



**NOTICE  
OF MEETING 2018**

**COMBINED  
GENERAL MEETING**

**Thursday, May 3, 2018 at 11:00 AM CET**

**Les Salons Hoche  
9, avenue Hoche  
Paris, 75008**





## CONTENT

<u>Message from the Chairman of the Board of directors</u>	<u>3</u>
<u>Message from the Chief Executive Officer</u>	<u>5</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 2017</u>	<u>14</u>
<u>2018 outlook</u>	<u>17</u>
<u>Request to receive documents and information</u>	<u>19</u>
<u>Postal voting or proxy form</u>	



# MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

Nicolas SEYDOUX

Gaumont made a major strategic shift in 2017 by selling its stake in Les Cinémas Gaumont Pathé. More than anyone else, Gaumont brought movies home. Throughout its existence, the Gaumont Palace was the world's largest movie theater. It was sold in 1971, before I joined Gaumont.

The theater network expanded dramatically after my arrival. The end of GIE Gaumont Pathé in 1983 and the drop in theater admissions, which reached a low in 1993, led the various operators into head-on competition in the quest to attract theater goers.

Tired of this sterile confrontation, Gaumont and Pathé decided to merge their networks in 2001, with Gaumont giving up the hands-on management of its theaters.

As a minority shareholder in Les Cinémas Gaumont Pathé, Gaumont was a happy but passive partner. Happy because it received dividends and trademark royalties; passive because Pathé got to write the strategy.

It was not in Gaumont's nature to be a happy retiree living off dividends. Gaumont is an ambitious audiovisual company: in films since 1895, and in television – where its revenue is now comparable with that of films – since 2010.

Very dynamic in the United States, Gaumont now also operates in Germany and the United Kingdom.

Gaumont's aim is to be a major partner in film and television creation.

The sale of its stake in Les Cinéma Gaumont Pathé enabled Gaumont to free up a significant amount of cash. Despite its various projects, Gaumont has no use of all of this cash, so in the spring of 2017 it offered to buy back its shares at a premium of 50% to the average price in 2016. All the main minority shareholders tendered their shares, bringing Ciné Par's stake in Gaumont's capital to nearly 90%.

As a personal measure, I gave my children the bare ownership of the capital of Ciné Par, keeping just the usufruct.

This has put Gaumont's capital on very firm foundations: Sidonie Dumas, Chief Executive Officer, chosen by the Board of directors to chair the company if I were no longer around, will therefore have a majority stake in the company.

I cannot say that the vital battle against piracy has been won, even though the "professionals of the profession" are sparing no efforts. Over the last 18 months, the number of unprincipled Internet users has faltered, with a decrease of around 12%.

In September 2017, the CNC, Google and the Alpa signed a partnership agreement whose title, "the fight for the protection of intellectual property," echoes its most essential plank. It would be easy to find solutions to many of the problems currently plaguing the profession, not least of all the media release chronology, if illegal downloading were stopped. This has been my mission for a number of years. We haven't won the fight, but I haven't given up hope.

The French film industry is enjoying strong admissions thanks to the resistance of French films to piracy and the massive investments made by the sector over the last 20 years or more. But additional revenues from television, video and video on demand are not at the level they should be.

A drastic reduction in the number of illegal downloads would give the film and audiovisual production industry the breath of air it needs.

Nicolas SEYDOUX, March 21, 2018





# MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

Sidonie DUMAS

2017 was a year rich in emotions for Gaumont, marked by a major strategic decision: its withdrawal from the movie theater operation business through the sale to Pathé of its 34% minority stake in Les Cinémas Gaumont Pathé.

Since 2001, operating movie theatres was no longer Gaumont's core business, having left the operational management of the network to Pathé. Gaumont's stake in Les Cinémas Gaumont Pathé was for sure a comfortable source of earnings and dividends, but in view of the substantial price offered by Pathé, it was decided to sell so as to speed up the promising development of television series production in the United States and Europe, to strengthen the production of feature films and to look into expanding Gaumont's operations in Europe.

Gaumont's main activity is producing small- and large-screen works and showing them to as many people as possible – theater goers, TV viewers and subscribers to paid Internet platforms – without compromising on its editorial standards.

