



Lagardère Services, a leader for growth

Investor Day

Paris – June 12, 2012

Previous Investor Days

- **June 2006:** strategic presentations of the four divisions and EADS
- **January 2007:** Lagardère Active
- **June 2008:** Lagardère group, "Ten years of transformation"
- **February 2009:**
 - Lagardère Publishing
 - Lagardère Services
- **June 2010:** Lagardère Publishing
- **January 2011:** Lagardère Unlimited
- **June 2012:** Lagardère Services, "A leader for growth"

4 divisions...

Lagardère
PUBLISHING

 hachette
BOOK GROUP

 Le Livre de Poche

 headline
publishing group

 LAROUSSE

Grasset

 Hatier

 L B
LITTLE, BROWN AND COMPANY



Lagardère
ACTIVE

E L L E

 Europe 1

 PARIS MATCH

PREMIERE.FR

 gulli

Doctissimo.fr



Lagardère
SERVICES

 ashA
DUTY FREE

 BUY
PARIS
DUTY FREE

 RELAY

 hubiz
e rendez-vous main du trajet quotidien

 discover

 TRIB'S

 inmedio

 NAVILLE



Lagardère
UNLIMITED.

 Lagardère
Unlimited

 SPORTFIVE

 worldsportgroup
BEIJING BANGKOK DELHI HONG KONG
MUMBAI SINGAPORE TOKYO

 IEC
IN SPORTS

 Prevent

 upsolut

 Lagardère
Unlimited
LIVE ENTERTAINMENT

 Lagardère
Unlimited
STADIUM SOLUTIONS



... across the whole media value chain...



Lagardère
PUBLISHING



Lagardère
ACTIVE



Lagardère
SERVICES



Lagardère
UNLIMITED



... with complementary profiles

Lagardère
PUBLISHING

Largest **EBIT contribution** (53% in 2011) with **high margins**

Strong **resilient** base

Worldwide **leader**, with high growth in **digital** (ebooks)



Lagardère
ACTIVE

Good operating margins, thanks to efficient cost control, and with strong potential upside when advertising cycle is up

Amazing brand portfolio

Growth opportunities in digital and TV production



Lagardère
SERVICES

Strong **cash contribution**
Low capex and **high return on capital**

Growth engine (Travel Retail)

Worldwide presence, exposure to **emerging markets**



Lagardère
UNLIMITED

Countercyclical effect, relying on sports event calendar

High growth sector

Exposure to **emerging markets**



Lagardère Services is the largest division by sales and the most international one

