



Lagardère

FULL-YEAR 2016 RESULTS

8 March 2017

DISCLAIMER

Certain statements contained in this document are forward-looking statements (including objectives and trends), which address our vision of the financial condition, results of operations, strategy, expected future business and financial performance of Lagardère SCA. These data do not represent forecasts within the meaning of European Regulation No. 809/2004.

When used in this document, words such as “anticipate”, “believe”, “estimate”, “expect”, “may”, “intend”, “predict”, “hope”, “can”, “will”, “should”, “is designed to”, “with the intent”, “potential”, “plan” and other words of similar import are intended to identify forward-looking statements. Such statements include, without limitation, projections for improvements in process and operations, revenues and operating margin growth, cash flow, performance, new products and services, current and future markets for products and services and other trend projections as well as new business opportunities.

Although Lagardère SCA believes that the expectation reflected in such forward-looking statements are reasonable, such statements are not guarantees of future performance. Actual results may differ materially from the forward-looking statements as a result of a number of risks and uncertainties, many of which are outside our control, including without limitations:

- general economic conditions, including in particular growth in Europe and North America;
- legal, regulatory, financial and governmental risks related to the businesses;
- certain risks related to the media industry (including, without limitation, technological risks);
- the cyclical nature of some of the businesses.

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Please refer to the most recent Reference Document (*Document de référence*) filed by Lagardère SCA with the French *Autorité des marchés financiers* for additional information in relation to such factors, risks and uncertainties.

Accordingly, we caution you against relying on forward-looking statements. The forward-looking statements abovementioned are made as of the date of this document and neither Lagardère SCA nor any of its subsidiaries undertake any obligation to update or review such forward-looking statements whether as a result of new information, future events or otherwise. Consequently neither Lagardère SCA nor any of its subsidiaries are liable for any consequences that could result from the use of any of the above statements.



Lagardère

HIGHLIGHTS



Full-Year 2016 Results
8 March 2017

HIGHLIGHTS

- Continued strong organic growth momentum in Travel Retail
- Solid performance from Publishing
- Significant free cash flow generation and decrease in net debt

(€m)	2015	2016
Revenue	7,193	7,391
Recurring EBIT of fully consolidated companies*	378	395
Group operating margin	5.3%	5.3%
Profit – Group share	74	175
Adjusted profit – Group share	240	238
Free cash flow*	274	416
Net debt at end of the period	(1,551)	(1,389)
Earnings per share (in €)	0.58	1.36
Ordinary dividend per share (in €)	1.30	1.30**

+2.7% consolidated
+2.5% like-for-like*

+4.6%

≈

+€101m

≈

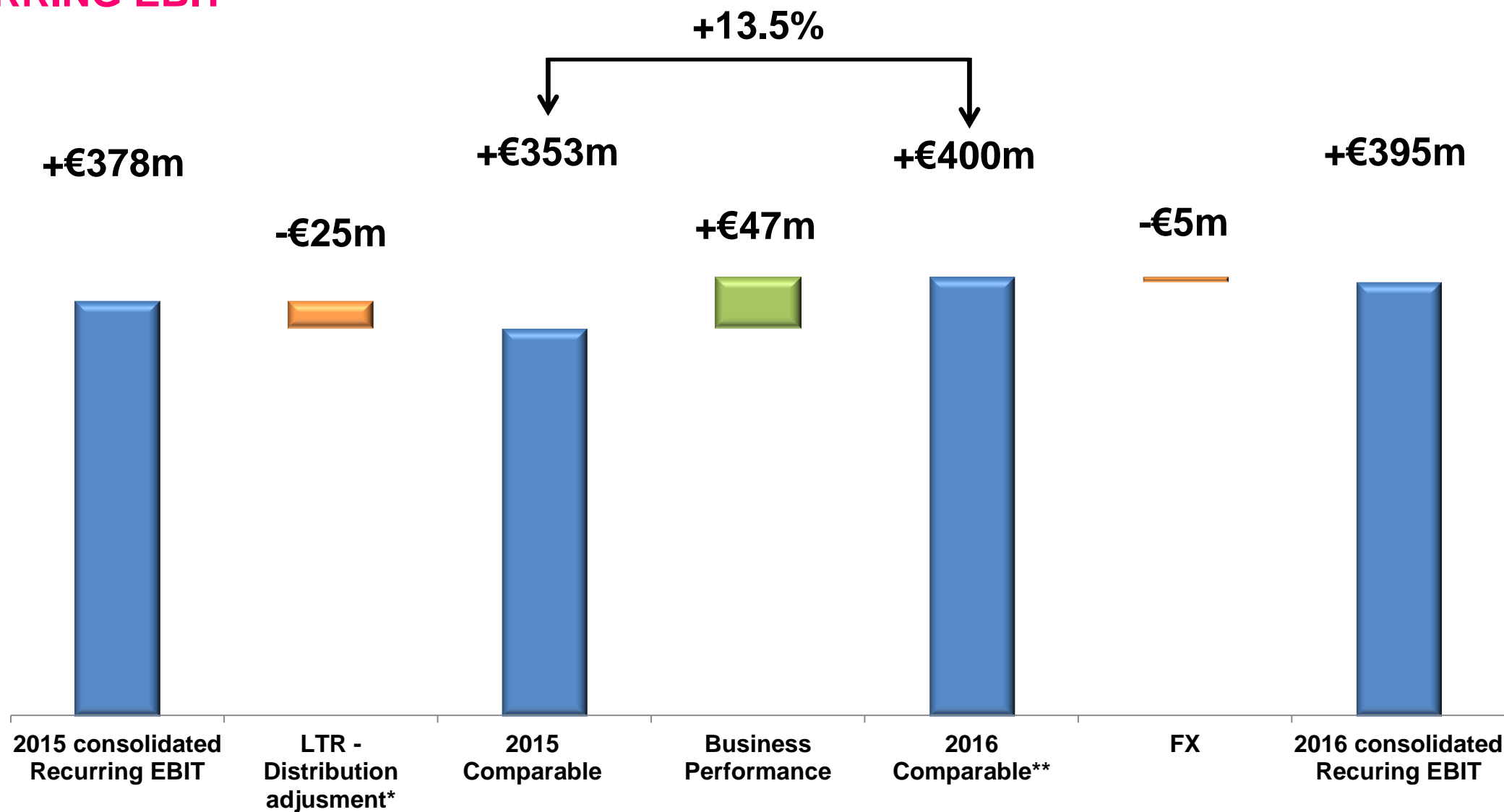
+€142m

+€162m

*See definitions on slide 41.

**Ordinary dividend that will be recommended at the General Meeting of Shareholders on 4 May 2017.

RECURRING EBIT



*Effect of the disposals of the Swiss, US, Spanish, Canadian and Belgium activities.

**Calculated using 2015 exchange rates.



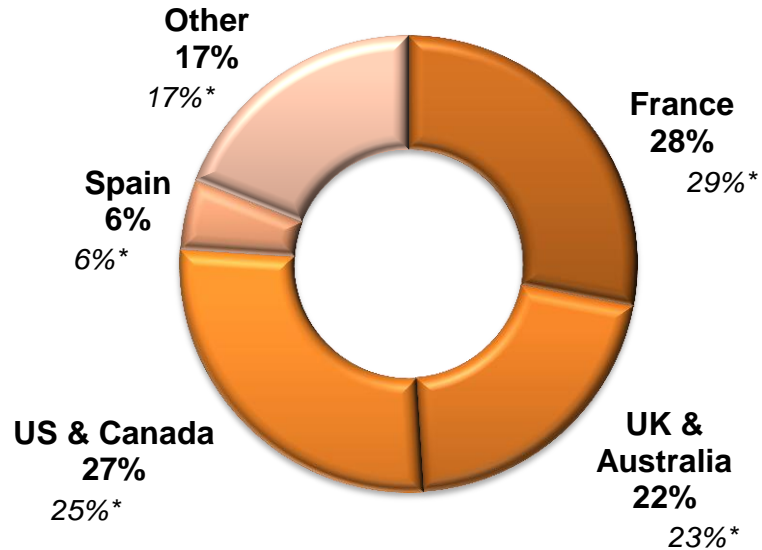
Lagardère

**2016
PERFORMANCE
BY DIVISION**

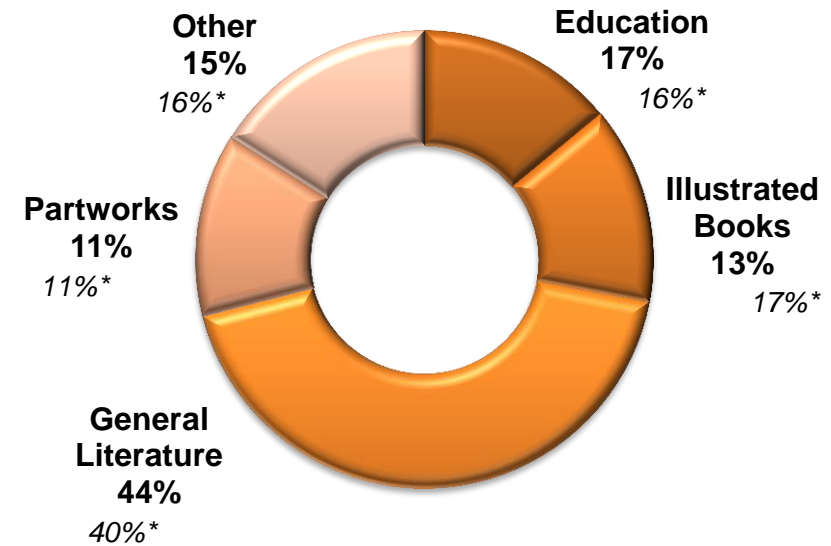
Full-Year 2016 Results
8 March 2017

LAGARDÈRE PUBLISHING: ACTIVITY

2016 revenue by geographic area



2016 revenue by activity



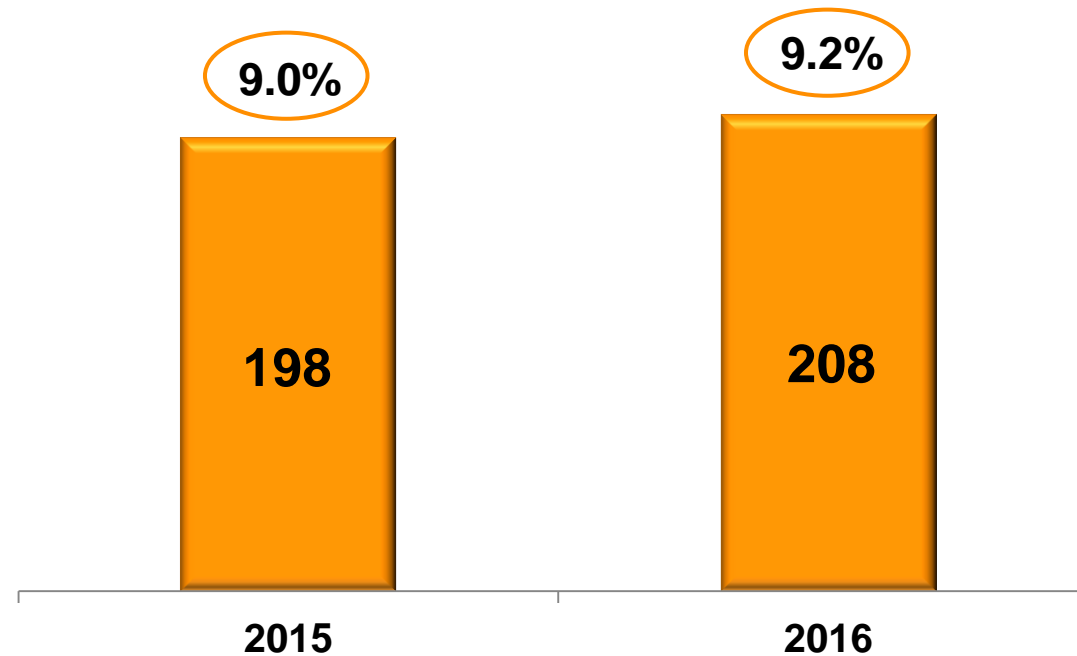
€2,264m (up 2.6% on a consolidated basis and up 2.5% like-for-like).

- *Negative currency impact of €68m offset by a positive scope effect of €70m.*
- Robust performance driven by strong growth in General Literature in the UK and by the Education segment.

*% of revenue in 2015.

