Lagardère

Documents for the Combined Ordinary and Extraordinary Annual General Meeting

29 April 2008

Lagardère SCA
A French limited partnership with shares capital of € 818,213,044.60
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General Meeting Document

29 April 2008

This English version has been prepared for the convenience of English language readers.
It is a translation of the original French Document d'Assemblée Générale prepared for the Annual General Meeting.
It is intended for general information only and in case of doubt the French original shall prevail.

General Meeting Document

2008

Summary

Chapter 1

Agenda

Agenda

- Report of the Managing Partners (report on the operations of the Company and the Group, and on the parent company financial statements for the year ended 31 December 2007).
- Special report of the Managing Partners on the Company's share buybacks.
- Special report of the Managing Partners on share subscription and purchase options.
- Special report by the Managing Partners on the allocation of free shares.
- Report of the Supervisory Board.
- Reports of the Statutory Auditors on their audit and control assignment and on the parent company's financial statements, the Consolidated Financial Statements, and agreements covered by article L.226-10 of the French Commercial Code.
- Special report by the Statutory Auditors on the allocation of free shares.
- Special report by the Statutory Auditors on the approval of the capital reduction.
- Report of the President of the Supervisory Board on the Supervisory Board's organization and on internal control procedures.
- Special report of the Statutory Auditors on internal control procedures.
- Report by the independant Appraisers on the value of the assets to be contributed by MP 55, a wholly owned subsidiary of Lagardère SCA upon its simplified merger.

Resolutions put to the Ordinary Meeting of Shareholders

- Approval of the Parent Company's Financial Statements for the year ended 31 December 2007.
- Approval of the Consolidated Financial Statements for the year ended 31 December 2007.
- Allocation of Parent Company's net profit; dividend distribution.
- Approval of agreements covered by article L.226-10 of the French Commercial Code.
- Voting of powers to the Managing Partners to handle shares in the Company.
- Reappointment to the Supervisory Board of Mr Pierre Lescure.
- Reappointment to the Supervisory Board of Mr Didier Pineau-Valencienne.
- Reappointment to the Supervisory Board of Groupama.
- Appointment to the Supervisory Board of Mr Javier Monzón replacing Mr Félix G. Rohatyn.
- Appointment to the Supervisory Board of Mr François David.
- Appointment to the Supervisory Board of Mrs Martine Chêne.
- Reappointment of the company MAZARS & GUERARD as Standing Statutory Auditor and the appointment of Mr Patrick de Cambourg as Alternate Statutory Auditor

Resolutions put to the Extraordinary Meeting of Shareholders

- Amendment of the terms and conditions for the allocation of free shares in the Company by the Managing Partners to Group employees and executives.
- Approval of the simplified merger agreement with MP 55, a wholly-owned subsidiary of Lagardère SCA.
- Voting of powers to the Managing Partners to reduce equity by cancelling all or part of the shares in Lagardère SCA that MP 55 will contribute as part of the simplified merger.

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- Powers to accomplish formalities.

Chapter 2

Message of the Managing Partners

Interview with Arnaud Lagardère

You announced a 10% increase in operating income, rising to €636 million, in 2007. What factors – other than performance – explain this growth?

This rise is a strong and symbolic signal to all of our target audiences. Last year, every one of our businesses exceeded our projections. Our sports and media divisions were real growth engines that generated high margins, the publishing subsidiary turned in a solid performance and the print-media business recovered nicely.

This demonstrates once again that our Group was able to maintain solid performance and create value despite the risks facing our industry in a world economy that has fallen into recession. I would also like to acknowledge the women and men of the Lagardère group for making this success possible.

You became comanaging partner of the group ten years ago and have been leading it for the last five years. How has Lagardère changed during that time?

I completely changed the Lagardère group over the past decade. Before, we were a Group of miscellaneous assets; now, we are a well-organized group with four business divisions: publishing, distribution, sports, and print and audiovisual media, each of which occupies a leading position in the various media sectors.

Over the past ten years, we have invested over €6.5 billion in the media, with the acquisition of part of Vivendi Publishing and Time Warner Book Group for around €2 billion, sports company Sportfive for €860 million, and a €1.5 billion interest in Canal+ France. We also spent some €200 million to acquire Internet companies. At the same time, we sold non-strategic assets, as well as assets where we're not a majority shareholder, for a total of about €2.5 billion.

Because we are a family company and have a constructive soul, we will continue to consolidate our core businesses, and we will focus in particular on exclusive rights, sporting events and select content.

I will pursue Lagardère's growth with the same confidence and tenacity that have led to an average 11.8% rise in operating income every year over the past decade.

The print and audiovisual media businesses merged last year, becoming Lagardère Active. How is this new division faring?

With the convergence of our print, audiovisual and digital media and advertising-sales businesses, Lagardère Active was able to refocus on digital media and multimedia content.

Just one year after the merger took place, the results have exceeded our objectives: in 2008, digital products will generate 5-10% of Lagardère Active's overall sales – and we thought we would only be able to reach that level in 2009. In addition, by reducing the number of titles, the print-media segment is boosting its profitability.

Lagardère Active is clearly coming up with comprehensive, creative solutions to new-media consumption.

Lastly, in early 2008 I decided to create Lagardère Entertainment as a subsidiary of Lagardère Active. The new company brings together our audiovisual production and distribution activities and will help us to develop fresh expertise in the fields of performing arts and talent and audiovisual-rights management.

For a long time, we did not invest in audiovisual production because we hadn't decided whether we wanted to be a broadcaster or a producer; we have now decided on the latter option. Lagardère thus plans to take part in the consolidation trend and become a leader in audiovisual production.

Your Sports division distinguished itself in 2007, its first year in operation...

In 2007, Lagardère Sports achieved major acquisitions and agreements, making this division a benchmark player in the sports business. Lagardère Sports is now the Group's most dynamic and profitable entity, with an operating margin of 15%.

There are many sporting events and also various companies that can be acquired. For that reason, Lagardère Sports plans to continue diversifying over the next few years, with the goal of becoming the market leader.

Sports and its values are part of my Group's DNA. More than ever we are – and will remain – committed to this high-growth sector.

Let's move on to Lagardère Publishing...

Lagardère Publishing has made the Group the second-leading publisher in the world and No. 1 in Europe. What does that mean for the Group? After acquiring Time Warner Book Group in 2006, Lagardère Publishing continued its active acquisition policy in 2007 in its traditional markets. Secondly, that policy has not stopped our geographical expansion strategy, especially in Latin America – quite the contrary.

In the sector that distributes leisure products and services, you are revising your approach. Could you describe your new strategy?

We plan to expand our retail business in travel locations at a faster pace. Our growth projections in this market are very promising due to an expected rise in passenger traffic in coming years. We already have a major presence in the travel-retail segment, but we are going to expand operations in 2008, particularly in Eastern Europe, Asia and South America.

Lagardère is gradually reducing its stake in EADS. Does this mean that your Group plans to withdraw completely?

In 2005, we decided to gradually sell half of Lagardère's interest in EADS. We currently hold a 12.51% stake in the Company – that is the current reality of our shareholding in EADS, and a complete withdrawal is not on the table. In addition, for the first time our accounts do not include the proportionnal consolidation of EADS. I also feel that its share price is not where it should be, but there's a good chance it will rebound. So selling our interest in EADS would not be in the best interests of our shareholders.

In conclusion, Mr Lagardère, is there anything you would like to add?

I can say with satisfaction that our efforts are intense and fascinating every day. In the very nature of our work, we are contributing to the fulfilment of men and women by providing them with information and entertainment. And through the Jean-Luc Lagardère Foundation, especially via TeamLagardère and Lagardère Paris Racing, we are fighting for France's influence in the fields of sports and culture.

I will continue to increase and strengthen these commitments over the coming years.

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Chapter 3

Report of the Managing Partners

Ladies and Gentlemen, Shareholders,

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

- report to you on the business activity, situation and outlook of Lagardère SCA and of the Lagardère group as a whole;
- present to you for approval the Parent Company's Financial Statements and the Consolidated Financial Statements for the financial year ended 31 December 2007, allocate the Parent Company's net profit for the year and propose the distribution of a dividend of €1.30 per share;
- proceed with the reappointment of three members of the Supervisory Board and of one of the Statutory Auditors and with the appointment of three new members to the Supervisory Board;
- update one of the authorizations to engage in financial operations granted by you to the Managing Partners last year and authorize the latter to reduce the equity by canceling shares acquired other than as part of the share buyback plan;
- approve the simplified merger of MP 55, a wholly-owned subsidiary of Lagardère SCA, whose sole purpose is the holding of treasury shares, and part of the Group's shareholding in Financière de Pichat & Compagnie (ex BANQUE ARJIL & Compagnie).

* * *

Pursuant to stock market and Commercial Code regulations, we hereby present to you two documents containing all the documents and information that must be submitted to you for your General Meeting. These are:

- the *General Meeting Document* sent with the invitation to this meeting;
- the *Reference Document*, published on the Company's website in early April 2008 and made available to shareholders at the same date.

In addition to the message from the Managing Partners, the General Meeting Document comprises:

- the agenda,
- the present report of the Managing Partners, which comprises:
  - a brief summary of the position, business activity and results of the Lagardère group in the financial year 2007,
  - the resolutions put to you for approval,
- the Report of the Supervisory Board,
- details of the candidates for reappointment to the Supervisory Board,
- the reports by the Statutory Auditors.
- the resolutions themselves.

The Reference Document now includes all the elements contained in the management report required under the French Commercial Code and all the other reports and information required by that same Code, in particular:

- three special reports by the Managing Partners (on the share buyback, share subscription and purchase options and on the allocation of free shares),
- the other reports by the Statutory Auditors,
- the report by the Chairman of the Supervisory Board on the organization of its work and on internal controls,
- the financial statements and the consolidated financial statements.

The Reference Document is structured as required by European regulations for prospectuses. It is a document which, aside from providing information to the markets, forms part of the report of the Managing Partners, to the extent that it includes the following items:

• The activities of the Company and Group:	chapter 5
	chapter 8 - 3
	chapter 9
• The results and financial position:	chapter 6 - 1
	chapter 6 - 2
	chapter 6 - 4

- The main risks: chapter 3
- The organization of the Company and the Group, Corporate governance: chapter 7
- The information on capital, shareholding, share buy-back, and on the main statutory dispositions: chapter 8

We shall therefore confine ourselves below to a brief summary of the results and business activities of the Lagardère group during the financial year 2007 and to a presentation of the resolutions put to you for approval.

3 - 1 Results and activities account for year 2007

3-1-1 Annual results presentation

3-1-1-1 EADS processing

With effect from 1 January 2007, Lagardère has applied the alternative method of accounting for jointly controlled entities permitted under IFRS. Under this method, such entities are accounted for by the equity method rather than (as previously) the proportionate consolidation method. Consequently, the contribution of these entities (mainly EADS) to revenues and EBIT is no longer consolidated by Lagardère.

This method has been retrospectively applied to the 2006 comparatives presented

3-1-1-2 Key figures for the year ended 31 December 2007:

- net sales: solid growth of 8.5% to €8,582 million (up 3.3% on a like-for-like basis).
- strong growth of 22% in recurring EBIT before associates to €636 million, and 10.4% growth for the Media division (excluding Lagardère Sports, and at a constant euro/dollar rate of 1.30).
- positive contribution of €211 million from non-recurring/non-operating items (vs. a negative contribution of €40m in 2006). The 2007 figure mainly comprises a €472 million gain arising on the sale of a 2.5% interest in EADS, less €203 million of impairment losses on some Media division assets.
- increase in net interest expense to €204 million (vs. €174 million in 2006), mainly as a result of Lagardère's acquisitions policy (20% of Canal+ France, Newsweb in late 2006; Sportfive, Jumpstart, Nextedia and other businesses in 2007) and share buybacks.
- strong growth in net income to €534 million (vs. €291million in 2006). Excluding the contribution from EADS, and after stripping out non-recurring/non-operating items and the effect on net interest expense of the Mandatory Exchangeable Bond(2), adjusted net income was €361million (vs. €389 million in 2006). Adjusted earnings per share was down slightly (by 3.2%) at €2.70, due mainly to an increase in interest expense (some of which was not immediately tax-deductible) arising from the financing of the acquisitions made in 2007 and from a lower contribution from Canal+ France (as compared with the CanalSat contribution in 2006).
- net debt of €2,570 million, against €2,045 million as of 31 December 2006. This reflects the financing of acquisitions (including Sportfive, Jumpstart and Nextedia) and share buybacks (€337 million), partly offset by the redemption of the first tranche of the Mandatory Exchangeable Bond[1] and by healthy cash flows from operating activities.
- proposed dividend of €1.30 per share to be paid out of 2007 earnings (compared with €1.20 paid out of 2006 earnings), demonstrating management's confidence in our medium-term outlook

3-1-1-3 Consolidated net sales

Consolidated net sales for the year ended 31 December 2007 were €8,582 million (vs. €7,910 million in 2006), an increase of 8.5% on a reported basis and 3.3% on a like-for-like basis.

Lagardère Publishing (formerly the Books division) – Fine full-year performance, with sales up 4.7% on a like-for-like basis and 8.6% on a reported basis at €2,130 million. Growth was driven primarily by operations in the United States and in Spain (where Education performed well). Sales of bestsellers in the United Kingdom and France accelerated sharply in the latter part of the year.

Lagardère Active (formerly the Press and Lagardère Active divisions) – Satisfactory performance in a tough environment. Sales advanced by 1.7% in 2007 on a like-for-like basis, but fell by 1.8% on a reported basis to €2,291 million. This slight decline reflects the change to equity accounting for Cellfish (€74 million of revenues to end September 2006, when Cellfish ceased to be fully consolidated), and adverse currency effects (€49 million over the year as a whole).

