices held	€97,869.51 (amount allocated in respect of 2018, approved by 97.74% of the votes at the 10 May 2019 Annual General Meeting – 6th resolution)	€106,544.90	► This amount – which is subject to withholding tax – corresponds to the fees due to Xavier de Sarrau in 2020 for the duties he performed as Chairman of the Supervisory Board and the Audit Committee in 2019. ► The aggregate amount of fees allocated among Supervisory Board members was set by the shareholders at €700,000 at the Annual General Meeting of 10 May 2011. In respect of 2019, each member of the Supervisory Board received a basic portion of fees. The following members also received an additional portion of 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 fees is equal to the total 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 2019 corresponds to five basic portions of fees based on an attendance rate of 100%.
Benefits in kind	N/A	N/A	► Xavier de Sarrau does not receive any benefits in kind.
Benefits linked to taking up or terminating office	N/A	N/A	► Xavier de Sarrau is not entitled to any benefits of this nature.
Benefits linked to non-competition agreements	N/A	N/A	► Xavier de Sarrau is not entitled to any benefits of this nature.
Supplementary pension plan	N/A	N/A	► Xavier de Sarrau is not a member of a supplementary pension plan.

PATRICK VALROFF

Components of remuneration put to the shareholders' vote	Amounts paid in 2019	Amounts allocated in respect of 2019 (or accounting values)	Presentation
Annual fixed remuneration	N/A	N/A	► Patrick Valroff does not receive any annual fixed remuneration.
Annual variable remuneration	N/A	N/A	► Patrick Valroff does not receive any annual variable remuneration.
Multi-annual cash-settled variable remuneration	N/A	N/A	► Patrick Valroff does not receive any multi-annual cash-settled variable remuneration.
Share options, performance shares and other grants of securities	N/A	N/A	► Patrick Valroff does not receive any share options, performance shares or grants of other securities.
Extraordinary remuneration	N/A	N/A	► Patrick Valroff did not receive any extraordinary remuneration for 2019.
Remuneration for offices held	€58,721.70 (amount allocated in respect of 2018)	€63,926.94	► This amount corresponds to the fees due to Patrick Valroff in 2020 for the duties he performed as a member of the Supervisory Board and the Audit Committee in 2019. ► The aggregate amount of fees allocated among Supervisory Board members was set by the shareholders at €700,000 at the Annual General Meeting of 10 May 2011. In respect of 2019, each member of the Supervisory Board received a basic portion of fees. The following members also received an additional portion of 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 fees is equal to the total 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 Patrick Valroff for 2019 corresponds to three basic portions of fees based on an attendance rate of 100%.
Benefits in kind	N/A	N/A	► Patrick Valroff does not receive any benefits in kind.
Benefits linked to taking up or terminating office	N/A	N/A	► Patrick Valroff is not entitled to any benefits of this nature.
Benefits linked to non-competition agreements	N/A	N/A	► Patrick Valroff is not entitled to any benefits of this nature.
Supplementary pension plan	N/A	N/A	► Patrick Valroff is not a member of a supplementary pension plan.

NINTH RESOLUTION

APPROVAL OF THE INFORMATION DISCLOSED PURSUANT TO ARTICLE L.225-37-3 I OF THE FRENCH COMMERCIAL CODE CONCERNING THE REMUNERATION OF CORPORATE OFFICERS

Voting under the quorum and majority conditions required for Ordinary General Meetings, and having considered the Corporate Governance Report drawn up pursuant to article L.226-10-1 of the French Commercial Code (as set out in chapter 2 of the Universal Registration Document), in accordance with article L.226-8-2 I of the French Commercial Code, the shareholders approve the information disclosed in said Corporate Governance Report pursuant to article L.225-37-3 I of said Code.

TENTH RESOLUTION

APPROVAL OF THE COMPONENTS OF REMUNERATION AND BENEFITS PAID DURING OR ALLOCATED IN RESPECT OF 2019 TO ARNAUD LAGARDÈRE, MANAGING PARTNER

Voting under the quorum and majority conditions required for Ordinary General Meetings, and having considered the Corporate Governance Report drawn up pursuant to article L.226-10-1 of the French Commercial Code (as set out in chapter 2 of the Universal Registration Document), in accordance with article L.226-8-2 II of the French Commercial Code, the shareholders approve the fixed, variable and extraordinary components making up the total remuneration and benefits paid during or allocated in respect of 2019 to Arnaud Lagardère, Managing Partner, as presented in said Corporate Governance Report.

