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CAPITAL

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Press release

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Changing the Supervisory Board for a Stronger Lagardère

Amber Capital, which has been a shareholder of the Lagardère Group since 2016, is today its largest shareholder with a 16.42% stake and 12.48% of the voting rights. Amber Capital has decided to add resolutions to the agenda of the next Annual General Meeting on 5 May 2020, in order to fully renew the Supervisory Board.

For more than fifteen years, Lagardère SCA's economic performance has been well below average. Between March 2003 and December 2019, Lagardère's share price underperformed the CAC 40 by 158%, the SBF 120 by 198% and the Stoxx Europe Media 600 index by 183%.

This structural underperformance of the Lagardère Group's stock price reflects a clear mistrust of the market vis-à-vis the Group, its strategic decisions and its corporate governance. Indeed, Amber Capital believes that several elements explain this underperformance:

- **A concentration of powers**: a General Partnership (*société en commandite par actions*) that centralises all powers around a single individual;

- **A decade of major strategic errors**: a capital allocation strategy that has proven extremely costly to the group, its employees and its shareholders and totally ineffective, since the majority of the capital invested in external growth was related to structurally loss-making businesses (media and sports) instead of supporting the performing and profitable activities (publishing and travel retail);

- **Inadequate supervision**: a Supervisory Board that has not played its role as a counterpower to control and remedy the consequences of the manager's strategic errors;

- **A conflict of interest**: finally, the personal financial situation of the general partner, who is personally liable on his own assets, is also a major concern for stakeholders and the wider market and, as we also believe, a source of conflict of interest with regard to the dividend policy proposed by the management.

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Amber Capital is convinced that this underperformance does not reflect the quality of the assets of Lagardère, Publishing through Hachette and Travel Retail, nor their full potential. Only a radical transformation of the Company, its structure, its corporate governance and its strategy, can allow the Group to thrive.

Amber has therefore decided to present new strategic alternatives to strengthen the Lagardère Group in order to build a Stronger Lagardère for all stakeholders:

- **Abandon** the Commandite structure
- **Simplify** the group structure and reduce the costs of the holding company
- **Review** the dividend policy and, as a first step, suspend the dividend payment in 2020 in order to strengthen the Group's liquidity and protect the company and its employees in an uncertain environment.
- **Free up** more resources to develop publishing (Hachette) and Travel Retail

The first step in implementing these measures is to transform the governance by renewing the entire Supervisory Board of the Group. Amber is therefore putting forward a list of independent, highly competent and responsible candidates who will finally be able to implement the strategic changes that are urgently needed today.

By voting for a new Supervisory Board, Lagardère shareholders will give the Group the means to free up the driving forces of the Publishing and Travel Retail divisions and allow all stakeholders to benefit from the future successes of this great company.

On 5 May, voting for a Stronger Lagardère means voting for Amber Capital's resolutions!

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