2017 was an excellent year in movie theaters, with 209 million admissions in France. With more than 12 million admissions, Gaumont is France's second-largest distributor behind Studio Canal, but has the best average per copy. Gaumont produced and distributed five of the sixteen French films that exceeded 1 million admissions in 2017. Four of its films were nominated at the 2018 César awards, reaping a total 36 nominations and 7 awards, including best actress for Jeanne Balibar (*Barbara*) and best director for Albert Dupontel (*See You up There*).

It was also a very good year for the sale of our films abroad, with revenue of €31 million, nearly 30% of which for catalog films. *Ballerina* represents more than ten million international admissions in 2016 and 2017. Rights sales were also driven by *C'est la Vie !*, *A Bag of Marbles*, *See You up There* and *Santa & Co*, while *The Death of Stalin* has been a huge success since its first international release in England in October 2017.

In 2017, nearly 250 Gaumont films were aired on French television channels. *Untouchable*, *Samba* and *The Corsican File* notched up nearly 19 million viewers on TF1, *La French* and *Paulette* more than 6.5 million on France 2 and *The Crimson Rivers* 3.5 million on France 3.

Gaumont sold more than 1.1 million video units in a steadily declining market, plus nearly 1 million video-on-demand screenings. The year's biggest success was *Ballerina*, with nearly 150,000 video units and 145,000 views on digital formats. In 2017, Gaumont won an award from the French Critics Syndicate for the collector's edition of *J'accuse* by Abel Gance.

At Gaumont we attach great importance to our heritage and promote it throughout the world. After several stops in Asia in 2016, the exhibition

tracking Gaumont's 120 year history stopped in Angoulême, attracting more than 40,000 visitors. Like Gaumont Pathé Archives, Gaumont is pursuing its policy of conserving and restoring its film catalog.

In the television production business, which accounts for nearly half of Gaumont's revenue, 2017 was an intensive year for production and development in France and the United States.

In the United States, Season 2 of *F is for Family* and Season 3 of *Narcos* were aired by Netflix in May and September. The next seasons are in production, with season 4 of *Narcos* currently being filmed in Mexico.

It was a successful year in France. *The Frozen Dead* series aired on M6 won the channel's largest ever audience, all programs combined, attracting more than 5 million viewers with its first episode. *The Art of Crime* series was also a very pleasing success on France 2, winning 5 million viewers on its first night. A second season is currently being shot. The series *Nox*, starring Nathalie Baye and Maiwen, was broadcast on Canal+ in March 2018.

In animated films, Gaumont is active on multiple projects in both France and the United States. The series *Belle and Sebastian* for M6, *Trulli Tales* for Disney and season 2 of *Noddy* for Dreamworks and France 5 are all currently in production.

Gaumont has numerous projects in the pipeline, for cinema and television in France, Europe and the United States. Two new subsidiaries have recently been created in Germany and the United Kingdom to produce television programs.

The sector is undergoing a veritable revolution. Technology is changing, as is the audiovisual landscape considering the "Frightful Five" - Google, Amazon, Facebook, Apple and Microsoft, and we should probably add Netflix to the list – sharing massive appetites and the potential gargantuan mergers and acquisitions between Disney and Fox or Warner and AT&T.

Other changes are on the cards in France, with the amendment to the media release chronology, the recasting of the public broadcaster, the intensification of the fight against piracy and the restructuring of Canal+.

2018 looks set to be exciting on a number of scores, but we will have to remain vigilant, demanding and daring.

I would like to thank all 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 works council or representative bodies who have contributed to the proper operation of the legal institutions and employee benefit schemes.

Sidonie DUMAS, March 20, 2018

# 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 Thursday, May 3, 2018 at 11:00 AM CET, at Les Salons Hoche, located 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, 2017 and the granting of discharge to Board members
- Approval of the consolidated financial statements for the year ended December 31, 2017
- Allocation of income for the year ended December 31, 2017 and setting of the dividend
- Regulated agreements and commitments referred to in article L. 225-38 of the French Commercial code
- 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
- 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 2017
- Authorization of the Board of directors to arrange for the company to purchase treasury shares

## 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
- Authorization of the Board of directors to grant stock options to employees and/or executive corporate officers of the company and of other companies within the Group
- Delegation of authority to the Board of directors to increase the share capital at its discretion by capitalization of reserves, profits or premiums
- Delegation of authority to the Board of directors to issue shares and/or securities convertible to equity in the company, without preemptive rights for shareholders, for the benefit of members of the Group employee savings plan
- General limits on delegations of authority

## 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 Time (CET), *i.e.* by Monday, April 30, 2018 at midnight CET;

- **for owners of bearer shares**, in bearer share accounts kept by an approved intermediary through a shareholding certificate issued by the latter no later than two business days prior to the meeting at midnight CET, *i.e.* by Monday, April 30, 2018 at midnight CET.