ELEVENTH RESOLUTION

APPROVAL OF THE COMPONENTS OF REMUNERATION AND BENEFITS PAID DURING OR ALLOCATED IN RESPECT OF 2019 TO PIERRE LEROY, MANAGING PARTNER'S REPRESENTATIVE

Voting under the quorum and majority conditions required for Ordinary General Meetings, and having considered the Corporate Governance Report drawn up pursuant to article L.226-10-1 of the French Commercial Code (as set out in chapter 2 of the Universal Registration Document), in accordance with article L.226-8-2 II of the French Commercial Code, the shareholders approve the fixed, variable and extraordinary components making up the total remuneration and benefits paid during or allocated in respect of 2019 to Pierre Leroy, Managing Partner's representative, as presented in said Corporate Governance Report.

TWELFTH RESOLUTION

APPROVAL OF THE COMPONENTS OF REMUNERATION AND BENEFITS PAID DURING OR ALLOCATED IN RESPECT OF 2019 TO THIERRY FUNCK-BRENTANO, MANAGING PARTNER'S REPRESENTATIVE

Voting under the quorum and majority conditions required for Ordinary General Meetings, and having considered the Corporate Governance Report drawn up pursuant to article L.226-10-1 of the French Commercial Code (as set out in chapter 2 of the Universal Registration Document), in accordance with article L.226-8-2 II of the French Commercial Code, the shareholders approve the fixed, variable and extraordinary components making up the total remuneration and benefits paid during or allocated in respect of 2019 to Thierry Funck-Brentano, Managing Partner's representative, as presented in said Corporate Governance Report.

THIRTEENTH RESOLUTION

APPROVAL OF THE COMPONENTS OF REMUNERATION AND BENEFITS PAID DURING OR ALLOCATED IN RESPECT OF 2019 TO XAVIER DE SARRAU, CHAIRMAN OF THE SUPERVISORY BOARD UNTIL 4 DECEMBER 2019

Voting under the quorum and majority conditions required for Ordinary General Meetings, and having considered the Corporate Governance Report drawn up pursuant to article L.226-10-1 of the French Commercial Code (as set out in chapter 2 of the Universal Registration Document), in accordance with article L.226-8-2 II of the French Commercial Code, the shareholders approve the fixed, variable and extraordinary components making up the total remuneration and benefits paid during or allocated in respect of 2019 to Xavier de Sarrau, Chairman of the Supervisory Board until 4 December 2019, as presented in said Corporate Governance Report.

FOURTEENTH RESOLUTION

APPROVAL OF THE COMPONENTS OF REMUNERATION AND BENEFITS PAID DURING OR ALLOCATED IN RESPECT OF 2019 TO PATRICK VALROFF, CHAIRMAN OF THE SUPERVISORY BOARD FROM 4 DECEMBER 2019

Voting under the quorum and majority conditions required for Ordinary General Meetings, and having considered the Corporate Governance Report drawn up pursuant to article L.226-10-1 of the French Commercial Code (as set out in chapter 2 of the Universal Registration Document), in accordance with article L.226-8-2 II of the French Commercial Code, the shareholders approve the fixed, variable and extraordinary components making up the total remuneration and benefits paid during or allocated in respect of 2019 to Patrick Valroff, Chairman of the Supervisory Board from 4 December 2019, as presented in said Corporate Governance Report.

FIFTEENTH RESOLUTION

APPROVAL OF THE REMUNERATION POLICY FOR THE EXECUTIVE CORPORATE OFFICERS

Voting under the quorum and majority conditions required for Ordinary General Meetings, and having considered the remuneration policy applicable to the executive corporate officers described in the Corporate Governance Report drawn up pursuant to article L.226-10-1 of the French Commercial Code (as set out in section 2.5 of the Universal Registration Document), in accordance with article L.226-8-1 II of the French Commercial Code, the shareholders approve the remuneration policy applicable to the executive corporate officers.

SIXTEENTH RESOLUTION

APPROVAL OF THE REMUNERATION POLICY FOR THE MEMBERS OF THE SUPERVISORY BOARD

Voting under the quorum and majority conditions required for Ordinary General Meetings, and having considered the remuneration policy applicable to the members of the Supervisory Board described in the Corporate Governance Report drawn up pursuant to article L.226-10-1 of the French Commercial Code (as set out in section 2.6 of the Universal Registration Document), in accordance with article L.226-8-1 II of the French Commercial Code, the shareholders approve the remuneration policy applicable to the members of the Supervisory Board.

17TH RESOLUTION: AUTHORISATION FOR THE MANAGING PARTNERS TO TRADE IN THE COMPANY'S SHARES

Presentation

In the seventeenth resolution, the shareholders are asked to renew the authorisation given to the Managing Partners to implement a share buyback programme on behalf of the Company.

A breakdown of the transactions carried out by the Company in relation to its shares in 2019 is provided in section 2.9 of the Universal Registration Document, including transactions carried out using the share buyback authorisation currently in force, which was given at the Annual General Meeting of 10 May 2019.

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 29 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 10,616,362, representing 8.09% 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 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 – 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 authorisation may not be used during a public tender offer for the Company's shares;
- 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 10 May 2019.

