

Certified ✓

le 12/04/2019 à 20:09

by  Labrador on  worldregInfo.com



G

**NOTICE  
OF MEETING 2019**

**COMBINED  
GENERAL MEETING**

**Tuesday, May 7, 2019 at 11:00 AM CET**



Les Salons Hoche  
9, avenue Hoche  
75008 Paris



## CONTENT

<u>Message from the Chairman of the Board of directors</u>	<u>3</u>
<u>Message from the Chief Executive Officer</u>	<u>4</u>
<u>Agenda</u>	<u>6</u>
<u>How do I participate in the General meeting?</u>	<u>7</u>
<u>Draft resolutions submitted for vote to the General meeting</u>	<u>9</u>
<u>Overview of the financial results in 2018</u>	<u>13</u>
<u>2019 outlook</u>	<u>16</u>
<u>Request to receive documents and information</u>	<u>17</u>
<u>Postal voting or proxy form</u>	



# MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

**Nicolas SEYDOUX**

Since selling its minority stake in Les Cinémas Gaumont Pathé in 2017, Gaumont has refocused its business on film and television production. As a result, 2018 was a year of transition, as 2019 is also shaping up to be.

Financing film production is becoming increasingly difficult in France. Canal+, private television channels and the public sector are investing less, and high-budget films are becoming harder to finance. Developing an ambitious, diversified editorial policy, which has always been tough, continues to pose a challenge. Without wading into the debate, which is not the subject here, and without being able to measure its financial effect, the yellow vest protests and the abuses committed are not conducive to boosting movie theater attendance, the main bellwether of the cinema industry.

Increasing the volume of television production remains an arduous process. Partnerships with traditional French players are taking longer to establish and are becoming harder to finance. Agreements with the major American platforms, however laborious they might be to negotiate, are both less time-consuming and more lucrative.

Alongside cinema, repeatedly impacted by changes in technology, the entire audiovisual landscape is undergoing a major transformation, the full effects of which are still unclear.

The fragmentation of audiences and their “segregation” by age group, screen size and delivery method is probably only just beginning.

The fight against piracy remains unchanged, even though rightholders have won all their legal battles. The European Parliament vote on the “recognition” of copyright is a major step forward. Its transposition into national legislation, not least in France, should support creation.

Gaumont is seeking to adapt to this changing landscape. Without underestimating the risks of a world redesigned by the ubiquitous presence of social media, the oldest film company in the world is mindful of the opportunity represented by one of today's most ambitious challenges, culturally and sociologically: creating programs seeking to move everyone.

**Nicolas SEYDOUX**, April 1, 2019



# MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

**Sidonie DUMAS**

2018 was a mixed year. Since November 17, we have been going through a period of protests and unrest that has weakened and destabilized the country. But it was also a year of mobilization and consultation for the movie industry, that led to three new agreements being signed. The first one for a new media chronology, the other two with Canal+ and Orange, major players in the financing of French cinema.

Despite a lackluster market during the summer and early autumn, movie theaters once again pulled in audiences of more than 200 million in 2018. American films saw a decline in popularity, while French films remained in vogue with a market share of 40%. Going to the cinema is still the main form of cultural entertainment for French people and creates a strong social bond.

In 2018, Gaumont released 10 films which were seen by more than 8 million people. Careful promotion of films around the time of their release is crucial and the choice of date is essential. Because films are prototypes, their trajectory can sometimes surprise us, both in a good and bad sense. *The Emperor of Paris*, directed by Jean-François Richet, unfortunately failed to achieve a million ticket sales. By contrast, Franck Dubosc's first film *Rolling to You* delivered a stellar performance, reaching audiences of more than 2.4 million. The third and final chapter of *Belle and Sebastian*, directed by Clovis Cornillac, was also a box-office hit. The adaptation of the comic book *Tricky Old Dogs*, Christophe Duthuron's first film, was also warmly received by the public.

Despite a 16% fall in the video market, Gaumont sold more than 1.2 million units in 2018, driven by new releases with the publication of thirteen recent films. Gaumont also recorded more than a million paid video-on-demand transactions.

French television channels screened more than 180 films from our catalog in 2018, including *The Brats*, *Delusions of Grandeur*, *The Fifth Element* and the *Fantomas* trilogy.

In terms of foreign sales, new films generated more than €12.5 million in revenue, while heritage films remained at €9.3 million.

Our policy has always been heritage-based. Gaumont invests in the restoration of old films so that they can continue to be shared with a wide audience.

The touring exhibition designed to mark Gaumont's 120th anniversary is continuing to tell the story of cinema around the world. After Southeast Asia in 2017, it was the turn of Japan, Cuba, Lille and Canada in 2018. Next year, the exhibition will move to Mexico, Lariboisière Hospital in Paris and Berlin.

In 2019, the editorial line of Gaumont will be rich and diversified. Eleven new films will be brought to the big screen: *Edmond*, Alexis Michalik's feature-length debut as director; five comedies, *The Mystery of Henri Pick* by Rémi Besançon, *Pappy Sitter* by Philippe Guillard, *Ibiza* by Arnaud Lemort and *No Filter* by Eric Lavaine; a children's film, *Ailo's Journey*, by Guillaume Maidatchevsky; two comedy dramas, *Pure as Snow* by Anne Fontaine and *La Vie Scolaire* by Grand Corps Malade; a thriller, *Three Days and a Life*, by Nicolas Boukrief; a historical film, *J'accuse*, by Roman Polanski, and *The Specials*, directed by the duo Toledano and Nakache.