- Press: Magazine sales were up 1.3% on a like-for-like basis at €1,782 million. The weakness of the lads' mags segment,

(1) Exchangeable for EADS shares.

a decline in advertising in France and the closure of unprofitable magazines (negative impact of €31 million over the full year) were offset by the strength of the core business, especially women's and celebrity magazines.

- Radio and Television: Revenues rose by 2.9% on a like-for-like basis. A negative performance by radio in France, hit by major retailers switching their advertising budgets to television and by tough trading conditions, was compensated for by very strong growth in international radio (which contributed 42% of 2007 radio revenues). TV production was flat (down 0.2% year on year), while theme channels were lifted by a boom in DTT sales that made up for a more difficult situation in cable and satellite. Overall, theme channels posted full-year revenue growth of 3.0%.

Digital revenues rose sharply during the year, contributing 3.1% of Lagardère Active net sales in 2007 compared with approximately 1% in 2006.

Lagardère Services (formerly the Distribution Services division) – Satisfactory like-for-like sales growth of 3.5% over the full year to €3,721 million (up 2.9% on a reported basis). Growth was spread evenly across all segments, with particularly dynamic contributions from Eastern Europe, Aelia, and duty-free sales in the Asia-Pacific region.

Lagardère Sports (Sportfive, Newsweb and IEC) – This division (not consolidated in 2006) reported full-year net sales of €440 million, 11.8% up on the 2006 pro forma comparative (which excludes IEC). Highlights of the year included a large number of international soccer matches (including Euro 2008 qualifiers) and the World Handball Cup.

3-1-1-4 Recurring EBIT before associates

The Lagardère group generated recurring EBIT before associates of €636 million in 2007, an increase of 22% on the 2006 figure of €521 million.

The **Media** division reported 2007 recurring EBIT before associates of €636 million, 22% up on 2006. Excluding Lagardère Sports (recurring EBIT before associates: €67 million), which was not consolidated in 2006, the division made a contribution of €569 million, up 9.4%. Excluding Lagardère Sports and at a constant euro/dollar rate of 1.30 (the criteria used in our 2007 guidance), recurring EBIT before associates was up 10.4% at €574.5 million.

Lagardère Publishing recorded a fine performance, with recurring EBIT before associates up 9.4% (operating margin: 11.2%). All operating segments contributed to growth. France had a good year, thanks largely to Education and Larousse, which benefited from the remedial measures taken in 2006. The United States (strong performance by bestsellers) and Spain (good year in Education) also stood out.

Lagardère Active(1) achieved solid growth in a tough environment, raising recurring EBIT before associates by 10.8% to €214 million. Operating margin was 9.3%, compared with 8.3% in 2006.

The Press business reported an 18.4% rise in recurring EBIT before associates, from €115 million in 2006 to €137 million. Operating margin increased from 6.6% to 7.7%. Despite difficult market conditions, the first effects of the recovery plan were seen in foreign operations. The United States, Italy, the United Kingdom and Spain all contributed significantly to the improvement in recurring EBIT before associates, offsetting the decline in France. Emerging markets also reported sizeable growth.

Radio posted a slight decline in recurring EBIT before associates of 4.3% to €62 million, mainly due to a lower contribution from France, where market conditions deteriorated during the year.

The contribution from TV activities was also down at €13 million, compared with €16 million in 2006. The Production & Distribution business had a flat year, and (like the Radio business) recognized some of the charges relating to the Active 2009 cost-saving plan.

Nevertheless, Broadcast & Broadband activities recorded an overall margin improvement of 1.9% thanks to the improving situation in Broadband, which made a positive contribution of €2 million to recurring EBIT before associates (compared with a €4 million loss in 2006).

Lagardère Services reported recurring EBIT before associates of €116 million, up 7% on 2006. In France, Relay and Aelia had a very good year, offsetting a sizeable fall in the contribution from Virgin Stores. Internationally, the Asia-Pacific region, as expected, contributed significantly to growth. In Europe, Spain had a good year (despite weakness in distribution), as did most Eastern European countries. Overall operating margin was 3.1%. The contribution from Virgin Stores (held for sale at 31 December 2007, but fully consolidated over the whole of 2007) was a €1.6 million loss on sales of €397 million. Excluding Virgin Stores, operating margin was 3.5%.

Lagardère Sports(2) generated recurring EBIT before associates( ) of €67 million in the year ended 31 December 2007 (operating margin: 15.2%), mainly reflecting the strong contribution from soccer internationals in 2007.

Other activities broke even in terms of recurring EBIT before associates, compared with a €1 million profit in 2006. In 2007, this line included a gain from the positive outcome of past litigation relating to the former Matra transport business, cancelled out by a fall in the NMPP royalty and by the structural downtrend in the contribution from the spare parts business.

(1) et (2) Before amortization of acquisition-related intangible assets.

3-1-1-5 Non-recurring/non-operating items

Non-recurring and non-operating items represented a net gain of €211m, versus a net loss of €40m in 2006.

The main components of this figure were:

- €203 million of impairment losses, of which €95 million related to Virgin Stores and €83 million to Lagardère Active (mainly on some American press titles).
- €92 million of restructuring costs, mainly in Magazines (€78 million) and Audiovisual (€10 million).
- €59 million of amortization charged against acquisition-related intangible assets (Canal+ France, Sportfive, IEC and Jumpstart).
- €93 million of gains on various disposals (including the regional daily press business, Hachette Filipacchi Sweden and Teva).
- a €472 million gain on the disposal of part of the holding in EADS (around 2.5% of the capital).

3-1-1-6 Contribution from associates

The share of net income from associates was €20 million[1], versus €104 million in the year ended 31 December 2006.

The main reason for this fall was the contribution from EADS, which went from a profit of €23 million in 2006 to a loss of €44 million in 2007 due to expenditure incurred on the launch of the A350, exceptional charges relating to the A400M, and costs associated with the Power 8 plan and the A380 program.

Excluding EADS, income from associates was €64 million, compared with €81 million in 2006. The main factor was the replacement of the contribution from CanalSat (€52 million in 2006) by Lagardère's 20% share in the profits of Canal+ France (€30 million). The weak results at Canal+ France were mainly due to non-recurring costs incurred on the merger of the TPS and CanalSat platforms.

3-1-1-7 EBIT

Earnings before interest and taxes (EBIT) rose by 48% to €867 million.

3-1-1-8 Net interest expense

Net interest expense in the year ended 31 December 2007 was €204 million, versus €174 million in the previous year.

This amount comprises:

- €145 million for the Media division (2006: €84 million), the increase being mainly due not only to higher interest rates but also to the impact of acquisitions made in late 2006 (the interest in Canal+ France, and Newsweb) and in 2007 (primarily Sportfive, Jumpstart and Nextedia);
- €59 million for Other Activities (2006: €90 million), mainly comprising:
  - a full year's interest of €47 million on the Mandatory Exchangeable Bond, down from the 2006 figure of €80 million, largely as a result of the reduced cost of the bond;
  - the impact of the share buyback program, which gathered pace from July 2006.

3-1-1-9 Income tax expense

Income tax expense for the year was €99 million, versus €92 million in 2006. This slight rise reflects contrasting factors:

- recurring net income before tax (including the contribution from associates) rose by €37 million in 2007.
- a significant portion of this increase in profits was from companies that are not included in the Group tax election, and hence are liable to tax. As in 2006, the companies that are included in the Group tax election continued to benefit from tax loss carry-forwards. The overall effect was a higher effective tax rate on recurring profits in 2007 (31.7%) than in 2006 (24%).
- non-recurring and non-operating items mainly comprise long-term capital gains (taxed at very low rates), and restructuring costs and impairment losses that do not generate immediate tax savings.

(1) Before amortization of acquisition-related intangible assets

3-1-1-10 Minority interests in net income for the year were €30 million, versus €28 million in 2006.

As a result of the factors described above, net income for the year ended December 31, 2007 amounted to €534 million, compared with €291 million for the year ended 31 December 2006

	Year ended 31 December 2006			Year ended 31 December 2007		
(€ million)	**Media Division**	**Other Activities & EADS**	**Total Lagardère Group**	**Media Division**	**Other Activities & EADS**	**Total Lagardère Group**
Net sales	**7 910**		**7 910**	**8 582**		**8 582**
Recurring EBIT before associates (*)	**520**	**1**	**521**	**636**		**636**
Non-recurring/ non-operating items	(54)	14	(40)	(260)	471	211
Income from associates	81	23	104	64	(44)	20
EBIT	**547**	**38**	**585**	**440**	**427**	**867**
Net interest expense	(84)	(90)	(174)	(145)	(59)	(204)
Income tax expense	(165)	73	(92)	(114)	15	(99)
Net income before minorities	**298**	**21**	**319**	**181**	**383**	**564**
Minority interests	28		28	30		30
Net income	**270**	**21**	**291**	**151**	**383**	**534**

(*) Before amortization of acquisition-related intangible assets

3-1-1-11 Adjusted net income (Excluding equity-accounted contribution from EADS)

Adjusted net income, calculated as shown below, totaled €361 million in 2007, lower than the 2006 figure (€389 million). Adjusted earnings per share (taking account of the full effect of share buybacks) was down 3.2% at €2.70. This slight fall was due to four factors:

- a reduction in income from associates due to a lower contribution from CanalSat.
- higher income tax expense on recurring items.
- the impact of interest expense generated by share buybacks.
- the increase in recurring EBIT before associates, partly offset by interest expense related to acquisitions.

(€ million)	31 December 2006	31 December 2007
Net income	**291**	**534**
Equity-accounted contribution from EADS	(23)	44
Amortization of acquisition-related intangible assets, net of taxes		45
Net income excluding EADS, before amortization of acquisition-related intangible assets	**268**	**623**
Restructuring costs, net of taxes	42	80
Net gain on disposals and other items, net of taxes	(31)	(564)
Impairment losses on goodwill and intangible assets, net of taxes	15	175
Impact of Mandatory Exchangeable Bond on interest expense (net of interest income calculated at market rates)	80	47
Loss on T-Online/Deutsche Telekom share exchange, net of taxes	15	
Adjusted net income excluding EADS	**389**	**361**

3-1-1-12 Net cash used in operating and investing activities

The net cash outflow for the year (the sum total of cash generated by operating activities and cash used in investing activities) improved from €392 million in 2006 to €56 million in 2007.

Cash generated by operating activities in the year ended 31 December 2007 was €429 million. Although this was lower than the 2006 figure of €668 million, it is nonetheless a creditable performance. The main trends were:

- a tough comparative year, including a one-off contribution from CanalSat (€102.1 million) paid in 2006; in 2007, Canal+ France did not pay a dividend. In addition, EADS paid no dividend in 2007 (€80 million in 2006).
- after stripping out these factors, there was healthy growth in cash flow from operations, bolstered by stronger operating performances and the full-year contribution from Sportfive which offset the higher level of restructuring costs associated with the Active 09 plan.
- the level of investment in acquisitions and share buybacks, which increased the amount of interest expense generated by acquisition debt.
- interest payments on the Mandatory Exchangeable Bond, which accompanied the gradual divestment of the interest in EADS, the upside of which was the collection of €664 million in sale proceeds (see below).

Net cash used in investing activities was €485 million in 2007, versus €1,060 million in 2006. The main trends were:

- investments in property, plant and equipment and intangible assets (net of disposals) rose from €111 million in 2006 to €194 million in 2007, mainly due to the consolidation of Sportfive over the full year and the opening of some new sales outlets at Aelia. The 2006 comparative was unusually low.
- acquisitions of financial assets also increased, from €1,105 million in 2006 to €1,162 million in 2007. The 2007 figure includes the acquisitions of Sportfive (€859 million), Jumpstart (€61 million), IEC (€39 million) and Nextedia (€48 million).
- these two factors were more than offset by the €857 million proceeds from disposals made in 2007, primarily the sale of EADS shares (€664 million) and the divestment of the regional daily press business (€135 million). In 2006, proceeds from disposals amounted to only €151 million (mainly on the sale of Dalloz).

3-1-1-13 Debt

As of 31 December 2007, net debt stood at €2,570 million, higher than the figure recorded at the previous year-end (€2,045 million). The year-on-year increase reflected the following factors:

- a net cash outflow of €56 million on operating and investing activities in 2007 (see section above).
- the impact of share buybacks during the period (€337 million).
- the dividend payout of €181 million.
- a reduction of €14 million in short-term investments.
- non-cash adjustments reducing the carrying amount of debt (effect: €63 million) were not enough to compensate for these negative effects.

3-1-1-14 Dividend

The Managing Partners will ask the General Meeting of the Shareholders to approve a dividend of €1.30 per share, compared with the €1.20 dividend paid out of 2006 earnings. This proposal reflects the company's sound financial health and confidence in its future performances.

3-1-2 Parent company results

Income statement

The simplified income statement is as follows:

(€ million)	**2007**	**2006**
Operating revenues	13	13
Operating loss	(33)	(26)
Financial income (loss)	684	(13)
Earnings before tax and exceptional items	651	(39)
Exceptional profit	93	178
Income tax gain	89	80
Net profit	**833**	**219**

The operating loss of €33 million for 2007 essentially resulted from operating costs incurred by the holding company. Operating revenues in 2007 and 2006 consisted of fees included in operating expenses and reinvoiced to other Group entities, which therefore had no impact on the operating result.

Financial income for 2007 was a net gain of €684 million compared with a net loss of €13 million in 2006.