**Only shareholders who prove their status no later than Monday April 30, 2018 at midnight CET 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 L. 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 Monday, April 30, 2018 at midnight CET (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.



## 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 March 28, 2018 edition of the *Bulletin des annonces légales obligatoires* (the French official bulletin of legal notices).



# DRAFT RESOLUTIONS SUBMITTED FOR VOTE TO THE GENERAL MEETING

## A – Ordinary items

### First resolution

#### Approval of the 2017 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 2017 separate financial statements as presented, which show a net profit of €295,823,030.45, 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 2017 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 2017 consolidated financial statements as presented, which show a consolidated net profit of k€123,044 (Group share), as well as the transactions reflected in those financial statements and summarized in those reports.

### Third resolution

#### Allocation of income for 2017 and setting of the dividend

The General meeting, deliberating in accordance with the *quorum* and majority requirements for ordinary general meetings, decides, upon the Board of directors' proposal, to allocate the 2017 net profit of €295,823,030.45 as follows:

- distribution of a €1.00 dividend per share;
- balance to the "Other reserves" account.

The dividend related to each of the 3,119,723 shares is set at €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 per share	Amount eligible for tax rebate as set out by article 158-3-2 of the French General tax code
2014	4,272,530	€1.00	€1.00
2015	4,275,958	€1.00	€1.00
2016	3,119,723	€1.00	€1.00

### Fourth 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.



## Fifth 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 director's 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.

## Sixth 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 director's 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.

## Seventh 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 2017 according to the principles and criteria approved by the General meeting of May 16, 2017**

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 director's 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.

## Eighth 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 2017 according to the principles and criteria approved by the General meeting of May 16, 2017**

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 director's 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.

## Ninth resolution

**Authorization of 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 €23,397,900**

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 AMAFI code of conduct recognized by 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 tenth 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 €23,397,900, 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.

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 above 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 seventh resolution of the General meeting on May 16, 2017.

## B – Extraordinary items

### Tenth 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 AMF, to carry out any other formalities and generally to take all requisite action.

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 nineteenth resolution of the General meeting on May 16, 2017.

### Eleventh resolution

**Authorization of the Board of directors, for a period of 38 months, to grant stock options to employees and/or executive corporate officers of the company and of other companies in the Group subject to the legal limit**

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 articles L. 225-177 *et seq.* of the French Commercial code:

- authorizes the Board of directors to grant, on one or more occasions, to the persons designated from among the employees and executive corporate officers of the company and its French and foreign affiliates, under the conditions set out in article L. 225-180 of the French Commercial code, options to subscribe for new ordinary shares of the company, to be issued by way of a capital increase, or to purchase existing ordinary shares of the company held by it under legal and regulatory conditions;
- decides that, notwithstanding the impact of the adjustment referred to below, the total amount of shares to which the options granted under this authorization could be entitled may not exceed the legal limit referred to in articles L. 225-182 and R. 225-143 of the French Commercial code, this limit being assessed on the date the options are granted;
- decides, subject to the provisions of article L. 225-185 of the French Commercial code insofar as executive corporate officers are concerned, that the options shall be exercised within a maximum of ten years from the date they are granted;



- decides that the issue price or purchase price of the shares may not be less than 80% of the average quoted market price over the twenty trading days preceding the date of the Board meeting during which the options are to be granted, it being further specified that, as these are stock options, the purchase price of the shares, on the date the option is granted, may likewise not be less than 80% of the average purchase price paid by the company for the shares it holds pursuant to articles L. 225-208 and L. 225-209 of the French Commercial code;
- notes that this authorization includes, in favor of option holders, the express waiver by shareholders of their preemptive rights to the shares to be issued as and when the options are exercised, and decides that the amount of the resulting capital increases will be added to the amount of capital increases still in effect, as authorized by previous general meetings.