5
continents

26
countries

4k
sales outlets

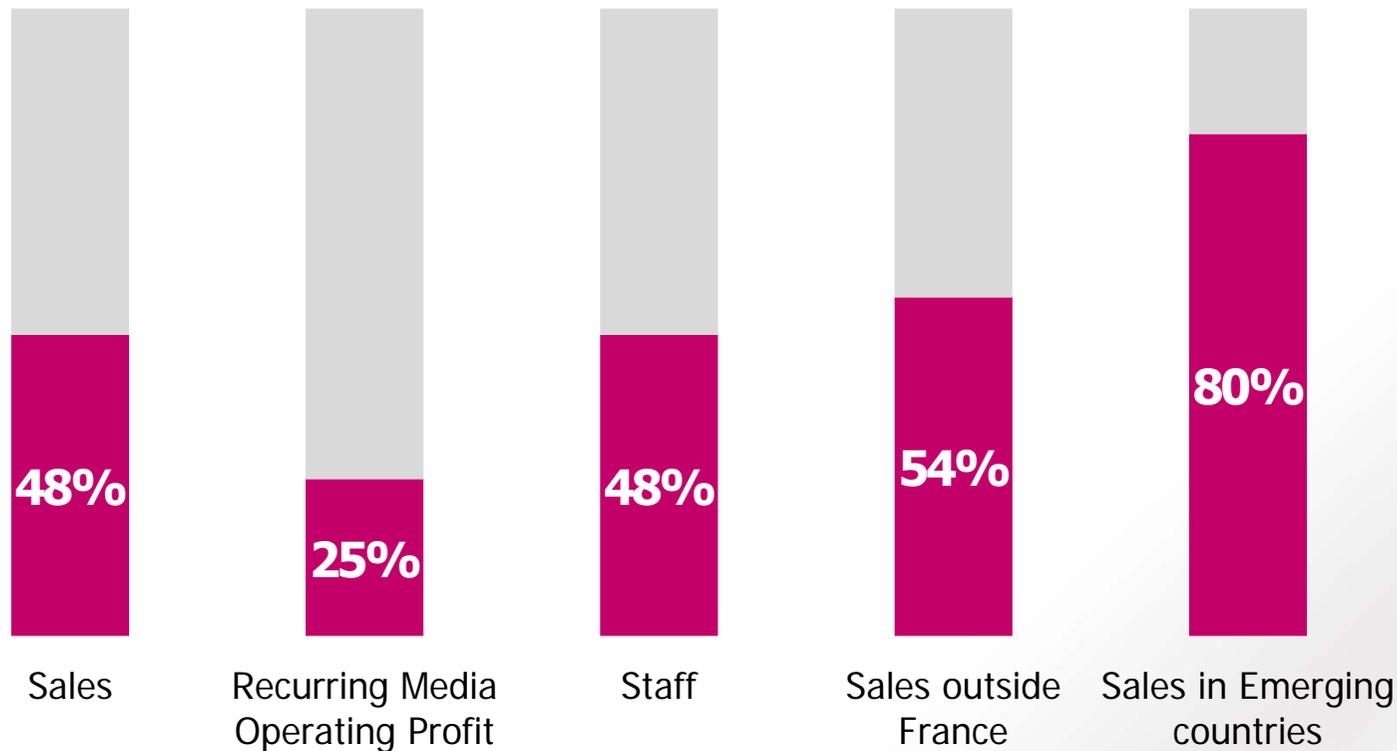
130
airports