SEVENTEENTH 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, carry out all formalities and more generally do everything they consider necessary or 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 eleventh resolution of the 10 May 2019 Annual General Meeting.

18TH RESOLUTION: AMENDMENT OF THE COMPANY'S ARTICLES OF ASSOCIATION IN ORDER TO INCORPORATE THE TERMS AND CONDITIONS FOR APPOINTING EMPLOYEE REPRESENTATIVE MEMBERS OF THE SUPERVISORY BOARD

Presentation

The "Pacte" law introduced in France on 22 May 2019 has amended the applicable legal provisions relating to employee representation on corporate boards. Following these changes, Lagardère is now required to have two employee representative members of its Supervisory Board.

In the eighteenth resolution, the shareholders are therefore invited to amend articles 12 and 14 of the Company's Articles of Association in order to incorporate the terms and conditions for appointing Supervisory Board members who are representatives of Group employees.

The Supervisory Board recommends that these employee representative members be appointed in accordance with the method set out in article L.225-79-2 III 2 of the French Commercial Code, i.e., by the Group Employees' Committee in view of the role played by this employee representative body, which is the main channel of communication between employees and management. The 30 standing members of this Employees' Committee are members of company-level works' committees in the Group's various entities or are individual personnel representatives. In accordance with the new French law, when two employee representatives are appointed by the Group Employees' Committee in this way, one must be a man and one a woman.

As required by law, the Group Employees' Committee was consulted on this issue and on 28 February 2020 voted unanimously in favour of the appointment method that the Supervisory Board is recommending.

Taking into account the proposed co-optations and re-appointments in the fifth to eighth resolutions above, at the close of the 5 May 2020 Annual General Meeting, the Company's Supervisory Board will comprise ten members. Therefore, two employee representative members of the Board will have to be appointed, for four-year terms, by the Group Employees' Committee by 5 November 2020 at the latest.

The maximum number of Supervisory Board members as set in the Articles of Association will therefore still be 12, including the two employee representative members.

EIGHTEENTH RESOLUTION

AMENDMENT OF ARTICLES 12 AND 14 A OF THE COMPANY'S ARTICLES OF ASSOCIATION IN ORDER TO INCORPORATE THE TERMS AND CONDITIONS FOR APPOINTING EMPLOYEE REPRESENTATIVE MEMBERS OF THE SUPERVISORY BOARD

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 opinion issued by the Group Employees' Committee, the shareholders resolve to amend article 12 ("Composition of the Supervisory Board") and article 14 A ("Board Advisors (*censeurs*)") of the Company's Articles of Association as set out below.

Paragraph 12.1 will now be worded as follows:

"1). The Company has a Supervisory Board comprising a maximum of ten members selected exclusively among shareholders who are neither General nor Managing Partners, as well as one or two members representing employees, appointed in accordance with the terms and conditions set out in article 12.6 below."

A new paragraph 12.6 will be added as follows:

"6). When the provisions of article L.225-79-2 of the French Commercial Code apply to the Company, the Supervisory Board also includes one or two members representing Group employees.

The Supervisory Board will have two employee representative members when the number of the other Board members as referred to in article 12.1 above exceeds eight, and one employee representative member when the number of the other Board members as referred to in article 12.1 above is equal to or less than eight.

Employee representative members of the Supervisory Board are appointed for four-year terms. If the number of the other Supervisory Board members as referred to in article 12.1 above falls to eight or less, the terms of office of the sitting employee *representative members will not be affected and will remain in force until their scheduled expiry date.*

The employee representative member(s) of the Supervisory Board are appointed by the Group Employees' Committee.

If the seat of an employee representative member of the Supervisory Board falls vacant for any reason, such seat will be filled in accordance with the terms and conditions set out in article L.225-34 of the French Commercial Code.

As an exception to the rule in article 12.4 above, the employee representative members of the Supervisory Board are not required to hold a minimum number of the Company's shares."

The beginning of the sentence of the first paragraph of article 14 A of the Articles of Association is replaced by the following wording, with the rest of the paragraph remaining unchanged:

"In addition to the members of the Supervisory Board referred to in article 12 [...]"

19TH RESOLUTION: POWERS TO CARRY OUT FORMALITIES

Presentation

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

NINETEENTH RESOLUTION

POWERS TO CARRY OUT 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 2019, 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 2019 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 2019, the Supervisory Board met four times with an average attendance rate of 98%. 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 at Lagardère News, and in particular the Europe 1 radio station, the acquisition of International Duty Free by Lagardère Travel Retail, and the reorganisation of the corporate functions.

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 as well as appointing a new member.

In terms of its operation, an external assessment was conducted by an independent consulting firm. On 4 December 2019, the Board also appointed Patrick Valroff as Chairman of the Supervisory Board and of the Audit Committee, to replace Xavier de Sarrau.