This is explained by the following factors:

- dividends received of €711 million, including €691 million from Désirade (the holding company for Lagardère's investment in EADS) and €15 million from Matra Manufacturing & Services; in 2006, dividends totalled €72 million, including €61 million from Désirade;
- a significant reduction in interest expenses (down €63 million), reflecting the differential between the net cost of loans contracted by Lagardère SCA and income consisting of amounts invoiced on financing to subsidiaries;
- in 2006, financial income included €20 million of expenses recorded in connection with the issue of Mandatory Exchangeable Bonds redeemable in EADS shares.

Exceptional items generated a profit of €93 million for 2007, including a profit of €88 million related to cancellation of the 1992 perpetual subordinated notes and the corresponding premiums after their repurchase by Lagardère SCA at 31 December 2007, in accordance with the issue contract.

The €89 million income tax gain for 2007 was generated primarily by tax consolidation as in previous years, and corresponds to taxes paid by tax consolidated subsidiaries in excess of the tax due by the whole tax consolidated group. At 31 December 2007, the Lagardère tax group still had a tax loss carryforward.

As a result, net profit for 2007 was €833 million, compared to €219 million in 2006.

Including the following changes:

- share capital reduction in April 2007 through cancellation of 6% of the shares making up the share capital,
- dividends paid in May 2007,
- net profit for 2007.

Shareholders' equity increased from €2,879 million at 31 December 2006 to € 3,059 million at 31 December 2007.

3-1-3 Activities presentation

3-1-3-1 Lagardère Publishing

Overview of 2007

Lagardère Publishing, whose book-publishing brand is Hachette Livre, is now the world's second-largest publisher, the leader in Europe and on equal footing with its major competitors in each of its markets.

Lagardère Publishing is No. 1 in France, Great Britain, Australia and New Zealand, both in fragmented markets like general literature and in traditionally more concentrated segments like textbooks and dictionaries. It is also in second place in Spain and fifth place in the United States.

Since its founding in 1826, Hachette Livre's mission has always been to publish, distribute and sell innovative, high-quality books that satisfy its readers' desire for enlightenment, knowledge, culture and entertainment. Today, this mission is carried out by 7,467 employees, all dedicated to ensuring the branch's development and long-term viability.

2007 was a year of strong organic growth in publishing and distribution in Lagardère Publishing's four main geographical markets: France, the United Kingdom, the United States and Spain. During the past year, the group also expanded geographically, particularly in Latin American markets, with its acquisition of textbook publisher Patria in Mexico and of a majority stake in textbook publisher Escala in Brazil. The Group also strengthened its position in France by acquiring Pika, a publisher of mangas, and in the United Kingdom with its acquisition of Piatkus, a publisher of popular fiction and practical books.

During the year in France, the group also decided to develop the audiobook market via the joint formation of Audiolib with Albin Michel and France Loisirs. The first titles were scheduled for release in February 2008.

Activity during the past year

France:

In **Literature**, 2007 was marked by the expected slowdown of the Dan Brown phenomenon at publishing house JC Lattès, which was offset by Stock's success with *Une Vie* by Simone Veil and *Le Rapport de Brodeck* by Philippe Claudel (which won the Goncourt des Lycéens, a literary prize awarded by a panel of 15- to 18-year-olds). The publisher also won the Novel prize awarded by the Académie Française for *Ap. J.-C.* by Vassilis Alexakis, while Grasset won this year's Médicis Essay prize for Joan Didion's *L'Année de la Pensée Magique* (English title: *The Year of Magical Thinking*). There were also notable successes at Fayard, while Le Livre de Poche registered a second year of growth thanks to the success of several new releases, particularly *Un Secret* by Philippe Grimbert.

In **Education**, Hachette Education and the Hatier Group recorded very positive results in a growing textbook market, particularly in the primary- and secondary-school segments.

Hachette International delivered 3.8 million copies of a French textbook for use by second- and third-year primary-school pupils in the Democratic Republic of the Congo.

Hachette Illustré had a very good year in the fast-growing practical-book segment thanks to notable successes at Marabout and Hachette Pratique. It was also a fine year for the youth segment thanks to the performance of standard-format fiction and revenues from licences, particularly Charlotte aux Fraises (Strawberry Shortcake) and Disney Jeunesse's success with *Ratatouille*. The tourism segment experienced renewed growth with the rising popularity of short-trip collections.

The **Reference book & Dictionary** segment experienced very significant improvement in sales this year despite an anticipated drop in its activity levels. The 2008 edition of the Petit Larousse Illustré enjoyed a resounding success. Also noteworthy was the successful distribution of the entire print run of the Larousse Gastronomique, re-issued for the first time in 15 years in an updated, modernized format.

In the **Academic and Professional** market, Armand Colin had a good year in the general-public and competitive-examination segments, while Dunod stabilized its sales due to the fact that the declining market for academic works was offset by growth in the professional segments.

In **Distribution**, 2007 stood out for the successful integration on 1 January of the academic publishers (i.e. Dunod & Armand Colin, ex-Editis), which resulted in the assimilation of 10,000 additional titles and the transfer of an inventory of six million copies at Hachette Livre. Furthermore, a mail-order sales operation was set up for books on behalf of such publishers as Masson and Dalloz.

Great Britain:

In **Literature**, Hachette Livre UK strengthened its leading position thanks to numerous non-fiction bestsellers, including *My Booky Wook* by Russell Brand (Hodder Headline), *On the Edge* by Richard Hammond (Orion) and *Long Way Down* by Ewan McGregor and Charley Boorman (Little, Brown).

In the **Fiction** category, Hodder Headline had a very good year for novels thanks to *The Interpretation of Murder* by Jed Rubenfeld, which sold a million copies after its selection by Channel Four's Richard and Judy book review show. Martina Cole experienced her usual success with *Faces*, and thanks to *Exit Music* by Ian Rankin (Orion) and *Book of the Dead* by Patricia Cornwell (Little, Brown), Hachette Livre UK earned 19 spots on the Sunday Times bestseller list of 2 December.

In the **Education** segment, 2007 saw a decline in the textbook market in the absence of reforms and just prior to A levels and KS3 programme changes beginning in 2008.

In the **Illustrated Book** market, Octopus's operating results improved in spite of a decrease in sales against 2006, particularly for export sales of coeditions in foreign languages and for the US market.

Business in **Australia** was strong again in 2007 with the successful integration of Little, Brown and Orion into marketing and distribution channels.

Spain and Latin America:

In Education, Anaya put in a fine performance, particularly at the nursery-school and secondary-school levels due to the reform of levels 1 and 3, while primary-school sales declined after the implementation of a free textbook policy in Andalusia in 2006. Bruño's sales increased at secondary-school level.

In General Publishing, Anaya and Bruño both had good years, particularly in the computing segment for Anaya and thanks to the publication of *Asterix and his friends* for Bruño.

In Mexico, Larousse had mixed results for the year, with healthy growth in trade books but a decline in schoolbooks.

The United States:

Hachette Book Group USA had a record year in both the adult and youth segments. The former benefited from five new titles by James Patterson (Little, Brown) and the success of *I Am America* by Stephen Colbert (Grand Central), while the latter was bolstered by the launch of the third volume of Stephenie Meyer's Eclipse saga. As a result of these successes and those of books by David Baldacci, Anita Shreeve, Nicholas Sparks and a number of lesser-known authors, Hachette Book Group USA had no fewer than 32 titles on the New York Times hardcover bestseller list in 2007. Hachette Book Group USA also signed contracts with Ted Kennedy for his memoirs as well as with Tom Wolfe for his next novel (slated for release in 2009).

The Serial-book market:

2007 saw renewed growth despite the decline in backlist sales in mature countries, offset by the strong development of new titles in Italy and the United Kingdom as well as the growth of the German, Japanese and Latin America markets, where the strategy of duplicating the biggest European successes continued to bear fruit and acted as a significant catalyst for growth.

Lagardere Publishing key figures

- Consolidated net sales of €2,130 million in 2007
- Lagardère Publishing has 7,537 employees dedicated to maintaining and developing its activities
- No. 1 in France, Great Britain, Australia and New Zealand, No. 2 in Spain, and No. 5 in the United States
- No. 1 in France in the practical-book segment with Hachette Pratique and Marabout; also No. 1 in the travel-guide segment with Hachette Tourisme and Le Routard
- February 2007: acquisition of Pika, a publisher of mangas
- July 2007: acquisition of textbook publisher Patria in Mexico
- September 2007: acquisition of majority stakes in textbook publisher Escala in Brazil and in publishing house Piatkus in the United Kingdom

3-1-3-2 Lagardère Active

Overview of 2007

The year 2007 was particularly rich in influential events and a decisive year for Lagardère Active's strategy, which is designed to boost the company into the No. 1 position among French media groups in terms of digital audience.

The Group is undergoing a fundamental reorganization, guided by technological developments and changes in consumer behaviour as regards the media.

In addition to consolidating its magazine-publishing, audiovisual, Internet and advertising-sales activities under common management, Lagardère Active – with its impressive editorial talents in numerous high-potential publishing segments (women's, automotive, news, celebrity, youth) – is now aiming to accelerate its transition to a new economic model:

- by streamlining its portfolio of magazines and redefining its global presence through strategic launches, the Group has firmly established its magazine publishing business in a sustainable growth dynamic.
- Lagardère Active has also updated the programming of its radio stations with an accent on originality, and concluded an agreement with Virgin – a youth-oriented brand with worldwide influence – thus stimulating the expansion and renewal of its audiences.
- with Internet sites exceeding the one million unique visitor mark and the acquisition of companies positioned all along the Internet value chain, Lagardère Active has established a firm foothold in the high-potential digital market (over 3% of 2007 revenues).
- faced with these new challenges, Lagardère Publicité – France's second-largest media buying agency – has affirmed its position as the leading multiple-platform advertising brokerage and is maximizing the solid potential of its cross-media offering in the market.

Activity during the past year

In keeping with its strategic plan (Plan Active 2009), Lagardère Active has initiated a transition toward digital in all of its activities.

Magazine publishing:

Lagardère Active publishes in the most flourishing segments – including women's, news and celebrity magazines – in which it has rung up excellent circulation and audience numbers.

In a pioneering effort to encourage the magazine-publishing market to release circulation figures in a timely manner, in the summer of 2007 Lagardère Active began the quarterly publication of its circulation figures according to French press circulation audit bureau OJD.

The magazine *Public*, which created the new-generation women's celebrity market and is now one of the field's uncontested leaders, has achieved uninterrupted growth since its launch four years ago, with circulation exceeding 430,000 copies per issue.

Sales of *Elle* have increased for the third consecutive year, reaching 345,500 copies at the end of 2007, thus confirming a fundamental rising trend.

Paris Match, France's leading pictorial news magazine, put in a solid performance with an 8.5% increase in its paid circulation in France to reach 655,000 copies in 2007, its highest level in ten years.

Télé 7 Jours stabilized its circulation in a very competitive market, achieving one of the market's best performance figures with 1,588,000 copies.

International development in high-potential countries accelerated in 2007 with successful launches in Italy (*Riders*), Russia (*Domoï and StarHit*) and China (*Quo*).

Radio :

Lagardère Active expanded the audiences for its three flagship radio stations: Europe 1, a general-interest news station and leader among high-income-group individuals and the 25-59 demographic; Europe 2, renamed Virgin Radio, which offers exclusive, innovative, offbeat content designed to appeal to its constantly growing young audience; and RFM, which is France's N°. 2 adult music station.

Outside France, Lagardère Active Radio International, with 33.5 million daily listeners, strengthened its presence in emerging countries (Eastern Europe, India and the Middle East) with very strong growth in advertising revenues.

Television:

Lagardère Active's TV division operates the Group's special-interest channels, with a focus on two growth segments: youth and music. With a strong presence in digital terrestrial television – including Gulli, the No. 1 free children's and youth channel, and Canal J, the leading channel among 4- to 14-year-olds – the TV division aims to become a leading player on all platforms by offering several creative projects related to the launch of personal mobile television (PMT).

Europe 2 TV – renamed Virgin 17 at the end of 2007 – aims to position itself as the DTT network's standard-setting music channel.

In the field of audiovisual production, Lagardère Active is playing a growing leadership role in the production of prime-time drama and comedy, with over 100 hours produced and plans to expand its production of studio-based shows (entertainment and new formats).

Digital:

Lagardère Active is accelerating its pace in the digital realm.

After giving a number of its websites a total makeover in 2007 (elle.fr, jdd.fr, premiere.fr, tele7.fr), the digital division is planning to create over 100 new sites by 2009, a dozen or so of them French.

At the same time, Lagardère Active pursued its external growth policy through a series of acquisitions (Newsweb, Jumpstart, IdRégie, Nextedia) designed to strategically position the group over the entire Internet value chain in France and abroad.

In 2007, Lagardère Active totalled 8.1 million unique visitors per month in France and nearly 20 million worldwide.

While digital activities represented 3% of the group's revenues at year-end 2007, Lagardère Active's objective of generating between 5 and 10% of its sales from activities in this sector by the end of 2009 is now within reach for 2008 thanks to the acquisition, in February 2008, of Doctissimo, France's leading website targeting women. With this acquisition, Lagardère Active now has the 10th-ranked Internet audience in France (all segments combined) with 10.9 million unique visitors per month (audience calculated as of 31 January 2008).

Advertising sales:

Lagardère Publicité, which was formed through the merger of Interdeco and Lagardere Active Publicité, is France's second-largest media buying agency (after TF1). It now combines the entire sales forces of the press and audiovisual segments.

