



Credit Investor Presentation

October 2012

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- General economic and labour conditions, including in particular economic conditions in Europe and North America
- Legal, financial and governmental risks (including, without limitation, certain market 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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Table of contents

- | | |
|--|----------------------|
| 1) Group profile and Strategy | page 5 to 15 |
| 2) H1 Performance | page 16 to 21 |
| 3) Summary financials & Financing structure | page 22 to 25 |
| 4) Key credit highlights | page 26 to 28 |
| 5) Appendices | page 29 to 40 |



Group profile & Strategy



Lagardère Group profile

Lagardère
PUBLISHING

2nd Publisher worldwide

1st Publisher in Europe

1st e-book supplier in the UK

5th Publisher in the US

Lagardère
ACTIVE

1st Magazine publisher in France

1st TV production group in France

1st Media group on internet and mobile internet in France

Lagardère
SERVICES

World leader in Travel retail and duty free
4,000 stores mostly in travel areas

Strong position in press wholesale distribution

Lagardère
UNLIMITED

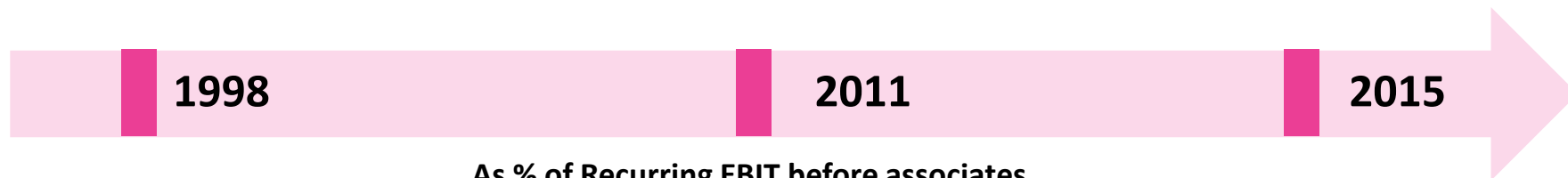
Leader on European soccer

Leader in sports rights in Asia and the Middle East

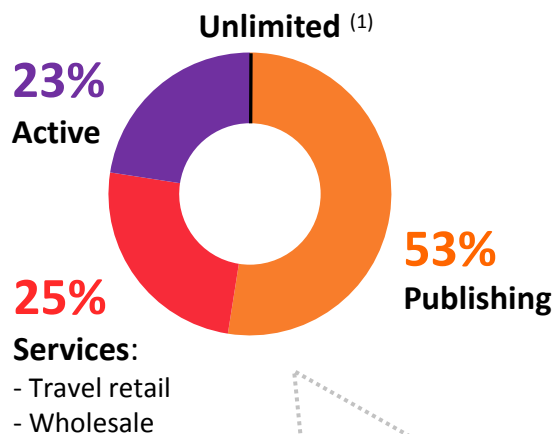
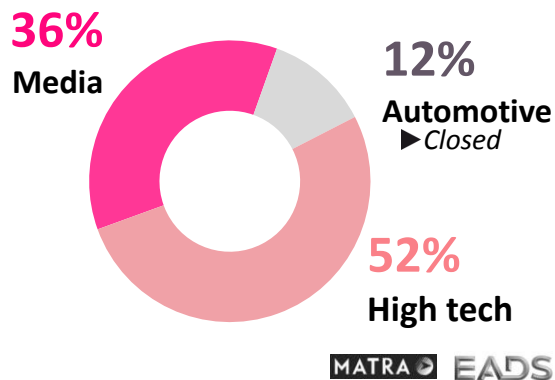
Strong Partnership with main sports international federations: IOC, FIFA, AFC⁽¹⁾, CAF⁽²⁾, IAAF⁽³⁾

⁽¹⁾Asian Football Federation, ⁽²⁾Confederation of African Football, ⁽³⁾International Association of Athletics Federations

1998-2011: refocus on media, with a balanced business mix



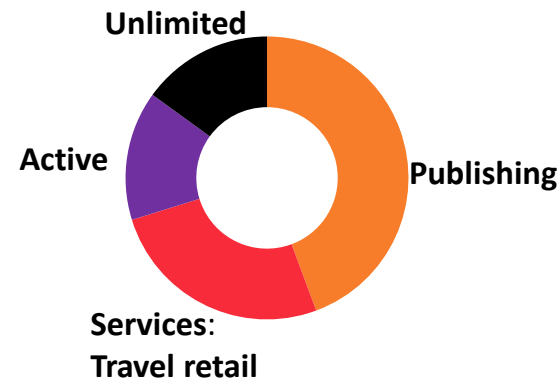
As % of Recurring EBIT before associates



Minority stakes as of 2011

EADS **CANAL+**

7.45% in EADS
20% in Canal Plus France



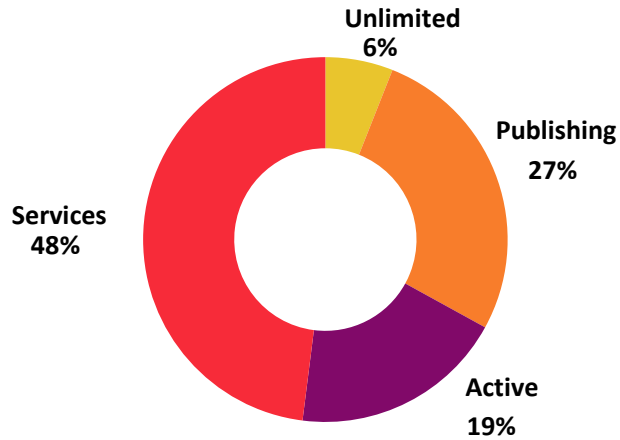
2011 key figures

Net sales.....	€ 7,657m
Recurring EBIT bef. Associates.....	€ 402m
Adjusted net income ⁽²⁾	€ 226m
Net cash generated ⁽³⁾	€ 766m

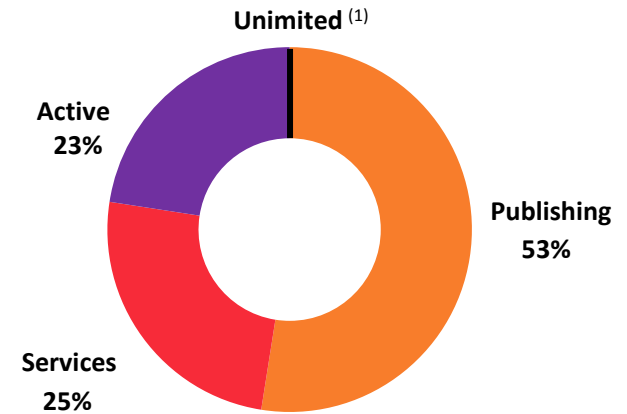
(1) Negative recurring EBIT in 2011 for Lagardère Unlimited (-€6m)
 (2) See definitions on slide 38
 (3) Net cash generated by operating & investing activities