Lastly, the Board also discussed the course of action to take following a letter received from a minority shareholder.

As is the case each year, the Supervisory Board convened for a seminar during which its members held an in-depth discussion on the Group's strategy and its two divisions, Lagardère Publishing and Lagardère Travel Retail.

Two Supervisory Board members conducted a study on managing millennials in the Group, and presented their findings to the Board.

On the recommendation of the Chairman of the Supervisory Board, informal meetings on strategy and other specific matters continued to be held between certain Board members, the executive corporate officers and the main division executives.

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

To this end, the Audit Committee reviewed the interim and annual financial statements, the impairment tests carried out on intangible assets, the main disputes and claims involving the Group, risks relating to significant off-balance sheet commitments, IT security processes implemented, internal audit activities, the fees of the Statutory Auditors and relations with Lagardère Capital & Management concerning the 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 Audit Committee also discussed the coverage of the dividend and the Group's tax policy, as well as receiving an update on compliance with the General Data Protection Regulation. In addition, it prepared for the expiry of Mazars' term of office as Statutory Auditor and concluded that the reappointment of Mazars – which has in-depth knowledge of the Group – would be particularly appropriate as Lagardère strategically refocuses its businesses.

The Appointments, Remuneration and Governance Committee conducted 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, reviewed the main comments of the principal proxy advisors and investors in preparation for the General Meeting, and a proposed appointment to the Board, and oversaw the external assessment of the membership and operation of the Supervisory Board and its Committees. The Committee also reviewed the anti-discrimination and diversity policy that applies to the Group's managing bodies, as well as working on the replacement of the Chairman of the Supervisory Board and the Chairman of the Audit Committee.

As regards remuneration, the Board discussed the remuneration policy for the executive corporate officers.

In terms of corporate social responsibility (CSR), the Committee reviewed the Group CSR roadmap and examined Lagardère SCA's rankings attributed by ESG rating agencies.

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Having reviewed the financial statements and results for the year ended 31 December 2019, and without going back over the Managing Partners' detailed comments in this respect, we remind you that:

- the Group's consolidated revenue amounted to €7,211 million;
- recurring operating profit of fully consolidated companies stood at €378 million;
- the consolidated loss for the year was €15 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 2019.

We also propose to approve the allocation of results, as proposed by the Managing Partners and presented in the draft resolutions, which recommend a dividend payment of €1.00 per share. The Supervisory Board wished to reduce the dividend in the context of the Covid-19 crisis in order to preserve the Group's financial flexibility. The Supervisory Board gave a favourable opinion to this proposed dividend, which also maintains a fair level of remuneration for shareholders, who are also feeling the effects of the crisis.

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The other main resolutions on the agenda concern:

- the re-appointment of Mazars as Statutory Auditor for a six-year term;
- the approval of information concerning the remuneration of all of the corporate officers (overall *ex-post* say-on-pay) as well as on the components of remuneration and benefits paid during or allocated in respect of 2019 to each of the executive corporate officers and the chairmen of the Supervisory Board during the year (individual *ex-post* say-on-pay);

- the approval of the remuneration policy set for the corporate officers (*ex-ante* say-on-pay);
- 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 to those adopted by the General Meeting of 10 May 2019.

Shareholders are also being asked to amend the Company's Articles of Association under the conditions provided for by law, in order to allow for the appointment of two employee representative members of the Supervisory Board of Lagardère SCA. These members will be designated by the Group Employees' Committee for four-year terms. The maximum number of Supervisory Board members as set in the Articles of Association will still be 12, including the two employee representative members.

Further to the recommendation of the Appointments, Remuneration and Governance Committee, which was assisted by an independent recruitment firm in proposing candidates based on specified selection criteria, on 27 February 2020 we co-opted Nicolas Sarkozy and Guillaume Pepy to replace Xavier de Sarrau and François David, who resigned from the Board. We are asking shareholders to ratify these appointments.

Nicolas Sarkozy is the 6th President of France's Fifth Republic (2007-2012). Mayor of Neuilly-sur-Seine (1983-2002), National Assembly Representative for Hauts-de-Seine (1988-2002), President of the General Council for Hauts-de-Seine (2004-2007), Minister for the Budget (1993-1995), Minister for Communications (1994-1995), Government spokesman (1993-1995), Minister of the Interior, Internal Security and Local Freedoms (2002-2004), Minister of State, Minister for the Economy, Finance and Industry (2004), Minister of State, Minister of the Interior and Town and Country Planning (2005-2007). He was also the elected leader of French political parties UMP (2004-2007) and Les Républicains (2014-2016). A trained lawyer, Nicolas Sarkozy is married and has four children. He is the author of several books, including *Libre*, *Témoignage*, *La France pour la vie*, *Tout pour la France* and *Passions*.