The General meeting gives full powers to the Board of directors to establish, in compliance with laws and regulations and the provisions of this resolution, the terms and conditions for granting and exercising options, and specifically:

- to designate the beneficiaries of the different types of options;
- to set the subscription price for new shares or the purchase price of existing shares;
- to set the period(s) in which the options may be exercised, during the lifetime of the options themselves, which may not exceed the period stipulated above;
- to set, where appropriate, the performance conditions and other conditions for exercising the options;
- to stipulate, where appropriate, a ban on resale of all or some of the shares subscribed for or acquired by exercising the options for a period which may not exceed three years from the exercise of the option, in the knowledge that in any event, it will be for the Board of directors to decide, for stock options granted to the executive corporate officers referred to in article L. 225-185, paragraph 4 of the French Commercial code, either that the options may not be exercised by the persons concerned until they leave office, or to set the quantity of registered shares resulting from the exercise of options that they will be required to hold until they leave office;
- to take the necessary measures to protect the interests of option holders in the event of any of the transactions described in article L. 225-181 of the French Commercial code;
- to allow the exercise of options to be temporarily suspended for a maximum of three months in the event of financial transactions involving the exercise of a right attached to the shares;
- to record the increases in share capital resulting from the exercise of options; to amend the bylaws accordingly and to carry out all formalities, directly or by proxy;
- to deduct, as it sees fit, the costs of capital increases from the amount of related premiums, and to draw from this amount the sums required to take the legal reserve to one tenth of the new share capital following each increase.

This authorization is granted for a period of thirty-eight months, effective as of the date of this meeting. It cancels and replaces the authorization previously granted under the seventh resolution of the General meeting on May 5, 2015.

## Twelfth resolution

### **Delegation of authority to the Board of directors, for a period of 26 months, to increase the share capital by a maximum of €15,000,000 by capitalization of reserves, profits or premiums**

The General meeting, deliberating in accordance with the *quorum* and majority requirements for extraordinary general meetings, after having read the Board of directors' report, in accordance with the provisions of articles L. 225-129, L. 225-129-2 and L. 225-130 of the French Commercial code:

- 1) delegates its authority to the Board of directors, for a period of twenty-six months from this General meeting, to increase the share capital, at its sole discretion, on one or more occasions, at the times of its choice, by capitalization of reserves, profits or premiums, followed by the creation and free award of equity securities or by the increase in par value of existing equity securities, or a combination of the two;
- 2) decides that fractional rights will not be negotiable or transferable, and that the securities will be sold, the proceeds of the sale being allocated to the rights holders within a period fixed by decree of the *Conseil d'État*;
- 3) decides that the amount of the capital increase resulting from all issues pursuant to this resolution may not exceed the nominal amount of €15,000,000 or its equivalent in any other permitted currency;
- 4) grants the Board of directors, with the option to delegate them under the conditions set forth by law and in the bylaws, all powers pursuant to the law and bylaws for the purpose of implementing and ensuring the successful completion of this resolution.

## Thirteenth resolution

### **Delegation of authority to the Board of directors for a period of 26 months to issue shares and/or securities convertible to equity in the company, with cancellation of preemptive rights for shareholders, for the benefit of members of the Group employee savings plan, and subject to a maximum limit of 200,000 shares, at a price set according to the provisions of the French Labor code**

The General meeting, deliberating in accordance with the *quorum* and majority requirements for extraordinary general meetings, and having read the Board of directors' report and the Statutory auditors' special report, in accordance with articles L. 225-129-2, L. 225-138, and L. 225-138-1 of the French Commercial code, and L. 3332-1 *et seq.* of the French Labor code, and to comply, moreover, with the provisions of article L. 225-129-6 of the French Commercial code:

- 1) delegates its authority to the Board of directors:
  - to increase, on one or more occasions, the share capital by issuing shares or securities convertible to equity in the company, reserved for members of the Group employee savings plan (PEE), and
  - to award, where appropriate, performance shares or securities convertible to equity in total or partial replacement of the discount referred to in item 3) below, subject to the conditions and limits laid down by article L. 3332-21 of the French Labor code, it further being set forth that the Board of directors may substitute this capital increase in whole or in part with the transfer, under the same conditions, of previously issued securities held by the company;