LAGARDÈRE PUBLISHING: PROFITABILITY

Change in recurring EBIT (€m) and operating margin (%)

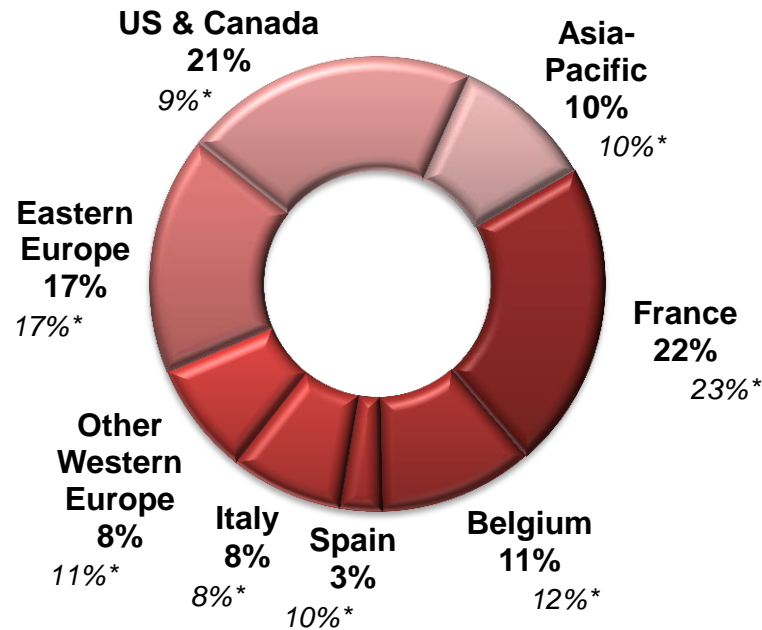


Profitability up by 0.2 points.

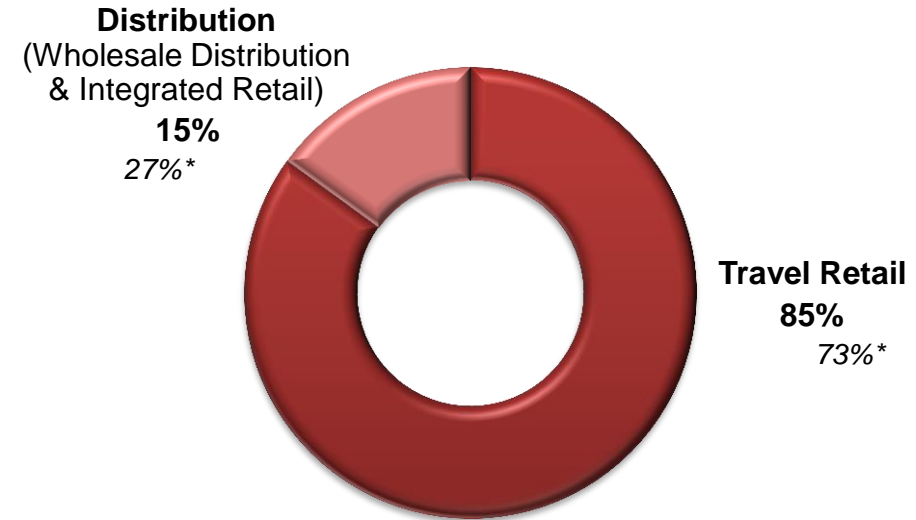
- Disciplined cost management in the US produced higher profitability.
- Partworks broke another record.
- The huge success of *Harry Potter and the Cursed Child* more than offset the decline in digital revenue in the UK.
- The success of *Astérix* in 2015 created a challenging comparison effect.

LAGARDÈRE TRAVEL RETAIL: ACTIVITY

2016 revenue by geographic area



2016 revenue by activity



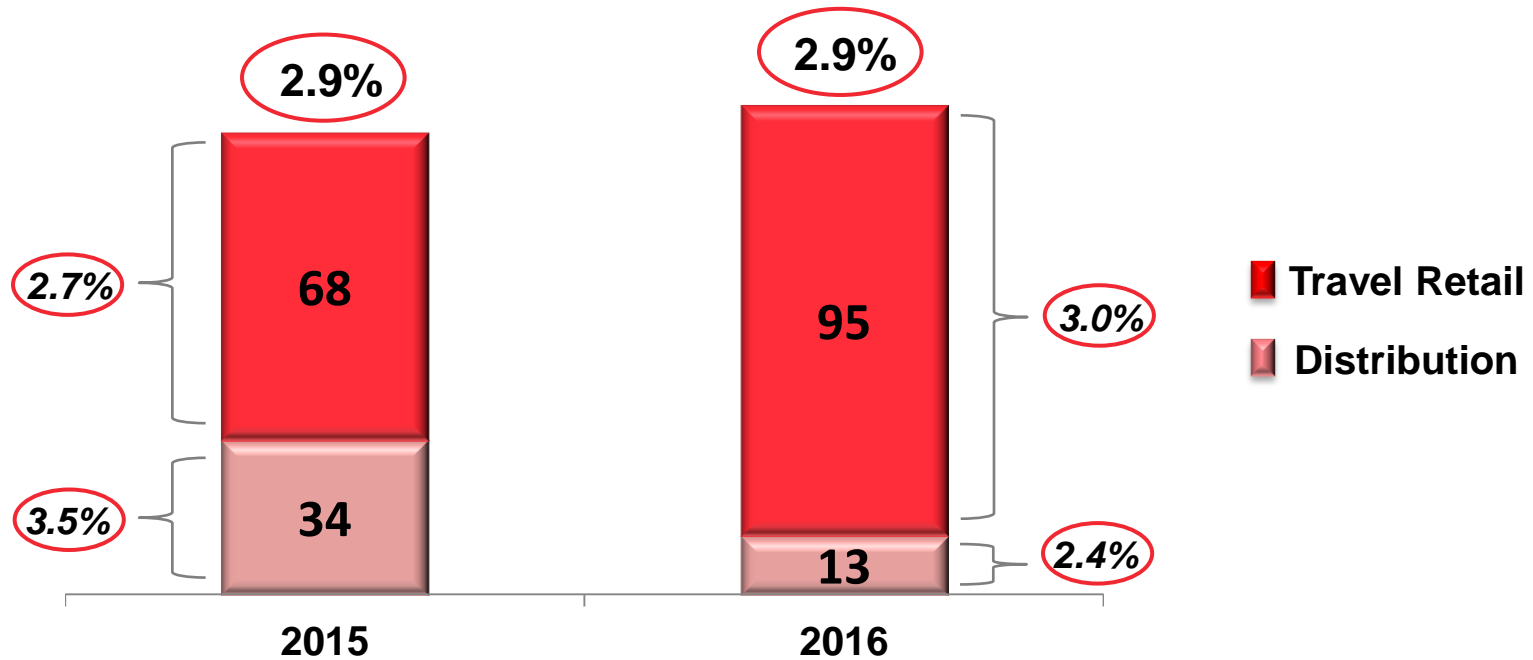
€3,695m (up 5.3% on a consolidated basis and up 5.0% like-for-like).

- *Negative currency effect of €21m offset by a positive scope effect of €50m. Figures below are presented like-for-like.*
- **Travel Retail activity up 7.1%**, driven by network expansion, rollout of new concepts and a dynamic commercial policy.
- **Distribution down 3.8%**. Full disposal completed on 7 February 2017.

*% of revenue in 2015.

LAGARDÈRE TRAVEL RETAIL: PROFITABILITY

Change in recurring EBIT (€m) and operating margin (%)

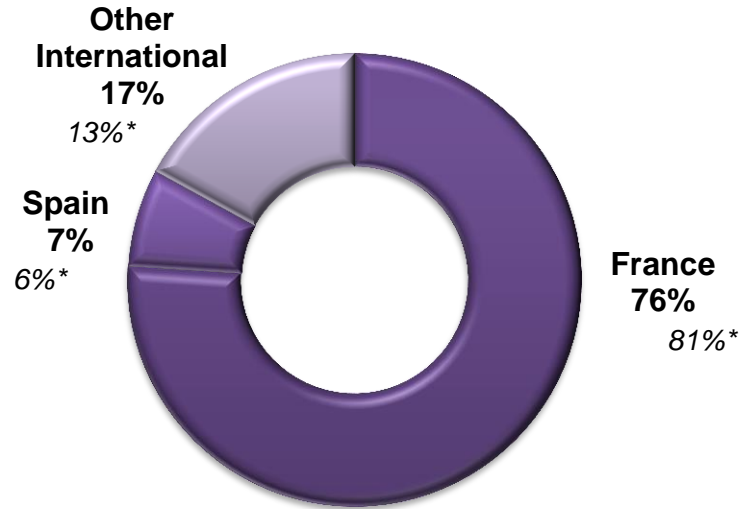


Travel Retail profitability (excluding Distribution) up 0.3 points.

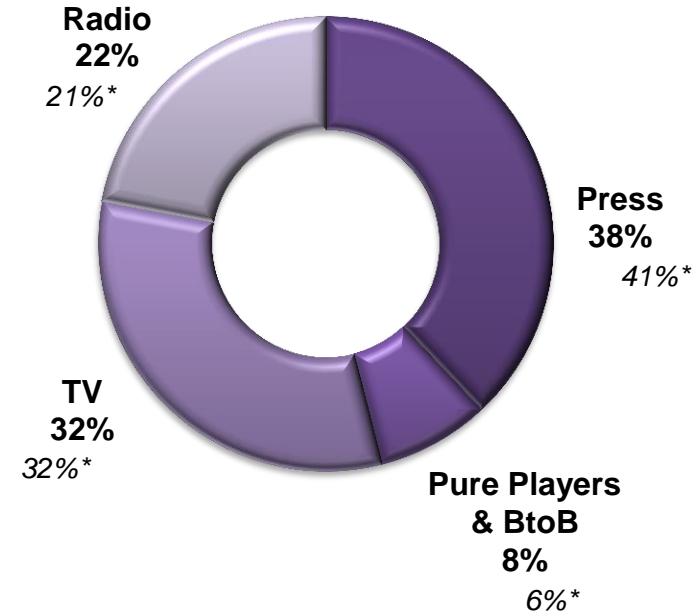
- €27m increase at **Travel Retail**, which was buoyed by the integration of new activities and robust momentum in North America, including historical activities. Growth in Italy, Romania, Czech Republic and Iceland mitigated the impact of terrorist attacks in Europe.
- €21m decrease in **Distribution** (mainly due to the disposal of the Swiss, US, Spanish, Canadian and Belgian activities).

LAGARDÈRE ACTIVE: ACTIVITY

2016 revenue by geographic area



2016 revenue by activity



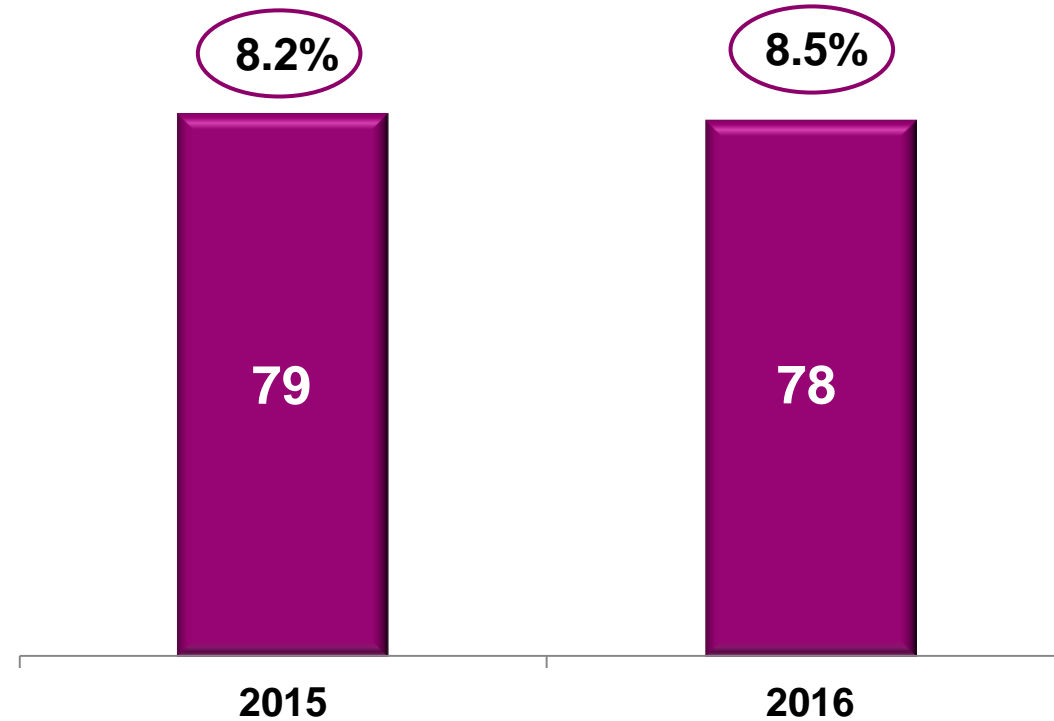
€915m (down 4.9% on a consolidated basis and down 5.4% like-for-like).