For Gaumont, 2018 was also a year of transition. The sale of our stake in movie theaters in 2017 has allowed us to focus on developing our television business with two new subsidiaries, Gaumont GmbH in Cologne and Gaumont Ltd in London. It has been more than eight years now since Gaumont first returned to television production. This diversification is beneficial and should enable us to ride out any bumpy phases.

In France, two new series proved to be a hit in 2018: *Nox*, on Canal Plus, and the second season of *The Art of Crime* on France 2. In the United States, each new season of *Narcos* is a major event. This year, *Narcos Mexico* was no exception.

The audiovisual landscape has witnessed dramatic changes over the last few years. New technology has given rise to new consumer trends and the emergence of new players. Online streaming platforms have become strategic, highly responsive partners with a gargantuan appetite for new material. Competition is intense and we are profiting from their growth.

In France, the United States, Germany and the United Kingdom, we have signed a total of 11 series with online streaming platforms. In drama, the 5th season of *Narcos*, the 4th season of *F is for Family*, *Arsène Lupin* with Omar Sy and *The Barbarians* are planned for Netflix, while *El Presidente*, a South American series on football, has been announced for Amazon. In animation, *Do Re and Mi*, with the voice of Kristen Bell, is currently in production for Amazon, while *Stillwater*, spiritual tales with pandas, is in preparation for Apple.

To be passionate about one's work is a tremendous opportunity. Everyone I work with at Gaumont is extraordinarily professional. It reminds me of this quote from Antoine de Saint-Exupéry in *Wind, Sand and Stars*: "The grandeur of a profession is perhaps, above all, uniting men: there is only one true luxury, that of human relationships."

Gaumont could not be ambitious without its teams.

I would like to thank all our shareholders for their support and loyalty, as well as all our staff for their contribution to Gaumont's various activities in France and abroad, and in particular those within the social and economic committee or representative bodies who have contributed to the proper operation of the legal institutions and employee benefit schemes.

**Sidonie DUMAS**, April 2, 2019

# AGENDA

Dear Shareholder,

We are pleased to inform you that the shareholders of our company are requested to attend the **COMBINED ORDINARY AND EXTRAORDINARY GENERAL MEETING** on **Tuesday, May 7, 2019 at 11:00 AM CET**, at **Les Salons Hoche, located at 9 avenue Hoche, 75008 Paris, France**, to deliberate on the following agenda:

## Ordinary items

- Approval of the separate financial statements for the year ended December 31, 2018 and the granting of discharge to Board members
- Approval of the consolidated financial statements for the year ended December 31, 2018
- Allocation of income for the year ended December 31, 2018
- Distribution of a dividend
- Regulated agreements and commitments referred to in Article L. 225-38 of the French Commercial code
- Approval of the fixed, variable and special components comprising the total compensation and benefits of any kind paid or allocated to the Chairman of the Board of directors and to the Chief Executive Officer for 2018
- Approval of the principles and criteria used as a basis for calculating compensation components for the Chairman of the Board of directors and the Chief Executive Officer
- Authorization of the Board of directors to arrange for the company to purchase treasury shares
- Renewal of a Board member

## Extraordinary items

- Authorization of the Board of directors to reduce the company's share capital by canceling shares held by the company under the share purchase authorization
- Delegation of authority to the Board of directors to issue ordinary shares and/or other securities giving access to the company's capital, with preemptive rights maintained for shareholders

## Ordinary items

- Powers to carry out formalities

Enclosed are the documents required under article R. 225-81 of the French Commercial code.

Sincerely,

**The Board of directors**

# HOW DO I PARTICIPATE IN THE GENERAL MEETING?

Any shareholder, regardless of the number of shares they hold, is entitled to attend this General meeting or be represented at it, in accordance with article L. 225-106 of the French Commercial code, or to vote by post.

## Preliminary formalities

In accordance with article R. 225-85 of the French Commercial code, shareholders must prove that their shares have been registered in the following accounts:

- **for registered shareholders**, in registered share accounts kept by the agent of the company no later than two business days prior to the meeting at midnight, Central European Summer Time (CEST), *i.e.* by Friday, May 3, 2019 at midnight CEST;

- **for owners of bearer shares**, in bearer share accounts kept by an authorized intermediary through a shareholding certificate issued by the latter no later than two business days prior to the meeting at midnight CEST, *i.e.* by Friday, May 3, 2019 at midnight CEST.

Only shareholders who prove their status no later than Friday, May 3, 2019 at midnight CEST under the terms described above will be able to attend this General meeting.

## Ways to participate in the General meeting

Shareholders who would like to personally attend the General meeting must:

- **for registered shareholders**: on the day of the meeting, proceed directly to the desk provided for this purpose with the admission card sent to them with the notice of meeting, or another form of identification;
- **for owners of bearer shares**: request an admission card from the approved intermediary managing their Gaumont shares, based on the shareholding certificate issued to them by the relevant financial intermediary. If owners of bearer shares have not received their admission card, they may ask for the shareholding certificate to be issued to them by the authorized intermediary so that they may personally attend the General meeting.