Financial profile – 2011

Net sales by division

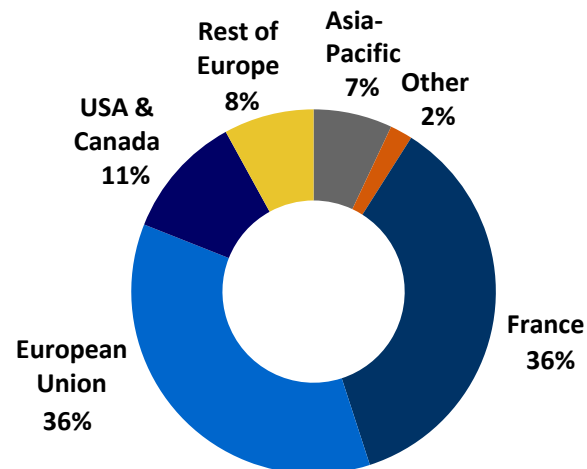


Recurring EBIT by division



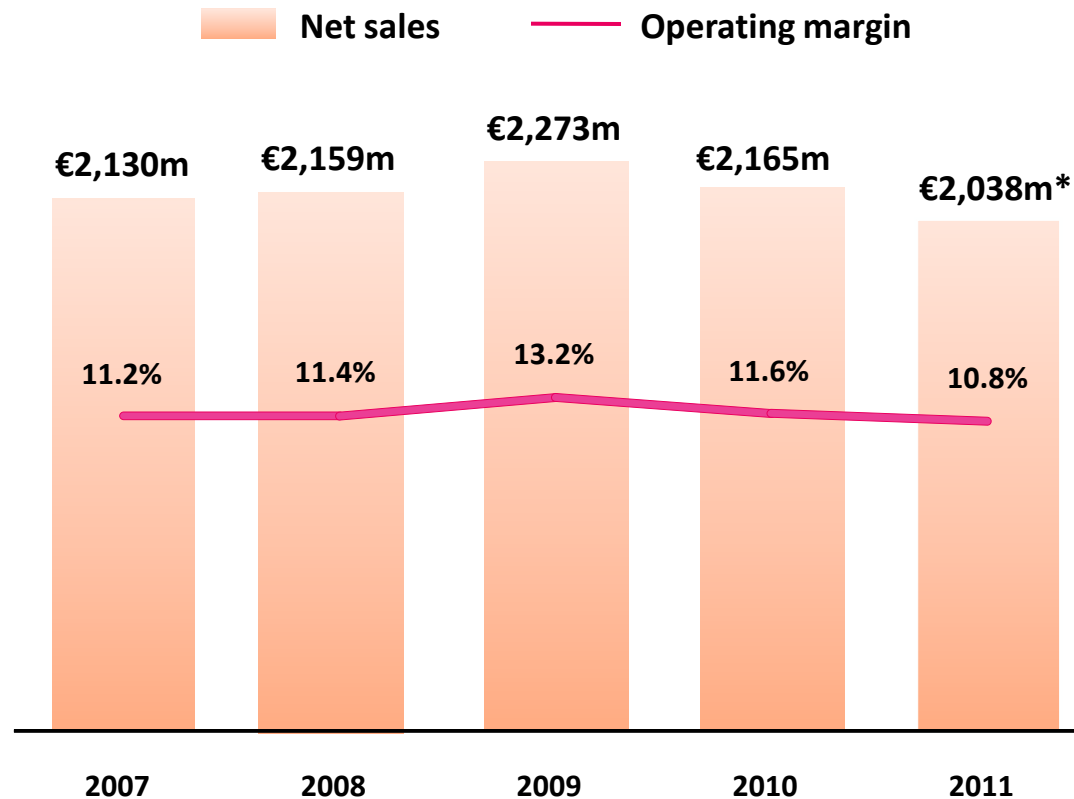
⁽¹⁾ Recurring EBIT - 2011 - Unlimited: -€6m

Net sales by geographic area



RESILIENCE: Track record in Lagardère Publishing

Resilient revenues and double-digit margin

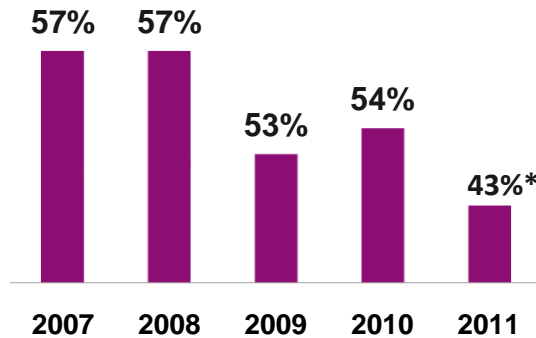


*Excluding the Stephenie Meyer effect, net sales were resilient in 2011 (down 0.3% on a like-for-like basis).

RESILIENCE: Lagardère Active: transition to a more resilient profile

1. Reduce exposure to advertising

Exposure to the advertising market (as % of sales)

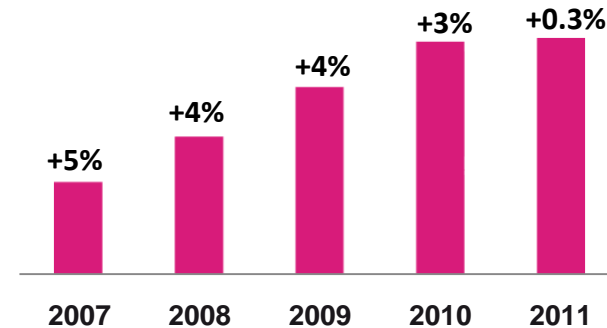


* Excluding PMI and Russian radio, sold in 2011

2. Maintain leadership in France: strong focus on women and news segments

Performance in magazine circulation better than the market

Circulation of *Elle*¹: +2.7% p.a. vs. -1% for Reference universe²



3. Develop and monetize our brands and content in a digital format

A portfolio of attractive brands...



...with increased presence in the digital market

Acquisition of LeGuide.com (June 2012), the leading online shopping guide on the European market.



¹Paid circulation.

²*Elle* reference universe: upmarket weekly women's magazines.

GROWTH: Digital books in Lagardère Publishing

E-book: an opportunity, thanks to a sound business model

1. Relying on e-reader device penetration
2. E-books boom: respectively 27% and 23% of US and UK sales in adult trade in H1 2012

E-book market forecasts – as percentage of trade market sales

Lagardère Publishing E-book sales

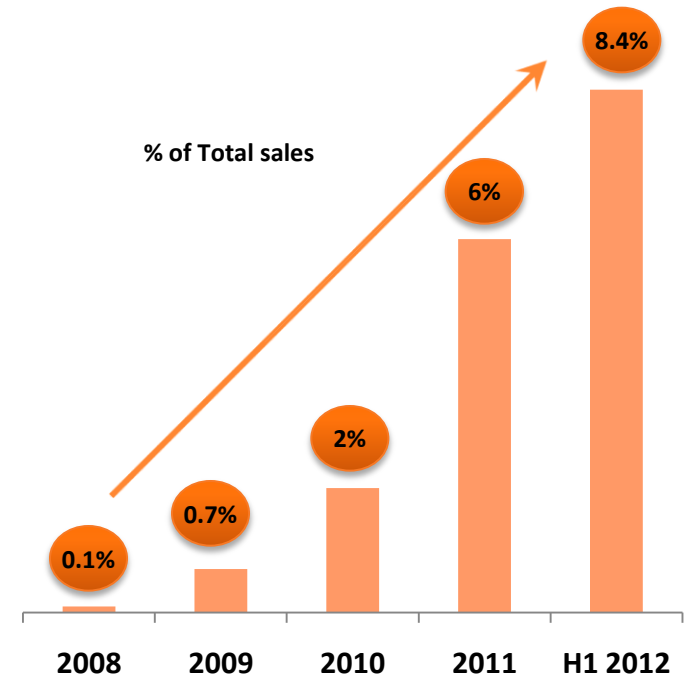
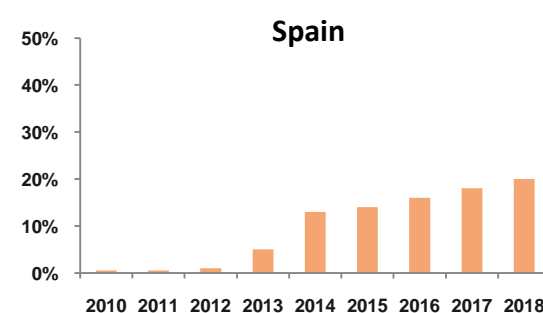
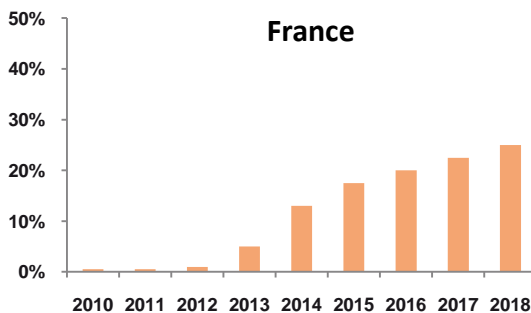
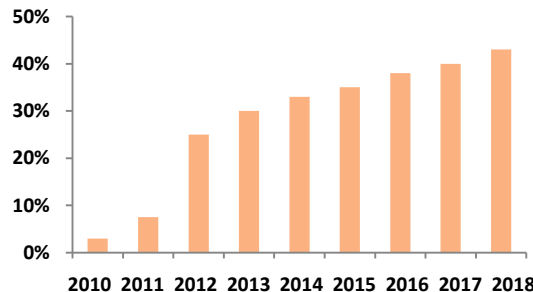
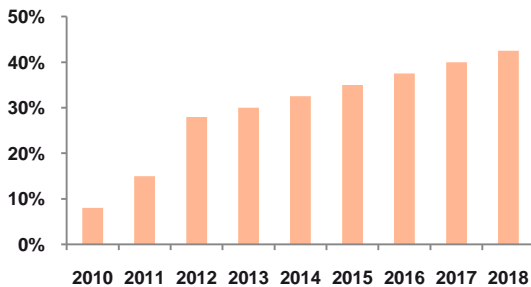
United States