- *Positive scope effect of €6m. Negative currency effect of €2m.*
- Decline in Advertising and Circulation, in line with market trends.
- Good momentum in Music Radio in France and internationally.
- Unfavourable comparison effect for Lagardère Studios owing to strong rights sales in 2015.

*% of revenue in 2015.

LAGARDÈRE ACTIVE: PROFITABILITY

Change in recurring EBIT (€m) and operating margin (%)

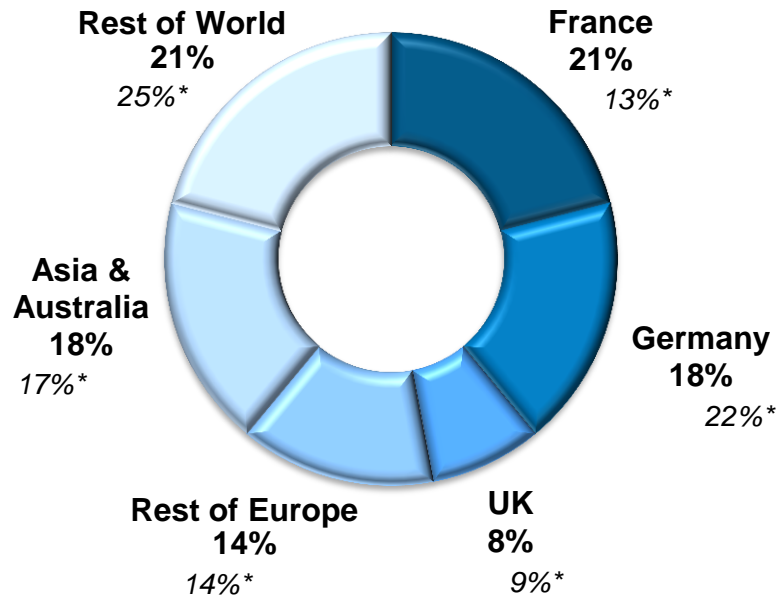


Profitability up 0.3 points.

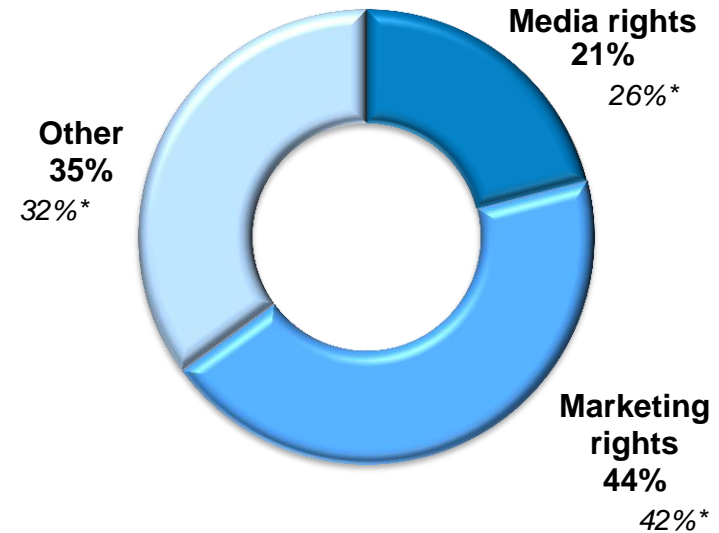
- Consolidation of Grupo Boomerang and cost efficiency plan offset the negative trend in Magazine Publishing and unfavourable delivery phasing in TV Production, as well as financing organic growth in e-health segment.

LAGARDÈRE SPORTS AND ENTERTAINMENT: ACTIVITY

2016 revenue by geographic area



2016 revenue by activity



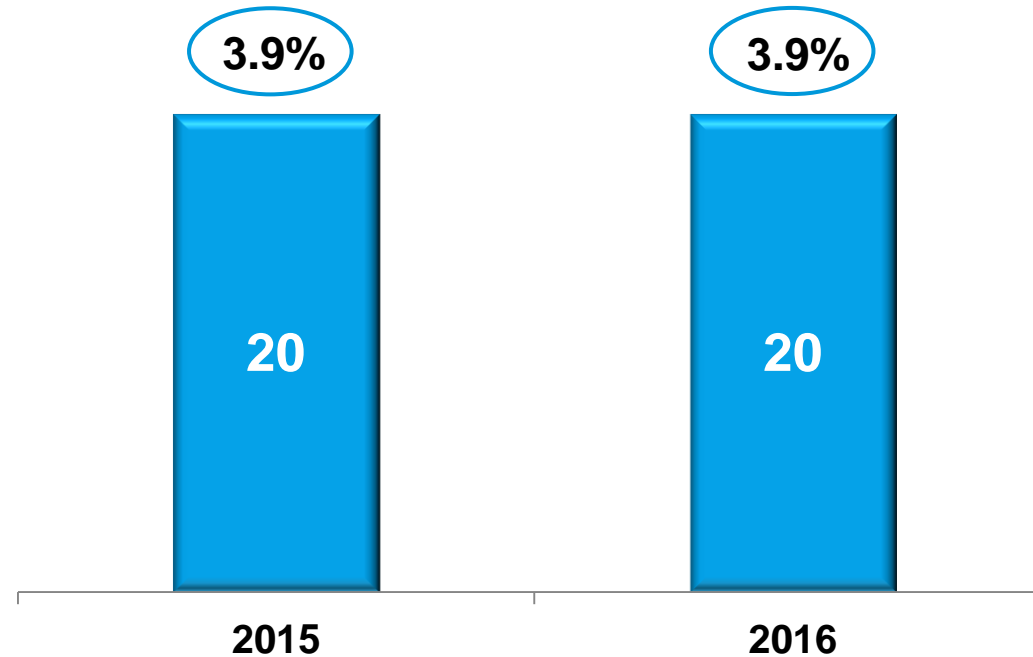
€517m (up 0.3% on a consolidated basis and up 1.5% like-for-like).

- Slight negative currency effect of €4m and negative scope effect of €1m.
- Another year with robust performance.

*% of revenue in 2015.

LAGARDÈRE SPORTS AND ENTERTAINMENT: PROFITABILITY

Change in recurring EBIT (€m) and operating margin (%)



Recurring EBIT stable, as anticipated.

- Recurring EBIT stable at €20 million reflects the focus on the improvement of the portfolio of activities, offset by a slightly less favourable mix of football events.

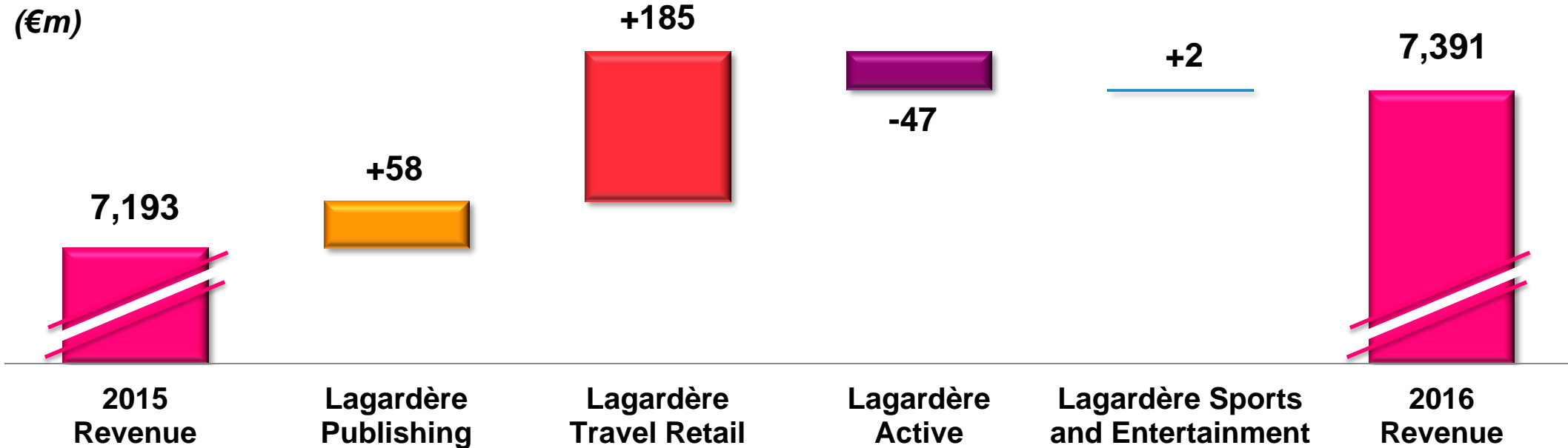


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**2016
GROUP RESULTS**

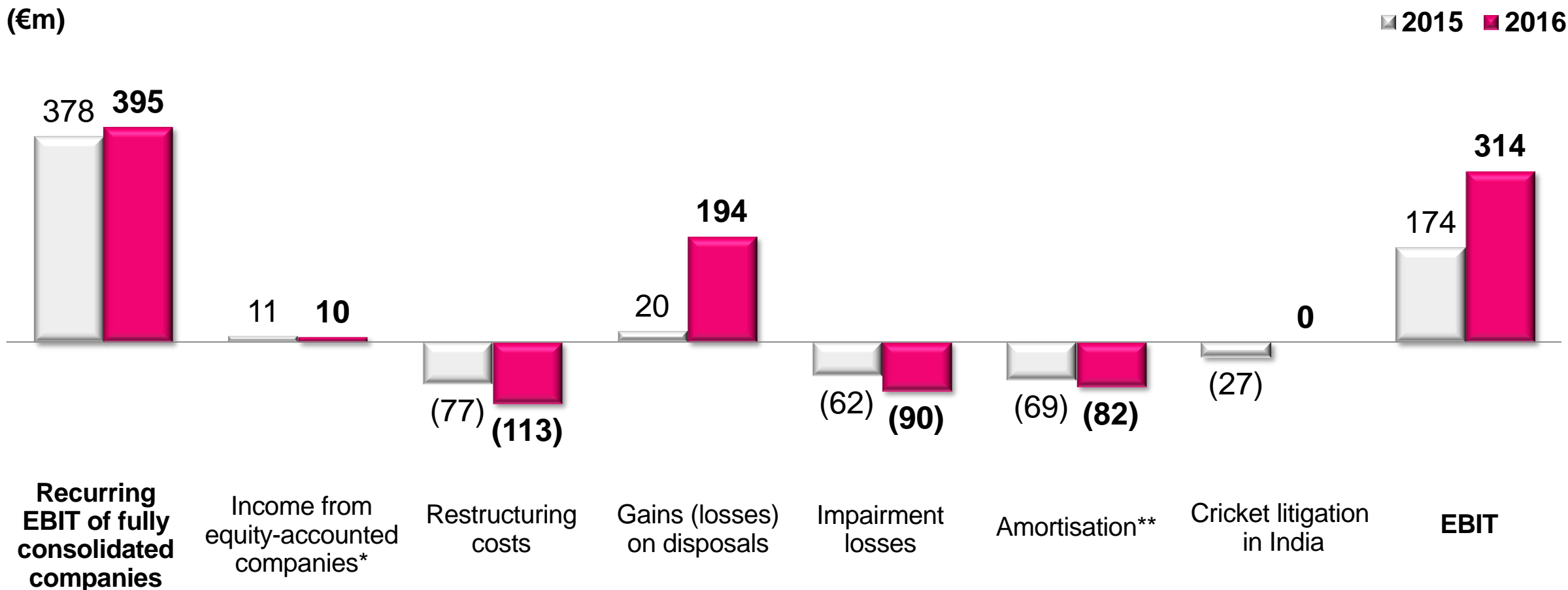
Full-Year 2016 Results
8 March 2017

CHANGES IN CONSOLIDATED REVENUE – 2016



- Revenue up 2.7% on a consolidated basis, up 2.5% like-for-like.
- Top-line growth largely driven by Lagardère Travel Retail (up €185m) and Lagardère Publishing (up €58m).
- Positive scope effect of €124m and negative currency effect of €95m.