Shareholders who are not personally attending the General meeting, but who would like to vote by post, or authorize the Chairman to vote on his/her behalf, or assign a proxy under the provisions of article 225-106 of the French Commercial code, can:

- **for registered shareholders**: return the postal voting or proxy form attached to the Notice of meeting to Gaumont – Legal Department – 30, avenue Charles de Gaulle, 92200 Neuilly-sur-Seine, France – by fax to +33 (0)1 46 43 20 84 – or by Email: [mandat.ag@gaumont.com](mailto:mandat.ag@gaumont.com);
- **for owners of bearer shares**: request a postal voting or proxy form from the authorized intermediary who manages their shares, starting from the date on which the General meeting is called. This form, accompanied by a shareholding certificate issued by the authorized intermediary, must be sent to Gaumont – Legal Department – 30, avenue Charles de Gaulle, 92200 Neuilly-sur-Seine, France – by fax to +33 (0)1 46 43 20 84 – or by Email: [mandat.ag@gaumont.com](mailto:mandat.ag@gaumont.com).

**In order to be valid, postal voting or proxy forms must be received by Gaumont no later than three days before the General meeting is held, *i.e.* by Friday, May 3, 2019 at midnight CEST (article R. 225-77 of the French Commercial code).**

In accordance with article R. 225-79 of the French Commercial code, any proxy given by shareholders to be represented at the General meeting shall be signed by them, using an electronic signature as the case may be, stating their full name and address. The designated proxy may not appoint a replacement. The revocation of a proxy is made under the same conditions as those used to appoint a proxy.

Postal voting or proxy form is valid for the potential successive meetings which could be called with the same agenda.

Shareholders who voted by post, sent a proxy or requested their admission card may not subsequently choose another way to participate in the General meeting.

Voting electronically is not permitted for this General meeting. As a result, no website as described in article R. 225-61 of the French Commercial code will be set up for this purpose.



## Applications by shareholders to include items or draft resolutions on the agenda of the General meeting

Applications for the inclusion of items or draft resolutions on the agenda of the General meeting by shareholders satisfying the conditions laid down in article R. 225-71 of the French Commercial code must reach the registered office of Gaumont, Direction Juridique, 30, avenue Charles de Gaulle, 92200 Neuilly-sur-Seine, France, by registered letter with acknowledgment of receipt, no later than the twenty-fifth day preceding the date of the General meeting, and no more than twenty days after the publication of the notice in the French official bulletin of legal notices on April 1, 2019, in accordance with the provisions of article R. 225-73-II of the French Commercial code.

Applications must be accompanied by:

- a share account registration certificate valid as of the date of the application, demonstrating that the applicants own or represent the percentage of the share capital required by article R. 225-71 of the French Commercial code;
- the text of the draft resolution together with a brief explanatory statement or the item for which inclusion in the agenda is sought.

The General meeting will give due consideration to the items and resolutions submitted, provided that the applicants submit another share account registration certificate in the same conditions as those indicated above on the second business day preceding the General meeting at midnight, Paris time.

## Written questions

In accordance with the provisions of article R. 225-84 of the French Commercial code, shareholders may submit written questions to the Board of directors. Questions should be sent by registered letter, return receipt requested, to the head office of Gaumont – Legal Department

– 30, avenue Charles de Gaulle, 92200 Neuilly-sur-Seine, France, no later than four business days before the General meeting. They must be accompanied by a share account registration certificate.

## Rights to shareholder information

The documents to be submitted to the General meeting under articles L. 225-115 and R. 225-83 of the French Commercial code will be made available to shareholders upon written request to the head office of Gaumont at 30, avenue, Charles de Gaulle, 92200 Neuilly-sur-Seine, France.

The documents mentioned in article R. 225-73-1 of the French Commercial code will be available from 21 days prior to the General meeting on Gaumont's website [www.gaumont.fr](http://www.gaumont.fr).

The notice of meeting containing the text of the draft resolutions submitted to this General meeting was published in the French official bulletin of legal notices on April 1, 2019.



# DRAFT RESOLUTIONS SUBMITTED FOR VOTE TO THE GENERAL MEETING

## A – Ordinary items

### First resolution

#### Approval of the 2018 separate financial statements

The General meeting, deliberating in accordance with the *quorum* and majority requirements for ordinary general meetings, having read the reports of the Board of directors and Statutory auditors, as well as the separate financial statements, approves the 2018 separate financial statements as presented, which show a net profit of €8,065,409.66, as well as the transactions reflected in those financial statements or summarized in those reports.

The General meeting fully and without reservation grants discharge to the Board members for the performance of their office during said year.

### Second resolution

#### Approval of the 2018 consolidated financial statements

The General meeting, deliberating in accordance with the *quorum* and majority requirements for ordinary general meetings, having read the reports of the Board of directors and Statutory auditors, as well as the consolidated financial statements, approves the 2018 consolidated financial statements as presented, which show a consolidated net loss of k€8,771 (Group share), as well as the transactions reflected in those financial statements and summarized in those reports.