700
train stations

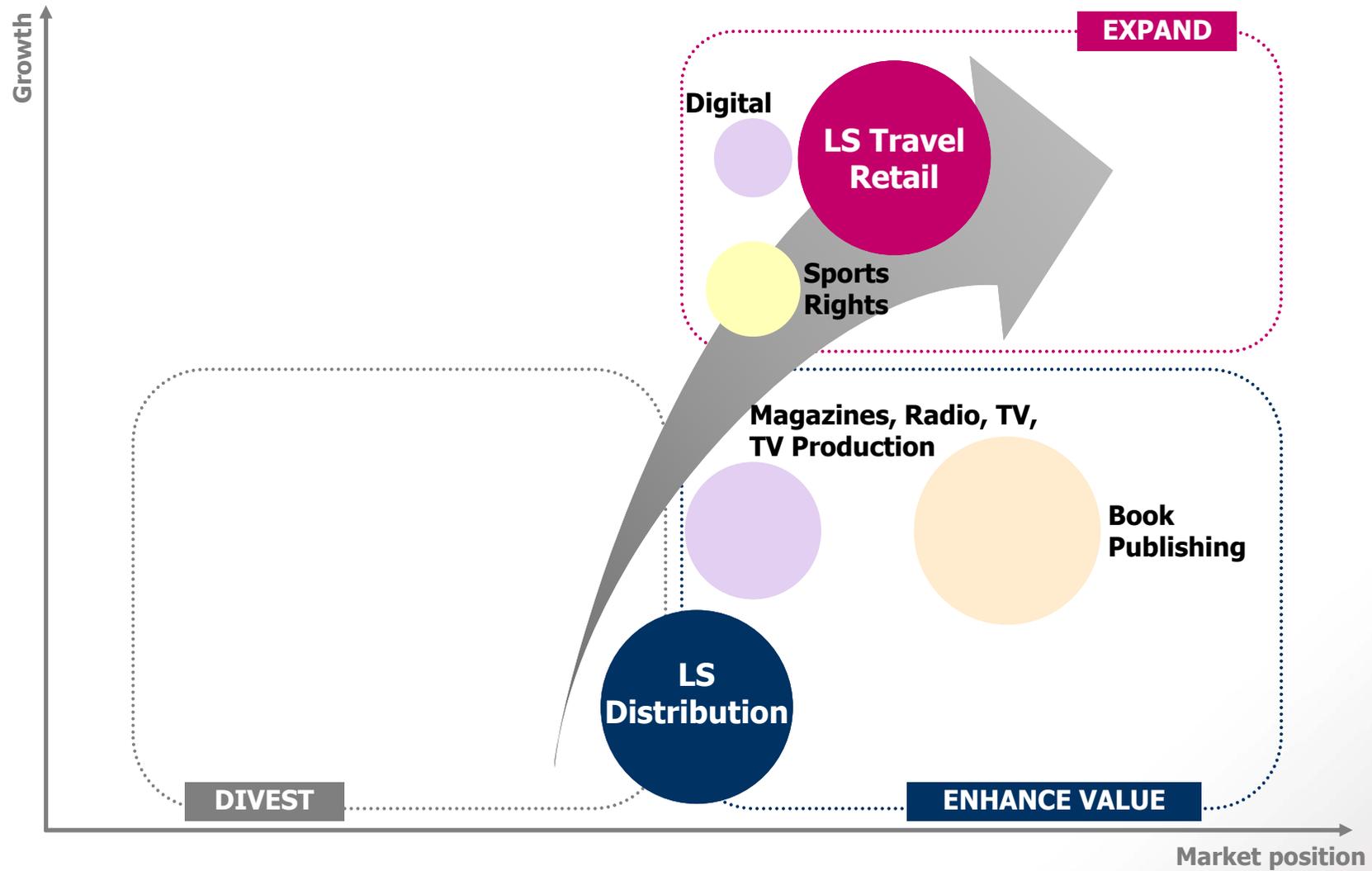
Key metrics by division (2011)