Through an unprecedented advertising campaign organized around the teaser, *Emma, je t'aime!*, Lagardère Publicité successfully developed an effective cross-media offering made possible by its diverse range of brands. The campaign's impact clearly demonstrated the strength of the range of advertising solutions available to its advertisers (6,500 customers for 180 media brands marketed).

Outlook for 2008:

After streamlining its portfolio of magazines and consolidating its geographical presence in 2007, Lagardère Active intends to make the most of its competitive advantages by accelerating growth in 2008. This dynamic is reflected in a search for new areas to explore, the capture of new audience and broadcast share, and sustained development of its radio and magazine publishing activities in emerging countries (particularly Russia and China), as well as via a continuing shift toward digital in all its activities

Lagardère Active key figures

- 13,458 employees
- consolidated net sales of €2,291 million in 2007 (49% of sales generated internationally in 2007)
- more than 230 periodicals published worldwide
- global presence in 42 countries
- 900 million copies sold annually, including 203 million copies by subscription
- 26 radio stations worldwide (with nearly 44 million daily listeners)
- 10 special-interest television channels worldwide
- leading publisher of leisure and entertainment magazines worldwide
- leading publisher of general-audience magazines in France
- more than 10 weeklies among the leaders in their category
- leading foreign publisher in Italy, Spain and Japan (and, by copyright license agreements, in China)
- second-largest magazine publishing group in Spain
- third-largest magazine publishing group in Russia
- second-largest media buying agency in France, and the leading agency in terms of diversity with 130 media brands
- first media group in terms of digital audience with 10.9 million unique visitors monthly in France and nearly 20 million unique visitors worldwide
- leading group of radio stations in Russia
- leading player in the music-channel segment
- No. 1 in stock production (drama and comedy, documentaries, animation)

3-1-3-3 Lagardère Services

Overview of 2007

In 2007, Lagardère Services consolidated its positions throughout the world while achieving its set objectives of bolstering its traditional retail sales activities, particularly its travel retail services in transportation hubs in the 18 countries where the Group operates worldwide. With more than two-thirds of its total sales devoted to retailing, Lagardère Services is a major player in this business sector.

In France, new retail outlets were opened in train stations and airports, resulting in a slight increase in this activity. In the rest of Europe, all countries recorded significant growth in their retail sales business, particularly in Central Europe. The network now has over 500 points of sale in Poland, some 150 in the Czech Republic, 330 in Hungary and more than 100 in Romania. Sales growth has been strong in these countries (approaching 30% in Poland and the Czech Republic, while sales of the Romanian subsidiary nearly doubled).

The Asia-South Pacific region, a new area of expansion, also put in a fine performance.

Regarding press distribution, 2007 was marked by gains in market share despite the general stagnation that characterized this sector, related in part to the decline of magazine sales in Belgium, Switzerland, Spain and the United States. The sector grew significantly in Hungary and Canada, however.

In keeping with its strategic orientation of expanding operations in transportation hubs, Lagardère Services also reached an agreement with Butler Capital Partners wherein the latter would acquire a majority interest in the capital of the Virgin group.

Activity during the past year

Over the past year, Lagardère Services pursued development in three main areas: retail outlets serving the needs of travellers, convenience retail outlets offering both products and services, and press distribution to points of sale.

Retail outlets serving the needs of travellers

Lagardère Services specializes in providing retail services to travellers through such chains as Relay, Newslink and Aelia, and has opened new outlets in airports and train stations in the 18 countries where its numerous trade-name stores are located. With the Relay chain, Lagardère Services operates the leading point-of-sale network for press publications and current-interest products. With the opening of numerous new outlets (mainly in Germany, Spain, Australia, Poland, the Czech Republic, Romania and the Serbian Republic), Relay offers a growing number of travellers an extensive range of products designed to meet their travel needs, including newspapers, magazines, books, candy, souvenirs, food products and more.

The brand's various retail formats – Relay Books, Relay Services and Relay Bistro – fill out the chain's traditional product range in several countries (including France, Switzerland, Poland and Belgium), providing travellers with a wide range of spur-of-the-moment products or offering them food service and other conveniences. In addition to its Relay stores located in nearly 80 international locations, its Newslink stores in Australia and Singapore and a certain number of specialized new concept stores, Lagardère Services' airport operations also include stores that concentrate on duty-free sales via Aelia, France's leading airport retailer.

Aelia now operates in airports in other countries as well (Belfast and Luton airports in Great Britain and Krakow and Warsaw airports in Poland), managing 150 points of sale in 18 European airports. In addition to such franchise outlets as Virgin and Hermès, Aelia has a portfolio of its own retail trade names, such as Pure & Rare, Beauty Unlimited, French Days, The Gourmet Shop and Cosmopole. It operates some of these outlets, with partners that include Aéroports de Paris, via the alcohol, tobacco and perfume concessions at Paris' Orly South and West terminals and terminals 1, 2 and 3 of Roissy-Charles de Gaulle airport, as well as via gourmet concessions in certain other terminals.

In train stations and airports, Lagardère Services also operates numerous stores under the Virgin trade name specializing in music, books, magazines and small electronics (in France, Australia, Germany, Canada and the United States). The *Découvrir* chain in France and the Discover chain in Spain, America and Australia also offer tourists products specifically focused on the attractions or regions where they are located.

Plans are underway to expand each of these trade names in 2008 as part of Lagardère Services' overall development plan in this strategic area.

Convenience retail outlets offering products and services

In many Western and Central European countries, Lagardère Services is developing the convenience store concept under several trade names to offer consumers a wide range of products and services. The Inmedio chain, for example, now operates in Hungary, Poland, the Czech Republic and Romania, offering a wide selection of magazines, books and spur-of-the-moment products.

In Switzerland, in addition to the long-established Naville trade name and the famous Payot Libraire bookshops, the local subsidiary of Lagardère Services has concluded a partnership agreement with the Paul franchise to experiment with a new convenience retail format. The latter franchise was also selected for development by HDS CZ Retail, the group's Czech subsidiary.

The development of trade-name retail outlets with strong brand recognition in shopping centres and transportation hubs is an important objective of Lagardère Services' retail sales activities.

Press distribution, wholesaling and import-export activities

Supplying points of sale with newspapers and magazines is an indispensable function of the retail press business. Lagardère Services fulfils this function in 15 countries, where it operates at two levels.

As a world leader in the distribution of national periodicals, Lagardère Services is the No. 1 distributor in the United States, French-speaking Switzerland, Spain and Hungary, as well as operating in Poland. In many countries, Lagardère Services supplies chains of convenience stores: Lapker in Hungary (with 13,000 points of sale, including 1,200 wholly-owned stores) and SGEL in Spain (with 18,000 points of sale). The Curtis Circulation Company, the leading national magazine distributor in North America, operates a network of independent wholesalers and manages the sale of the magazines it represents to North America's largest retail chains.

Lagardère Services is also a leading distributor of imported international publications in 11 countries (Belgium, Bulgaria, Canada, Spain, the United States, Hungary, the Czech Republic, Romania, Serbia-Montenegro, Slovakia and Switzerland).

Lagardère Services Key figures

- 1,278 employees around the world
- a unique network of nearly 4,000 stores in 18 countries throughout the world
- No. 1 national press distributor in the United States (Curtis Circulation Company), Belgium (AMP), French-speaking Switzerland (Naville), Spain (SGEL) and Hungary (Lapker)
- No. 1 international press distributor in Belgium, Canada, Spain, Hungary and the Czech Republic.
- over 50,000 press outlets in Europe and 180,000 in North America are supplied daily by HDS
- a unique network of 3,850 retail outlets worldwide
- Aelia is France's leading airport retailer
- consolidated net sales of €3,721m in 2007

3-1-3-4 Lagardère Sports

Overview of 2007

Lagardère Sports continued its development strategy, begun in 2006, with the acquisition of IEC In Sports. Its policy of organic growth and acquisitions has enabled Lagardère Sports to strategically position itself at the core of the sports economy and to strengthen its leadership position in the sporting-rights market.

In 2007, Lagardère Sports not only absorbed the activities of Sportfive but also undertook a policy of diversification aimed at establishing a solid position in the field of sporting-event rights management.

This policy resulted in a number of acquisitions. In the tennis world in particular, the group acquired PR Event, organizer of the ATP tournament in Bastad, Sweden. In terms of large international sporting events, the group acquired German company Upsolut, which organizes the Tour of Germany (cycling), in December 2007, and the Hamburg Triathlon.

Lagardère Sports is now venturing into the world of motor sports with the June 2008 launch of the world's biggest rally raid, which will follow a course from St Petersburg to Beijing.

Lagardère Sports and its subsidiaries were also successful in consolidating their existing positions in 2007 with the signing of a number of major contracts, including naming rights for the Hamburg stadium, renewal of rights for the African Cup of Nations, and renewal of its contract with Olympique Lyonnais football club.

Activity during the past year

Sportfive is the European leader in the management of sports marketing and media rights, particularly football (soccer) rights. With its unique positioning and expertise, it offers clubs, federations and sporting events solid experience and proven know-how with the objective of helping them maximize the value of their rights.

IEC In Sports (International Events and Communications in Sports), a company specializing in the management and sale of sporting rights, is primarily active in Olympic disciplines, in particular tennis, athletics, volleyball and gymnastics.

Sportfive has intensified its distribution activities for the television broadcasting rights to the Euro 2008 Championship in Europe, and was awarded the management of these rights for the rest of the world. Sportfive's work for the UEFA has helped the federation maximize the value of the championship.

With the October signing of a long-term agreement with the African Football Confederation (CAF), Sportfive became the CAF's exclusive agent for the 2009-2016 period for all marketing and media rights for the African Cup of Nations, the CAF League of Champions, the Confederation Cup and the Africa Juniors Championship.

Sportfive further consolidated its football rights portfolio in France – a priority for the company to ensure its future development – with the renewal of its contract with Olympique Lyonnais football club for a 10-year period beginning with the delivery of the new stadium in 2010. Sportfive also renewed and strengthened its contractual ties with numerous European football federations and clubs, including Bayer Leverkusen, Hanover 96, Hamburg SV, AJ Auxerre and Real Madrid (for friendly matches).

Building on the approach developed with Olympique Lyonnais, Sportfive initiated an innovative way of approaching rights-holders in 2007, offering them its *stadium consulting* expertise. Sportfive now has a staff dedicated to assisting clubs with the construction of their stadiums, from the design stage to funding arrangements to the new stadium's commercial operation.

In Germany, where Sportfive developed the *naming* technique, it was successful in changing the name of the Hamburg stadium to *HSH Nordbank Arena*.

Sportfive also strengthened its position in rugby in 2007 as an official hospitality agency for the 2007 Rugby World Cup, and broadened its field of activities to new sports such as tennis, serving as the official agency for the French Open (Roland Garros) and the Paris Bercy Tournament. It also ventured into the world of motor sports through the exclusive marketing of partnerships for the Transorientale rally raid.

Organizing and managing sporting events owned by Lagardère Sports is one of the branch's objectives.

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With the acquisition of IEC In Sports in 2007, Lagardère Sports strengthened its portfolio of brands and synergies with its subsidiary Sportfive.

Lagardère Sports benefited directly from IEC's major events during fiscal year 2007 through:

- the distribution of global TV rights for the men's and women's volleyball world championships;
- the sale of international TV rights for the Asian men's and women's volleyball championships;
- the renewal of the contract for production and marketing of the TV rights for two of the main Asian football tours, with Barcelona FC and Manchester United;
- increased involvement in professional tennis; to date, nearly 50 tournaments (men's, women's and senior's tournaments) are distributed by IEC;
- the first year of cooperation between IEC and the International Swimming Federation (FINA).

Lagardère Sports Key figures

- Consolidated net sales of €440 million :
  - 85% of sales generated in Europe
  - 84% of sales football-related
- Lagardère Sports has 612 employees at the end of 2007 (48% in Germany and 36% in France).
- The portfolio of Lagardère Sports' main subsidiary, Sportfive, includes over 40 sports federations (in France and abroad) and more than 250 clubs (including Olympique Lyonnais, PSG, Hamburg, Borussia Dortmund and Fiorentina).
- Lagardère Sports is active in over 15 different sports, including football (soccer), rugby, handball, basketball, cycling, volleyball, hockey, boxing, wrestling, gymnastics, biathlon, horse racing, ski jumping and motor sports.
- IEC markets over 225 sporting events in Europe (75% of contracts), America and Asia.

3 - 2 The Resolutions

Resolution 1

Approval of the Parent Company's Financial Statements for the Financial Year 2007

Resolution 1 concerns the approval of the parent Company's financial Statements for financial year 2007, which closed with an 832 million euro profit.

Resolution 2

Approval of the consolidated financial statements

Resolution 2 concerns the approval of the consolidated financial statements for the financial year 2007 which closed with net allocable profits of 534 million euro, up 83.5% on 2006.

Resolution 3

Allocation of profit: distribution of dividends

The Parent Company Financial Statements for the Financial Year 2007 closed with a profit of	€832,655,497.79
plus retained earnings of	€91,451,718.68
makes net profit available for distribution of	**€924,107,216.47**

from which, pursuant to the provisions of the Articles of Association, €5,341,290 (1% of allocable income) is payable to the Limited Shareholders by preferential right.

In agreement with the Supervisory Board, we propose an annual dividend of €1.30 per share (€1.20 per share in 2007), giving a total maximum dividend of €174,373,271.80 (treasury shares at the date of coupon detachment shall carry no dividend entitlement).

Coupons will be detached on 2 May 2008 and the dividend will be paid from 7 May 2008 to holders of registered shares or to their duly appointed representatives, by check or by bank transfer.