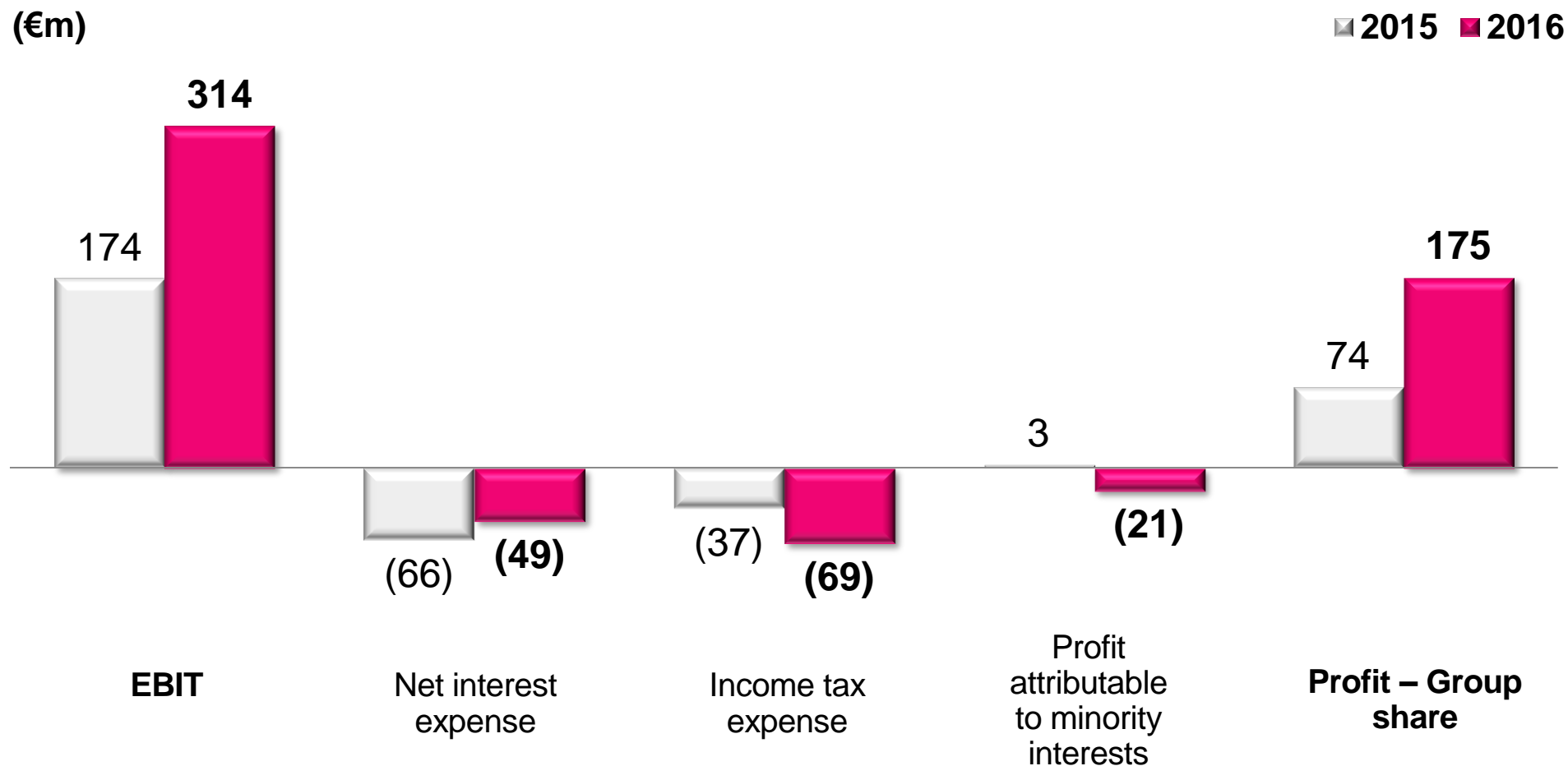
RECURRING EBIT TO EBIT



*Before impairment losses.

**Amortisation of acquisition-related intangible assets and acquisition-related expenses.

EBIT TO PROFIT – GROUP SHARE



ADJUSTED PROFIT – GROUP SHARE

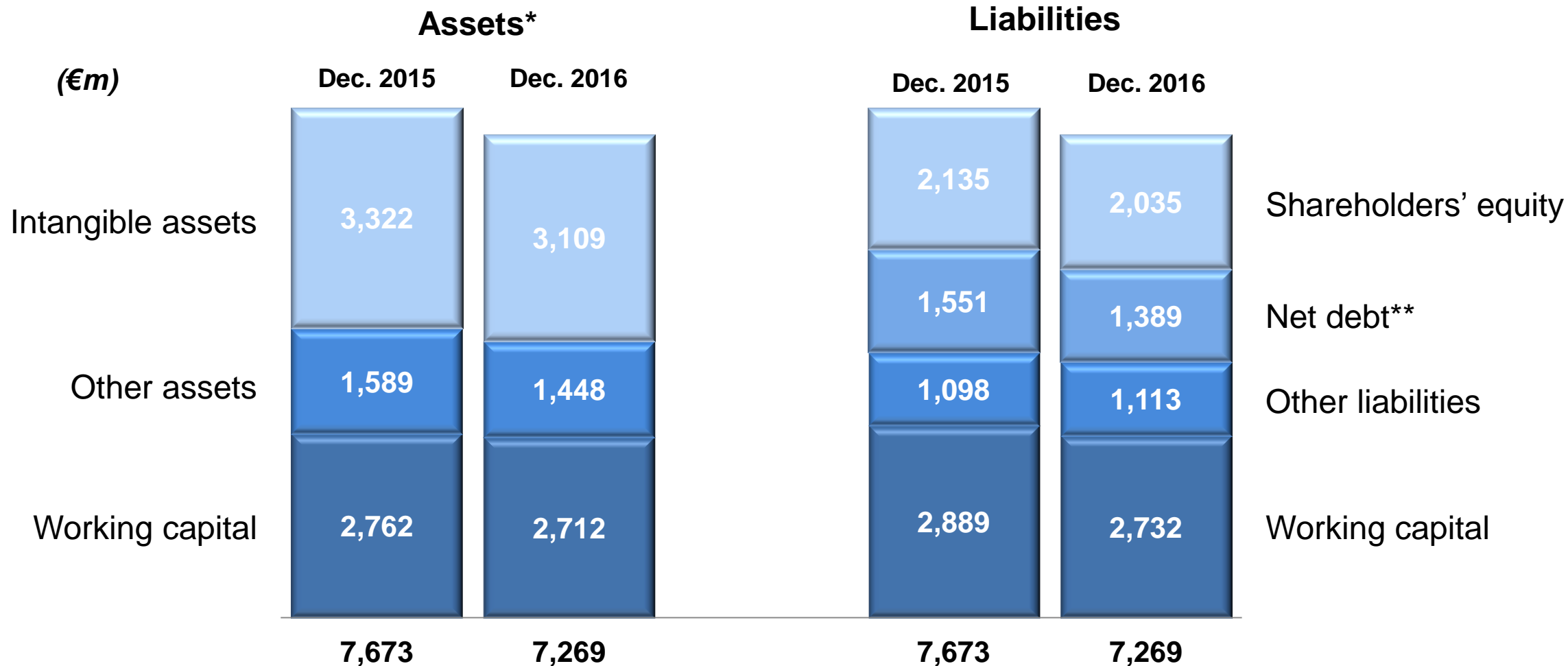
(€m)	2015	2016
Profit – Group share	74	175
Restructuring costs*	+56	+76
Gains (losses) on disposals*	(24)	(149)
Impairment losses on goodwill, PP&E and intangible assets*	+62	+84
Amortisation of acquisition-related intangible assets and other acquisition-related expenses*	+48	+47
Cricket litigation in India (WSG)	+19	-
Tax contribution on dividends paid to shareholders	+5	+5
Adjusted profit – Group share	240	238

*Net of taxes.

CONSOLIDATED STATEMENT OF CASH FLOWS

(€m)	2015	2016	
Cash flow from operations before changes in working capital	447	557	← Operating cash performance significantly up: +25% following +11% last year
Changes in working capital	180	26	← Non-recurring items in 2015
Net interest paid and income taxes paid	(103)	(125)	← Higher taxes due to disposals
Net cash from operating activities	524	458	
<i>Purchases of property, plant & equipment and intangible assets</i>	(259)	(253)	← Continued investments especially in Travel Retail (> 50% of total capex)
<i>Disposals of property, plant & equipment and intangible assets</i>	9	211	← Disposal of property assets
Free cash flow	274	416	
<i>Purchases of investments</i>	(568)	(108)	← Paradies acquisition in 2015
<i>Disposals of investments</i>	(59)	133	
Net cash from operating and investing activities	(353)	441	
<i>Dividend paid and other</i>	(244)	(279)	
Change in net debt	(597)	162	← Positive cash generation post dividend
Net debt	(1,551)	(1,389)	

CONSOLIDATED BALANCE SHEET

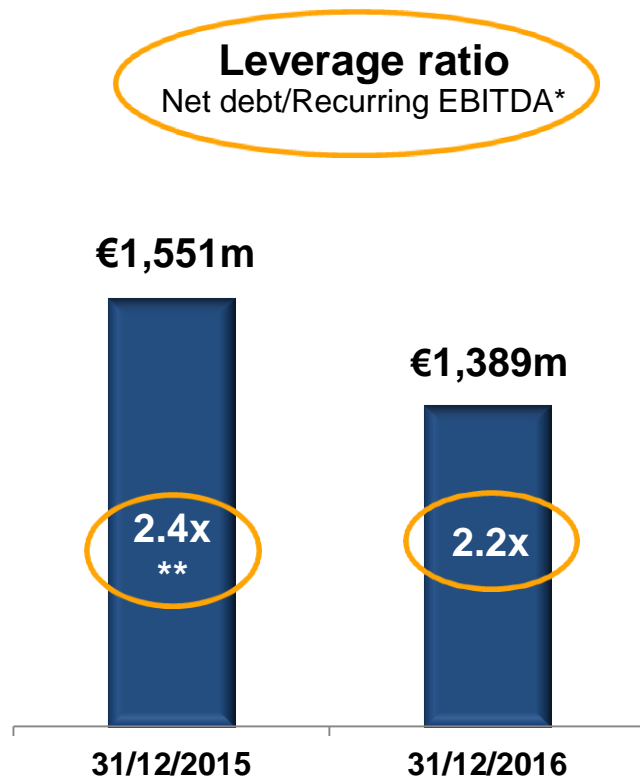


*Excluding assets included in net debt.

**Net of cash, cash equivalents, short-term investments and derivative instruments documented as hedges of debt.

FINANCING POLICY

- Strong cash flow generation and tight rein on debt benefiting to leverage ratio...

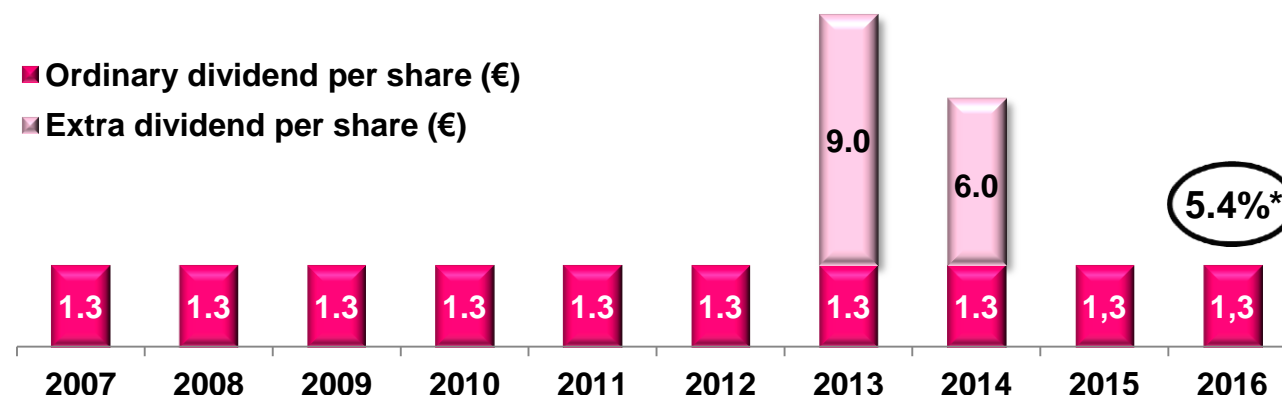


*See definition on slide 41.