United Kingdom

France

Spain

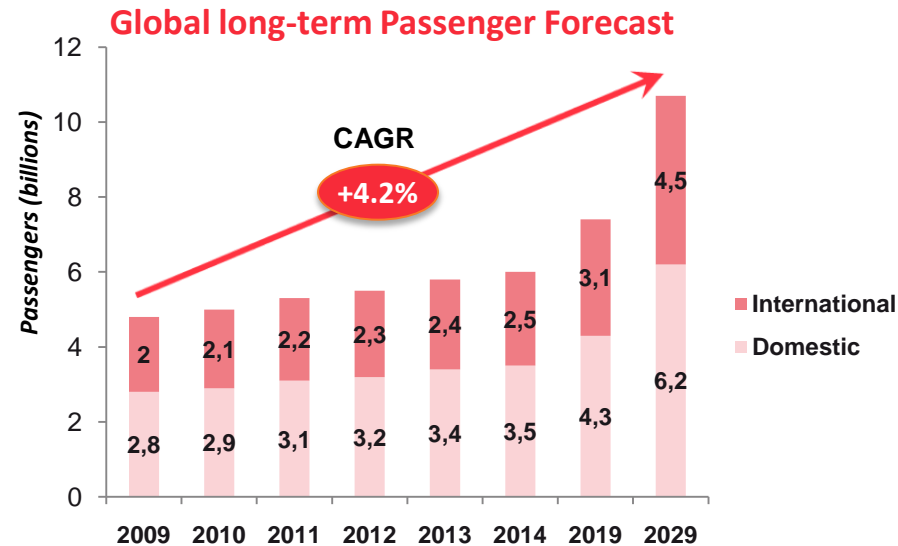
% of Total sales



Source: AAP (US market) and internal projections

GROWTH: Travel retail in Lagardère Services

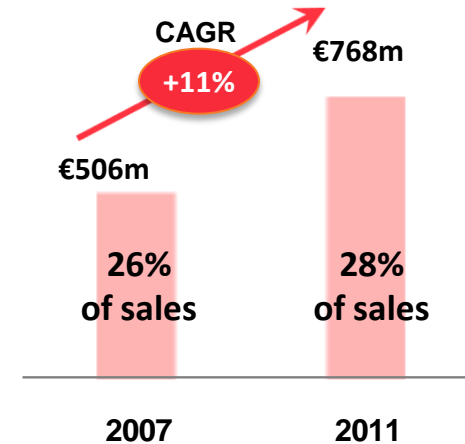
1. Increase in air traffic



Sources: Eurostat, IATA, ACI, Air4casts, Aeroports.fr

2. Expansion on emerging markets

Travel Retail revenue in emerging markets*



* Data does not include net sales from emerging country passengers travelling in mature countries.

3. Other drivers

- **Consolidation of the market underway** but far from being achieved
- Good relationship with **landlords**
- **A solid portfolio of contracts** (long-term concessions)
- **Size matters**: logistics, purchase power, globalization, sophistication...

LS Travel Retail strategic objectives

LS Travel Retail sales and Ebitda margin evolution – Proportional view* (2011-2016)

Sales growth**

+10%
per annum

- 2/3 by organic growth
- 1/3 through small / medium acquisitions

Ebitda margin improvement**

+0.5 pt to +1.0 pt
over the period

- Favorable mix evolution
- Emphasis on accretive M&A
- Fixed costs squeezed

World #2 position

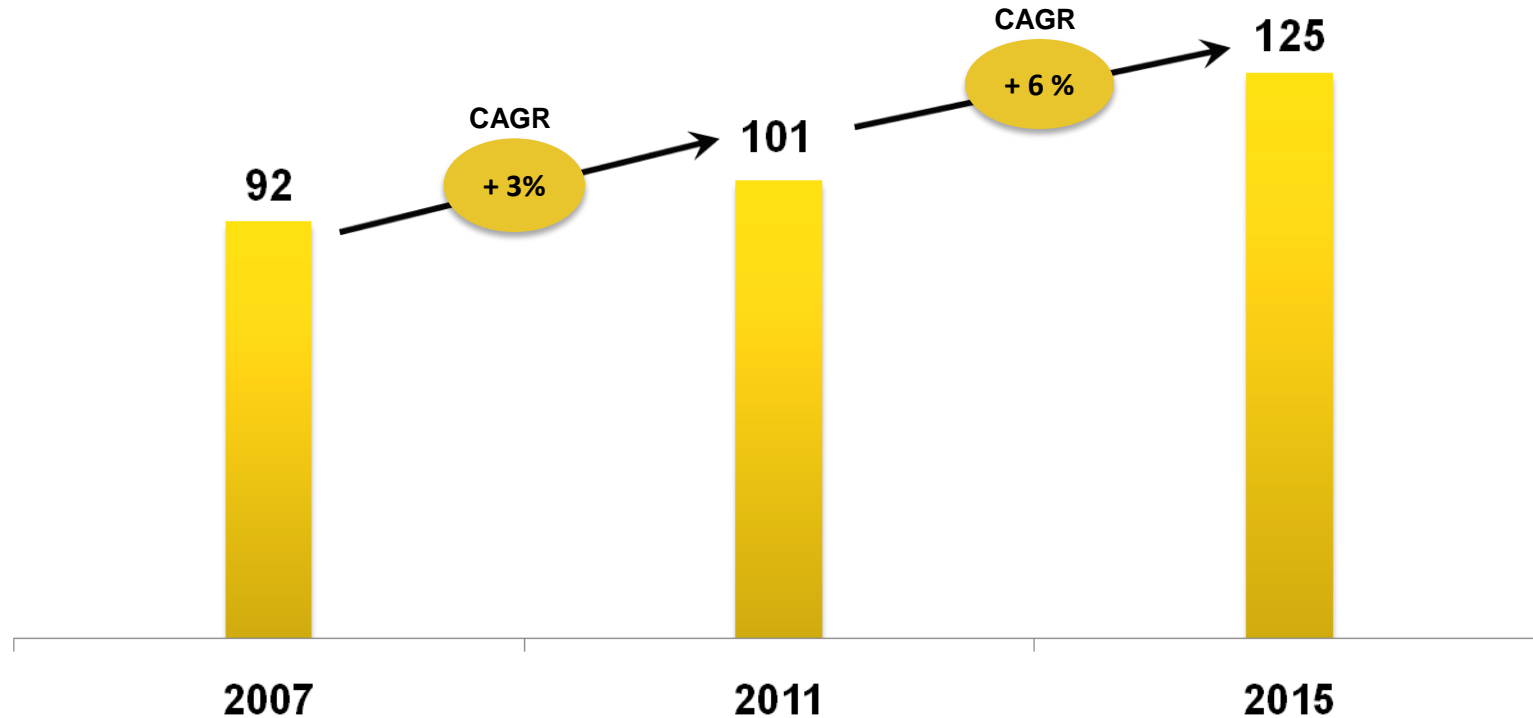
- Reach top 5 in each segment (Duty Free &Luxury, Food Service and Travel essentials)

* Including share of JVs with various airports, notably Paris

** These objectives exclude any major disruption in the global economy as well as the hypothesis of transformational acquisitions.