Once confirmed by the Managing Partners, the balance is to be carried to retained earnings.

Dividends distributed over the past three financial years were as follows:

(in euros)	**2006**	**2005**	**2004**
Net dividend per share paid to shareholders	1.2	1.1	1 + 2 (*)
Total dividends	160,422,984.00	153,613,313.70	410,517,996.00 (*)
Dividends paid to general partners	2,913,680.00	6,697,620.00	3,818,730.00
Total	**163,336,664.00**	**160,310,933.70**	**414,336,726.00 (*)**

(*) including a €2 per share extraordinary dividend.

Resolution 4

Approval of regulated agreements

There were no new such agreements in the financial year 2007.

Resolution 5

Voting of powers to the Managing Partners for a period of 18 months to handle shares in the Company

Resolution 5 asks you to renew the powers of the Managing Partners to handle shares in the Company as part of the share buyback plan.

This will simply involve renewing the powers given at the previous meeting so that up to 10% of the Company's shares can be bought in at no more than €80 per share.

The special report by the Managing Partners can be found in section 8.1.2.2. of the information Document and provides full details of transactions during the financial year 2007 and of those carried out under the current program which runs from 28 April 2007 until this meeting.

In brief, the Company's transactions during the financial year 2007 and as shown in the report focused on three primary objectives :

• the allocation of shares to employees,

• capital reduction,

• share retention for use in exchanges or as payment in future expansion through acquisition operations.

In 2007 the Company bought 5,624,793 shares (4.19% of equity) on the market,

2,892,000 of which were bought at the beginning of 2007 and canceled 25 April.

467,124 shares (0.35% of equity) were bought OTC from Barclay's Bank Plc by exercising some of the options acquired in 2005. This enabled the Company to deliver these same shares to employees holding options to buy them.

The Company also bought 1,844,700 new call options OTC from the same Bank to cover the 2006 option plan.

Over the period, the Company sold 939,815 shares (0.7% of current equity) OTC, 531,643 to Barclay's Bank Plc to finance the purchase of the above call options, and 408,172 to Group shareholders exercising options to purchase shares or promises to exchange shares in Hachette Filipacchi Medias for shares in the Company.

Finally, on 25 April 2007 the Company canceled 8,561,474 shares (6% of equity at 31 December 2006).

The Company therefore directly held 3,303,166 of its own shares at end 2007 (2.46% of equity) plus another 707,627 shares via MP 55, whose merger you are asked to approve, representing a total of 4,010,793 shares (2.99% of equity).

In 2008 and as part of the program you are being asked to approve, the Company will continue to focus on the three objectives above.

Resolutions 6, 7 and 8

Reappointments to the Supervisory Board of Mr Pierre Lescure and Mr Didier Pineau-Valencienne and of Groupama

The Supervisory Board proposes that you reappoint to the Supervisory Board, each for six years, Mr Pierre Lescure and Mr Didier Pineau-Valencienne along with Groupama, since their appointments expire at the end of this meeting.

The information Document provides full details of each candidate for reappointment.

Resolution 9

Retirement of Mr Félix G. Rohatyn from the Supervisory Board and his replacement by Mr Javier Monzón

Mr Félix G. Rohatyn is retiring from the Supervisory Board when his appointment expires and has therefore not been put forward for reappointment.

The Supervisory Board notes his retirement and recommends his replacement by Mr Javier Monzón, the Chairman of Indra Sistemas, a Spanish IT company.

Resolutions 10 and 11

Appointment to the Supervisory Board of Mr François David and Mrs Martine Chêne

The Supervisory Board also recommends the appointment to the Board for six years of Mr François David, the current Chairman of the Board of COFACE and Mrs Martine Chêne, an employee of Hachette Filipacchi & Associés and a trade union representative.

The information Document contains full details of each of these two new candidates.

Resolution 12

Reappointment for six financial years of MAZARS & GUÉRARD as Standing Statutory Auditor and appointment of a new Alternate Statutory Auditor

The appointments of MAZARS & GUERARD, the Standing Statutory Auditor, and of Mr Michel Rosse, the Alternate Statutory Auditor, both expire at the end of this meeting.

We recommend the reappointment of MAZARS & GUERARD, and must point out in compliance with current regulations that it will now be represented by a different partner, Mr Bruno Balaire.

Mr Michel Rosse will be retiring as Alternate Statutory Auditor and we therefore propose that he be replaced by Mr Patrick de Cambourg.

Resolution 13

Amendment of the conditions for the allocation of free shares in the Company by the Managing Partners to Group employees and executives

At the last meeting, the Managing Partners were voted powers for two years to allocate up to 1% in equity in the form of free shares to the employees and executives of the Company and its subsidiaries.

On this basis, on 28 December 2007 the Company freely allocated 594,350 existing shares (0.45% of equity) to 387 beneficiaries.

Section 7.3.6. of the reference Document presents a special report by the Managing Partners on the terms and conditions set by them for the above allocation, which will not become final for two years. After this time all shares finally allocated must be held for at least two years, until 29 December 2011.

Since some of the beneficiaries are foreign employees who do not resident in France for tax purposes, they will in principle be taxed in their countries of residence once final allocation of the above shares is completed on 29 December 2009, so long as the terms and conditions set by the Managing Partners are met at that date.

For this reason and in compliance with the current requirements of the French Commercial Code on the allocation of free shares, it is proposed that, solely for those beneficiaries who are not resident in France for tax purposes, you allow the Managing Partners to raise the final allocation period for the above free shares from two to four years and consequently to abolish the requirement, for those beneficiaries, to retain the shares for two years after the acquisition period.

The above change in free share acquisition and retention times would apply both to the shares allocated to the foreign employees on 28 December last and to those that may be allocated to them between now and the next shareholders' meeting, under the powers the Supervisory Board currently holds in this connection.

Resolution 14

Approval of the simplified merger agreement with MP 55, a wholly-owned subsidiary of Lagardère SCA

MP 55 is a subsidiary wholly owned by Lagardère SCA since 14 March last.

The company's sole business is to hold 707,627 shares in Lagardère SCA, these being the only treasury shares in the Company, plus 51.28% of Financière de Pichat & Compagnie (ex BANQUE ARJIL & Compagnie), a now dormant company in which Lagardère SCA holds almost all the remaining shares.

The simplified merger would give Lagardère SCA direct ownership of all the Lagardère SCA shares previously held directly or indirectly, and almost all the shares in Financière de Pichat.

Since this would simply be an internal restructuring operation, it will be based on net book values at 31 December 2007, as the parties wish the simplified merger to become effective for accounting and tax purposes on 1 January 2008.

Lagardère SCA holds almost all the equity of its subsidiary and therefore does not require a capital increase to pay for the assets and liabilities contributed to it by the subsidiary.

The difference between the cost of the MP 55 shares as shown in the accounts of Lagardère SCA (€61,460,203) and the net book value of the assets contributed by MP 55 (€47,751,775.78) is €13,708,472.22 which is the gain on the 707,627 Lagardère SCA shares owned by MP 55 and forms the merger book loss that under current accounting rules will be carried to the assets in Lagardère SCA balance sheet under intangible fixed assets.

Attached is a document setting out full details of the simplified merger.

As legally required, two Independent Appraisers have been appointed by the Paris Commercial Court to value the assets and liabilities contributed by the subsidiary, and to record their findings in a report, with which you will be made available to you.

Resolution 15

Voting of powers to the Managing Partners for a period of 36 months to reduce share capital by cancelling all or part of the shares in Lagardère SCA that will be contributed by MP 55

As explained above, part of the assets and liabilities that MP 55 will contribute is 707,627 shares in Lagardère SCA.

We would ask you to vote the Managing Partners powers to cancel all or part of these shares, which comprise 0.53 % of current equity, and to reduce equity in the same amount.

***

The Managing Partners' special reports will now be presented to you, followed by the reports of the Supervisory Board and of its Chairman, the various reports from your Statutory Auditors and that of the Independent Appraisers.

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

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

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

La Gérance

Annexes

Annex I Results of the last five financial years

Results of the last five financial years					
Type of indication	**2003**	**2004**	**2005**	**2006**	**2007**
I - Capital at year end (in euros)					
a) Share capital	851,664,914	858,993,979	866,456,932	870,416,509	818,213,044
b) Number of existing common shares	139,617,199	140,818,685	142,042,120	142,691,231	134,133,286
c) Maximum number of future shares to be created by exercising stock options	3,550,108	1,944,724(1)	1,706,788(1)	-	-
d) Maximum number of future shares to be created by bond conversion	-	-	-	-	-
e) Maximum number of future shares to be created by exercising equity warrants	-	-	-	-	-
II - Operations and income for the period (thousands of euros)					
a) Revenues ex-VAT	2,357	1,072	258	13,245	12,711
b) Net result before taxes and calculated expenses (depreciation and amortisation)	15,421	(9,021)	76,291	91,035	767,000
c) Income tax	50,774(2)	65,396(2)	87,008(2)	79,708(2)	89,271(2)
d) Net results after taxes and calculated expenses (depreciation and amortisation)	91,572	131,631	196,553	218,565	832,655
e) Income distributed to shareholders	122,815	410,518	153,613	160,423	(3)
III - Earnings per share (in euros)					
a) Net results after taxes, but before calculated expenses (depreciation and amortisation)	0.47	0.40	1.15	1.20	6.38
b) Net results after taxes and calculated expenses	0.66	0.93	1.38	1.53	6.21
c) Dividend distributed to each share	0.90	1.00+ 2.00(4)	1.10	1.20	1.30 (3)
IV - Employees					
a) Average number of employees	-	-	-	-	-
b) Total wage bill for fiscal year	-	-	-	-	-
c) Sums paid as social benefits for the year	-	-	-	-	-

(1) The number of shares indicated corresponds to stock option plans for which the exercise price is lower than the price as at 31 December.

(2) Mainly a tax consolidation gain.

(3) A proposal will be made at the General Meeting to distribute a dividend of €1.30 per share.

(4) Extraordinary dividend of €2 per share.

Annex II Delegations of authority and powers of attorney voted by the Shareholders' Meeting to the Managing Partners for capital increases

<table>
<tr><th>Description of authorization</th><th colspan="6">Authorizations</th></tr>
<tr><td>Date of meeting</td><td colspan="6">Combined Ordinary and Extraordinary Meeting of 27 April 2007</td></tr>
<tr><td>Purpose of authorization</td><td>Issue of equity-related instruments (shares, convertible bonds, bonds with share warrants, bonds redeemable as shares, etc.) with or without PSR</td><td>Issue of securities to remunerate contributions in kind or exchange offers</td><td>Allocation of free shares to shareholders by capitalization of reserves, profits or premiums</td><td>Issue of shares reserved for Group employees who are members of the Group Savings Plan</td><td>Allocation of free shares to Group employees and executives</td><td>Allocation of share subscription options to Group employees and executives</td></tr>
<tr><td>Total maximum nominal amount authorized</td><td colspan="2">€300 million
(36.67% of equity)</td><td rowspan="2">€300 million</td><td colspan="3">€40.9 million
(5% of equity)</td></tr>
<tr><td>Individual nominal amounts authorized</td><td>€300 million</td><td>€300 million</td><td>€24.5 million
(3% of equity)</td><td>€8.18 million
(1% of equity)</td><td>€24.5 million
(3% of equity)</td></tr>
<tr><td>Application in 2007 and 2008</td><td colspan="2">None</td><td>None</td><td>None</td><td>28 December 2007: (0.45% of equity)</td><td>None</td></tr>
<tr><td>Term of authorizations</td><td colspan="6">26 months</td></tr>
</table>

Annex III Merger agreement for the simplified merger of MP 55, a wholly-owned subsidiary of Lagardère SCA

1-1 *Reason for and purpose of the merger*

For many years the sole purpose of MP 55, a subsidiary of the Lagardère group, has been to hold:

- 707,627 Lagardère SCA treasury shares (0.50% of its equity);
- 51.28% of Financière de Pichat & Compagnie, formerly BANQUE ARJIL & Compagnie, a *société en commandite par actions* and now a dormant company in which Lagardère SCA is a limited partner and holder of almost all the remaining shares (47.95%).

In order to simplify the organization of the Group, it has been decided that MP 55 should be merged with Lagardère SCA, enabling the latter to:

- simplify the shareholding in Financière de Pichat & Compagnie, which will then be held by just one company;
- directly hold all Group treasury shares.

Lagardère SCA has therefore recently acquired all the shares in MP 55 previously owned by its subsidiary, Matra Participations, and is now proposing to take over MP 55 through a simplified merger that will require no capital increase.

1-2 *MP 55:*

MP 55 is a *société par actions simplifiée* with equity of €45,864,375 divided into 3,007,500 shares, each with a face value of €15.25 and all held by Lagardère SCA.

Formed on 30 March 1988 for 99 years, MP 55 was entered on the Paris commercial and companies register on 3 May 1988.

The company's registered office is at 121 avenue de Malakoff, Paris 16th (75).

It is headed by Thierry Funck-Brentano, Head of Communications and Human Resources for the Lagardère group.

At 31 December 2007 equity capital totaled €47,751,000 before revaluation of the 707,627 Lagardère SCA shares, whose historic cost is €19.52 per share.

1-3 *Legal aspects*

The merger falls under the merger regime provided for by articles L.236-1 of the French Civil Code and more specifically under the simplified merger regime provided for by article L.236-11, which applies only to companies whose equity is entirely owned by the acquiring company.