### Third resolution

#### Allocation of income for 2018

The General meeting, deliberating in accordance with the *quorum* and majority requirements for ordinary general meetings, upon the Board of directors' proposal and after having noted that the individual financial statements show a net profit of €8,065,409.66, resolves to allocate this sum as follows:

- Net profit €8,065,409.66
  - Allocation to existing retained earnings of €(46,214,572.05)
- i.e.* negative retained earnings of €(38,149,162.39) to be allocated to the "Other reserves" account.

The "Other reserves" account is thus reduced from €293,884,287.45 to €255,735,125.06.

### Fourth resolution

#### Distribution of a dividend

The General meeting, deliberating in accordance with the *quorum* and majority requirements for ordinary general meetings, upon the Board of directors' proposal, resolves to distribute a dividend of €3,119,923 to be deducted from the "Other reserves" account, which will be reduced from €255,735,125.06 to €252,615,202.06.

The dividend for each of the 3,119,923 shares is therefore €1.00.

The dividends corresponding to shares that are held by the company on the payment date will be allocated to the "Other reserves" account.

The General meeting delegates to the Board of directors full powers to set the date and terms of the dividend payment.

Pursuant to article 243 *bis* of the French General tax code, the entire proposed dividend is eligible for the 40% rebate benefiting individuals domiciled in France for tax purposes as provided for in paragraph 2 of article 158-3 of the French General tax code. This rebate applies only to taxpayers who expressly, irrevocably and comprehensively opt for taxation in accordance with the progressive income tax system when filing their tax declaration. For those who do not choose this option, the dividend due to individuals domiciled in France for tax purposes falls within the scope of the single flat tax introduced by the 2018 budget, without the application of the 40% rebate.

Before payment, except in cases of exemption, the dividend is subject to a levy representative of income tax at the flat rate of 12.8% provided for in article 117 *quater* of the French General tax code. In any case, the dividend will be paid after deducting social security contributions (*prélèvements sociaux*) at a rate of 17.2%. Once the overall tax of 30% has been withheld, and in the absence of an express request for the application of the progressive income tax rates, no additional taxation is due, except the exceptional contribution on high incomes, where appropriate.

In accordance with the provisions of article 243 *bis* of the French General tax code, the General meeting notes that it has been reminded of the dividend distributions that have taken place in respect of the last three years, which are as follows:

Year	Number of shares paid	Net dividend (in euros)	Amount eligible for tax rebate as set out by article 158-3-2 of the French General tax code (in euros)
2015	4,275,958	1.00	1.00
2016	3,119,723	1.00	1.00
2017	3,119,723	1.00	1.00



## Fifth resolution

### Approval of regulated agreements and commitments referred to in article L. 225-38 of the French Commercial code

The General meeting, deliberating in accordance with the *quorum* and majority requirements for ordinary general meetings, having heard the Statutory auditors' special report on regulated agreements and commitments, approves the agreements referred to in article L. 225-38 of the French Commercial code and mentioned in this report.

## Sixth resolution

### Approval of the fixed, variable and special components comprising the total compensation and benefits of any kind paid or allocated to the Chairman of the Board of directors for 2018 according to the principles and criteria approved by the General meeting of May 3, 2018

The General meeting, deliberating in accordance with the *quorum* and majority requirements for ordinary general meetings, in accordance with article L. 225-100 of the French Commercial code, and having read the Board of directors' report provided for by article L. 225-37 of the French Commercial code, approves the fixed, variable and special components comprising the total compensation and benefits of any kind presented in the abovementioned report and paid or allocated to the Chairman of the Board of directors in respect of his office.

## Seventh resolution

### Approval of the fixed, variable and special components comprising the total compensation and benefits of any kind paid or allocated to the Chief Executive Officer for 2018 according to the principles and criteria approved by the General meeting of May 3, 2018

The General meeting, deliberating in accordance with the *quorum* and majority requirements for ordinary general meetings, in accordance with article L. 225-100 of the French Commercial code, and having read the Board of directors' report provided for by article L. 225-37 of the French Commercial code, approves the fixed, variable and special components comprising the total compensation and benefits of any kind presented in the abovementioned report and paid or allocated to the Chief Executive Officer in respect of her office.

## Eighth resolution

### Compensation policy for the Chairman of the Board of directors: approval of the principles and criteria used as a basis for the calculation, breakdown and awarding of the fixed, variable and special components comprising the total compensation and benefits of any kind allocated to the Chairman of the Board of directors

The General meeting, deliberating in accordance with the *quorum* and majority requirements for ordinary general meetings, in accordance with article L. 225-37-2 of the French Commercial code, and having read the Board of directors' report provided for by article L. 225-37 of the French Commercial code, approves the principles and criteria used

as a basis for the calculation, breakdown and awarding of the fixed, variable and special components comprising the total compensation and benefits of any kind presented in the abovementioned report and allocated to the Chairman of the Board of directors in respect of his office.

## Ninth resolution

### Compensation policy for the Chief Executive Officer: approval of the principles and criteria used as a basis for the calculation, breakdown and awarding of the fixed, variable and special components comprising the total compensation and benefits of any kind allocated to the Chief Executive Officer

The General meeting, deliberating in accordance with the *quorum* and majority requirements for ordinary general meetings, in accordance with article L. 225-37-2 of the French Commercial code, and having read the Board of directors' report provided for by article L. 225-37 of the French Commercial code, approves the principles and criteria used as a basis for the calculation, breakdown and awarding of the fixed, variable and special components comprising the total compensation and benefits of any kind presented in the abovementioned report and allocated to the Chief Executive Officer in respect of her office.