GROWTH: Global Sports market growth

1. Sports market growth (media rights, sponsorship, ticketing) *in \$bn*



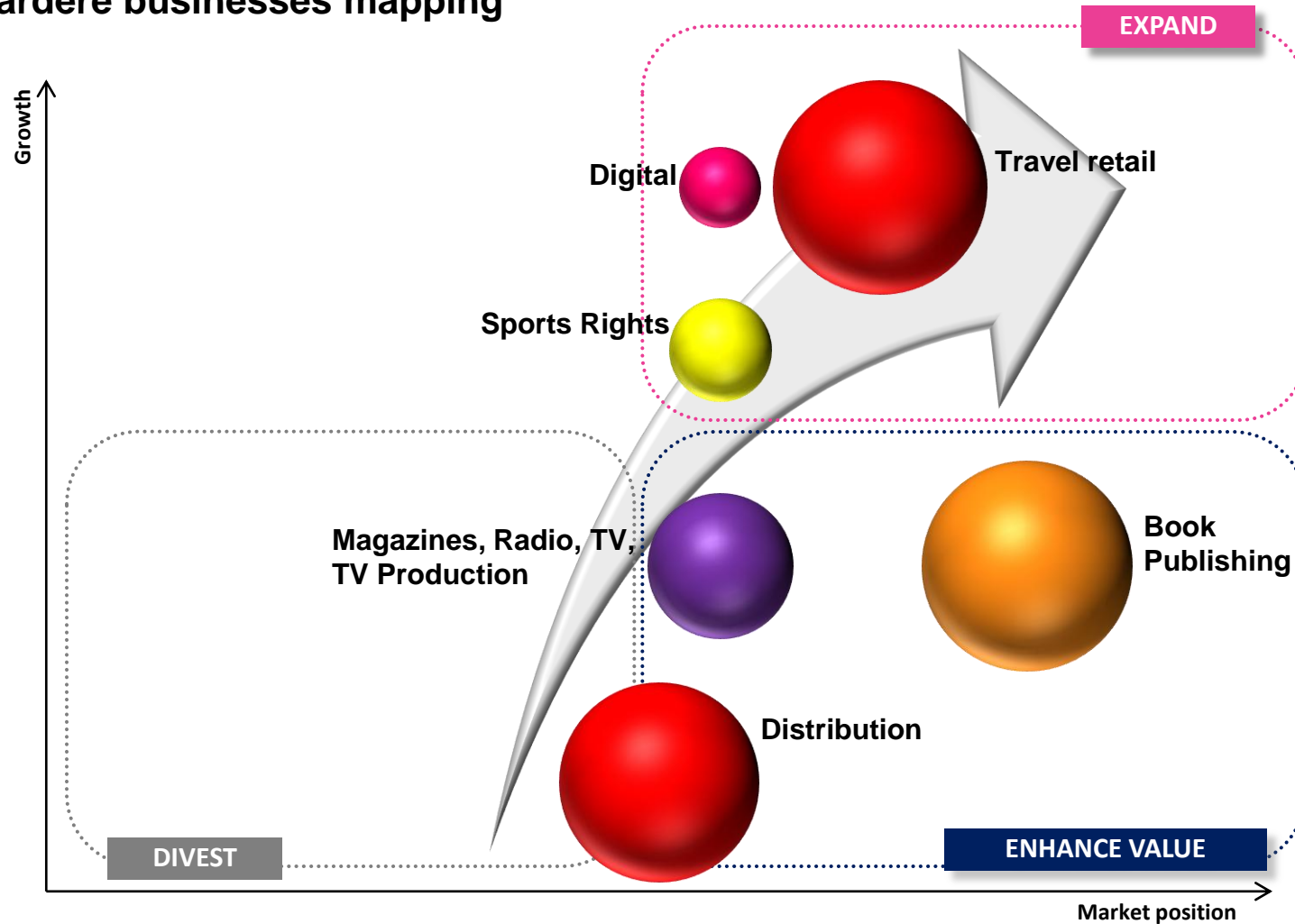
Source : PwC.

2. Our strategy: turnaround the existing assets and expand progressively in

- New sports
- New geographies
- New businesses, more regular and less capital intensive

Travel retail, digital, and sports are clear expansion areas

Lagardère businesses mapping



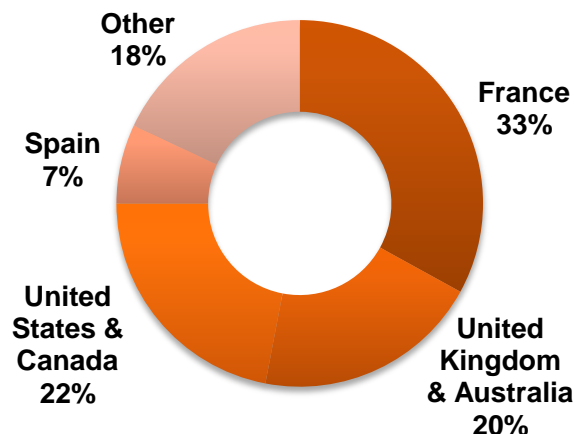


H1 Performance

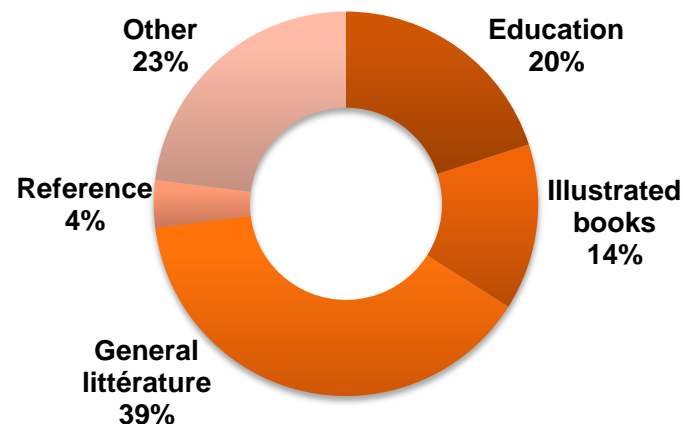


Lagardère Publishing: Financial data

H1 2012 sales by geographical area



FY 2011 sales by activity (H1 2012 NS)



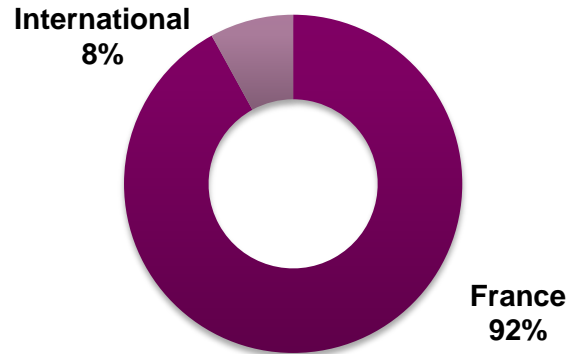
► H1 2012 highlights

- Net sales -2.4% like-for-like: soft activity trends on all markets.
- Decrease in profitability mainly attributable to sluggish market conditions.
- Continued rise of the e-book (8.4% of total net sales) but not sufficient yet to compensate difficult market conditions in the US and the UK.
- The outlook for the second half is positive.

