

GROUPE BRUXELLES LAMBERT (GBL)

Société Anonyme / Naamloze Vennootschap

Avenue Marnix 24, 1000 Brussels

RLE Brussels 0407.040.209

**Report of the Board of Directors
Article 629 of the Companies Code**

1 Background of and reasons for this report

GBL wishes to put in place a new long-term incentive plan for the Executive Management and members of the staff of the GBL group (the “**Plan**”). The Plan will consist of the granting of options on existing shares of Urdac, a sub-subsidiary of GBL. These options with a 10-year maturity will, in principle, become permanently acquired upon the expiration of a period of three years after their granting.

In the framework of the putting in place of the Plan, Urdac will acquire, for a maximum global amount of EUR 13,500,000, mainly GBL shares and in the alternative, shares of companies in GBL portfolio and on which GBL may exercise its influence. These acquisitions will be financed, partly, with own funds and, partly, with a loan agreed upon between Urdac and a financial institution for a maximum amount of EUR 10,800,000 (the “**Loan**”). Urdac will pledge its portfolio as principal security (the “**Pledge**”). On a secondary basis, GBL will grant a security (a guarantee) for the benefit of the financial institution (the “**Guarantee**”), it being understood that Urdac will remunerate GBL for the granting of this Guarantee at market value.

2 Applicable provisions

Article 629, § 1 of the Companies Code provides, in particular, that the provision of securities by a limited liability company with a view to the acquisition of its own shares is subject to various conditions including the drawing up of a report of the Board of Directors of the company concerned.

Therefore, this report aims to clarify (i) the reasons for the Guarantee, (ii) the importance of the Guarantee to GBL, (iii) the conditions to which it is subjected, (iv) the risks that it holds for the liquidity and the solvency of GBL and (v) the price at which Urdac will acquire the GBL shares.

This report will be deposited and published in the Annexes to the Belgian State Gazette pursuant to Article 74 of the Companies Code.

The grant of the Guarantee will be subject to the approval by the General Shareholders' Meeting convened on 28 April 2015. The Plan will be subject to such approval as well.

3 Importance of the Guarantee to GBL

The Guarantee that GBL wishes to grant is part of the putting in place of the Plan, permitting its sub-subsidiary Urdac to notably acquire GBL shares by making use, in part, of a Loan granted by a financial institution.

This Plan aims to motivate the Executive Management and members of the staff of the GBL group to further increase their participation in the strategy and the value creation of GBL and align their interests with those of the shareholders. The Plan will so contribute to the positive development of the business of GBL.

4 Conditions of the Loan and of the Guarantee

4.1 Principal conditions of the Loan

The principal conditions of the Loan can be summarised as follows:

Borrower:	Urdac
Lender:	A financial institution
Maximum Loan Amount:	EUR 10,800,000
Loan purpose:	The Loan is aimed to partially finance the acquisition of GBL shares
Term:	10 years as from the date on which the funds will be made available
Interest rate:	Market conditions
Repayment:	The Loan is refundable at maturity of the Credit's advance or earlier

4.2 Principal conditions of the Guarantee

In the context of the Loan, GBL is requested to act as secondary guarantor for the benefit of the financial institution to the Maximum Loan Amount in principal to be increased by all the interests, fees and costs.

The principal conditions of this Guarantee are the following:

- The financial institution can only call and execute the Guarantee (the “**Execution Condition**”) if the value of the Pledge given by Urdac to the financial institution should be insufficient to cover its due undertakings.
- In addition, the Execution Condition shall be assumed automatically met if the Pledge or Loan terms and conditions are not satisfied.

For the Guarantee, GBL shall receive from Urdac a yearly remuneration in accordance with market conditions.

5 Price at which the GBL shares will be acquired by Urdac

Urdac will acquire the GBL shares from Sagerpar, sub-subsidiary of GBL, on the basis of the share price and according to provisions of the Law of 26 March 1999 concerning the 1998 Belgian Employment Action Plan and setting out various clauses, as amended by subsequent laws.

6 Risks for the liquidity and solvency of GBL and proprietary interests of GBL

Taking into account the assets owned by GBL, the Board of Directors is of the opinion that the potential execution of the Guarantee would not affect the GBL liquidity or its solvency.

*

*

*