**On a proforma basis (as per credit facility covenant), including 12 months of Paradies' recurring EBITDA. On a reported basis, the ratio is 2.6x.

- ... and preserving a stable dividend policy

Historical dividends (€/share)



*Dividend yield based on €24.27 closing price on 06/03/2017.

- Long-term stability of the ordinary dividend per share.
- Friendly shareholder policy post exceptional disposals.
- Attractive ordinary yield in the current interest rate environment.

CONCLUSION

In 2016, Lagardère outperformed its initial Group recurring EBIT growth target*.

2017 guidance

“Group recurring EBIT growth is expected to be between 5% and 8% versus 2016, at constant exchange rates and excluding the impact from disposals of Distribution activities.”

*As announced in March 2016.



Lagardère

**APPENDICES TO
CONSOLIDATED
ACCOUNTS**

Full-Year 2016 Results
8 March 2017

CHANGES OF SCOPE: MAIN ITEMS

▪ **Lagardère Publishing**

- Acquisition of the Perseus Books Group's publishing business in April 2016.
- Acquisition of Neon Play in June 2016.
- Disposal of 51% of YenPress in May 2016 (equity-accounted since 1 June 2016).
- Disposal of Harlequin (joint venture) in March 2016.

▪ **Lagardère Travel Retail**

- Disposal of the Spanish press distribution business SGEL in February 2016.
- Disposal of Canadian press distribution assets in May 2016.
- Disposal of the Belgian press distribution business in December 2016.

▪ **Lagardère Active**

- Disposal of our 49% in S.E.T.C. (cable satellite TV magazine) in May 2016.
- Disposal of LeGuide.com Group in October 2016.

▪ **Lagardère Sports and Entertainment**

- Disposal of the Endurance division in March 2016.

CONSOLIDATED INCOME STATEMENT

<i>(€m)</i>	2015	2016
Revenue	7,193	7,391
Recurring EBIT of fully consolidated companies*	378	395
Income from equity-accounted companies**	11	10
Non-recurring/non-operating items	(215)	(91)
Total EBIT	174	314
Net interest expense	(66)	(49)
Profit before tax	108	265
Income tax expense	(37)	(69)
Total profit	71	196
Attributable to minority interests	(3)	21
Profit – Group share	74	175

*Recurring EBIT of fully consolidated companies of the four operating divisions + other activities.

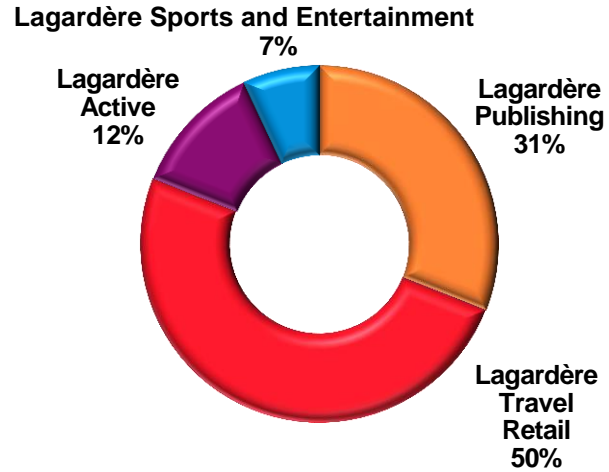
**Before impairment losses.

ANALYSIS OF NON-RECURRING/NON-OPERATING ITEMS IN 2016

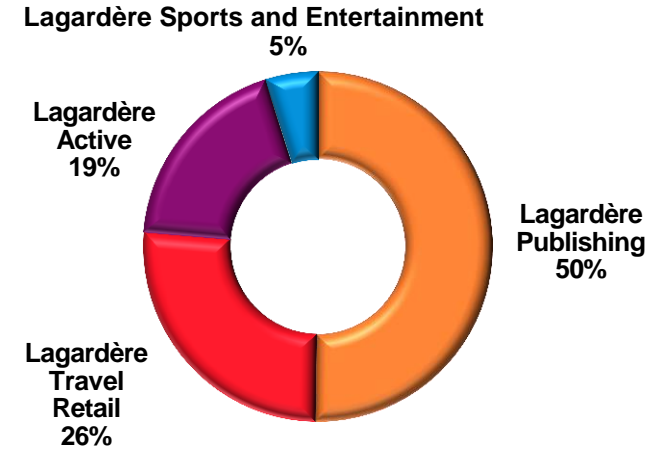
(€m)	Lagardère Publishing	Lagardère Travel Retail	Lagardère Active	Lagardère Sports and Entertainment	Other Activities	Total 2016	Total 2015
Recurring EBIT of fully consolidated companies	208	108	78	20	(19)	395	378
Income from equity-accounted companies	1	5	4	/	/	10	11
Restructuring costs	(10)	(29)	(55)	(11)	(8)	(113)	(77)
Gains (losses) on disposals	21	55	3	1	100	180	20
Fair value adjustment resulting from changes in control	8	/	3	3	/	14	/
Impairment losses	/	(31)	(53)	(6)	/	(90)	(62)
Amortisation of acquisition-related intangible assets and acquisition-related expenses	(6)	(72)	/	(4)	/	(82)	(69)
Cricket litigation in India (WSG)	/	/	/	/	/	/	(27)
EBIT	222	36	(20)	3	73	314	174

GROUP PROFILE – 2016

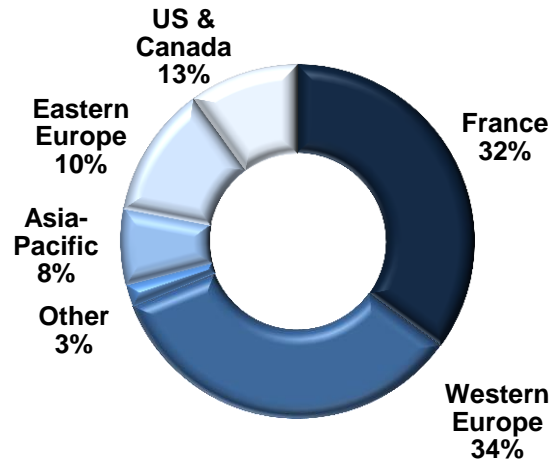
Revenue by division



Recurring EBIT of fully consolidated companies by division

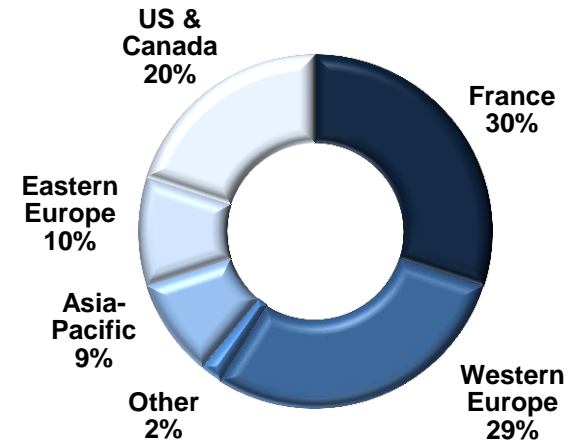


Revenue by geographic area 2015



Emerging countries: 21%

Revenue by geographic area 2016



Emerging countries: 21%

RECAP OF PERFORMANCE BY DIVISION

▪ Revenue

(€m)	2016	Consolidated €m change	Consolidated change	Like-for-like change*
Lagardère Publishing	2,264	+€58m	+2.6%	+2.5%
Lagardère Travel Retail	3,695	+€185m	+5.3%	+5.0%
Lagardère Active	915	-€47m	-4.9%	-5.4%
Lagardère Sports and Entertainment	517	+€2m	+0.3%	+1.5%
Total	7,391	+€198m	+2.7%	+2.5%

▪ Recurring EBIT of fully consolidated companies

(€m)	2016	Consolidated €m change	Consolidated change	Change at constant exchange rates**
Lagardère Publishing	208	+€10m	+5.0%	+7.1%
Lagardère Travel Retail	108	+€6m	+5.6%	+40.5%
Lagardère Active	78	-€1m	-1.4%	-0.8%
Lagardère Sports and Entertainment	20	+€0m	+0.5%	+1.6%
Other Activities	(19)	+€2m	+12.3%	+12.3%
Total	395	+€17m	+4.6%	+13.5%

*At constant scope and exchange rates. / **At constant exchange rates, excluding disposal of LTR Distribution.

MAIN EQUITY-ACCOUNTED COMPANIES

	Balance sheet		Income statement*	
	2015 (as of 31/12/2015)	2016 (as of 31/12/2016)	2015 (as of 31/12/2015)	2016 (as of 31/12/2016)
(€m)				
Marie Claire (42%)	90	77	-	(10)
Édition J'ai Lu (35%)	17	17	-	1
Société de Distribution Aéroportuaire (50%)	16	10	7	3
Inmedio (49%)	11	12	2	1
YenPress (49%)**	-	10	-	-
Société des Commerces en Gares (50%)	3	2	(1)	(1)
Société d'Édition de Télévision par Câble (49%)***	8	-	-	-
Saddlebrook	4	5	-	-
Other associates	6	12	1	(2)
TOTAL	155	145	9	(8)

*Including impairment losses: €13m (Marie Claire), €5m (other associates) in 2016; €2m in 2015 (other associates).

**Equity accounted since June 2016 (previously fully consolidated by Hachette Book Group).

***Sale of SETC in May 2016.

CASH FLOW STATEMENT DATA – LAGARDÈRE PUBLISHING

<i>(€m)</i>	2015	2016
Cash flow from operations before changes in working capital	202	234
Changes in working capital	3	50
Net interest paid and income taxes paid	(32)	(59)
Net cash from operating activities	173	225
<i>Purchases of property, plant & equipment and intangible assets</i>	(50)	(38)
<i>Disposals of property, plant & equipment and intangible assets</i>	2	11
Free cash flow	125	198
<i>Purchases of investments</i>	(9)	(90)
<i>Disposals of investments</i>	2	23
Net cash from operating and investing activities	118	131

CASH FLOW STATEMENT DATA – LAGARDÈRE TRAVEL RETAIL

<i>(€m)</i>	2015	2016
Cash flow from operations before changes in working capital	161	194
Changes in working capital	50	7
Net interest paid and income taxes paid	(42)	(47)
Net cash from operating activities	169	154
<i>Purchases of property, plant & equipment and intangible assets</i>	(122)	(147)
<i>Disposals of property, plant & equipment and intangible assets</i>	7	7
Free cash flow	54	14
<i>Purchases of investments</i>	(485)	(3)
<i>Disposals of investments</i>	(95)	47
Net cash from operating and investing activities	(526)	58

CASH FLOW STATEMENT DATA – LAGARDÈRE ACTIVE

<i>(€m)</i>	2015	2016
Cash flow from operations before changes in working capital	68	63
Changes in working capital	107	1
Net interest paid and income taxes paid	(44)	(40)
Net cash from operating activities	131	24
<i>Purchases of property, plant & equipment and intangible assets</i>	(14)	(14)
<i>Disposals of property, plant & equipment and intangible assets</i>	-	2
Free cash flow	117	12
<i>Purchases of investments</i>	(50)	(5)
<i>Disposals of investments</i>	3	6
Net cash from operating and investing activities	70	13

CASH FLOW STATEMENT DATA – LAGARDÈRE SPORTS AND ENTERTAINMENT

<i>(€m)</i>	2015	2016
Cash flow from operations before changes in working capital	32	84
Changes in working capital	28	(46)
Net interest paid and income taxes paid	(15)	(24)
Net cash from operating activities	45	14
<i>Purchases of property, plant & equipment and intangible assets</i>	<i>(72)</i>	<i>(53)</i>
<i>Disposals of property, plant & equipment and intangible assets</i>	<i>0</i>	<i>0</i>
Free cash flow	(27)	(39)
<i>Purchases of investments</i>	<i>(22)</i>	<i>(7)</i>
<i>Disposals of investments</i>	<i>31</i>	<i>11</i>
Net cash used in operating and investing activities	(18)	(35)

CONSOLIDATED BALANCE SHEET

(€m)	31 Dec. 2015	31 Dec. 2016
Non-current assets	4,672	4,183
Investments in equity-accounted companies	155	145
Current assets	2,846	2,779
Short-term investments and cash	634	481
Assets held for sale	-	162
TOTAL ASSETS	8,307	7,750
Stockholders' equity	2,135	2,035
Non-current liabilities	800	794
Non-current debt	1,526	1,041
Current liabilities	3,187	3,022
Current debt*	659	829
Liabilities associated with assets held for sale	-	29
TOTAL LIABILITIES AND EQUITY	8,307	7,750

Net debt decreased from
€1,551m to €1,389m

*Including €3m of derivative assets.