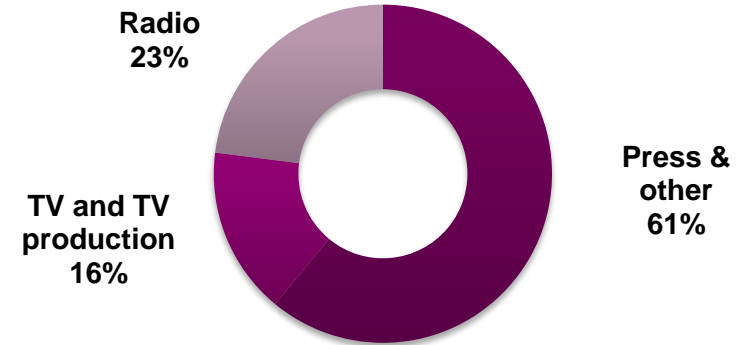
(€m)	H1 2011	H1 2012	Change
Net sales (a)	900	905	+0.5%
Recurring EBIT before associates (b)	71	57	- €14m
<i>Operating margin (b)/(a)</i>	7.9%	6.3%	-1.6 pt

Lagardère Active: Financial data

H1 2012 sales by geographical area



H1 2012 sales by activity



► H1 2012 highlights:

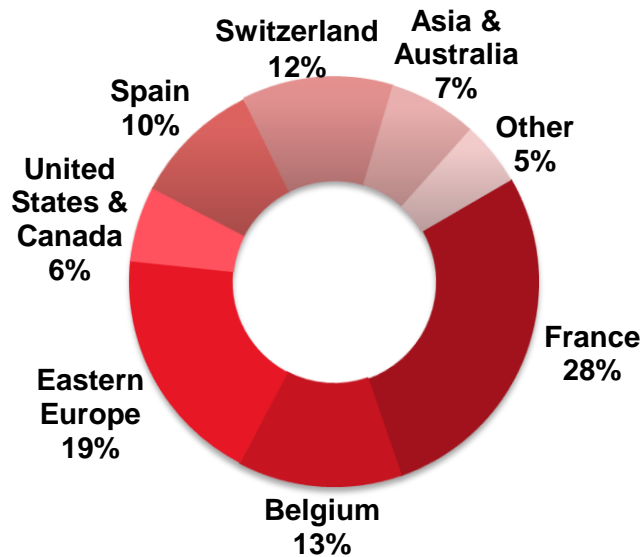
- Net sales -3,7% like-for-like: negative trends in advertising (- 6,9%) and circulation, partially offset by good performances in TV production.
- However, strong increase in profitability mainly thanks to:
 - good performance in TV Production and TV channels;
 - tight cost control more than offsets negative trends in advertising and circulation.

(€m)	H1 2011	H1 2011 Pro forma*	H1 2012	Change vs. H1 2011 Pro forma
Net sales (a)	807	460	450	-2.2 %
Recurring EBIT before associates (b)	52	17	31	+€14m
Operating margin (b)/(a)	6.5%	3.7%	7%	+3.3 pts

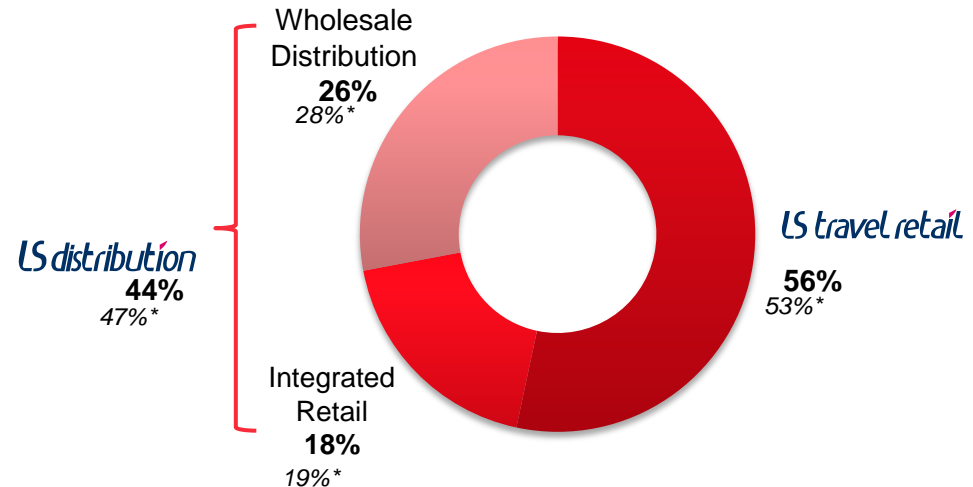
*Figures pro forma, excluding major assets sold (International Magazine Publishing-PMI and Russian radio).

Lagardère Services: Financial data

H1 2012 sales by geographical area



H1 2012 sales by activity



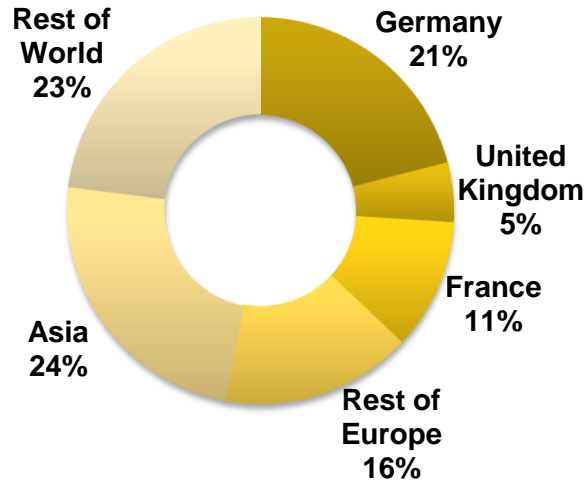
► H1 2012 highlights:

- Net sales +2.4% like-for-like: Travel Retail continues its dynamic trend (+9.1%).
 - France: +8.4% (Aelia +18.2%);
 - Eastern Europe: +15.4%;
 - Asia Pacific: +6.3%.
- Slight dip in profitability due to:
 - Decline of LS Distribution mostly;
 - The equity accounting of several activities in a JV with Aéroports de Paris.

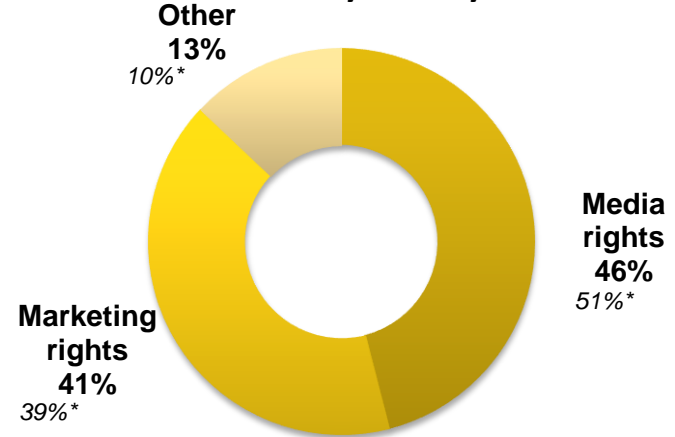
(€m)	H1 2011	H1 2012	Change
Net sales (a)	1,804	1,821	+1.0%
Recurring EBIT before associates (b)	41	37	-€4m
Operating margin (b)/(a)	2.3%	2.0%	-0.3 pt

Lagardère Unlimited: Financial data

H1 2012 sales by geographical area



H1 2012 sales by activity



*% of net sales in H1 2011.

► H1 2012 highlights:

- Net sales -5.2% like-for-like:
 - Negative calendar effects (World Sport Group: non-occurrence of the Asian Football Cup) ;
 - Partially offset by good performance of Sportfive : African Nations Cup and German soccer clubs marketing rights.
- Recurring EBIT before associates :
 - Includes a -€22m provision loss on IOC* contract (2014 and 2016 Olympic games);
 - Excluding this provision, recurring EBIT increased thanks to Sportfive performance.

(€m)	H1 2011	H1 2012	Change
Net sales (a)	213	213	=
Recurring EBIT before associates (b)	4	(13)	-€17m
Operating margin (b)/(a)	2.0%	-	-

*International Olympic Committee.