## Tenth resolution

### Authorizing the Board of directors, for a period of 18 months, to arrange for the company to purchase treasury shares at a maximum price of €75 per share and an overall maximum price of €23,399,400

The General meeting, deliberating in accordance with the *quorum* and majority requirements for ordinary general meetings, and having read the Board of directors' report, authorizes the Board of directors, with the option to delegate to the Chief Executive Officer, in accordance with the provisions of articles L. 225-209 et seq. of the French Commercial code and European regulation No. 596/2014 dated April 16, 2014, to arrange for the company to purchase treasury shares.

The company may purchase treasury shares in order to:

- stimulate trading in or the liquidity of the shares via an investment service provider through a liquidity agreement in accordance with the regulations of the AMF (*Autorité des marchés financiers* – the French financial markets authority);
- grant shares to employees and/or corporate officers (under the conditions and according to the terms set forth by law), particularly under a stock option plan, free share awards, or corporate savings plan;
- grant shares to holders of securities giving access to the company's share capital when they exercise the rights attached to those securities;
- potentially cancel purchased shares, subject to the approval of the twelfth extraordinary resolution listed on the agenda of this General meeting;
- more generally, complete any permitted transaction or transaction that is authorized under current regulations, particularly if it is covered by a market practice permitted by the French financial markets authority (AMF).



The acquisition, sale and transfer transactions described above may be conducted by any method which is in keeping with current laws and regulations, including by negotiated transactions or block acquisitions.

These transactions may be performed at any time, including during a public offering for the company's shares, in accordance with articles 231-38 and 231-40 of the French financial markets authority (AMF) general regulations.

The General meeting sets the maximum number of shares that may be purchased under this resolution at 10% of the company's share capital, adjusted in line with transactions which take place subsequent to this General meeting that have an impact on the share capital. It should be noted that as regards the manner in which this authorization is implemented, the number of treasury shares held will be taken into consideration in such a way as to ensure that the number of treasury shares held never exceeds a maximum of 10% of the share capital.

The General meeting rules that the total amount allocated to these acquisitions may not exceed €311,992, and that the maximum purchase price may not exceed €75 per share. It should be noted that the company may not purchase shares at a price higher than the highest of the following two values: the last stock market price ensuing from a transaction in which the company was not a stakeholder, or the current highest independent purchase offer on the trading platform on which the purchase will be carried out.

In the event of a capital increase resulting from the incorporation of premiums, reserves, profits or others into the capital under free share plans, during the valid period of this authorization, as well as in the event of a division or regrouping of shares, the maximum unit price listed above will be adjusted by applying a multiplication factor equal to the number of shares making up the capital before the transaction and what the number will be after the transaction.

## B – Extraordinary items

### Twelfth resolution

**Authorization of the Board of directors, for a period of 18 months, to reduce the company's share capital by canceling shares held by the company under the share purchase authorization**

The General meeting, deliberating in accordance with the *quorum* and majority requirements for extraordinary general meetings, having read the Board of directors' report and the Statutory auditors' special report, authorizes the Board of directors, in accordance with the provisions of article L. 225-209 of the French Commercial code, to reduce the company's share capital by canceling, on one or more occasions, all or part of the shares held by the company under the share purchase program, within the limits defined by said article of the French Commercial code.

The General meeting gives full powers to the Board of directors to carry out one or more capital reduction(s), allocate the difference between the purchase price of the canceled shares and their par value to any reserves and premiums, to amend the bylaws accordingly, to file any declarations with the French financial markets authority (AMF), to carry out any other formalities and generally to take all requisite action.

The General meeting confers to the Board of directors, with the option to delegate to the Chief Executive Officer under the conditions set forth by law, full powers necessary to:

- decide to implement this authorization;
- set the terms and conditions under which, as required, the rights of holders of securities giving access to the share capital, stock options or rights to allocate performance shares are upheld in accordance with legal, regulatory or contractual provisions;
- place any stock exchange orders, conclude any agreements, in particular to keep share purchase or sale registers in accordance with applicable (stock market) regulations;
- make any declarations and carry out any other formalities and generally take all requisite action.

The Board of directors may allocate or reallocate all treasury shares held by the company for any of the abovementioned purposes. It will inform the shareholders at the Annual ordinary general meeting of all transactions carried out pursuant to this resolution.

This authorization is granted for a duration of eighteen months, effective as of the date of this meeting. It cancels and replaces the authorization previously granted under the ninth resolution of the General meeting on May 3, 2018.

### Eleventh resolution

**Renewal of Ms. Félicité Herzog as Board member**

The General meeting, deliberating in accordance with the *quorum* and majority requirements for ordinary general meetings, re-elects Ms. Félicité Herzog to the Board of directors for a three-year term.

This authorization is granted for a duration of eighteen months, effective as of the date of this meeting. It cancels and replaces the authorization previously granted under the tenth resolution of the General meeting on May 3, 2018.