Nicolas Sarkozy's career and solid financial experience – especially as Minister for the Budget and Minister for the Economy, Finance and Industry – his extensive international networks and strategic vision, leadership and influence, will be major assets to the Supervisory Board.

Nicolas Sarkozy has been co-opted to replace Xavier de Sarrau, who has resigned from the Board, for the remainder of his term of office, which is due to expire at the close of the 2022 General Meeting.

Guillaume Pepy is a gradutate of École nationale d'administration and former legal assistant at the Conseil d'État, France's highest administrative court. He has held various positions at SNCF (Director of Mainline Services, of Investment, Economy and Strategy and in 2003, Chief Executive Officer) and in ministerial offices (Technical Advisor to the Chief of Staff of the Budget department, Chief of Staff to the Minister for Civil Service, then Chief of Staff to the Minister for Labour, Employment and Vocational Training). Guillaume Pepy was appointed Chairman and Chief Executive Officer of SNCF on 27 February 2008, and then Chairman of the Management Board on 28 November 2014. At his request, he no longer holds any positions at SNCF since 1 November 2019. Guillaume Pepy has also served on various boards of directors and supervisory boards, including Wanadoo, Deutsche Bahn, Eurostar, Comuto SA (BlaBlaCar) and Suez.

Guillaume Pepy's career, leadership experience in a group undergoing profound transformation and modernisation, his direct knowledge of the travel retail and digital businesses, and his network in France and abroad, will bring significant benefits to the Supervisory Board.

Guillaume Pepy has been co-opted to replace François David, who has resigned from the Board, for the remainder of his term of office, which is due to expire at the close of the 2020 Annual General Meeting. Accordingly, the Supervisory Board is also inviting shareholders to re-appoint Guillaume Pepy for a four-year term.

The Supervisory Board also reviewed the situation of Martine Chêne, whose term of office is set to expire at the close of this Annual General Meeting. Martine Chêne has spent most of her career at Hachette Filipacchi Associés, where she was also a member of the Works Committee, notably as a union representative on the Lagardère Group Employees' Committee. As a result, she has in-depth knowledge of the Lagardère News businesses as well as strong expertise in human resources management. In view of her skills, experience and contributions, the Supervisory Board is therefore inviting shareholders to re-appoint Martine Chêne. Within the scope of her re-appointment, Martine Chêne would also be entrusted by the Board with oversight of CSR issues, and in particular labour-related matters, in liaison with the Appointments, Remuneration and Governance Committee.

On 27 February 2020, we decided to set up a Strategy Committee which will be responsible for assisting the Supervisory Board in preparing and providing insight on its work regarding the supervision of business operations. The Strategy Committee will be chaired by Guillaume Pepy and will also include Gilles Petit, Nicolas Sarkozy and Patrick Valroff. The members were chosen in view of their complementary backgrounds (particularly in terms of strategic vision, knowledge of the Group's businesses and international profile).

We therefore invite you to approve all of these resolutions.

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 2019

To the 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 2019.

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 2019 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 FOR 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 opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Financial Statements section of our report.

INDEPENDENCE

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from 1 January 2019 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 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 risks of material misstatement that, in our professional judgement, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

VALUATION OF INVESTMENTS AND LOANS AND ADVANCES TO SUBSIDIARIES

Risk identified

As at 31 December 2019, the carrying amount of investments in subsidiaries and affiliates recognised in the balance sheet amounted to €4,555 million, representing 79% of total assets. Loans and advances to subsidiaries and affiliates amounted to €772 million, or 13% 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 associated receivables to be a key audit matter.

Our response

Our audit work consisted in:

- obtaining an understanding of the methods used by management to implement impairment tests;
- verifying 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 loans and advances to subsidiaries and affiliates.

SPECIFIC VERIFICATIONS

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

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

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

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in article D. 441-4 of the French Commercial Code (*Code de commerce*).

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 (*Code de commerce*).

Concerning the information given in accordance with the requirements of article L. 225-37-3 of the French Commercial Code (*Code de commerce*) 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 controlling and controlled companies. Based on these procedures, we attest to the accuracy and fair presentation of this information.

With respect to the information relating to items that your Company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to article L. 225-37-5 of the French Commercial Code (*Code de commerce*) we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

OTHER INFORMATION

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and 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.

As at 31 December 2019, ERNST & YOUNG et Autres and Mazars were in the 33rd year and the 24th year of total uninterrupted engagement, respectively.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from 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 is expected 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 risks management systems and, where applicable, its internal audit regarding the accounting and financial reporting procedures.

The financial statements were approved by the Managing Partners.

STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

OBJECTIVE AND AUDIT APPROACH

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from 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 of users taken on the basis of these financial statements.