NB: gross margin was €155m in H1 2011 and €161m in H1 2012.

2012 group outlook and guidance

- ▶ **The second half of the year should benefit from a significant improvement in profitability** after a first half performance that cannot be extrapolated to the full year, and which is traditionally weaker in terms of the Group's activity and results.
- ▶ **The recurring media EBIT target is therefore maintained under conditions indicated on 8 March:** excluding the 2 items described below, at constant scope (excluding PMI and the Russian radio activities) and currency, **recurring media EBIT in 2012 should be stable compared to 2011.**
- ▶ **The 2 items excluded from the guidance are the following:**
 - The risk provision related to the IOC contract, for which €22m were booked in the first half ;
 - The (potentially positive) settlement of the litigation with the Board of Control for Cricket in India.
- ▶ **2 assets for sale: 20% stake in Canal + France and a 7.4% stake in EADS.** Lagardère intends to sell these assets as soon as market and operational conditions are met.



Summary financials & Financing structure



Key figures – Full year

(€m)	2010	2011	Change	Comparable change*
Net sales	7,966	7,657	-3.9%	+0.2%
Recurring Media EBIT**	468	414	-11.4%	-11.1%
Consolidated recurring EBIT incl. Non-Media	462	402	-€60m	/
Net income – Group share	163	(707)	ns	/
Adjusted net income – Group share	284	226	-€58m	/
Net cash from operating & investing activities	320	766	+€446m	/
Net debt	1,772	1,269	-€503m	/
Stockholders' equity	4,018	3,024	-€994m***	/
Gearing	44.1%	42.0%	-2.1 pt	/

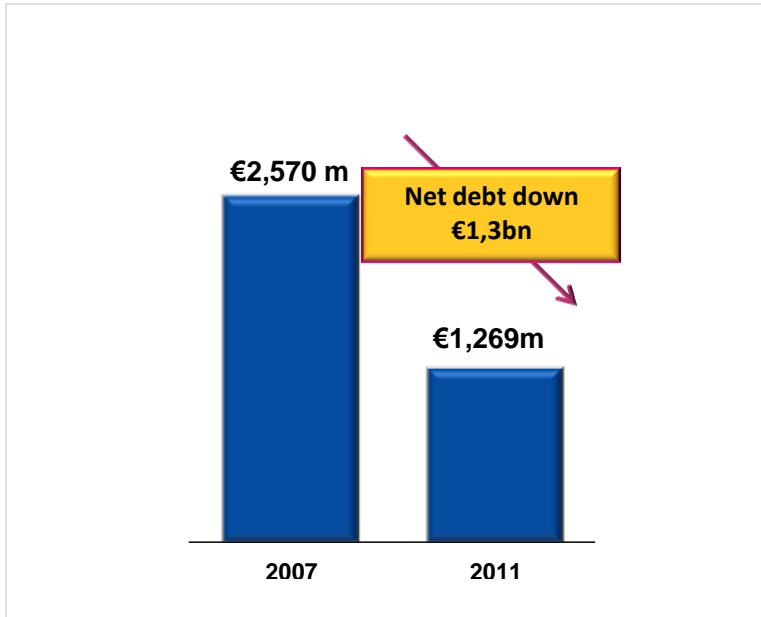
*Change in net sales like for like, and change in recurring EBIT at constant exchange rates.

**See definition in appendices.

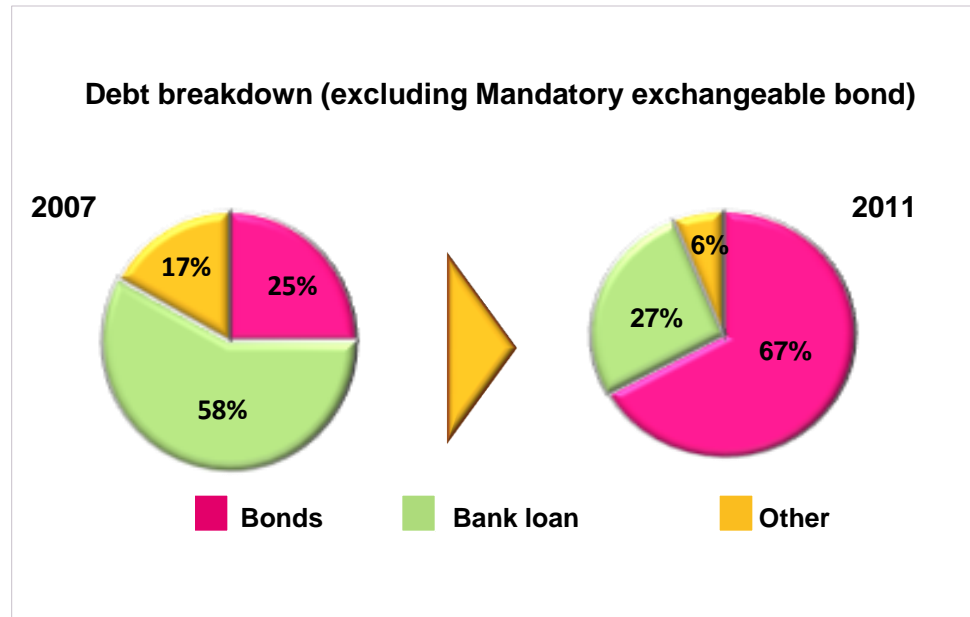
*** Decrease of equity mainly due to impairment losses to the Unlimited division and to Canal + France stake

Sound financial position: 2007 – 2011 achievements

Significant effort at reducing the level of debt



Prudent financial policy focused on diversification of funding sources



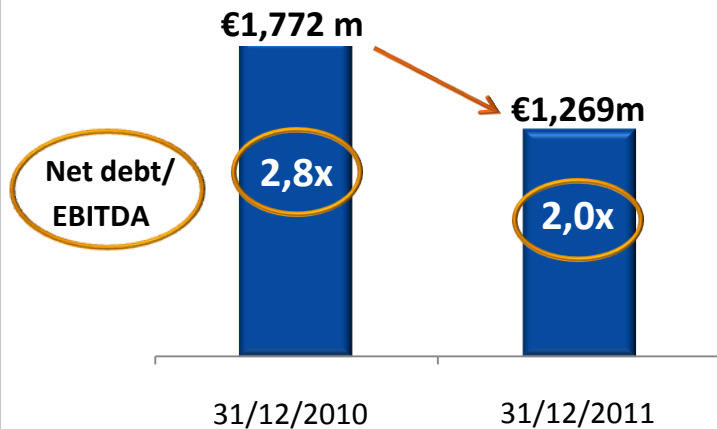
▶ **Reminder:**

- Canal + France book value : €1.2 bn
 - EADS market value (as of 10 October 2012):..... €1.6 bn
- ⇒ Total potential proceeds: €2.8 bn

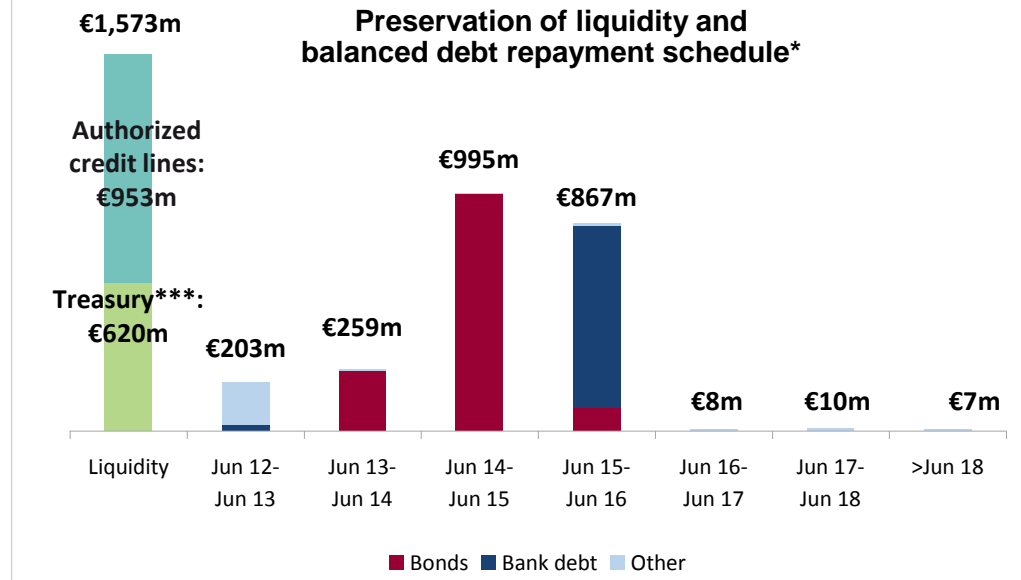
Sound financial position and conservative financial policy