### Thirteenth resolution

**Delegation of authority to the Board of directors for a period of twenty-six months to issue ordinary shares and/or other securities giving access to the company's capital, for a maximum amount of €15,000,000, with preemptive rights maintained for shareholders**

The General meeting, deliberating in accordance with the *quorum* and majority requirements for extraordinary general meetings, having read the Board of directors' report and the Statutory auditors' special report, in accordance with the provisions of the French Commercial code, and specifically articles L. 225-129, L. 225-129-2 and L. 228-92:

- 1) delegates its authority to the Board of directors to proceed, on one or more occasions, to the extent and at the times of its choice, with the



issuance, in France and/or abroad, in euros, or in any other currency or unit of account established by reference to several currencies, of ordinary shares and/or any other securities, including stock warrants issued separately, giving access to equity securities of the company that may be issued in the future, in the manner and subject to the conditions that the Board of directors considers appropriate, with the stipulation that the issuance of preferred shares and securities giving access immediately or in the future to preferred shares is excluded from this delegation of authority;

- 2) sets the effective period of this delegation of authority as twenty-six months from the date of this General meeting;
- 3) decides that, in the event of this delegation of authority being used by the Board of directors:
  - the maximum nominal amount of capital increases that may be carried out as a result of the issuance of the shares or securities referred to in item 1) above is set at €15,000,000, it being specified that:
    - in the event of a capital increase resulting from the capitalization of premiums, reserves, profits or similar in the form of free share awards, during the effective period of this delegation of authority, the total nominal amount (excluding the share premium) will be adjusted by applying a multiplication factor equal to the number of shares comprising the capital after the transaction and what this number was before the transaction,
    - the nominal amount of the shares to be issued will be added to the aforementioned limit so as to maintain, in accordance with the legal provisions and, where appropriate, any contractual provisions for other types of adjustment, the rights of the holders of securities granting access to the capital or stock options;
    - the overall maximum nominal amount of securities issued and representing claims on the company, giving access to the capital

or to equity securities of the company that may be issued in the future, may not exceed €15,000,000 or the equivalent value as of today's date in any other currency or unit of account established by reference to several currencies;

- 4) decides that, in the event of this delegation of authority being used:
  - the shareholders shall have preemptive subscription rights and may subscribe, as of right, in proportion to the number of shares held by them, with the Board of directors having the option of introducing an oversubscription privilege and an extension clause solely in order to satisfy oversubscription orders that could not be filled;
  - if the irrevocable subscriptions and, where applicable, the subscriptions for excess shares have not absorbed the entire issue, the Board of directors may offer to the public, in whole or in part, the shares and/or securities not subscribed for;
- 5) gives full powers to the Board of directors, with the option to delegate them under the conditions set forth by law and in the bylaws, to implement, under the statutory conditions, this delegation of authority, to amend the bylaws and to deduct the costs of capital increases from the amount of related premiums, and to draw from this amount the sums needed to raise the legal reserve to one tenth of the new share capital after each increase;
- 6) notes that in the event of this delegation of authority being used, the decision to issue securities giving access to the company's share capital shall entail an express waiver by shareholders of their preemptive right to subscribe for the equity securities concerned, for the benefit of the holders of the securities issued;
- 7) acknowledges that this authorization cancels and replaces the delegation of authority granted to the Board of directors by the General meeting on May 16, 2017.

## C – Ordinary items

### Fourteenth resolution

---

#### Powers to carry out formalities

The General meeting, deliberating in accordance with the *quorum* and majority requirements for ordinary general meetings, gives full powers to those holding an original, a copy or an extract of these minutes to carry out any filings and accomplish any formalities required by law.

# OVERVIEW

## of the financial results in 2018

### Gaumont consolidated financial statements

(in thousands of euros)

	12.31.18	12.31.17
<b>Significant figures from operations</b>		
Revenue	196,205	177,049
Operating income from cinema production and distribution <sup>(1)</sup>	20,887	12,549
Operating income from television production and distribution <sup>(1)</sup>	9,040	9,900
Operating income after share of net income of associates	-8,260	133,067
Consolidated net income	-8,644	122,966
<b>Significant figures of the financial position</b>		
Equity	274,998	308,018
Net borrowings	-20,056	27,680
Investments	107,283	113,407

(1) After share of net income of associates, excluding overheads.

In 2017, Gaumont decided to sell its movie theater operation business to focus on production, particularly series production in the U.S., Germany and the UK. 2018 and 2019 represent a transition and development period for these new activities, which should start to yield results in 2020.

### Results for the period

Gaumont's consolidated revenue amounted to k€196,205 in 2018, compared with k€177,049 in 2017.

Revenue from cinema production and distribution amounted to k€95,530 in 2018, compared with k€96,937 in 2017.

Revenue from the release of films in movie theaters in France stood at k€20,444 as of December 31, 2018, versus k€30,690 as of December 31, 2017. In 2018, the 10 movies released in theaters sold 8.4 million tickets, compared to the 12.2 million tickets sold in 2017 for 13 movies;

Revenue from video and video on demand distribution in France amounted to k€12,355 in 2018, compared with k€11,599 in 2017. Physical video sales in France rose to k€8,119 in 2018, versus k€7,732 in 2017, with over 1.2 million units sold. They were driven by sales of new releases, with 13 recent movies published in 2018, versus 12 in 2017. In addition, sales of films from the Gaumont catalog rose slightly

from one year to the next, despite a market in structural decline. Video on demand sales rose to k€4,236 in 2018, compared with k€3,867 in 2017, mainly due to the arrival of new titles ideally suited to this market, such as *C'est la Vie!* and *Rolling to You*.