2) decides that the number of shares that may result from all shares issued pursuant to this delegation of authority, including those resulting from any shares or securities convertible to equity awarded freely in full or partial replacement for the discount under the conditions laid down by articles L. 3332-18 *et seq.* of the French Labor code, shall not exceed 200,000 shares. This number will be increased, where appropriate, by the number of additional shares to be issued to maintain the rights of holders of securities convertible to equity in the company, in accordance with the law;

3) decides:

- that the issue price of the new shares may not be higher than the average opening share price quoted during the twenty trading days preceding the date of the decision of the Board of directors or of the Chief Executive Officer setting the opening date for subscription, nor less than 20% of this average; it being specified that the Board of directors or the Chief Executive Officer may, if necessary, reduce or eliminate any discount that may have been applied to take into account, in particular, the applicable legal and tax regimes outside France or choose to substitute in whole or in part the maximum discount of 20% with the free award of shares and/or securities convertible to equity,
- and that the issue price of the securities convertible to equity will be determined under the conditions laid down by article L. 3332-21 of the French Labor code;

4) decides to cancel, for the benefit of members of the Group employee savings plan, the preemptive subscription rights of shareholders to the shares or securities convertible to equity in the company that might be issued pursuant to this delegation of authority, and to waive any right to the shares and securities giving access to the capital of the company that may be awarded freely on the basis of this resolution;

5) grants to the Board of directors, with the option to delegate under the conditions set forth by law, full powers to:

- decide whether the shares are to be subscribed for directly by employees participating in the Group savings plan or if they are to be subscribed for through an employee savings investment fund (FCPE) or open-ended employee investment fund (SICAVAS),
- identify companies whose employees are eligible for the subscription offer,
- decide whether to set a period in which employees may pay for their securities,
- set the conditions of membership of the Group employee savings plan, and establish or modify the rules,
- set the subscription opening and closing dates and the issue price of the securities,

- proceed, within the limits set forth by articles L. 3332-18 *et seq.* of the French Labor code, with the award of free shares or securities convertible to equity and establish the nature and amount of reserves, profits or premiums to be capitalized,
- decide on the number of new shares to be issued and the rules applicable in the event of over-subscription,
- deduct the costs of capital increases, and of issues of other securities convertible to equity, from the amount of related premiums, and to draw from this amount the sums required to increase the legal reserve to one tenth of the new share capital following each increase.

This delegation of authority is granted for a period of twenty-six months from the date of this General meeting.

## Fourteenth resolution

### General limits on delegations of authority granted to the Board of directors

The General meeting, deliberating in accordance with the *quorum* and majority requirements for extraordinary general meetings, and having read the Board of directors' report, decides to set the following overall limits on the amount of issuance that may be made pursuant to the delegations of authority granted to the Board of directors under previous resolutions:

- the maximum nominal amount (excluding the share premium) of capital increases by issuing shares or securities convertible into equity securities of the company that may be issued in future may not exceed €15,000,000, plus the nominal amount of the capital increase required to protect the rights of holders of securities convertible to equity or of stock options. 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 said delegations of authority, the aforementioned maximum nominal amount (excluding the share premium) will be adjusted by applying a multiplication factor equal to the ratio between the number of shares comprising the share capital after the transaction and the number of shares before the transaction;
- the overall maximum nominal amount of securities representing claims on the company, convertible into equity securities of the company that may be issued in 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;
- it being specified that capital increases resulting or likely to result from the exercise of stock options granted to employees and/or corporate officers of the company are added to the aforementioned maximum amount of capital increases.