- ▶ **Proven ability to deleverage from 2010 to 2011**
 - Leverage (net debt/Ebitda) reduced by 0.8 points to reach 2.0x end 2011
 - H1 2012 saw an increase in net debt due to seasonal negative Free cash flow
- ▶ **Reasonable gearing at 42% end 2011 with a target level of 50% over the long term**
- ▶ **Ample headroom within financial covenants**
- ▶ **Strong liquidity position with €1.6bn* available**
 - of which c.€1bn out of the €1.6bn multicurrency syndicated credit loan (maturity of 5 years) signed in January 2011, and gathering 14 banks
- ▶ **A limited exposure to currency or interest rate risk**
 - Interest rate structure**: 45% floating 55% fixed
 - Currencies**: mainly in Euro, except €323m (mostly in USD from the syndicated bank loan)
- ▶ **Willingness to continue the diversification of funding sources through issuance of bonds, extend the debt maturity profile and reduce the 2014 redemption**

A significant effort at reducing the level of debt & leverage



Preservation of liquidity and balanced debt repayment schedule*



*At end June 2012
 **At end December 2011
 ***Short-term investments and cash.



Key credit highlights

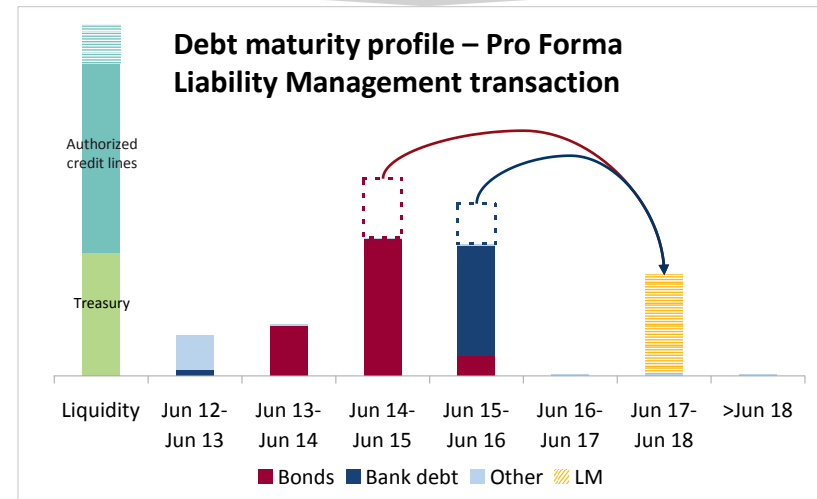
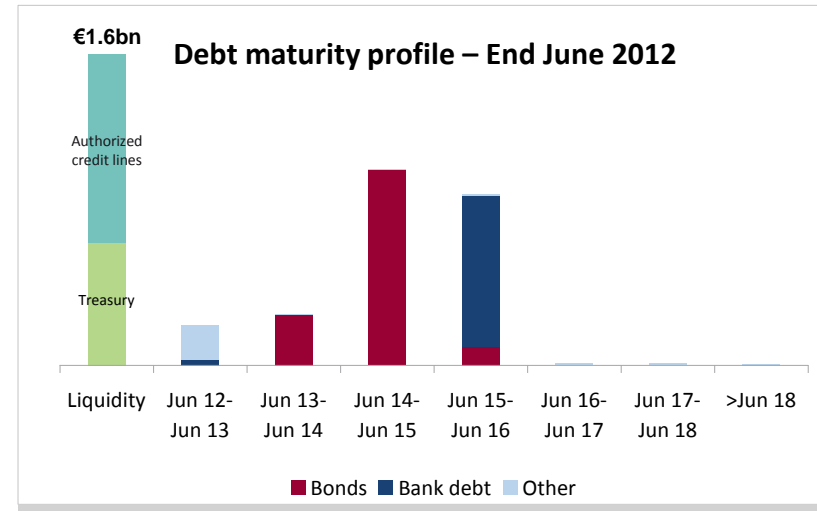


Key credit highlights

- ▶ **Leading market positions in Publishing (#2 worldwide publisher) & Services (worldwide leader in Travel Retail)**
- ▶ **A diversified, complementary & unique business mix within the media industry**
- ▶ **A geographically diversified group with c.2/3 of revenues generated out of France**
- ▶ **Resilient base of Lagardère Publishing & low exposure of Lagardère Active to cyclical advertising spend**
- ▶ **Growth opportunities in Travel Retail, digital & sports, encompassing Lagardère's four divisions**
- ▶ **Sound financial profile with proven ability to deleverage, strong liquidity profile (EUR1.6bn liquidity available), and diversified funding sources**
- ▶ **Substantial financial flexibility provided by stakes in EADS & Canal+, and clear willingness to carry out those disposals**
- ▶ **Stable management and shareholder base thanks to the legal structure of the company (SCA)**

Offering summary

- ▶ **Issuer:** Lagardère SCA
- ▶ **Rating:** Unrated
- ▶ **Maturity:** 5 yr
- ▶ **Size:** Benchmark
- ▶ **Format:** Fixed rate
- ▶ **Documentation:** Stand alone
- ▶ **Cotation:** Luxembourg
- ▶ **Denominations:** €100k
- ▶ **T&Cs:** Standard T&Cs including CoC
- ▶ **Use of proceeds:** General corporate purposes and refinancing of the partial tender offer on the 2014 bonds
- ▶ **Roadshow:** October: Paris & Germany (15), London & [Netherlands] (16)
- ▶ **Global Coordinators:** CA-CIB, HSBC