Sales of broadcasting rights to French television channels amounted to k€24,007 in 2018, compared with k€18,634 in 2017. Sales of catalog titles to historical television channels and digital channels were up 24% and 30% respectively by comparison with the previous year.

Revenue from international film production and distribution came to k€33,272 in 2018, compared with k€30,883 in 2017. This was mainly driven by *C'est la Vie!*, which sold more than 2 million tickets, *Belle and Sebastian*, *Friends for Life*, which was very successful in Italy, and *Rolling to You*. Sales of catalog films were in line with the previous period.

Other revenues from distribution totaled k€5,452 in 2018, versus k€5,131 in 2017. They mainly correspond to the distribution of archive images by Gaumont Pathé Archives, music publishing, and sales of spin-off products.

Revenue from sales of television programs totaled k€91,972 in 2018, compared with k€74,605 in 2017.

Sales of American drama and cartoon series accounted for k€75,394 of revenue at December 31, 2018, versus k€67,807 at December 31, 2017. The fourth season of *Narcos* and the third season of the cartoon series *F is for Family* were delivered to Netflix during the year.

Sales of French drama and cartoon series represented revenue of k€16,578 at December 31, 2018, compared with k€6,798 at December 31, 2017. These include sales of three series: the second season of drama *The Art of Crime*, the 6-episode series *Nox*, and the 52-episode cartoon series *Furiki Wheels*.

Income from trademark royalties paid by Les Cinémas Pathé Gaumont totaled k€6,217 in 2018, against k€3,623 in 2017.

Other miscellaneous income came to k€2,486 in 2018, compared to k€1,884 in 2017, and included income from real estate lease agreements and miscellaneous services provided to third parties.

Operating income from cinema and television production and distribution after share of net income of associates, excluding overheads, amounted to k€30,357 in 2018, *versus* k€22,449 in 2017, and includes:

- the share of income attributed to feature films for k€20,887 in 2018, against k€12,549 in 2017;
- the share of income attributed to television cartoon and drama series for k€9,040 in 2018, including k€6,514 for American series *versus* k€ 9,900 in 2017.

Operating income from holding and real estate businesses totaled k€5,530 in 2018, compared with k€11,509 in 2017.

Overheads amounted to k€43,717 in 2018, compared with k€45,222 in 2017. Payroll costs account for 67% of these costs.

Operating income after share of net income of associate is a loss of k€8,260 in 2018 compared with a profit of k€133,067 in 2017. The 2017 income include the gain of disposal of k€143,884 of the minority stake in Les Cinémas Pathé Gaumont.

In 2018, net income amounted to a loss of k€8,644, compared with a profit of k€122,966 in 2017, and includes:

- operating income after share of net income of associates;

- financial income representing a net gain of k€220 in 2018, compared with a loss of k€8,055 in 2017, including k€4,521 in foreign exchange losses;
- income tax expense of k€604, mainly consisting of deferred tax income of k€261 and an income tax expense on French companies of k€1,062.

The share of net income attributable to non-controlling shareholders amounted to a k€127 profit in 2018, *versus* a k€78 loss in 2017.

The share of net income attributable to owners of the parent amounted to a loss of k€8,771 in 2018, *versus* a profit of k€123,044 in 2017.

## Financial position

Consolidated equity stood at k€274,998 at December 31, 2018, *versus* k€308,018 at December 31, 2017. The decrease in equity was due essentially to the year loss and to the purchase of non-controlling interests from subsidiaries in the United States.

The consolidated financial position stood at k€523,996, against k€560,080 in the previous year.

The Group's net borrowings had fallen significantly to k€-20,056 as of December 31, 2018, *versus* k€27,680 as of December 31, 2017. This mainly includes k€129,831 in cash, the Gaumont SA bond for k€60,000 and k€41,914 of self-liquidating production loans based on proceeds from pre-financing and the release of American series.

As of December 31, 2018, following the advance payment of the second installment originally due on June 30, 2019, the Pathé debt arising from the sale of Gaumont's equity investment in Les Cinémas Pathé Gaumont, stood at k€63,333 excluding accrued interest.

## Gaumont separate financial statements

Gaumont's revenue totaled k€105,882 in 2018, compared with k€113,034 in 2017.

Revenue from the release of films in movie theaters in France totaled k€20,634 in 2018, *versus* k€30,685 in 2017.

Revenue from sales in video on demand and video publishing of films that Gaumont produced or co-produced amounted to k€5,980 in 2018, *versus* k€5,648 in 2017.

Sales of broadcasting rights to French television channels reached k€28,229 in 2018, including k€4,230 from presales of films released during the year, compared with k€18,585 in 2017. In 2017, as Gaumont had prioritized lump-sum contributions for its productions, no presales of new films to television channels were recognized. Sales of catalog titles to historical television channels increased significantly, compared with 2017.