## C – Ordinary items

### Fifteenth 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 2017

### Gaumont consolidated financial statements

<i>(in thousands of euros)</i>	<b>12.31.17</b>	<b>12.31.16</b>
<b>Significant figures from operations</b>		
Revenue	177,049	188,725
Operating income from cinema and television production and distribution <sup>(1)</sup>	22,449	41,699
Operating income from movie theater operations <sup>(1)</sup>	11,956	23,776
Operating income after share of net income of associates	133,067	23,206
Consolidated net income	122,966	18,985
<b>Significant figures of the financial position</b>		
Equity	308,018	280,272
Net borrowings	27,680	205,348
Investments	113,407	116,685

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

Two strategic events occurred in 2017:

- the sale to Pathé of Gaumont's 34% minority stake in Les Cinémas Gaumont Pathé on May 18, 2017 for k€380,000. The gain recognized in the consolidated financial statements to December 31, 2017 totaled k€143,884, net of fees. Half of the sales price was paid on the date of the sale. The balance, accruing interest, was deferred over three years. On July 20, 2017, Pathé made an early payment of k€63,333 for the first deferred payment installment, initially set for June 29, 2018;
- the public share buyback offer conducted by Gaumont, the result of which was announced by the AMF (the French Financial Markets Authority) on June 30, 2017. Gaumont repurchased 1,284,112 of its own shares at a unit price of €75. The share settlement took place on July 6, 2017 for k€96,308. Gaumont's Board of directors, which met on July 25, 2017, decided to cancel the treasury shares purchased during the public share buyback offer. Following this cancellation, Gaumont SA's share capital is now composed of 3,119,723 shares.

### Results for the period

Gaumont's consolidated revenue amounted to k€177,049 in 2017, compared with k€188,725 in 2016.

Revenue from the cinema production business amounted to k€96,937 in 2017, versus k€113,976 in 2016.

Revenue from the release of films in movie theaters in France stood at k€30,690 in 2017, versus k€30,888 in 2016. Gaumont sold more than 12 million tickets, including 3 million for *C'est la Vie!*, 2 million for *See You up There*, and 1.3 million, 1.2 million and 1.6 million,

respectively, for *A Bag of Marbles*, *Step by Step* and *Santa & Co*, which was still on release in 2018, selling a total of almost 2 million tickets. Of the year's films, four were nominated at the 2018 César awards, totalling 36 nominations and 7 awards, including best actress for Jeanne Balibar (*Barbara*) and best director for Albert Dupontel (*See You up There*).

Revenue from video and video on demand distribution in France amounted to k€11,599 in 2017, compared with k€10,968 in 2016. Physical video sales were stable, with more than 1 million video units sold. Digital sales (VOD and SVOD) rose, mainly due to the agreement signed with Netflix for around 20 catalog films.

Sales of broadcasting rights to French television channels amounted to k€18,634 in 2017, compared with k€37,057 in 2016. No pre-sales were recorded in 2017, compared with k€12,311 in 2016 for *The Visitors: Bastille Day*, *Odd Job* and *Heartstrings*. Sales of catalog titles to historical television channels were lower than for the previous year which was an excellent year, while sales to digital channels increased. More than 200 films were sold during the year, notably including *Belle and Sebastian*, *The Dinner Game*, *36 Quai des Orfèvres* and *Follow That Guy with the One Black Shoe*.

International sales stood at k€30,883 in 2017, compared with k€30,268 in 2016. This was mainly driven by *Ballerina*, which sold more than 10 million tickets outside France, followed by *C'est la Vie!*, *A Bag of Marbles*, *Santa & Co* and *The Death of Stalin*, which enjoyed success upon its first global release in the UK in October 2017. Sales of catalog films were in line with the previous period.

Other revenues from film distribution totaled k€5,131 in 2017, versus k€4,795 in 2016. 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€74,605 in 2017, compared with k€67,667 in 2016.

Sales of American drama and cartoon series stood at €67,807 in 2017, versus €57,862 in 2016. The third season of *Narcos* and the second season of *F is for Family* were delivered to Netflix for online release in September and May 2017, respectively.

Sales of French drama and cartoon series totaled k€6,798 in 2017, versus k€9,805 in 2016. They include sales of three series: the 6-episode drama *The Art of Crime*, delivered to France 2, and the first episodes of the cartoon series *Belle and Sebastian* and *Trulli Tales*, delivered to M6 and Disney France, respectively.

Other miscellaneous income amounted to k€1,884 in 2017, versus k€3,301 in 2016, and includes revenue from real estate lease agreements and various services rendered to third parties.