Lagardère
PUBLISHING
Lagardère
ACTIVE
Lagardère
UNLIMITED

Lagardère
SERVICES



Travel retail ranks among top Lagardère development areas



2012 guidance maintained

▪ Trends

- The environment is still difficult in Europe, in advertising as well as household consumption, notably in France

▪ However, the Group maintains its guidance

- For 2012, at constant perimeter (PMI¹ and Russian radio excluded) and exchange rates, the **recurring EBIT before associates from media activities should remain stable** compared to 2011.
- This guidance is now based on a -3% to -5% advertising sales assumption for the full year, versus a stable advertising sales assumption previously
- Also, this guidance does not integrate the three following items for the Lagardère Unlimited division, still not foreseeable as of today:
 - settlement of the claim with the French Football Federation;
 - settlement of the litigation with the Board of Control for Cricket in India;
 - negotiations related to the contract with the International Olympic Committee.

(1) International Magazine business

Welcome to

Lagardère

SERVICES

A new strategy led by a new management

**Emmanuel
de PLACE**

COO LS Travel Retail
ASPAC

**Frédéric
RENAULT**

EVP HR
& Communication

**Dag
RASMUSSEN**

Chairman & CEO

**Vincent
ROMET**

COO LS Travel Retail
EMEA

**Jean-Baptiste
MORIN**

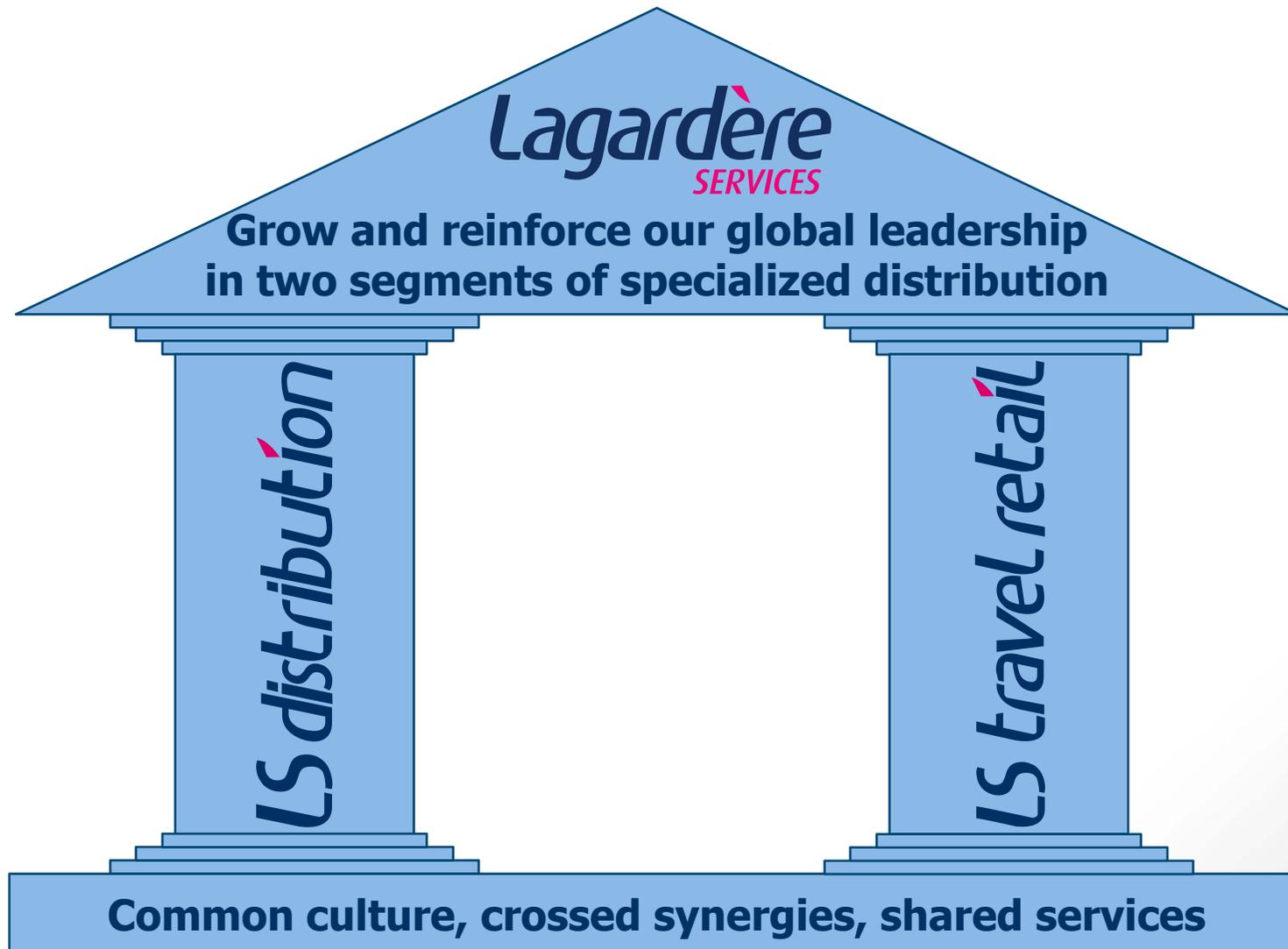
CEO LS Distribution

**Luc
MANSION**
CFO

**Frédéric
CHEVALIER**
EVP Strategy



A leader in two businesses of specialized distribution



An agenda essentially focused on travel retail

Topic	Starting time	Duration	Speakers
LS Distribution, an asset to reinvent	9h10	20'	J.B. Morin
The travel retail business, an appealing niche in the retail industry	9h30	30'	F. Chevalier
External perspective on travel retail	10h00	10'	<i>D. Davitt (The Moodie Report)</i>
Coffee break	10h10	20'	All
LS Travel Retail a global and leading player	10h30	40'	L. Mansion, V. Romet
Testimonials from industry partners on travel retail perspectives	11h10	30'	<i>F. Rubichon (AdP), O. Benamou (L'Oréal), H. Mutsch (Deutsche Bahn)</i>
Vision for the future	11h40	20'	D. Rasmussen
Q&A	12h00	30'	Lagardère Services Executive Committee
Cocktail	12h30	60'	All