OFF-BALANCE SHEET COMMITMENTS

(€m)	2015	2016
Commitments to purchase shares from third parties (other than minority interests)	1	3
Commitments given in connection with ordinary activities:		
- contract guarantees and performance bonds	288	301
- guarantees in favour of third parties or non-consolidated companies	115	133
- other commitments given	21	6
Commitments received:		
- counter-guarantees of commitments given	7	3
- other commitments received	20	2
Mortgages and pledges	1	0

LAGARDÈRE SPORTS AND ENTERTAINMENT GUARANTEED MINIMUM PAYMENTS

- At 31 December 2016 entities forming part of Lagardère Sports and Entertainment had guaranteed minimum future payments amounting to €1,326m under long-term contracts for the sale of TV and marketing rights. These payments break down as follows by maturity:

<i>Maturity</i> (€m)	2017	2018	2019	2020	2021	2022 & beyond	Total	2015
Guaranteed minimum payments under sports rights marketing contracts	182	163	158	154	90	579	1,326	1,456

- At 31 December 2016 the amounts due under marketing contracts signed by these same entities with broadcasters and partners amounted to €1,780m, breaking down as follows by maturity:

<i>Maturity</i> (€m)	2017	2018	2019	2020	2021	2022 & beyond	Total	2015
Sports rights marketing contracts signed with broadcasters and partners	515	404	257	185	74	345	1,780	1,679

LAGARDÈRE TRAVEL RETAIL GUARANTEED MINIMUM PAYMENTS

- At 31 December 2016 entities forming part of Lagardère Travel Retail had guaranteed minimum future payments amounting to €1,859m under concession agreements. These payments break down as follows by maturity:

<i>Maturity</i> (€m)	2017	2018	2019	2020	2021	2022 & beyond	Total	2015
Guaranteed minimum payments under concession agreements	339	297	258	224	197	544	1,859	1,405

RECURRING EBITDA – OVER 12 ROLLING MONTHS

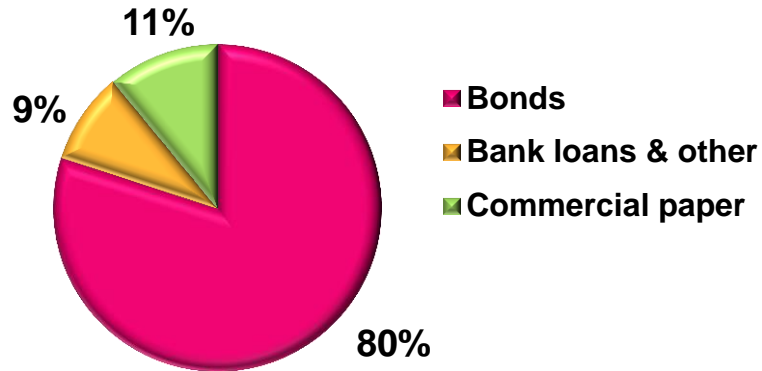
(€m)	2015**	2016
Total recurring EBIT of fully consolidated companies*	378	395
<i>Depreciation & amortisation of intangible assets and property, plant and equipment</i>	<i>+207</i>	<i>+225</i>
<i>Dividends received from equity-accounted companies</i>	<i>+13</i>	<i>+19</i>
Total recurring EBITDA	598	639
<i>Paradies adjustment</i>	<i>51</i>	<i>/</i>
Total recurring EBITDA on a proforma basis*	649	639

*See definitions on slide 41.

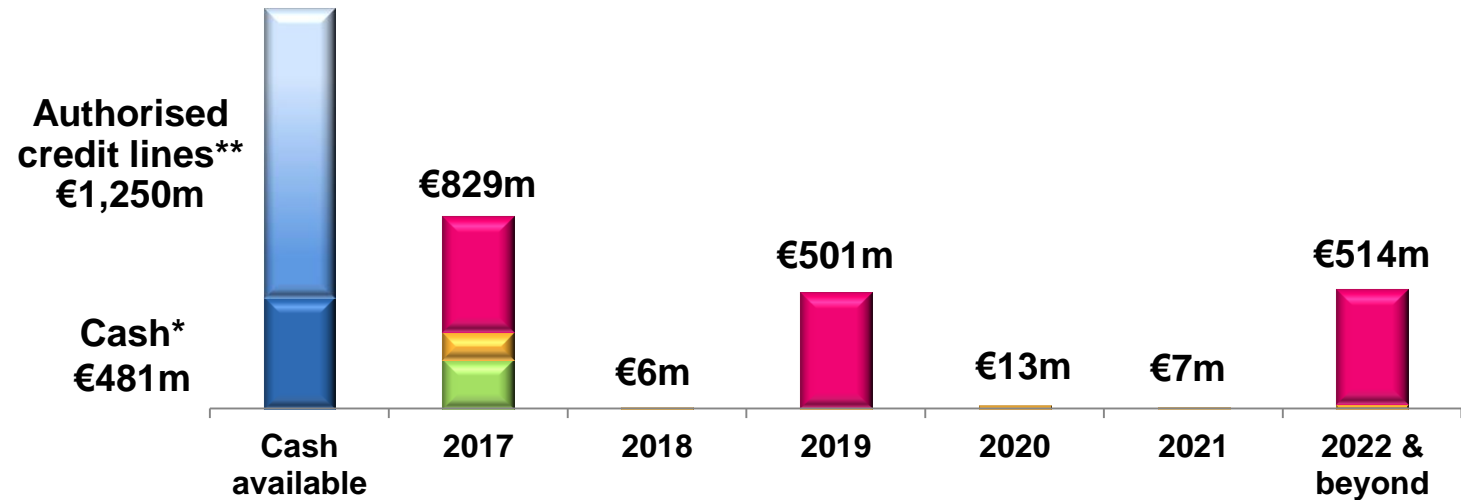
**On a proforma basis (as per credit facility covenant), including 12 months of Paradies' recurring EBITDA.

OUTSTANDING DEBT & MATURITY PROFILE

- **Gross debt breakdown in 2016: strong direct access to credit investors**



- **Preservation of liquidity and well balanced debt repayment schedule**



*Short-term investments and cash.

**Group credit facility excluding authorised credit lines at divisions level.

DEFINITIONS

- **Recurring EBIT of fully consolidated companies is defined as the difference between profit before finance costs and tax and the following items of the profit and loss statement:**
 - income (loss) from equity-accounted companies;
 - gains (losses) on disposals of assets;
 - impairment losses on goodwill, property, plant and equipment and intangible assets;
 - restructuring costs;
 - items related to business combinations:
 - expenses on acquisitions;
 - gains and losses resulting from acquisition price adjustments and fair value adjustment resulting from changes in control;
 - amortisation of acquisition-related intangible assets.

- **Like-for-like revenue is calculated by adjusting:**
 - 2016 revenue to exclude companies consolidated for the first time during the year, and 2015 revenue to exclude companies divested in 2016;
 - 2016 and 2015 revenue based on 2015 exchange rates.

- **Free cash flow is defined as:** cash from/(used in) operating activities plus purchases/disposals of intangible assets and property, plant and equipment.

- **Recurring EBITDA** is defined as recurring EBIT of fully consolidated companies added with:
 - depreciation and amortisation of property, plant and equipment and intangible assets;
 - dividends received from equity-accounted companies.



J.-F. Mallet

SIMPLISSIME

LE LIVRE

DE CUISINE

LE FACILE

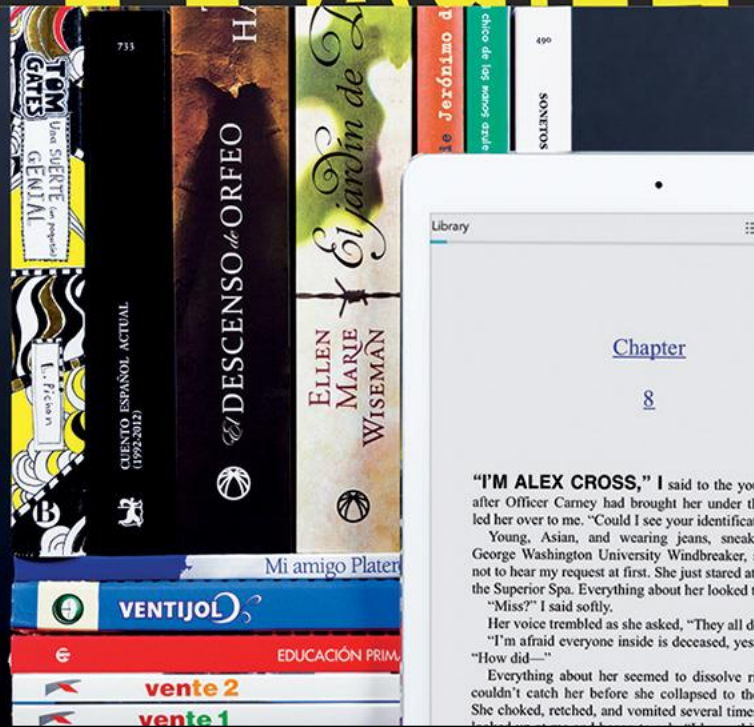
Lagardère
PUBLISHING

**SIGNIFICANT
EVENTS**

NE TIREZ PAS
SUR L'OISEAU
MOQUEUR

ROMAN

en attendant
VA ET POSTE
UNE SENTINELLE



Full-Year 2016 Results
8 March 2017

BACKGROUND AND OVERALL PERFORMANCE

- **Printed books market growing worldwide (in volume)...**
 - -1.8% in France.
 - +2.3% in UK.
 - +3.3% in US.

- **... as e-books decline.**

- **Lagardère Publishing revenue up 2.6% to €2,264 million.**

- **Recurring EBIT increased by €10 million to €208 million.**

FRANCE

- **First of two curriculum years puts revenue and margins of Education divisions back on track.**
- **Fall fiction and non-fiction lists successful:**
 - *Petit pays*: 370,000 copies sold;
 - *Un Président ne devrait pas dire ça*: 220,000 copies sold.
- **Illustrated segment boosted by huge success of cook book as art therapy declines slowly**
 - *Simplissime*:
 - 450,000 copies sold in France alone;
 - 8 spin-offs bring total to 1.32 million copies in print in France;
 - 12 translations;
 - 15 countries.

INTERNATIONAL MARKETS

■ United Kingdom

Hachette UK phenomenally successful with:

- *Harry Potter and the Cursed Child*: 4 million copies in print;
- *Fantastic Beasts and Where to Find Them*: 1 million copies in print;
- *Famous Five for Grown-Ups*: 1.5 million copies in print;
- Education (print & digital);
- Illustrated (Pokémon, Art Therapy).

■ United States

Hachette Book Group on its way back to high profitability thanks to:

- rigorous cost control;
- massive presence on best seller lists:
 - 215 print titles on *New York Times* lists (up 18% vs. 2015);
 - *Hamilton*: 475,000 copies at \$40 retail price;
- Perseus integrated seamlessly and contributing as planned.

■ Spain & Latin America

- Solid year due to ongoing curriculum reform and tight cost control.

■ Partworks

- Outstanding performance across all geographies, especially Japan.

DIGITAL

- **E-books revenue keeps falling.**

- In US: market down by 16%.
 - Hachette Book Group down by 6% (excl. Perseus).
- In UK: market down by 19%.
 - Hachette UK down by 9%.

Slower decline in both countries vs. markets due to high % of best sellers in Hachette Book Group and Hachette UK lists.