Operating income from cinema and television production and distribution after share of net income of associates, excluding overheads, totaled k€22,449 in 2017, compared with k€41,699 in 2017, and includes:

- the share of income attributed to feature films at k€12,549 in 2017, versus k€30,281 in 2016, including the share of net income of La Boétie Films (formerly LGM);
- the share of income attributed to television cartoon and drama series for k€9,900 in 2017, including k€10,412 for American series versus k€11,418 in 2016.

Operating income from movie theater operations, after share of net income of associates and excluding overheads, amounted to k€11,956 in 2017, versus k€23,776 in 2016, and includes:

- the share of net income of associates for k€8,333 in 2017, against k€19,985 in 2016. This income specifically includes the contribution of Les Cinémas Gaumont Pathé, up to the date of the sale, totaling k€8,361;
- income from trademark royalties paid by Les Cinémas Gaumont Pathé for k€3,623 in 2017, against k€3,781 in 2016.

After overheads from various operating activities and functional services, including non-current income and expenses linked to asset disposals and the gain on disposal of the 34% minority stake in Les Cinémas Gaumont Pathé for k€143,884, operating income after share of income of associates represented a profit of k€133,067 in 2017, versus k€23,206 in 2016.

In 2017, net income stood at k€122,966, compared with k€18,985 in 2016, and includes:

- operating income after share of net income of associates;
- financial income which amounts to a net loss of k€8,055 in 2017, compared with a loss of k€5,336 in 2016, including k€4,521 in foreign exchange losses, mainly due to movements in the dollar during the year;
- income tax expense of k€2,046, mainly consisting of a deferred tax liability of k€522 and income tax expense on French companies of k€1,996.

The share of net income attributable to non-controlling shareholders amounted to a k€78 loss in 2017, versus a k€41 profit in 2016.

The share of net income attributable to owners of the parent totaled k€123,044 in 2017, versus k€18,944 in 2016.

## Financial position

As of December 31, 2017, equity totaled k€308,018, compared with k€280,272 as of December 31, 2016, for a consolidated financial position of k€560,080, compared with k€603,734 the previous year.

The Group's net borrowings had fallen significantly to k€27,680 as of December 31, 2017, versus k€205,348 as of December 31, 2016. This includes k€83,749 in cash resulting from the partial payment received for Les Cinémas Gaumont Pathé, the Gaumont SA bond for k€60,025 and self-liquidating production loans of k€44,342, based on proceeds from pre-financing and the release of French and American series.

The financial statements to December 31, 2017 include the balance of k€128,471 due from Pathé for the sale of Les Cinémas Gaumont Pathé, to be paid in installments until 2020.

Investments decreased from k€116,685 in 2016 to k€113,407 in 2017. These include, in particular, investments in feature film production for k€47,479 in 2017 compared with k€31,008 in 2016 and investments in French and American series production for k€63,967 in 2017 compared with k€63,236 in 2016.



## Gaumont separate financial statements

Gaumont's revenue totaled k€113,034 in 2017, compared with k€120,082 in 2016.

Revenue from the release of films in movie theaters in France totaled k€30,685 in 2017, versus k€30,951 in 2016.

Revenue sales in video on demand and video publishing of films that Gaumont produced or co-produced amounted to k€5,648 in 2017, versus k€5,392 in 2016.

Sales of broadcasting rights to French television channels reached k€18,585 in 2017, compared with k€37,057 in 2016. In 2017, as Gaumont had prioritized lump-sum contributions for its productions, no pre-sales of new films to television channels were recognized. In 2016, pre-sales totaled k€12,311 for *The Visitors: Bastille Day*, *Odd Job*, and *Heartstrings*.

Revenue from international sales stood at k€30,726 in 2017, compared with k€30,188 in 2016. This was mainly driven by *Ballerina*, which sold more than 10 million tickets outside France, followed by *C'est la Vie!*, *A Bag of Marbles*, *Santa & Co* and *The Death of Stalin*, which enjoyed success upon its first global release in the UK in October 2017.

Other income totaled k€27,390 in 2017, compared with k€16,495 in 2016. This mainly consists of trademark royalties, producer fees,

management fees from subsidiaries and revenue from real estate lease agreements. Trademark royalties totaled k€5,107 in 2017, versus k€5,143 in 2016. In 2017, other income also included revenue from the co-investment agreement signed in January 2017 with Entourage Pictures for k€11,563.