Italic: external guests

Agenda

LS Distribution, an asset to reinvent

Jean-Baptiste Morin

The travel retail business, an appealing niche in retail

Frédéric Chevalier

External perspective on travel retail

Dermot Davitt

Coffee break

All

LS Travel Retail, a global and leading player

Luc Mansion + Vincent Romet

Testimonials from industry partners

External guests

Vision for the future

Dag Rasmussen

Questions and Answers

All

LS Distribution, a distribution and services company dedicated to proximity and convenience retailing



Press national distribution



Press wholesale



FMCG¹ distribution



Third-party logistics



Marketing services



Convenience retailing

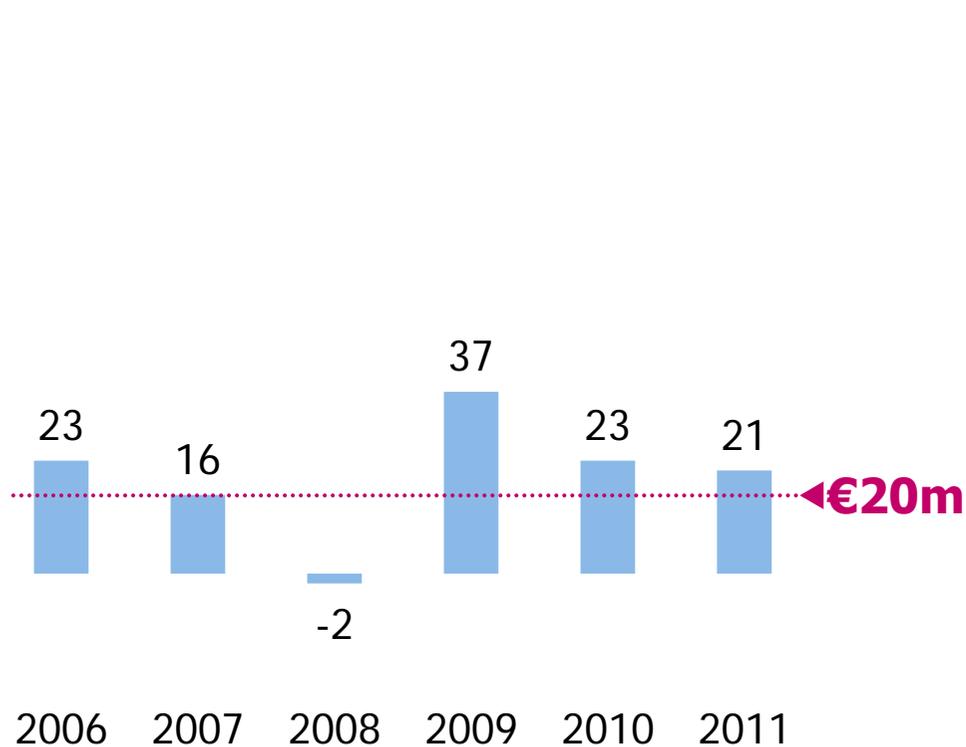


(1) Fast-moving consumer goods

A cash generator with a significant Ebitda

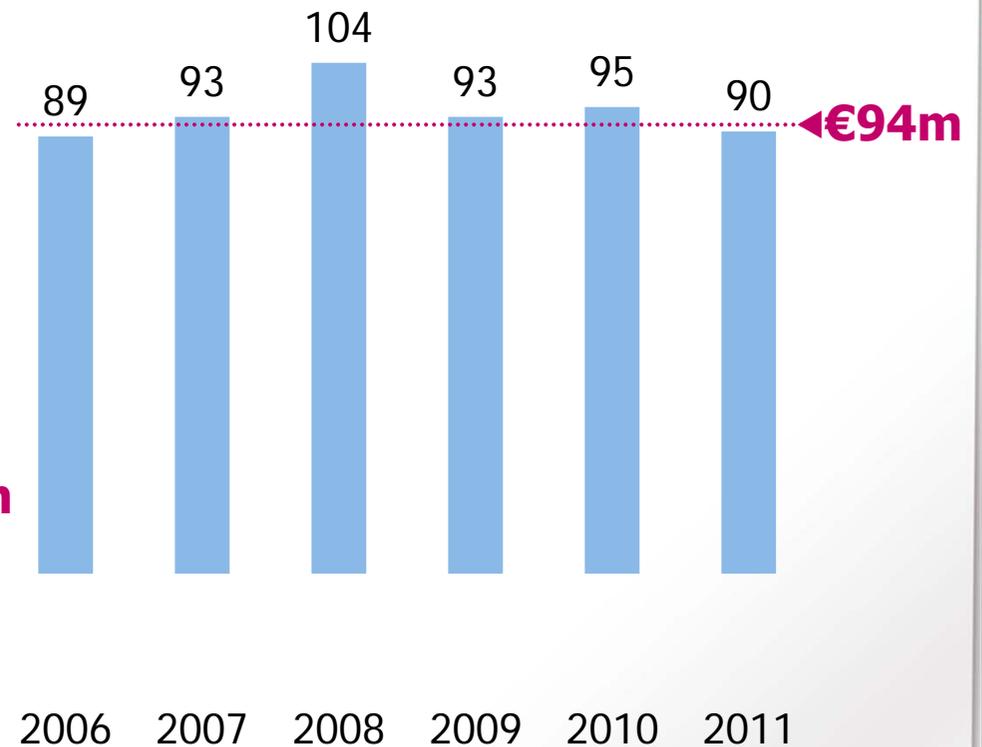
Annual total capital expenditures in LS Distribution

(€ m, 2006-2011)



LS Distribution normalized¹ Ebitda

(€ m, 2006-2011)

