

“LEDOUBLE REPORT” : A COUNTER-ANALYSIS & FACT-CHECKING

1. The conclusions drawn in Ledouble’s audit report are totally useless:

- The mandate of the audit and advisory company Ledouble was solely to review and confirm (i) the consistency between the amounts billed by LC&M, the costs incurred and the corresponding accounting documents; and (ii) the consistency between the remuneration indicated in the Group’s annual reports and the amounts billed by LC&M.
- The audit and advisory company Ledouble has only checked the absence of forged invoices and accounting errors, which Amber Capital never actually questioned.
- This report is not a statutory audit of the financial statements of LC&M (which has been acknowledged by Ledouble in the report), and nor is it a critical review of the statutory audit work.

2. This is as expected given the circumstances: **the report prepared by Ledouble is a contractual audit report** (International Standard on Related Services (ISRS) 4400). Its content, rather than being driven by accepted market practice, **is simply agreed upon by the parties. Lagardère has specified the scope of Ledouble’s work, probably after a discussion with the audit firm to define the exact perimeter and the limits of their investigation and analysis.**

3. **Without surprise, the report answers none of the questions we sent to the Managing Partners and the Supervisory Board regarding LC&M.**

No answer whatsoever is provided with regard to:

- **The negative impact of the existence of LC&M** with respect to the cash position (disbursement of provisions) and the results of the Group (€1m margin recorded annually by LC&M)
- The detailed **breakdown of the work environment costs** (c. €2m p.a.)
- The **increase in work environment costs** per capita (from 350,000 euros in 2006 to 380,000 euros in 2018)
- The confirmation that these environment costs as **compared to those of companies of similar size**
- The reasons behind the **increase in the total remuneration of the Executive Committee** between 2017 and 2018 (especially the remuneration of the members who are not managing partners) and if this increase is in the interests of the company

- **The consistency between the remuneration paid and the performance of the Lagardère Group**
 - The choice to appoint **an independent auditor (Mr Isimat-Mirin)** and not a member of the “Big 4”
 - **The true level of indebtedness of LC&M**
 - **The net book value** of the investment in Lagardère SCA
 - **The existence or the absence of a current account and its current balance**, between LC&M and its shareholder Lagardère SAS (as was the case in the 2009 financial statements, the latest accounts that have been published)
 - **And finally, the fundamental question: to what extent is the service agreement with LC&M in the interest of Lagardère SCA?**
4. Ledouble's report is thus no substitute for the answers Amber Capital is still waiting for, nor for the full publication of LC&M's accounts (which have been ordered by a French commercial court).