As specified in article L. 823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditors exercise professional judgement throughout the audit and furthermore:

- assess the risks of material misstatement of the 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 internal control 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 and related disclosures made by management in the 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, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;

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

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 financial statements of the current period and which are therefore 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 such as they are set in particular by articles L. 822-10 to L. 822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics (*Code de déontologie*) for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence and the related safeguards.

French original signed at Paris-La Défense and Courbevoie, on 17 March 2020

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 2019

To the 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 2019.

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 as at 31 December 2019 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 FOR 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 opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the audit of the consolidated financial statements section of our report.

INDEPENDENCE

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from 1 January 2019 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

We draw attention to note 1.1 to the consolidated financial statements which describes the impacts of the first-time application of IFRS 16 "Leases" in 2019.

JUSTIFICATION OF 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 risks of material misstatement that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated 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 consolidated financial statements.

IMPACTS OF THE GROUP'S STRATEGIC REPOSITIONING

Risk identified

Note 4.3 "Assets held for sale, associated liabilities and discontinued operations" to the consolidated financial statements describes the strategic repositioning the Group has made around two priority areas, Lagardère Publishing and Lagardère Travel Retail. In this context, the Group is continuing its withdrawal from the Lagardère Studios and Lagardère Sports 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 or discontinued operations, as well as the measurement of these assets and associated liabilities and of restructuring costs incurred in connection with the strategic repositioning.

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

Our response

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 that have been 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 or discontinued operations 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, notably based on any underlying legal agreements.

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

VALUATION OF GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES

Risk identified

Goodwill and other intangible assets with indefinite useful lives, which have net book values of €1,564 million and €174 million, respectively, meet the definitions set out in notes 3.7 and 3.8 to the consolidated financial statements.

Management assesses at each closing date that the recoverable amount of goodwill and intangible assets with indefinite useful lives is higher than their carrying amount, and that there is no indication of impairment loss. The estimated future cash flows used for the impairment test are based on the internal budgets drawn up at the end of the year. They are determined using key assumptions and assessments that take into consideration effects of the economic environment, as identified at the date of the budget, on forecast future cash flows for the coming 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 methods for implementing impairment tests at the level of the cash-generating units ("CGUs") to which assets have been allocated, are described in note 3.12, and the assumptions used are indicated in note 10 to the consolidated financial statements.

Because of the importance of management judgement and of the uncertainties associated with the assumptions used, we have considered goodwill and intangible assets with indefinite useful life valuation as a key audit matter.

Our response

We have analysed the method applied and made sure it complies with the accounting standards in force.

We have held discussions with management in order to assess the assumptions used and performed a critical review of the method implemented and have analysed in particular:

- the completeness of figures included in the book values of CGUs that are tested, and the consistency of the calculated values with the cash flow forecasts used to determine the recoverable amounts;
- the reasonableness of the cash flow forecasts compared to the economic and financial environment for the most sensitive CGUs, and the reliability of the estimation process;
- the consistency of those cash flow forecasts with the latest estimates established by management under the supervision of the Managing Partners in the context of the budget process;
- the consistency of the growth and discount rates used for cash flow projections, with the assistance of our valuation experts;
- the calculation of the discount applied to future cash flows;
- the sensitivity calculations performed by management to changes in the main assumptions used.

Lastly, we have assessed the reasonableness of the information included in note 10 to the consolidated financial statements.

REVENUE RECOGNITION IN THE LAGARDÈRE PUBLISHING DIVISION – RETURNS ESTIMATES

Risk identified

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

Revenue recognition principles are described in notes 3.1 and note 32 to the consolidated financial statements; returns estimates recognised as a deduction from revenue amount to €289 million as at 31 December 2019.

That amount represents distributors' right to return unsold copies to Lagardère Publishing. This is recognised as a deduction from revenue and estimated on the basis of forecast sales invoiced during the year and of historical returns data. The calculation is statistical and reflects the return rate for the prior year adjusted for fluctuations in sales volumes and for the economic climate of the current year.

Given the importance of the returns estimates, and of the assumptions and areas of judgement involved in the calculation, we consider revenue recognition for Lagardère Publishing as a key audit matter.

Our response

Our audit procedures involved in particular:

- describing and testing the sales process including the treatment of returns;
- obtaining an understanding of the basis of calculation of returns and of the main assumptions used to estimate the amount of returns at the closing date;
- performing a critical review of the return rates applied and of the applicable calculation assumptions, including in particular the corresponding margins;
- comparing the estimated return rates with the corresponding historical rates;
- testing the consistency of the flows of sales and returns retained for calculation purposes;
- verifying the arithmetical accuracy of the statistical method applied;
- identifying any specific factors resulting in manual adjustments.