Operating income represented a loss of k€11,887 in 2017, compared with a loss of k€1,250 in 2016.

Financial income resulted in a loss of k€22 in 2017, against a profit of k€3,095 in 2016. This includes k€2,059 in dividends received from subsidiaries in 2017, compared with k€12,288 in 2016.

Net income before tax came to a loss of k€11,909 in 2017, versus a profit of k€1,845 in 2016.

Non-recurring income represented a profit of k€308,248 in 2017, compared with k€5,453 in 2016. This income includes the gain of k€313,987 made on the sale to Pathé of Gaumont's stake in Les Cinémas Gaumont Pathé.

Gaumont's net income amounted to k€295,823 in 2017, versus k€7,258 in 2016, after taking into account employee profit-sharing of k€271 and income tax expense of k€245 in 2017.

## Allocation of income

The Board of directors proposes allocating the company's net profit for 2017, which amounts to €295,823,030.45, as follows:

- distribution of a €1.00 dividend per share;
- balance to "Other reserves".

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



# 2018 OUTLOOK

## Feature films

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Ten feature films are scheduled for release in 2018:

- *Burn Out*, directed by Yann Gozlan, starring François Civil and Manon Azem. Released on January 3, the film sold 150,000 tickets;
- *Belle and Sebastian, Friends for Life*, directed by Clovis Cornillac, starring Clovis Cornillac, Félix Bossuet and Tchéky Karyo, released on February 14, the film sold 1 600 000 tickets;
- *Rolling to You*, directed by Franck Dubosc, starring Franck Dubosc and Alexandra Lamy, released on March 14, the film sold 900 000 tickets for its first week in theaters;
- *The Death of Stalin*, directed by Armando Iannucci, starring Jeffrey Tambor, Steve Buscemi and Olga Kurylenko, released on April 4;
- *Mr. Know-It-All*, directed by François Prévôt-Leygonie and Stephan Archinard, starring Arnaud Ducret, Alice David and Max Baissette de Malglaive;
- *Raising Colors*, directed by Hélène Fillières, starring Lambert Wilson, Diane Rouxel and Josiane Balasko;
- *Tricky Old Dogs*, directed by Christophe Duthuron, starring Pierre Richard, Eddy Mitchell, Roland Giraud and Alice Pol;
- *A Man in a Hurry*, directed by Hervé Mimran, starring Fabrice Luchini and Leila Bekhti;
- *Ailo's Journey*, a documentary by Guillaume Maidatchevsky;
- *The Emperor of Paris*, directed by Jean-François Richet, starring Vincent Cassel, August Diehl, Olga Kurylenko and Freya Mavor.

## Television programs

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Seven television series will be delivered in 2018:

- Season 4 of *Narcos*, a 10-episode American drama produced by Eric Newman, to Netflix;
- Season 3 of *F is for Family*, a ten-episode American cartoon series to Netflix;
- Season 2 of *The Art of Crime*, a 6-episode French drama, to France 2;
- *Nox*, a 6-episode French drama, to Canal+;
- the last episodes of the cartoon series *Trulli Tales* to Disney Channel;
- the last episodes of the cartoon series *Belle and Sebastian* to M6;
- the cartoon series *Furiki Wheels* to France 3.



# REQUEST TO RECEIVE DOCUMENTS AND INFORMATION

To be returned to: GAUMONT – Legal Department – 30, avenue Charles de Gaulle, 92200 Neuilly-sur-Seine, France

I, the undersigned:  Mr.  Mrs.

Last name: ..... First name: .....

Address: .....

Postcode: ..... Town/city: .....

Owner of: .....

registered shares;

bearer shares, registered in an account<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 3, 2018**, be sent to the address above<sup>(2)</sup>

Signed in ....., on ..... 2018

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 attach a registration certificate to the accounts for bearer shares held by said intermediary.

(2) This request must reach Gaumont before April 28, 2018.





A French company with share capital of €24,957,784  
Head office: 30, avenue Charles de Gaulle, 92200 Neuilly-sur-Seine, France  
Company registration number: 562.018.002 R.C.S. Nanterre



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