- **Lagardère Publishing's total exposure to digital now at 8%, vs. 9% in 2015.**
- **Strong growth of audio books in both markets.**
- **Acquisition of Neon Play and Brainbow, UK mobile gaming startups, for cross-fertilisation with all imprints.**
- **Acquisition of Bookouture, Britain's leading independant e-book publisher.**



Lagardère
TRAVEL RETAIL

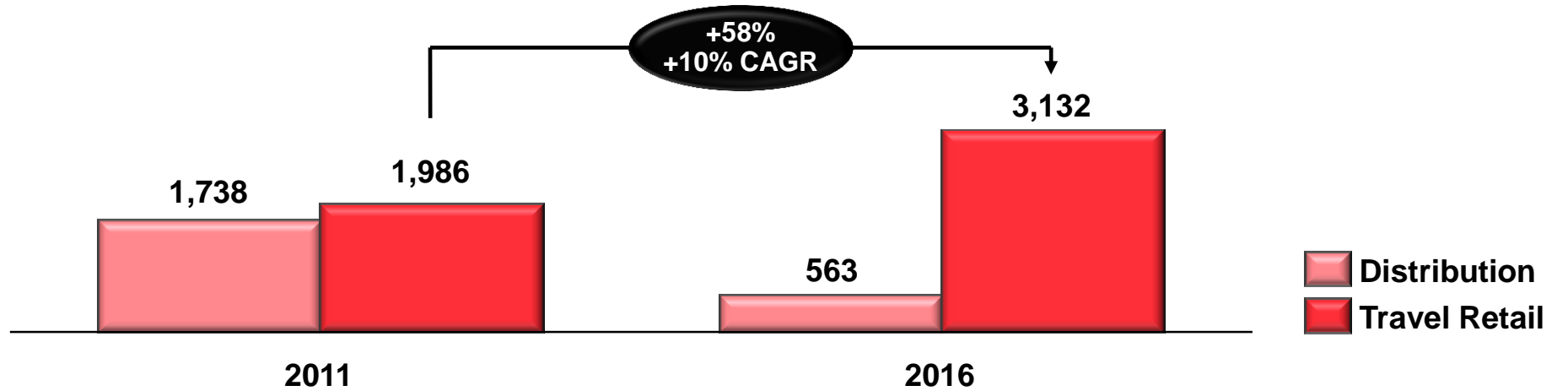
**SIGNIFICANT
EVENTS**

Full-Year 2016 Results
8 March 2017

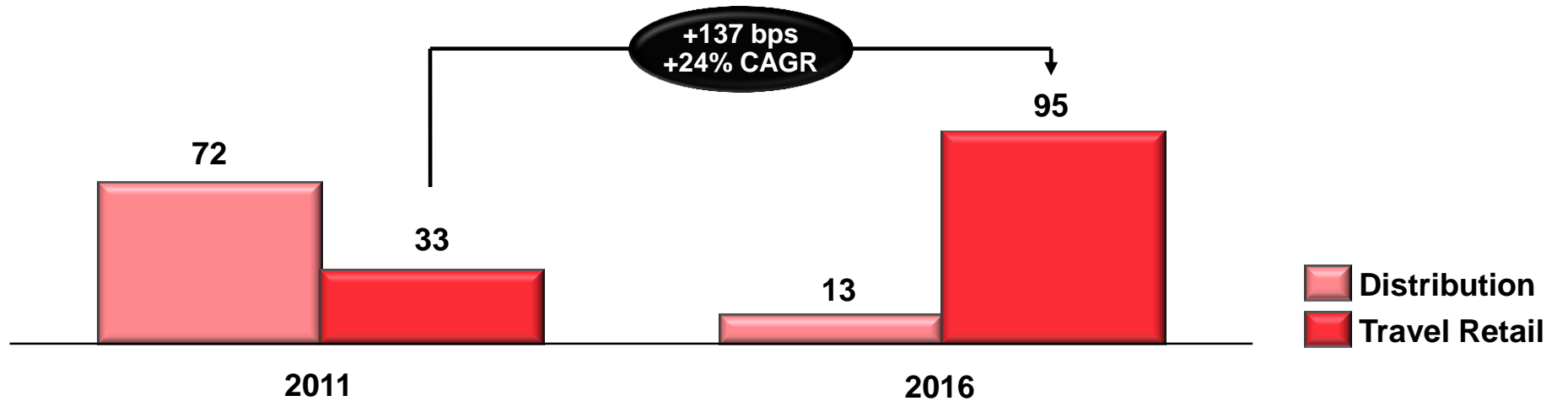
A SUCCESSFUL TRANSFORMATION

IFRS consolidated revenue and recurring EBIT (€m at current rate, 2011-2016)

IFRS consolidated revenue



Recurring EBIT



STRONG GROWTH IN TRAVEL RETAIL OVER THE PAST FIVE YEARS

2016

€3.6bn
proportional revenue*

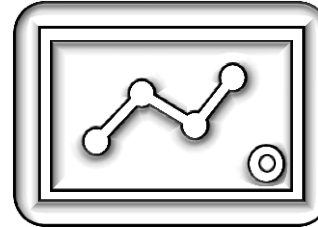
€209m
proportional recurring
EBITDA**

32 countries

232 airports

16,000 employees

2016 vs. 2011



+€1.5bn prop. revenue

x2.5 prop. rec. EBITDA



+13 countries



+112 airports

*Travel Retail scope only, proportional revenue includes Lagardère Travel Retail share in joint ventures.

**Recurring operating EBITDA after head office costs.

Source: Lagardère Travel Retail internal data.

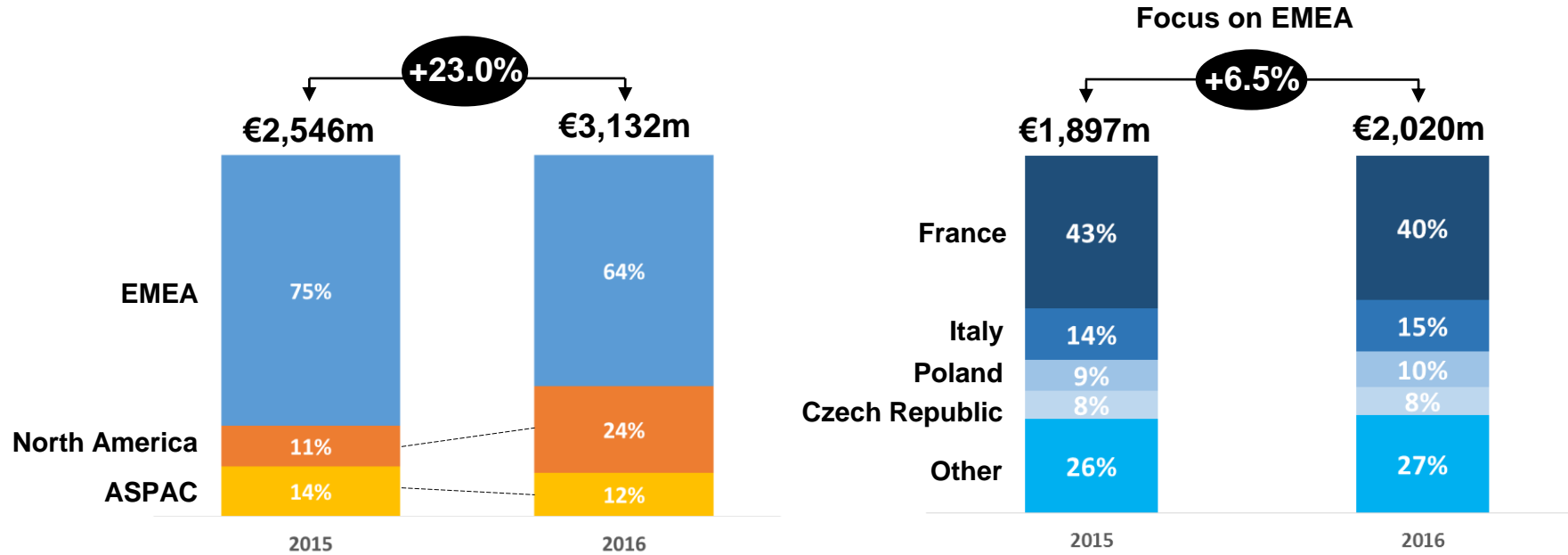
KEY DEVELOPMENTS

- **Successful integration and good performances of the new acquisitions**, mainly Paradies and JFK T4 in North America.
- **New concessions start-up**, mainly:
 - New Zealand: Auckland Duty Free (late June 2015);
 - China: Kunming master concession (August 2015);
 - Poland: Warsaw T1 (May 2015), Krakow Duty Free (September 2015);
 - Luxembourg Duty Free (November 2015);
 - Iceland: Foodservice operations (March 2015).
- **New developments**, mainly:
 - **EMEA**: Abu Dhabi: 9 stores gained in Foodservice; Saudi Arabia: 3 Duty Free concessions awarded in Riyadh, Dammam and Djeddah in partnership with local partners; Poland: master concession won at Gdansk airport; acquisition of Duty Free business in Estonia (late October 2016); Italy: opening of 5 Relay stores and gain of 3 concessions in Foodservice at Rome airport in the Avancorpo Terminal (opening on 21 December); UK: London-Luton: renewal and expansion of the Duty Free concession (mid-April 2016);
 - **North America**: gain of 3 packages at Phoenix airport and 1 Food & Beverage package at San Francisco airport;
 - **ASPAC**: Singapore: gain of Fashion concession of Terminal 2; China: Foodservice master concession won at Kunming airport and Retail master concession won at Wuhan airport; Pacific: Cairns Duty Free tender won.
- **Success of the new concepts and of the marketing and commercial initiatives.**
- **Negative impact of the terrorist attacks in Europe** (Paris in November 2015, Brussels in March, Nice and Germany in July).
- **Lower spend of BRICs passengers** (FX volatility).

KEY ACTIVITIES

IFRS consolidated revenue 2015-2016, €m at current rate

Source: Lagardère Travel Retail internal data.



- **Pure player in Travel Retail, with Distribution divestment process completed:** disposal of the Spanish, Canadian and Belgian activities in 2016 and sale, on 7 February 2017, of the Distribution holding: LS Distribution (including the operating activities in Hungary).
- At constant scope and exchange rates, the **traffic evolution** combined with the **development of the network**, the **modernisation of the concepts** and **successful commercial initiatives** (including Paradies top-line synergies), generated sustained growth at **Travel Retail revenue (up 7.1%)** despite a difficult geopolitical and macroeconomic situation.
- Total like-for-like revenue increased by 5.0%, the strong performance of Travel Retail being partly absorbed by the decline of Distribution (down 3.8%).
- The **growth in passenger traffic** (up 5.5%)* remains solid but below last year's growth (6.1%). Growth remains strong in **Europe** (up 4.5%), **North America** (up 4.1%) and **Asia-Pacific** (up 9.3%). The trend in passenger traffic in **France** swung back since December 2016 after the Paris terrorist attacks in November 2015.

*Source: ACI data: Europe: +4.5% vs. +5.2%, Asia-Pacific: +9.3% vs. +8.0%, and North America: +4.1% vs. +5.3% (at 31 October 2016 vs. 31 December 2015).

FRANCE

▪ Travel Essentials and Foodservice

- 100% revenue up **1.6%**:
 - strong performance of the Foodservice activities: **up 10.2%** (dynamic network expansion with openings in railway stations, airports and hospitals); compensating the lower revenue in gifts and souvenirs (**down 9.9%**), impacted by the decrease in traffic at the Eiffel Tower and Paris airport souvenirs stores, following the terrorist attacks.

▪ Duty Free & Fashion

- 100% revenue down **4.4%** driven by a **4.5%** decrease at Paris airports related to:
 - less qualitative Pax (Japanese, Chinese, Brazilian, Indonesian and Russian) following the terrorist attacks;
 - unfavorable euro exchange rate (against RMB/USD/Ruble/Pound);
 - the decline of Chinese spend per passenger (fall of the Chinese stock market, biometric visa implementation, tax on imported goods, on-going impact of anti-corruption measures).
- Offset by the modernisation of concepts (e.g. new walkthrough in Nice) and the positive impacts of commercial initiatives.

EMEA

▪ Italy

- Revenue up **6.7%** with strong performances in the 3 business lines.

▪ Poland

- Poland's total revenue at 100% grew by **18%**, with Duty Free activities up 34%, Travel Essentials up 12% and Foodservice up 19%.
- This positive trend is driven by the successful opening of Warsaw airport – Terminal 1 stores in May 2015 and the take-over of the Duty Free concession at Krakow airport at the end of September 2015, as well as strong traffic growth in all Polish airports (Warsaw: up 14.5% in 2016).

▪ Czech Republic

- Revenue up **5.3%**, with the continuing development of the Foodservice network (up 14%), along with a dynamic Travel Essentials performance (up 4.4%). Duty Free is flat (down 0.5%), with the decrease in Russian passengers' spend offset by the successful commercial initiatives and growth from other nationalities.

- **Other EMEA countries posted vigorous growth with a 10.4% rise in revenues** (UK: up 17%; Netherlands: up 10%; Romania: up 20% and full impact of the new countries: Iceland and Luxemburg).