Appendices

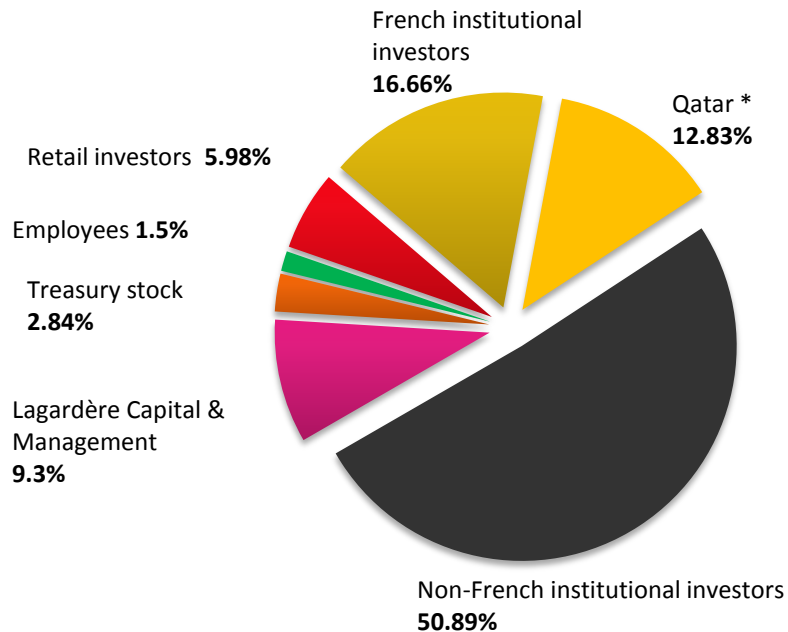


Shareholding structure

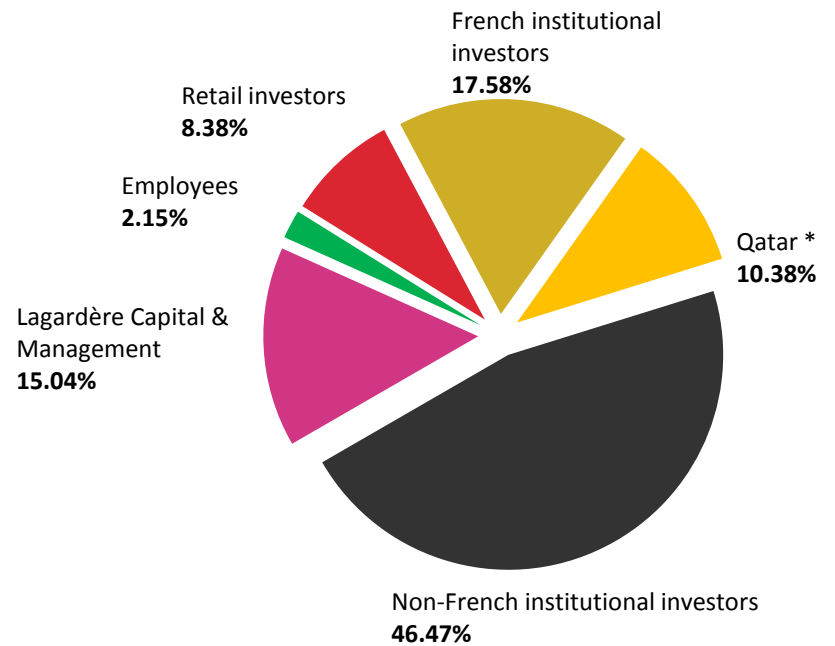
Capital at end July 2012

Number of shares	131 133 286
Number of voting rights	162 080 709

Share capital at end July 2012



Voting rights at end July 2012



* As stated in the last threshold crossing disclosure on March 19th 2012

Consolidated income statement (1/2)

(€m)	H1 2011			H1 2012		
	Lagardère Media	Other activities*	Total	Lagardère Media	Other activities*	Total
Net sales	3,724	-	3,724	3,389	-	3,389
Recurring EBIT before associates**	168	(8)	160	112	(6)	106
Income from associates	13	9***	22	3	42***	45
Non-recurring items	(27)	-	(27)	(39)	-	(39)
<i>Restructuring costs</i>	(11)	-	(11)	(14)	-	(14)
<i>Gains/(losses) on disposals</i>	10	-	10	-	-	-
<i>Impairment losses on goodwill, tangible & intangible fixed assets</i>	-	-	-	(9)	-	(9)
<i>Amortisation of acquisition-related intangible assets and other acquisition-related expenses</i>	(26)	-	(26)	(16)	-	(16)
EBIT	154	1	155	76	36	112

*Non-media, Canal+ France and EADS.

**See definition slide 37.

***EADS contribution.

Consolidated income statement (2/2)

(€m)	H1 2011			H1 2012		
	Lagardère Media	Other activities*	Total	Lagardère Media	Other activities*	Total
EBIT	154	1	155	76	36	112
Net interest expense	(22)	(23)	(45)	(11)	(29)	(40)
Income before tax	132	(22)	110	65	7	72
Income tax expense	(77)	11	(66)	(44)	20	(24)
Total net income	55	(11)	44	21	27	48
<i>Attributable to minority interests</i>	(16)	-	(16)	(12)	-	(12)
Net income – Group share	39	(11)	28	9	27	36

*Non-media, Canal+ France and EADS.

Adjusted net income – Group share

<i>(€m)</i>	H1 2011	H1 2012
Net income attributable to the Group	28	36
Equity accounted contribution from EADS	(9)	(42)
Amortisation of acquisition-related intangible assets and other acquisition-related expenses*	22	13
Impairment losses on goodwill and intangible assets*	(1)	10
Restructuring costs*	11	13
Gains (losses) on disposals*	6	-
Adjusted net income excluding EADS	57	30

*Net of taxes.

Consolidated statement of cash flows

<i>(€m)</i>	H1 2011	H1 2012
Cash flow from operations before interest, taxes	282	237
Changes in working capital	(278)	(191)
Cash flow from operations	4	46
Interest paid & received, income taxes paid	(62)	(44)
Cash generated by/(used in) operating activities	(58)	2
<i>Acquisition of property, plant & equipment and intangible assets</i>	(121)	(103)
<i>Disposal of property, plant & equipment and intangible assets</i>	20	4
Free cash flow	(159)	(97)
<i>Acquisition of financial assets</i>	(54)	(107)
<i>Disposal of financial assets</i>	498	16
(Increase)/decrease in short-term investments	-	10
Net cash from operating & investing activities	285	(178)

Consolidated balance sheet

<i>(€m)</i>	Dec. 31, 2011	June 30, 2012
Non-current assets (excl. investments in associates)	3,626	3,677
Investments in associates	1,771	1,673
<i>EADS</i>	277	185
<i>Other associates</i>	1,494	1,488
Current assets (other than short-term investments and cash)	2,781	2,858
Short-term investments and cash	737	620
Held-for-sale assets	13	-
TOTAL ASSETS	8,928	8,828
Stockholders' equity	3,024	2,800
Non-current liabilities (excl. debt)	553	546
Non-current debt	1,843	2,146
Current liabilities (excl. debt)	3,345	3,133
Current liabilities	163	203
Held-for-sale liabilities	-	-
TOTAL LIABILITIES AND EQUITY	8,928	8,828

Main associates

	Balance Sheet		Income Statement	
	2011 <i>(as of 31/12/2011)</i>	2012 <i>(as of 30/06/2012)</i>	2011 <i>(as of 30/06/2011)</i>	2012 <i>(as of 30/06/2012)</i>
(€m)				
EADS (7.4%)	277	185	9	42
Canal+ France (20%)	1,197	1,197	-	-
Marie Claire (42%)	125	125	3	2
Amaury (25%)	99	97	5	-
Other associates	73	69	5	1
TOTAL	1,771	1,673	22	45

Recap of Media performance by division

► Net sales

(€m)	H1 2012 net sales	€m change	Change vs H1 2011
Lagardère Publishing	905	+€5m	+0.5%
Lagardère Active	450	-€357m	-44.2%
Lagardère Services	1,821	+€17m	+1.0%
Lagardère Unlimited	213	-	-
Total Media	3,389	-€335m	-9.0%

► Recurring Media EBIT before associates

(€m)	H1 2012 EBIT	€m change	Change vs H1 2011
Lagardère Publishing	57	-€14m	-19.9%
Lagardère Active	31	-€21m	-40.1%
Lagardère Services	37	-€4m	-9.0%
Lagardère Unlimited	(13)	-€17m	-
Total Media	112	-€56m	-33.4%

EBITDA

(€m)	H1 2011	H1 2012	€m change	Change vs H1 2011
Lagardère Publishing	83	69	-€14m	-16.3%
Lagardère Active	78	30	-€48m	-61.3%
Lagardère Services	76	71	-€5m	-6.7%
Lagardère Unlimited	59	42	-€17m	-29.3%
Total Media	296	212	-€84m	-28.4%
Other activities	8	25	+€17m	+206.0%
TOTAL	304	237	-€67m	-21.8%

Note: see definition slide 37.

For the record : definitions of Recurring Media EBIT and EBITDA

- ▶ **Recurring Media EBIT of consolidated companies is defined as the difference between result before financial charges and tax and the following items of the profit and loss statement:**
 - ❖ Contribution of associates
 - ❖ Gains or 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
 - Amortization of acquisition-related intangible assets

- ▶ **EBITDA is defined as: Earnings before interest and tax + Amortization + Impairment losses on goodwill, property, plant and equipment and intangible fixed assets – Positive contribution (+ Negative contribution) of associates + Dividends received from associates.**

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