In compliance with the requirements of the regime:

- an unrecorded merger agreement was drawn up in Paris on 18 March 2008 and filed with the Paris Commercial Court under the names of both companies on 27 March 2008. Notice of the agreement was then published in *Les Petites Affiches* on 28 March 2008;
- two Independent Appraisers, Mr Jean-Charles de Lasteyrie and Mr Dominique Ledouble, appointed by the Paris Commercial Court who, as legally required, prepared a valuation report on the assets and liabilities to be contributed by MP 55, which has been made available to the shareholders and included in the General Meeting Document.

1-4 *Accounting and tax aspects:*

Under current accounting regulations, the MP 55 assets and liabilities that are to be contributed to Lagardère SCA have been valued at net book value, which will be recognized in the accounts of Lagardère SCA.

Since the parties have agreed that for accounting and tax purposes the effect of the merger will be backdated to 1 January 2008, the financial statements of MP 55 as at 31 December 2007 have been taken as the basis for the inventory of contributions and their valuation, as follows:

Assets	
Long-term investments and loans (shares in Financière de Pichat & Cie):	€67,000,000.00
Securities held for trading, cash and cash equivalent (shares in Lagardère SCA)	€13,817,057.96
	€80,817,057.96
Liabilities	
Borrowing and sundry debt (Lagardère SCA current account)	€33,018,099.98
Payables	€47,182.20
	€33,065,282.18
Net assets	**€47,751,775.78**

Fiscally, the merger falls under the merger and similar operations regime.

1-5 *Remuneration - Merger book loss*

Pursuant to the legal requirements above, since Lagardère SCA wholly owns its subsidiary there will be no exchange of shares in MP 55 for new shares in Lagardère SCA issued as part of a capital increase and the shares in MP 55 will simply be canceled.

The difference between the value of the MP 55 shares held by Lagardère SCA (€61,460,203) and the net value of the assets and liabilities contributed by MP 55 (€47,751,775.78), which is €13,708,427.22 constitutes a book loss (merger book loss) that under current accounting regulations must be carried to the asset side of the Lagardère SCA balance sheet under intangible fixed assets and written off against the Lagardère SCA shares contributed by MP 55.

Chapter 4

Supervisory Board

4 - 1 Report of the Supervisory Board

Ladies and Gentlemen,

The primary aim of this report is to share our views on Lagardère Group management in 2007, and on significant changes in group strategy. We will also be expressing our opinion on the main resolutions on which you will be voting.

As in previous years, the Board carried out its supervisory role in a completely independent manner. It had access to all information requested on annual and half-yearly accounts. Decisions concerning the company's major investments during the year were also explained.

The Board constantly monitored the activities of its Audit Committee, taking advantage of the expertise and recommendations of the statutory auditors.

***

The Supervisory Board met four times in 2007, examining annual and half-yearly accounts and noting key facts relative to the group at an economic and commercial level, as well as from a legal perspective – regarding certain aspects of EADS, for example. At two of these meetings, the Board received a detailed presentation of business and growth prospects for two new divisions: Lagardère Active and Lagardère Sports.

Prior to these four meetings, the Supervisory Board – through its Audit Committee – also carried out an in-depth investigation of issues such as:

- The work of group auditors,
- A manager's presentation of Lagardère Capital & Management accounts and its billing to the Group,
- The evaluation of IT risks,
- The spread of risk and structuring of risk management within the Group.

Regarding amounts booked under FY 2007, the Managing Partners' management report provides a complete breakdown of the income statement and balance sheet. We shall not add to this but merely highlight the 8.5% year-on-year rise in consolidated sales to €8.6 billion, which is satisfactory. Operating income came in at €636 million while the Group's share of consolidated net income reached €534 million.

The two traditional divisions, Lagardère Publishing (previously Hachette Livre) and Lagardère Services (previously Hachette Distribution Services) continued to meet growth forecasts while Lagardère Active, which covers magazines and audiovisual activities, recorded a profit following the company's repositioning in late 2006. Lagardère Sports, for which sales totalled nearly €450 million, is already helping to improve the Group's profitability, adding a new dimension and providing a fresh boost to its image.

Having completed its investigations, the Supervisory Board can now confirm that the accounting and financial positions of Lagardère Group and Lagardère SCA are a true and fair reflection of their respective situations.

***

The principle motions of a financial nature on which you will be invited to vote concern:

- Dividend payment,
- Permission for the Managing Partners to trade in company shares for an additional 18 months,
- Changes in the terms under which the Managing Partners may award free shares to Group employees and directors,
- Approval of the planned merger – by way of absorption – of MP 55, a fully-owned subsidiary of Lagardère SCA,
- Permission for the Managing Partners to be able to cancel treasury stock to be received from MP 55.

After due consideration, we have come to the opinion that approval of these motions would be in the best interests of the Company and Group. There is no need for any particular comment, other than for us to say that given the Company's healthy financial position, the Managing Partners' proposed dividend of €1.30 per share would be a suitable allocation of profit between shareholders and the cash flow needed for the group to expand. As such, we recommend that you approve these motions.

You are also invited to vote on a number of specific motions concerning the Supervisory Board, with some members' terms in office drawing to close:

- motion six; Mr Felix Rohatyn is not seeking to renew his time on the Board,
- motions seven, eight and nine, in which we recommend you renew the terms on the Supervisory Board for Messrs Pierre Lescure and Didier Pineau Valencienne, as well as the Groupama company, currently represented by Helman le Pas de Sécheval.

We put before you three new members for appointment to the Supervisory Board:

- Mr François David, Chairman of the Board of Directors at Coface, and Mr Javier Monzòn, Chairman of the Spanish IT specialist, Indra Sistemas. Their specific expertise and the roles they currently occupy will enable the Board to broaden its strategic vision of the Group's international development;
- Mrs Martine Chêne, who works for the Lagardère Active division and who would be representing the CFDT union at the Group's committee meetings. She offers insight and experience in the company after many years of staff representation.

* * *

This annual meeting and the satisfactory results that we put before you present an opportunity to look back on the changes of the past two years.

After the partial withdrawal from EADS, first announced by Jean-Luc Lagardère in 2002 and executed over the first few months of 2006, a series of decisions made over the last two years has consolidated the Group's strengths and signalled a rebalancing towards the most profitable activities of tomorrow, namely, communications, leisure and culture, without ever neglecting the company's financial health. Of particular note are the consolidation of the publishing group in English-speaking countries, the position taken on Canal+, which affords the Group considerable leeway for future action, the Active division's move online, the broad, profitable expansion into the world of sport, and the recently announced launch of Lagardère Entertainment. Lagardère is a leader not a follower. The initial results of these strategic changes inspire confidence in the future now more than ever.

The Supervisory Board

4 - 2 Members of the Supervisory Board

		Date of first or reneval appointment	Current period of office
Chaiman of the Board Chairman of the Audit Committee	**Raymond H. Lévy** Honorary Chairman of Renault SA	11.05.04	AGO 2010*
Member of the Board	**Bernard Arnault** Chairman and CEO, LVMH	11.05.04	AGO 2010*
Member of the Board	**René Carron** Chairman of the Board of Directors, Crédit Agricole SA	11.05.04	AGO 2010*
Member of the Board	**Georges Chodron de Courcel** Chief Operating Officer, BNP Paribas	02.05.06	AGO 2012*
Member of the Board Member of the Audit Committee	**Groupama S.A.** représenté par **M. Helman le Pas de Sécheval** (Chief Financial Officer, Groupama)	11.05.04	AGO 2008*
Member of the Board	**Pierre Lescure** Former Chairman and CEO of Canal+ SA	11.05.04	AGO 2008*
Member of the Board Member of the Audit Committee	**Christian Marbach** Former Chairman of ANVAR	02.05.06	AGO 2012*
Member of the Board Member of the Audit Committee	**Bernard Mirat** Former Deputy Chairman and CEO of Société des Bourses Françaises	02.05.06	AGO 2012*
Member of the Board Member of the Audit Committee	**Didier Pineau-Valencienne** Former Chairman and CEO of Schneider SA	11.05.04	AGO 2008*
Member of the Board	**Henri Proglio** Chairman and CEO, Véolia Environnement	11.05.04	AGO 2010*
Member of the Board	**Felix G. Rohatyn** Vice Chairman, Lehman Brothers	11.05.04	AGO 2008**
Member of the Board	**François Roussely** Chairman, Crédit Suisse France	11.05.04	AGO 2010*

** Annual General Meeting to be held in the year indicated to approve the financial statements for the previous year.*
*** Mr Rohatyn has announced that he will not stand for re-election to the Board at the Annual General Meeting of 29 April 2008.*

4 - 3 Nominations for appointment or reappointment to the Supervisory Board

Mr Pierre Lescure (Reappointment)

Date of birth: 2 July 1945 (Age 63)

Nationality: French

Date of appointment and end of current period of office: 11 May 2004 – 29 April 2008

Position held in Lagardère SCA: Member of the Supervisory Board

Number of Lagardère SCA shares held: 150

Principal position held outside the Company: Chairman, AnnaRose Productions (SAS)

Academic and professional data:

Mr Pierre Lescure is a journalist who has been Editor in Chief of the television channel France 2, and Chairman and Chief Executive of the pay TV channel Canal+ between 1999 and 2002.

Current positions and appointments held in other companies:

In France:

Director, Havas Advertising

Member of the Supervisory Board, Le Monde SA

Member of the Board of Directors, Thomson SA

Chairman, Lescure Farrugia Associés

Outside France:

Member of the Board of Directors, Kudelski (Switzerland)

Positions and appointments held during the last five years:

Member of the Board of Directors, Canal + France

Member of the Board of Directors, Vivendi Universal

Member of the Board of Directors, Studio Canal

Member of the Board of Directors, Paris Saint-Germain Football Club

Member of the Management Board, Canal+ Group

Mr Didier Pineau-Valencienne (Reappointment)

Date of birth: 21 March 1931 (Age 77)

Nationality: French

Date of appointment and end of current period of office: 11 May 2004 – 29 April 2008

Position held in Lagardère SCA: Member of the Supervisory Board and of the Audit Committee

Number of Lagardère SCA shares held: 2,850

Academic and professional data:

Mr Didier Pineau-Valencienne is a graduate of the Paris Business School HEC, Tuck School of Business Administration (Dartmouth College) and Harvard Business School. He is a former Chairman and Chief Executive Officer of Schneider SA.

Current positions and appointments held in other companies:

In France:

Chairman of the Investment Committee, Sagard

Director, Pernod Ricard

Director, Fleury Michon

Chairman of the International Consultative Committee, Audencia (formerly ESC Nantes Atlantique)

Director, Bipe Association

Executive lecturer, HEC Paris Business School

Advisor, Centre d'Enseignement Supérieur de la Marine

Outside France:

Senior Advisor, Crédit Suisse

Director, Swiss Helvetia Fund (USA)

Member of the Advisory Board, Booz Allen & Hamilton (USA)

Member of the Board of Overseers, Tuck School of Business Administration, Dartmouth College (USA)

Member of the Trustees, American University of Paris

Other positions and appointments held during the last five years:

Director, Wendel Investissement

Director, Aventis

Director, AFEP

Director, Axa

Director, Vivarte

Director, AON

Member of the Trustees, IASC (USA)

Director, Axa Financial (USA)

Groupama SA (Reappointment)

A French corporation represented by **Mr Helman Le Pas de Sécheval**

Date of appointment and end of current period of office: 11 May 2004 – 29 April 2008

Position held in Lagardère SCA: Corporate member of the Supervisory Board

Number of Lagardère SCA shares held by Groupama SA: 150

Represented by **Mr Helman Le Pas de Sécheval**

Chief Financial Officer, Groupama

Member of the Audit Committee of Lagardère SCA

Date of birth: 21 January 1966 (Age 41)

Academic and professional data:

Mr Helman Le Pas de Sécheval is a graduate engineer belonging to the prestigious Corps des Mines and a graduate of the École Normale Supérieure. He was formerly head of the operations department and financial information at the French stock market regulator Commission des Opérations de Bourse, and is currently Chief Financial Officer of Groupama.

Current positions and appointments held in other companies:

In France:

Chairman of the Board of Directors, Groupama Immobilier

Chairman of the Board of Directors, Compagnie Foncière Parisienne

Chairman of the Board of Directors, Groupama Asset Management

Chairman of the Board of Directors, Finama Private Equity

Deputy Chairman of the Supervisory Board, Banque Finama

Permanent representative of Groupama to the Board of Directors, Silic

Censor, Supervisory Board, Gimar Finance & Compagnie

Director, Groupama International

Chief Financial Officer, Groupama

Permanent representative of Groupama SA, Co-manager, SCA d'Agassac

Permanent representative of Groupama SA to the Board of Directors, Groupama Systèmes d'Information

Outside France:

Director, Groupama Vita Spa (Italy)

Director, Groupama Assicurazioni Spa (Italy)

Director, Nuova Tirrena

Mr François David (Appointment)

Date of birth: 5 december 1941 (Age 67)

Nationality: French

Date of appointment and end of current period of office: April 29, 2008 – 2014 AGM

Position held in Lagardère SCA : N/A

Number of Lagardère SCA shares held personally: 0

Principal position: Chairman of COFACE SA

Professional experience:

Since 1994, Mr François David has been the CEO of COFACE, a credit insurance and credit management service company. He began his career in 1969 at the French Ministry of Finance, as an administrative officer within the Department for External Economic Relations, where he held various posts. In 1986, he was appointed Director of the Cabinet for the Minister of Foreign Trade. In 1987, he was appointed Director of External Economic Relations within the Ministry of the Economy, Finance and Budget. In 1990, he was appointed Managing Director of International Business at AEROSPATIALE. François David is a graduate of the Ecole Nationale d'Administration (Public Administration) and the Institut d'Etudes Politiques de Paris (Political Studies) and holds a degree in sociology.