NORTH AMERICA, ASIA AND PACIFIC

▪ **North America**

- Very strong growth of Retail activities in Canada and the United States is driven by the acquisition of Paradies in November 2015 and, to a lesser extent, by the JFK T4 acquisition in April 2015.
- The comparable network grew by **9.7%** with positive developments at the Los Angeles, Austin and Dallas platforms, some early impacts of commercial synergies, and a favourable calendar impact (53rd week).
- The Paradies integration process is well advanced and delivering results as per plan; the expected level of synergies is confirmed.

▪ **Asia**

- Revenue grew by **5.3%**, driven by **China** with sales up **28.3%** thanks to the success of the new strategy in place since 2015. This growth comes from the sustained development of the Fashion activities in all airports (Shenzhen, Xi'an, Kunming).
- **Hong Kong** and **Singapore** have been affected by unfavorable changes in traffic flows and heavy construction works.

▪ **Pacific**

- Total revenue in the Pacific grew by **9.5%** versus 2015:
 - growth was driven by Duty Free (up 57%) with the take-over of the Auckland Duty Free concession in late June 2015, as well as network development (Victoria's Secret, MAC and Amuse concepts in different locations);
 - Travel Essentials revenue down 9.1%, following the closing of the Sydney T1 concessions and the decline in print products.



Lagardère
ACTIVE

SIGNIFICANT EVENTS

Full-Year 2016 Results
8 March 2017

BACKGROUND AND OVERALL PERFORMANCE

- **As part of its strategic plan aimed at:**
 - strengthening its positioning as a premium multi-media group;
 - bringing together leading brands in their segments, with considerable digital and diversification potential;
 - prospecting in some cases for international development.

- **In 2016, Lagardère Active developed its flagship brands and:**
 - **rebalanced the portfolio in favour of audiovisual activities** notably with the success of music radio in France and international radio. Audiovisual sales now represents the majority of the revenue for the second year in a row;
 - **seized international opportunities around Lagardère Active Radio International and TV business** and successfully integrated Grupo Boomerang TV in Lagardère Studios;
 - **expanded digital media**, enhanced data offers and developed outside media business, including **B2B services** with notably ambitious development in **e-health business**;
 - **consolidated its strong positions** by expanding its shares on contracting markets, notably magazines;
 - **focused on operating performance improvement** through cost-containment measures.

MAGAZINE PUBLISHING

- **Global audience* growth** (i.e on all devices: print, computer, smartphones and tablets) for our main brands: *Elle* (up 5.2%); *Paris Match* (up 11.2%) and *Télé 7 Jours* (up 6%).
- In a depressed **print advertising market** (down around 7.5%), *Elle* remained leader in high-end women's magazines: 27.4% market share high above its main competitors. Flagship publications such as, *Elle à Table*, *Elle Décoration*, *Télé 7 Jours* and *Le Journal du Dimanche* were also leaders on their competitive segments.
- In a declining **circulation market** (down 3.2%**), our main titles performed better than their market segment. *Elle* displayed the best trend among the high-end women's magazine segment.
- **Digital:** *Public* and *Télé 7 Jours* were still among the leaders of their segments and *Elle* audience continued to grow (up 5%).
- **Launches in licensing activity:**
 - *Elle Décoration* in Vietnam;
 - several spin-offs on wedding and kids;
 - Ellekazakhstan.com website;
 - e-shop in China under the Elle brand;
 - new international events (Elle International Beauty Awards, Elle Déco International Design Awards, Elle Active Japan, Elle Active China and Elle Active Italy).
- In March 2016, announcement of a **reorganisation project** related to press magazine, advertising sales brokerage and some corporate departments. The voluntary redundancy plan opened mid-year. By the end of January 2017, 70% of the potential plan was achieved.

RADIO

Global radio advertising trend remained stable thanks to good performances of musical activities (up 6.9%) and international radio (up 4.0%).

■ Europe 1

- Audience suffered during 2016 mainly from the departure of historical radio-program presenters.
- Key challenge to build a global media from several assets: 16h/day of high quality video recorded and published, 8.4 million unique visitors on all supports, still successful with more than 11 million/month podcasts uploaded.

■ Virgin Radio

- Strong performance on the last wave, with 2,781,000 listeners and a cumulative audience of 5.2%*: highest score over the past 8 years.

■ RFM

- Success thanks to diversified musical programming and guests quality: 2,334,000 listeners/day and 3.1%* audience share.

■ Lagardère Active Radio International (LARI)

- Advertising revenue increased significantly in 2016 in largest countries, notably Poland and Romania.
- Major radio player position maintained in Central and Eastern Europe and strengthened positions in West Africa with Vibe Radio launched in September 2014 in Senegal and September 2015 in Ivory Coast.
- Ongoing development strategy of radio networks into new growth markets and regions: acquisition in May 2016 of stakes in two radio stations broadcasting in Cambodia (one radio rebranded Vibe Radio in July 2016).
- Digital offer upgrade: 10 million unique visitors/month (up 86% over the year) and 43 million page views (up 30% over the year) at end 2016.

TELEVISION ACTIVITIES

TV CHANNELS

- Gulli, broadcasting in HD since April 2016, remains the **leader in audiences on the 4-10 years' old target on the French television market**, ahead of TF1 and France 4 (the state-owned kids channel).
- **Distribution agreement** renewal with CanalSat and all French internet providers (Free, Orange, Bouygues), including the exclusive launch of the new channel Elle Girl on CanalSat.
- **International developments** in Canada and in the USA with Mezzo, and in the Middle East, Honduras and Burma with Gulli.

TV PRODUCTION AND DISTRIBUTION: LAGARDÈRE STUDIOS

- In France, **Lagardère Studios** remains the **no.1 producer of scripted content and the no.2 of non-scripted programs**:
 - two new prime time series pilots (*Agathe Koltès* and *Tandem* – France 3) aired in 2016. Their first season will be aired in 2017. Another new prime time series was produced for France 2 in 2016 and will be aired in 2017;
 - worldwide success for *Midnight Sun* coproduced by Atlantique Productions (Lagardère Studios) and Nice Media for Canal+ and SVT;
 - improvement of daily news magazine *C dans l'air* performance despite the departure of its historical anchorman.
- In Spain, **Boomerang TV** continued to perform well in 2016:
 - good ratings for the daily scripted series *El Secreto de Puente Viejo* and *Acacias 38* in Spain and in Italy. The two shows are now as popular in Italy as they are in Spain;
 - success for recurrent non scripted programs (*La Voz*, *Casados a primera vista*).
- **Other international developments** occurred in 2016 with the production in H2 2016 of the second season of *C'est la vie*, an African scripted TV series produced by Keewu to be delivered in 2017 and the increase of 26% of distribution agreements managed by Diffa, Lagardère Studio's African program distribution arm.

DIGITAL PURE PLAYERS

- **Websites and applications** operated for offline brands (Elle, Europe 1, Gulli, Public and Télé 7 Jours) and pure player brands (Doctissimo.fr, BilletRéduc.com, Boursier.com).
- One of the leading media groups in **audience**, with more than 15 million unique visitors (UVs)* in France on Internet fixed-line and 13 million UVs on mobile**.
- Ambitious development strategy in **e-health**, including both organic developments and acquisitions:
 - **Doctissimo.fr**: leading website on e-health and wellbeing with nearly 9.8 million UVs***. Position strengthened with the creation of a unique ecosystem within e-health.
 - **MonDocteur.fr**: one of the leading French online booking websites for medical consultations and publisher of medical appointments software for professionals. Fast pace expansion, with more than 1.5 million appointments/month and subscriber base (health care professionals and institutions), a four-fold increase during 2016.
- **BilletRéduc.com**, leader in France for cut-price online bookings, continues to grow with the launch of a new application for smartphones.

*Médiamétrie; December 2016.

**Médiamétrie; November 2016.

***Global Médiamétrie Measurement (mobile+landline+apps); November 2016.



Lagardère
SPORTS AND
ENTERTAINMENT

SIGNIFICANT EVENTS

Full-Year 2016 Results
8 March 2017

BUSINESS UNITS (1/2)

■ **Football Europe**

- Successful delivery of key elements for the UEFA Euro 2016 tournament:
 - development, organisation and management of the Fan Zone Tour Eiffel;
 - design and execution of activation programs for partners;
 - official hospitality sales agent for six territories.

■ **Football Africa**

- Total became the title sponsor for the Confédération Africaine de Football's (CAF) ten main competitions and Orange renewed its relationship with CAF as an official sponsor of five major CAF competitions.
- Continued sales efforts on the CAF program.

■ **Football Asia**

- Lagardère Sports managed the marketing and media rights for AFF's biennial tournament the AFF Suzuki Cup.
- Continued sales efforts on the AFC program.

■ **Golf**

- Success of the SMBC Singapore Open 2016 headlined by world number one and Lagardère Sports athlete Jordan Spieth.
- Lagardère Sports successfully organised the Safeway Open for the first time (PGA Tour event).

■ **Olympics and Major Events**

- Contributed to the success of the Rio Olympic Games on behalf of clients including the Australian Olympic Committee, French Olympic Committee, broadcasters across 40 European territories and over 1,500 hospitality clients as well as Top Partners activation programs.
- Commissioned by the Budapest 2024 Summer Olympic and Paralympic Games Bid Committee to lead an international consortium, to advise the city on its bid to host the 2024 Olympic Games.

BUSINESS UNITS (2/2)

■ Media

- Exclusive multi-year deal from 2016 to 2020 with the International Table Tennis Federation (ITTF) to sell the media rights to all its events worldwide (excluding China, Japan, Singapore and Taiwan).
- Renewal of several contracts for the media distribution rights to various ATP 250 events as well as extending our portfolio.

■ Endurance

- Disposal of Endurance business to Ironman, effective since April 2016.

■ Consulting and Digital

- Continued focus on organic growth.
- Acquisition in France of Sponsorship 360 in December 2015, an agency dedicated to delivering solutions to brands in order to create communication platforms through sports.
- Acquisition of the New York-based agency Rooftop2 Productions - the latest company to join our global network of consulting agencies.

■ Athlete Management

- Five of our clients were selected during the first round of a very successful NFL draft.
- Long-term agreement with leading NFL agent and President of Football (NFL) Joel Segal.

■ Live Entertainment

- Production of entertainment show, *Love Circus* will return to the Folies Bergère, while the magician, *Enzo l'Insaisissable* can be seen at the Casino de Paris.
- Successful re-opening of the Bataclan.

CALENDAR OF EVENTS 2015/2016

	2015				2016			
	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
FOOTBALL AFRICA	CAN Super Cup	CAN qualifiers 2017 Confederation Cup & African Champions League		WCQ 2018 & CAN U23	CAN qualifiers 2017			World Cup qualifiers 2018 Women AFCON
FOOTBALL ASIA	AFC Champions League & AFC Cup				CHAN & Super Coupe	Futsal AFCON Confederation Cup & African Champions League		
	AFC Champions League & AFC Cup				WCQ 2018 Asia Round 2	AFC 2018 WC Qualifiers		
	Gulf Club Championship		Women U19 President's Cup	AFC champion's League & AFC Cup Finals	Futsal Cup	AFC WCQ U17 AFC WCQ U20		
	AFC Asian Cup		AFC Futsal Club competition	AFC Women U16	U23 AFC Championship	AFC Futsal Championship		
	GCC U23					AFC Cup qualifiers	AFF Suzuki Cup	
FOOTBALL EUROPE	Season 14/15		Season 15/16		Season 15/16		Season 16/17	
					UEFA Euro 2016	Rio 2016		
GOLF		Nordea Master	Ladies European Tour	Australian Open	Singapore Open	Nordea Master	Safeway Open	Australian Open
ENDURANCE	Triathlon Motatapu	Triathlon Cape Town & Auckland	Chicago Triathlon & Music Run Hamburg	Stockholm Velothon				
		London Triathlon & Hamburg marathon	Hamburg Triathlon, Vattenfall Classic & Stockholm Triathlon	Queenstown Marathon				
		Berlin Garmin & Wales Velothon						
TENNIS			ATP + WTA Båstad & Citi Open	WTA Finals Singapore & Stockholm Open			ATP + WTA Båstad & Citi Open	WTA Finals Singapore & Stockholm Open
MEDIA					Rio 2016			
OLYMPIC								
OTHER	Alpine Skiing	Roland Garros KIA X Games	African Games 2015 Brazzaville	Handstar Game	Alpine Skiing	Roland Garros Fan Zone Euro 2016		

Activity sold



Lagardère

FULL-YEAR 2016 RESULTS

8 March 2017