FIRST-TIME APPLICATION OF IFRS 16 "LEASES"

Risk identified

IFRS 16, applied as of 1 January 2019, modifies the accounting treatment of leases: on inception of a lease, a liability is recognised in the balance sheet, corresponding to the discounted present value of the fixed portion of future lease payments, against a right-of-use asset depreciated over the lease term.

The Group's main leases correspond to concession agreements in transport hubs and, to a lesser extent, property.

The Group applies IFRS using the "full retrospective" transition method; details on the first-time application of the standard are provided in notes 1.1 and 3.9 to the consolidated financial statements.

As of 1 January 2019, the first-time application of IFRS 16 led to the recognition of:

- right-of-use assets with a carrying amount of €2,552 million within non-current assets, including €2,009 million relating to concession agreements;
- lease liabilities totalling €2,741 million, including €2.283 million in non-current liabilities.

We consider the first-time application of IFRS 16 "Leases" to be a key audit matter, given the large number of leases and the material value of right-of-use assets and lease liabilities in the Group's consolidated financial statements, especially at Lagardère Travel Retail.

Our response

Our audit procedures involved in particular:

- comparing the compliance of accounting principles with IFRS 16 "Leases";
- familiarising ourselves with process and key controls implemented by management to ensure the completeness of leases;
- testing the effectiveness of key information systems controls in verifying the accurate calculation of lease liabilities, right-of-use assets, depreciation and interest charges as measured and recognised by the Group;
- performing test of details on data entered in the information systems relating to leases;
- reviewing the assumptions made and analysing the methods used by management to determine the discount rates used to calculate lease liabilities;
- assessing the appropriateness of the financial disclosures regarding the first-time application of the standard in notes 1.1 and 3.9 to the consolidated financial statements.

SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Group's information in the management report of the Managing Partners.

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

We attest that the consolidated non-financial statement required by article L. 225-102-1 of the French Commercial Code (*Code de commerce*) is included in the management report of the Managing Partners, it being specified that, in accordance with article L. 823-10 of said Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information is reported on by an independent third party.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

APPOINTMENT OF THE STATUTORY AUDITORS

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

As at 31 December 2019, Mazars and ERNST & YOUNG et Autres were in the 24th year and 33rd year of total uninterrupted engagement, respectively.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from 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 is expected 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, and where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The consolidated financial statements were approved by the Managing Partners.

STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OBJECTIVES 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 as a whole are free from 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 of users taken on the basis of these consolidated financial statements.

As specified in article L. 823-10-1 of the French Commercial Code (*Code de commerce*), our audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor exercises professional judgement throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his 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;
- obtains an understanding of internal control 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;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- assesses 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 his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtains 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 Auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

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 program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

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 are therefore 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 such as they are set in particular by articles L. 822-10 to L. 822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics (*Code de déontologie*) for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

French original signed at Courbevoie and Paris-La Défense, on 17 March 2020

The Statutory Auditors

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

6.3 STATUTORY AUDITORS' SPECIAL REPORT ON RELATED-PARTY AGREEMENTS

To the General Meeting of Lagardère SCA,

In our capacity as Statutory Auditors of your Company, we hereby present to you our report on related-party agreements.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreement disclosed to us, or that we may have identified in the performance of our engagement, as well as the reasons justifying why they benefit the Company. We are not required to give our opinion as to whether they are beneficial or appropriate or to ascertain the existence of other agreements. It is your responsibility, in accordance with article R. 226-2 of the French Commercial Code (*Code de commerce*), to assess the relevance of these agreements prior to their approval.

We are also required, where applicable, to inform you in accordance with article R. 226-2 of the French Commercial Code (*Code de commerce*) of the implementation during the year ended 31 December 2019 of agreements previously approved by the General Meeting.

We performed those procedures which we deemed necessary in compliance with professional guidance issued by the French Institute of Statutory Auditors (*Companie nationale des commissaires aux comptes*) related to this type of engagement. These procedures consisted in verifying that the information provided to us is consistent with the relevant source documents.

AGREEMENTS SUBMITTED FOR APPROVAL TO THE GENERAL MEETING

AGREEMENTS AUTHORISED DURING THE YEAR ENDED 31 DECEMBER 2019

We hereby inform you that we have not been notified of any agreements authorised during the year ended 31 December 2019 to be submitted to the General Meeting for approval in accordance with article L. 226-10 of the French Commercial Code (*Code de commerce*).

AGREEMENTS PREVIOUSLY APPROVED BY THE GENERAL MEETING

In application of article R. 226-2 of the French Commercial Code, we were informed that the following agreements, approved by the General Meeting in previous years, remained in force during the year ended 31 December 2019.

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 2019, 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' seniority. 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 2019, the amount billed by Lagardère Capital & Management in accordance with those agreements amounted to €19.2 million, compared to €21 million in 2018.