During the last five years François David has also served as:

A Director of EADS (2004-2007)

Chairman of the ICISA – International Credit Insurance & Surety Association (2004–2006)

European Adviser to Citigroup (2001-2005)

He currently holds the following positions and offices:

Chairman of the Supervisory Board of COFACE Kreditversicherung AG (Germany)

Chairman of the Board of Directors of COFACE Assicurazioni (Italy)

Chairman of the Board of Directors of COFACE Services

Director of Vinci

Director of Rexel

Mr Javier Monzón (Appointment)

Date of birth: mars 1956 (Age 52)

Nationality: Spanish

Date of appointment and end of current period of office: April 29, 2008 – 2014 AGM

Position held in Lagardère SCA: N/A

Number of Lagardère SCA shares held: 0

Principal position : Chairman of the Spanish company Indra Sistemas

Professional experience:

Mr Javier Monzón, an economics graduate, has held the following principal positions over the course of his career:

Head of Corporate Banking at Caja Madrid, where he began his career.

Chief financial Officer then Executive Vice President of corporate development at Telefónica. He then became Chairman of Telefónica International.

Worldwide Partner of Arthur Andersen and Managing Partner Corporate Finance Consulting Services in Arthur Andersen Spain.

Current positions and appointments held in other companies:

Member of the board of ACS (Spanish Construction Group)

Member of the board of YPF (Spanish Oil Group)

He also performs a range of duties within various organizations that promote entrepreneurial activities and technological development. These include:

Vice-Chairman of Círculo De Empresarios (Spanish Businessmen RoundTable)

Vice-Chairman of the American Chamber of Commerce in Spain

Chairman of the Executive Committee of the Conocimiento Y Desarrollo Foundation

Other positions and appointments held during the last five years:

Member of the board of Alcatel (France)

Member of the board of Repsol (Spanish)

Member of the board of Royal & Sun Alliance (United Kingdom)

Member of the board of TDS (USA)

Member of the board of Telettra (Italy)

Mrs Martine Chêne (Appointment)

Date of birth: May 12, 1950 (Age 58)

Nationality: French

Proposed term of office start and end dates: April 29, 2008 – 2014 AGM

Position held within Lagardere SCA: N/A

Number of Lagardère SCA shares held personally: 0

Principal position: Research assistant at Hachette Filipacchi Associés (HFA), the principal company of Lagardere Active's magazine branch.

Professional experience:

Mrs Martine Chêne joined the Lagardère Group in 1984, where she has since been employed as a research assistant at Hachette Filipacchi Associés.

She is the Secretary of HFA's Works Council, the CFDT (French Democratic Confederation of Labor) Union Delegate and the Staff Delegate.

She is the CFDT Union Representative within the Group Committee.

Chapter 5

Reports of the Statutory Auditors

5 - 1 General Report of the Statutory Auditors

Dear Partners,

In compliance with the assignment entrusted to us by your General Meetings, we hereby report to you, for the year ending December 31, 2007, on:

• the audit of the accompanying financial statements of Lagardère S.C.A., as appended,

• the justification of our assessments,

• the specific verifications and information required by law.

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

I - Opinion on the financial statements

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

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2007 and the results of its operations for the year then ended, in accordance with accounting rules and principles applicable in France.

II - Justification of our assessments

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

Accounting principles and valuation methods

The note "Accounting principles and methods" presented in the Notes to the Parent Company financial statements explains the criteria used for the valuation of long-term investments.

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

These assessments thus took place in the context of our audit of the financial statements taken as a whole, and therefore contributed to the formation of our unqualified opinion expressed in the first part of this report.

III - Specific verifications and information

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

We have no observation to report regarding:

- the fair presentation and the coherence with the financial statements of the information given in the Management's report and in the documents addressed to the partner's with respect to the financial position and the financial statements,

- the sincerity of the information disclosed in the management report regarding the salaries and benefits paid to members of the management bodies, or the commitments made in their favor when they take up, leave or change their function or subsequently.

In accordance with the law, we ensured that the various information related to interests and acquisitions and to the shareholders' identity was provided to you in the management report.

Neuilly-sur-Seine and Courbevoie, 28 March 2008

The Statutory Auditors

Ernst & Young et Autres	Mazars & Guérard
Jean-François Ginies	Jacques Kamienny

5 - 2 Statutory Auditors' Report on the consolidated financial statements

To the Shareholders of Lagardère SCA,

In compliance with the assignment entrusted to us by your General Meetings, we have audited the accompanying consolidated financial statements of Lagardère SCA for the year ended December 31, 2007.

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

I. Opinion on the Consolidated Financial Statements

We conducted our audit in accordance with the professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets, liabilities and financial position of the consolidated Group as at December 31, 2007 and the results of its operations for the year then ended in accordance with IFRSs as adopted by the European Union.

Without qualifying the opinion, we wish to draw attention to the matter discussed in Note 1 to the consolidated financial statements, which describes the methodological changes applied from January 1, 2007:

- As permitted by the IAS 31 standard, Interests in Joint Ventures, the Lagardère group has chosen, as an alternative to proportional consolidation, to consolidate interest in jointly-controlled units using the equity method;
- As permitted by the IAS 19 standard (revised), the Lagardère group has chosen to recognize actuarial differences related to post-employements benefits and directly as equity capital.

II. Justification of assessments

In accordance with the requirements of article L.823-9 of the French Company law relating to the justification of our assessments, we bring to your attention the following matters:

- As disclosed in note 3.10 to the consolidated financial statements, Lagardère reviews all intangible assets and goodwill for impairment at least once a year. We have reviewed the data and assumptions used as a basis for determining the assets' recoverable values, for comparison with their book value. In particular, this recoverable value has been determined based on cash flow projections prepared by the Group. We have assessed the reasonableness of such estimates.
- Note 25.3 to the consolidated financial statements presents the accounting treatment used by Lagardère for the Mandatory Exchangeable Bonds and the related embedded derivative. The Group decided to amortize the initial value of the embedded derivative on a straight-line basis, although IFRSs adopted in the European Union require these derivatives to be adjusted to fair value at each year-end through profit and loss. We have assessed the impact of this treatment, chosen as a result of the overall features of the Mandatory Exchangeable Bond issue, and the related information reported in the notes to the consolidated financial statements.

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

III. Specific verifications

In accordance with professional standards applicable in France, we have also verified the information given in the Group's management report. We have no matters to report regarding its fair presentation and its conformity with the consolidated financial statements.

Courbevoie and Neuilly-sur-Seine, March 28, 2008

The Statutory Auditors

Ernst & Young et Autres	Mazars & Guérard
Jean-François Ginies	Jacques Kamienny

5 - 3 Statutory Auditors' Special Report on regulated agreements and commitments

Dear Partners,

In our capacity as Statutory Auditors of your Company, report on the regulated agreements and commitments disclosed to us.

Our role does not include identifying undisclosed agreements or commitments. We are required to report to you, based on the information provided, on the main terms and conditions of the agreements and commitments disclosed to us, without commenting on their relevance or substance. It is up to you, in accordance with the terms and conditions of article R.225-31 referring to article R.226-2 of the French Commercial Code, to evaluate the interest there may be in signing these agreements and commitments, with a view to their approval.

We carried out our work in accordance with professional standards applicable in France. These standards require that we perform procedures to verify that the information given to us is coherent with the underlying documents.

Agreements and commitments authorized during the year

We have not been informed of any agreement or commitment subject to articles L.225-38 and L.225-42-1, referring to article L.226-10 of the French Commercial Code.

Agreements and commitments authorized in previous years and which continued to apply during the year

In application of the provisions of article R.225-30, referring to article R.226-2 of the French Commercial Code, we have been informed that the following agreements and commitments, approved in previous years, have continued to apply during the year under review.

Lagardère Capital & Management

Service Agreement

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

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

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

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

Starting from that date, the remuneration payable by Lagardère Ressources to Lagardère Capital & Management for any given year is equal to the total expenses incurred by Lagardère Capital & Management during that year in execution of the services rendered under the Service Agreement, plus a ten per cent margin, with an absolute upper limit of 1 million for that margin.

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

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

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

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

***

For the year 2007, the amount billed by Lagardère Capital & Management amounted to 19,343,135 euros including an expense of 3,591,000 euros for the additional pension plan, compared to 17,019,078 euros (including an expense of 3,270,000 euros for the additional pension plan) in 2006.

Neuilly-sur-Seine and Courbevoie, 28 March 2008,

The Statutory Auditors

Ernst & Young et Autres	Mazars & Guérard
Jean-François Ginies	Jacques Kamienny

5 - 4 Special auditors' report on the changes in conditions related to the allocation of free shares, whether existing or to be issued, to the benefit of salaried employees and corporate officers for the authorization given by the April 27, 2007 general meeting

(13th résolution)

To the Shareholders of Lagardère SCA,

In our capacity as Statutory Auditors of your Company and in compliance with the assignment entrusted to us pursuant to article L.225-197-1 of the French Company law, we have prepared this report on the change in conditions related to the allocation of free shares, whether existing or to be issued, to the benefit of salaried employees and corporate officers of Lagardère SCA and of related companies within the meaning of article L.225-197-2 of the French Company law.

In your last general meeting held on April 27, 2007, you authorized the management to allocate free shares to employees and executives of the company and its subsidiaries, for a two-year period, within a limit of 1% of share capital.

Your Management proposed to authorize you to modify, for shares allocated to non-French tax residents only, the period for which shares were granted and must be kept, for shares granted on December 28, 2007 in accordance with the authorization given by your general meeting on April 27, 2007, or for shares to be granted under the terms of this authorization. Your management therefore proposes, for shares allocated to non-French tax residents only, to extend the final acquisition period for shares granted in this way, by an additional two-year period, and, as a consequence, to cancel the required period for keeping shares, initially set at two years, for shares granted in this way. It is the responsibility of the Management to prepare a report on the reasons for the proposed operation. We are required to give our opinion, if necessary, on the information given to you on the proposed operation.

When carrying out this assignment, we planned and performed the work we deemed necessary with regard to the National Auditors' Company's professional guidelines. Our work included, in particular, verifying that the terms and conditions described in the Managing Partners' report are in line with the law.

We have no comments to make on the information contained in the report of your Managing Partners regarding the change in conditions related to the allocation of free shares.

Courbevoie and Neuilly-sur-Seine, March 28, 2008

The Statutory Auditors

Ernst & Young et Autres	Mazars & Guérard
Jean-François Ginies	Jacques Kamienny

5 - 5 Statutory Auditors' Report on the reduction of share capital by share cancellation

(15th Resolution)

To the Shareholders of Lagardère SCA,

In our capacity as Statutory Auditors of Lagardère SCA, and in compliance with the assignment entrusted to us pursuant to article L. 225-204 referring to article L 226-1, paragraph 2 of the French Commercial Code in the event of a reduction of share capital, we prepared this report to share our assessment of the causes and conditions of the planned reduction in share capital with you.

When carrying out this assignment, we planned and performed the work we deemed necessary with regard to the National Auditors' Company's professional guidelines. This work led us to examine whether or not the causes and conditions of the planned reduction in share capital were regular.

This operation is part of MP 55's transfer of 707,627 Lagardère SCA shares to your company, as a consequence of the absorption through simplified merger between MP 55 and your company. This operation will also be proposed for your general meeting's approval.

Your Management requests that you delegate it full power to cancel all or some of the 707,627 Lagardère SCA shares transferred under this operation, for a period of 36 months.

Subject to the actual completion of the planned simplified merger through absorption of MP 55, subject to your approval in this general assembly, we have no comment to make on the causes and conditions of the planned reduction in share capital.

Neuilly-sur-Seine and Courbevoie, 28 March 2008,

The Statutory Auditors

Ernst & Young et Autres
Jean-François Ginies

Mazars & Guérard
Jacques Kamienny

Chapter 6

Draft Resolutions

First Resolution

Approval of the Parent Company Financial Statements for the financial year 2007.

The Ordinary General Meeting, being informed of reports of the Managing Partners, the Supervisory Board and the Statutory Auditors, hereby approves the said reports in their entireties and the Parent Company Financial Statements for the Financial Year ended 31 December 2007 as prepared and presented.

Consequently, the Ordinary General Meeting approves all actions undertaken by the Managing Partners as reflected in these financial statements and described in these reports, and gives discharge to the Managing Partners for their management in the financial year.

Second Resolution

Approval of the consolidated financial statements

The Ordinary General Meeting, being informed of the reports of the Managing Partners, Supervisory Board and the Statutory Auditors on the Consolidated Financial Statements for the Financial Year ended 31 December 2007, hereby approves said Consolidated Financial Statements as prepared and presented to it.

Third Resolution

Allocation of profit, setting of the ordinary dividend at €1.30 Per share.

(in euros)	
The Ordinary General Meeting hereby declares that the profit for the financial year is	€ 832,655,497.79
plus retained earnings of	€ 91,451,718.68
giving a distributable profit of	€ 924,107,216.47

It decides, in accordance with the Articles of Association, to pay the Limited Partners € 5,341,290 (1% of allocable net profit). Under article 158.3.2 of the French General Tax Code, this dividend will be eligible for the 40% reduction available to individual shareholders who are subject to income tax in France.

On the recommendation of the Managing Partners, the Meeting hereby resolves to:

• pay an annual dividend of €1.30 per share, giving a total maximum distribution of €174,373,271.80. It should be noted that treasury shares at the date this coupon is detached shall carry no dividend entitlement,

• and once established by the Managing Partners, the balance shall be carried to retained earnings.