Revenue from international sales amounted to k€22,130 in 2018, compared with k€30,726 in 2017, driven in particular by *C'est la Vie!*, which sold more than 2 million tickets, *Belle and Sebastian*, *Friends for Life*, which was very successful in Italy, and *Rolling to You*.

Other income totaled k€28,909 in 2018, compared with k€27,390 in 2017. This mainly consists of trademark royalties, producer fees,

management fees from subsidiaries and revenue from real estate lease agreements. Trademark royalties totaled k€7,984 in 2017, *versus* k€5,107 in 2017. In 2018, other income also included revenue from the co-investment agreement signed in January 2017 with Entourage Pictures for k€12,031.

Operating income represented a profit of k€2,548 in 2018, compared with a loss of k€11,887 in 2017.

Financial income amounted to a profit of k€4,962 in 2018, against a loss of k€22 in 2017. This includes k€2,052 in dividends received from subsidiaries in 2018, compared with k€2,059 in 2017.

Net income before tax came to a profit of k€7,510 in 2018, *versus* a loss of k€11,909 in 2017.

Non-recurring income represented a profit of k€1,119 in 2018, compared with k€308,248 in 2017 which included the gain on disposal of the minority stake in Les Cinemas Pathé Gaumont.

Gaumont's net income amounted to k€8,065 in 2018, *versus* k€295,823 in 2017, after taking into account employee profit-sharing of k€65 and income tax expense of k€449 in 2018.

## Allocation of income

The Board of directors propose the allocation of the company's net profit, which amounts to € 8,065,409.66 in retained earnings standing at €-46,214,572.05 which will be carried to €-38,149,162.39 and then allocated to "Other reserves" account.

"Other reserves" account will be reduced from €293,884,287.45 to €255,735,125.06.

The Board of directors proposes to distribute a dividend of €3,119,923 from the "Other reserves" account, i.e. a dividend of €1.00 per share.

The dividends corresponding to shares that will be held by the company on the payment date will be allocated to the "Other reserves" account.

# 2019 OUTLOOK

## Feature films

---

Ten feature films have been released or are scheduled for release in 2019:

- *Edmond*, directed by Alexis Michalik, starring Thomas Solivérès, Olivier Gourmet, Mathilde Seigner and Clémentine Célarie, released on January 9;
- *The Mystery of Henri Pick*, directed by Rémi Bezançon, starring Fabrice Luchini, Camille Cottin, Alice Isaaz and Bastien Bouillon, released on March 6;
- *Ailo's Journey*, a wildlife documentary directed by Guillaume Maidatchevsky, released on March 13;
- *No filter*, directed by Eric Lavaine, starring Alexandra Lamy, José Garcia, Anne Marivin and Michel Vuillermoz;
- *Pure as Snow*, directed by Anne Fontaine, starring Lou de Laâge, Isabelle Huppert and Vincent Macaigne;
- *Ibiza*, directed by Arnaud Lemort, starring Mathilde Seigner and Christian Clavier;
- *Pappy Sitter*, directed by Philippe Guillard, starring Gérard Lanvin and Olivier Marchal;
- *La Vie Scolaire*, directed by Fabien Marsaud, starring Alban Ivanov and Zita Hanrot;
- *The Specials*, directed by Eric Toledano and Olivier Nakache, starring Reda Kateb and Vincent Cassel;
- *J'accuse*, directed by Roman Polanski, starring Jean Dujardin, Emmanuelle Seigner, Grégory Gadebois and Louis Garrel.

## Television programs

---

Five television series will be delivered in 2019:

- *Narcos* Season 5, a 10-episode American drama directed by Eric Newman, to Netflix;
- *El Presidente* Season 1, an 8-episode Latin American drama, to Amazon;
- *The Art of Crime* Season 3, to France 2;
- *Les Ombres de Lisieux*, to France 3;
- *Oui-Oui* Season 2, to France 5.



# REQUEST TO RECEIVE DOCUMENTS AND INFORMATION

Please return to: GAUMONT – Legal Department – 30 avenue Charles de Gaulle, 92200 Neuilly-sur-Seine, France

I, the undersigned:  M.  Ms.

Name: ..... First name: .....

Address: .....

Postcode: ..... Town/City: .....

Owner of: ..... shares

registered shares;

bearer shares, registered in an account with<sup>(1)</sup>: .....

request the documents and information referred to in article R. 225-83 of the French Commercial code for **the Combined ordinary and extraordinary general meeting to be held on May 7, 2019**, be sent to the address above<sup>(2)</sup>.

Signed in ....., on ..... 2019

Signature

**N.B.** Pursuant to article R. 225-88 of the French Commercial code, upon simple request, registered shareholders may obtain the documents and information referred to in articles R. 225-81 and R. 225-83 of the French Commercial code at each subsequent General meeting.

(1) Indicate the approved intermediary and enclose an account registration certificate for bearer shares held by said intermediary.

(2) This request must reach Gaumont before May 2, 2019.





A French company with share capital of €24,959,384  
Head office: 30, avenue Charles de Gaulle, 92200 Neuilly-sur-Seine, France  
Company registration number: 562.018.002 R.C.S. Nanterre



This document was printed in France by an Imprim'Vert®-certified printing company on a PEFC™ certified site. The recyclable chlorine-free paper is produced using pulp from forests managed according to sustainable environmental - economic and social principles.