French original signed at Paris-La Défense and Courbevoie, on 17 March 2020

The Statutory Auditors

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

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

To the General Meeting,

In our capacity as an independent third party, accredited by the COFRAC under the number no. 3-1681 (scope of accreditation available on the website www.cofrac.fr), and as a member of the network of one of the statutory auditors of your entity (hereafter "entity"), we present our report on the consolidated non-financial statement for the year ended 31 December 2019 (hereafter referred to as the "Statement"), included in the management report pursuant to the requirements 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 "Guidelines"), 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 French 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 applicable legal and regulatory requirements, ethical requirements and French professional guidance.

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 requirements, in particular the French duty of care law and anti-corruption and tax avoidance legislation, or on the compliance of products and services with the applicable regulations.

NATURE AND SCOPE OF THE WORK

The work described below was performed in accordance with the provisions of articles A. 225-1 *et seq.* of the French Commercial Code, as well as with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements and with ISAE 3000[1]:

- we obtained an understanding of all the consolidated entities' activities and the description of the principal associated risks;
- we assessed the suitability of the Guidelines 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 provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under article L. 225-102-1 III, paragraph 2 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 the outcomes thereof, including key performance indicators associated to the principal risks;
- we referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix 1; concerning certain risks (tax avoidance, data protection, human rights risk management for the Travel Retail division), our work was carried out on the consolidating entity; for the other risks, our work was carried out on the consolidating entity and on a selection of operational perimeters listed hereinafter: Grupo Anaya and Lagardère Travel Retail Czech Republic;
  - we verified that the Statement covers the scope of consolidation, i.e., all the consolidated entities in accordance with article L. 233-16 of the French Commercial Code;
- we obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process 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 any changes in those data;

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

– tests of details, 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 contributing operational perimeters (Grupo Anaya, Lagardère Travel Retail Czech Republic, Hachette UK and Duty Free Opérations France), covering between 13% and 24% of the consolidated data relating to the key performance indicators and outcomes selected for these tests (17% of the workforce, 24% of the paper purchased and supplied, 13% of the tertiary energy consumption);

- we assessed the overall consistency of the Statement based on our knowledge of all the entities included in the scope of consolidation.

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 out more extensive procedures.

MEANS AND RESOURCES

Our verification work mobilised the skills of five people and took place between July 2019 and March 2020 on a total duration of intervention of about seven weeks.

We conducted four interviews with the persons responsible for the preparation of the Statement including, in particular, the Sustainable Development and CSR Department, the Risk and Internal Control Department, the Human Relations Department and the Tax Department.

CONCLUSION

Based on the procedures performed, nothing has come to our attention that causes us to believe that the consolidated non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

COMMENTS

Without modifying our conclusion and in accordance with article A. 225-3 of the French Commercial Code, we have the following comments:

In the context of the strategic refocusing plan, the organisation of the reporting and consolidation processes for non-financial data is being strengthened to accelerate the deployment of policies and the monitoring of performance, in particular environmental performance.

Paris-La Défense, on 19 March 2020

Independent third party

EY & Associés

Jean-François Bélorgey	Eric Duvaud
Partner	Partner, Sustainable Development

APPENDIX 1: INFORMATION CONSIDERED THE MOST IMPORTANT

Social Information	
Quantitative Information (including key performance indicators)	*Qualitative Information (measures or outcomes)*
The overall voluntary departure rate, and the rate by socio-professional category	Outcomes of the internal talent management policy
The percentage of women among executives and managers	Actions implemented to ensure diversity and gender balance of human resources
The number of formal disputes involving discrimination	Commitments to respect fundamental freedoms
Work-related accident frequency rate	Follow-up of work-related accidents
Environmental Information	
Quantitative Information (including key performance indicators)	*Qualitative Information (measures or outcomes)*
The total weight and percentage of certified and recycled paper Rates of returns for Lagardère Publishing France Tertiary energy consumption CO_2 emissions of scope 1 and 2 per euro of revenue	The certified and recycled paper purchase process within Lagardère Publishing entities The analysis of significant sources of greenhouse gas emissions
Societal Information	
Quantitative Information (including key performance indicators)	*Qualitative Information (measures or outcomes)*
The percentage of audited countries in food safety in the Foodservice business The number of formal disputes involving forced labour, child labour and harassment	Outcomes of the food safety policy and brand conformity of the Foodservice business (in particular the “Food Safety Guidelines” and the annual audit plan) Actions in favour of the accessibility and dissemination of education, culture and entertainment

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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.

HOW DO I RETURN THIS REPLY COUPON?
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, <u>to the e-mail address indicated below.</u> 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:

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Street name and number:

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Additional address information (PO Box, etc.):

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Postal Code: City: Country:

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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
2020 Annual General Meeting

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 Tuesday, 5 May 2020 General Meeting.

Signed in (city): .... on (date): 2020

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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and the Corporate Communications Department

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