The dividend shall be payable by check or bank transfer as of 7 May 2008 to holders of registered shares or their authorized representatives.

The dividend will be eligible for the 40% reduction available only to individual shareholders who are subject to income tax in France, in accordance with article 158.3.2 of the French General Tax Code.

The general meeting notes that dividends paid over the past three years were as follows:

(in euros)	**2006**	**2005**	**2004**
Net dividend per share paid to shareholders	1.2	1.1	1 + 2 (*)
Total dividends	160,422,984.00	153,613,313.70	410,517,996.00 (*)
Dividends paid to Limited Partners	2,913,680.00	6,697,620.00	3,818,730.00
Total	**163,336,664.00**	**160,310,933.70**	**414,336,726.00 (*)**

(*) including a €2 per share extraordinary dividend.

Fourth Resolution

Approval of regulated agreements.

The Ordinary General Meeting, having read the special report of the Statutory Auditors on agreements covered by article L.226-10 of the French Commercial Code, notes that no such agreements were entered into in the financial year just ended.

Fifth Resolution

Vote powers to the managing partners for a period of eighteen months to handle shares in the company.

Having read the Managing Partners' special report on the Company's buyback program and in conformity with current laws and regulations, the Ordinary General Meeting authorizes the Managing Partners to acquire up to 10% of the equity of Lagardère SCA (i.e. a maximum of 13,413,328 shares based on equity at 29 February 2008), for up to seven hundred million euros (700,000,000), under the following terms and conditions.

Price per share shall not exceed 80 euro but if necessary this amount will be adjusted to take account of equity transactions, in particular capitalization of reserves, profits or premiums and allocations of free shares, or stock or reverse stock splits.

The Managing Partners may use this authorization notably for the following purposes:

- to reduce equity by canceling all or part of the shares purchased, as authorized by the meeting of shareholders on 10 May 2005;
- transferring of shares to holders of options exercising their right to purchase shares;
- allocation of free shares to employees of the Company and related companies;
- allocation of shares to employees of the Company as part of the profit-sharing scheme;
- any other allocation of shares to employees of the Company and related companies in compliance with applicable laws and regulations;
- retention of treasury shares for subsequent exchange or use as payment in future expansion through acquisition;
- making and regulating the market in Company shares through market maker agreements with an independent investment services provider; the terms and conditions of which agreements shall comply with a code of good conduct recognized by the *Autorité des Marchés Financiers*;
- transfer or exchange of shares in response to the exercise of the rights attaching to securities granting, in any manner whatsoever, a right to the allocation of shares in the Company;
- and, more generally, the effecting of transactions in accordance with current regulations and in particular with the market practices accepted by the *Autorité des Marchés Financiers*.

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

The General Meeting grants the Managing Partners all powers to decide, under the terms and conditions set by law, to implement this authorization, enter into any agreements, carry out all formalities and, generally, do whatever may be useful or necessary for execution of this resolution.

This authorization is given to the Managing Partners for a period of 18 months as of this Meeting. It terminates and replaces the authorization given on 27 April 2007.

Sixth Resolution

Reappointment to the supervisory board of Mr Pierre Lescure.

The Ordinary General Meeting, on the recommendation of the Supervisory Board, hereby reappoints Mr Pierre Lescure to the Board for six years.

Seventh Resolution

Reappointment to the supervisory board of Mr Didier Pineau-Valencienne.

The Ordinary General Meeting, on the recommendation of the Supervisory Board, hereby reappoints Mr Didier Pineau-Valencienne to the Board for six years.

Eighth Resolution

Reappointment to the supervisory board of Groupama.

The Ordinary General Meeting, on the recommendation of the Supervisory Board, hereby reappoints Groupama to the Board for six years.

Ninth Resolution

Appointment to the supervisory board of Mr Javier Monzón replacing Mr Félix G. Rohatyn.

The Ordinary General Meeting, having read the retirement from the Supervisory Board of Mr Félix G. Rohatyn and his request not to be reappointed, on the recommendation of the Supervisory Board appoints Mr Javier MONZÓN to replace him for six years.

Tenth Resolution

Appointment to the supervisory board of Mr François David for six years.

The Ordinary General Meeting, on the recommendation of the Supervisory Board, hereby appoints Mr François David to the Supervisory Board for six years.

Eleventh Resolution

Appointment to the supervisory board of Mrs Martine Chêne for six years.

The Ordinary General Meeting, on the recommendation of the Supervisory Board, hereby appoints Mrs Martine Chêne to the Supervisory Board for six years.

Twelfth Resolution

Reappointment of MAZARS & GUÉRARD as standing statutory auditor for six financial years and appointment of a new alternate statutory auditor.

The Ordinary General Meeting, having read the expiry of the appointments of MAZARS & GUÉRARD as Standing Statutory Auditor and of Mr Michel Rosse as Alternate Statutory Auditor at the end of this meeting, resolves to reappoint MAZARS & GUÉRARD as standing statutory auditor for six financial years and for the same term to appoint as Alternate Statutory Auditor Mr Patrick de Cambourg of 51 rue Henri Regnault – Exaltis – 92075 La Défense Cedex.

Thirteenth Resolution

Amendment of the conditions for the allocation of free shares in the company by the managing partners to group employees and executives.

The Extraordinary General Meeting, having read the special report of the Management Partners on the allocation of free shares, to the report of the Supervisory Board and to the special report of the Statutory Auditors, hereby resolves:

- that the Managing Partners may amend the terms and conditions of allocation decided by them on 28 December 2007 in compliance with the powers voted by the General Meeting of Shareholders on 27 April 2007 in its fourteenth resolution, which amendment shall apply only to beneficiaries who are not resident in France for tax purposes at the allocation date, by abolishing the two-year retention requirement and extending the acquisition period by two additional years to a total of four years;
- that with respect to any new allocations decided by the Managing Partners under the powers voted to them at the 27 April 2007 meeting of shareholders and notwithstanding the terms and conditions imposed at that meeting:
  - share allocations to beneficiaries who are not resident in France for tax purposes shall not be final until the end of an acquisition period of no less than four years;
  - such beneficiaries shall not be required to retain any free shares allocated to them and may dispose of them freely once allocation is final.

Fourteenth Resolution

Approval of the simplified merger agreement with MP 55, a wholly-owned subsidiary of Lagardère SCA.

The Extraordinary General Meeting, having:

- read the report of the Managing Partners,
- and the report of the Independent Appraisers on the value of the assets to be contributed by MP 55,
- and become acquainted with the terms of the unrecorded merger agreement drawn up in Paris on 18 March 2007, by which MP 55, a *société par actions simplifiée*, with equity of €45,864,375, and its registered office at 121 avenue de Malakoff, Paris 16th (75), number 344 646 021 in the Paris Commercial and Companies Register, is to contribute to its parent company, Lagardère SCA, upon merger all its assets, valued at €80,817,057.96 at 31 December 2007, plus all its liabilities of €33,065,282.18 at the same date, giving a net book value of €47,751,775.78, whereby:
  - since Lagardère SCA wholly owns MP 55 and has undertaken to retain its shareholding until final completion of the merger, pursuant to article L.236-3 of the French Commercial Code, there will be no exchange of said shares for new shares in Lagardère SCA , which will therefore not increase its capital and will simply cancel the shares in MP 55;
  - the difference between the cost to Lagardère SCA of the shares in MP 55 and the net assets contributed by the latter (€13,708,427.22) shall constitute a merger book loss that in accordance with accounting regulations shall be carried to balance sheet assets under intangible fixed assets;
  - the merger shall have retrospective accounting and fiscal effect from 1 January 2008, the date at which the Parties closed the accounts to establish the bases and terms of the merger and its effective date;
  - the final completion of the merger is subject to unanimous approval by the General Meeting of Shareholders of Lagardère SCA and its Limited Partners by 31 December 2008;
- having read the approval of the above merger agreement by the Limited Partners,

Hereby simply approves the agreement to merge MP 55 with Lagardère SCA under the terms and conditions and methods agreed.

The Meeting more specifically approves the valuation given to the assets and liabilities contributed.

It consequently notes that the merger agreement will come into permanent effect as of this day.

It hereby resolves as a result of the completion of the above merger to supplement the Articles of Association to take account of the contributions made to the Company and the subsequent changes to its equity, by adding a paragraph 44 reading as follows:

> *44) By means of the an unrecorded deed approved on 29 April 2008 by the Combined General Meeting of Shareholders, MP 55, registered office 121 avenue de Malakoff, Paris 16^{e} (75), a wholly-owned subsidiary of Lagardère SCA , contributed to the latter under the simplified merger regime all its assets and liabilities in the net amount of €47,751,775.78.*

Fifteenth Resolution

Voting of powers to the managing partners for thirty-six months to reduce equity by cancelling the lagardère sca shares contributed by MP 55.

The Extraordinary General Meeting, having read the reports of the Managing Partners, the Supervisory Board and the Statutory Auditors, hereby authorizes the Managing Partners, pursuant to article L.225-204 of the French Commercial Code to proceed with the reduction of the Company's equity by cancelling all or part of the 707,627 shares in Lagardère SCA that MP 55 will contribute as part of its simplified merger with Lagardère SCA .

The Managing Partners shall write off the difference between the book value of the cancelled shares and the nominal value of the capital reduction thus effected against premiums, reserves or available profit, as they see fit. The same shall apply to the merger book loss resulting from the merger with MP 55, which shall be written off against the balance sheet assets constituted by the shares in Lagardère SCA contributed by MP 55.

The Meeting of Shareholders therefore votes full powers to the Managing Partners to proceed with the capital reduction and as necessary to settle all objections, make appropriate amendments to the Company's Articles of Association and generally to do everything useful or necessary to ensure the success of the capital reduction.

The present powers are voted for a period of thirty-six months as of this Meeting.

Sixteenth Resolution

Authorization to carry out formalities.

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

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Lagardère

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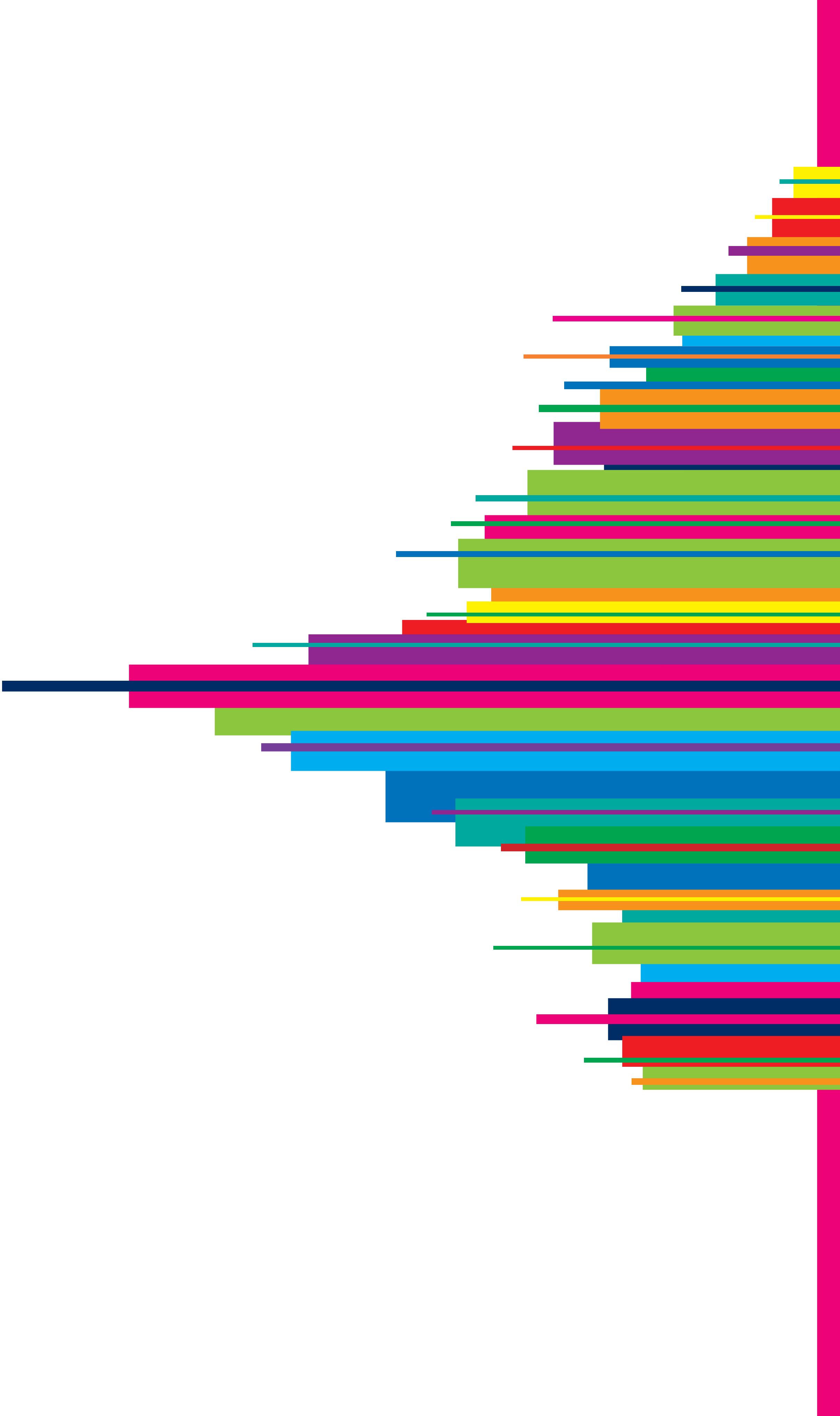

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