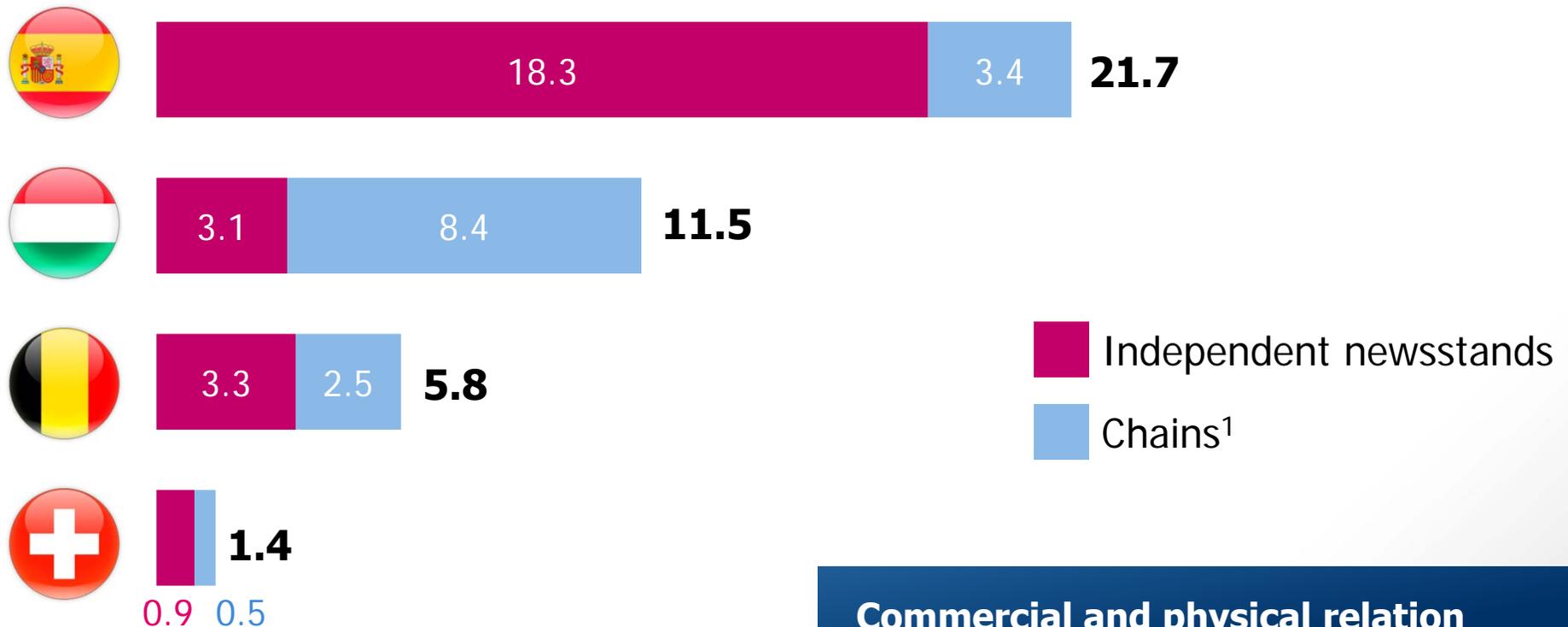


(1) Restated from exceptional items
Source: Lagardère Services

LS Distribution, a leader in the proximity retail business

Outlets served several times a week by country and by segment

(Thousands of outlets, 2011)



Commercial and physical relation
with more than 40,000 outlets

(1) Petrol stations, convenience stores, etc...
Source: Lagardère Services

LS Distribution, a leader in the proximity retail business

LS Distribution operates directly c. **1,300** proximity outlets

 NAVILLE

Press Shop



inmedio

A **highly valuable** network for a distributor

- Superior customer understanding for the benefit of suppliers and retailers
- Speed and reliability to suppliers when promoting products

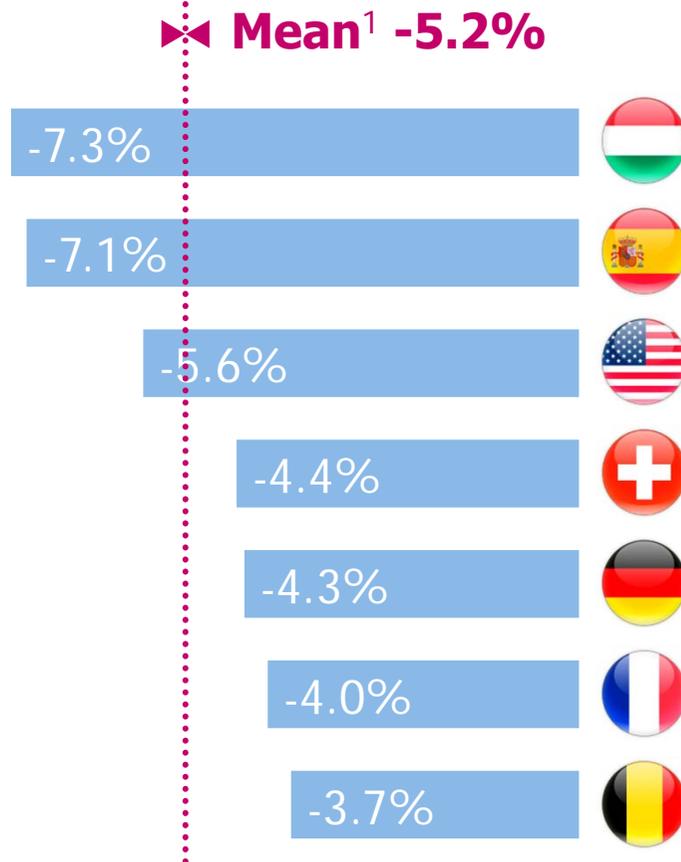
This translates into
better margins

- In addition, LS Distribution operates in travel retail, essentially Relay stores

Printed press decline will continue, a reshaped market will remain

Magazines market – Single copy sales evolution in volume by country

(CAGR, 2006-2010)



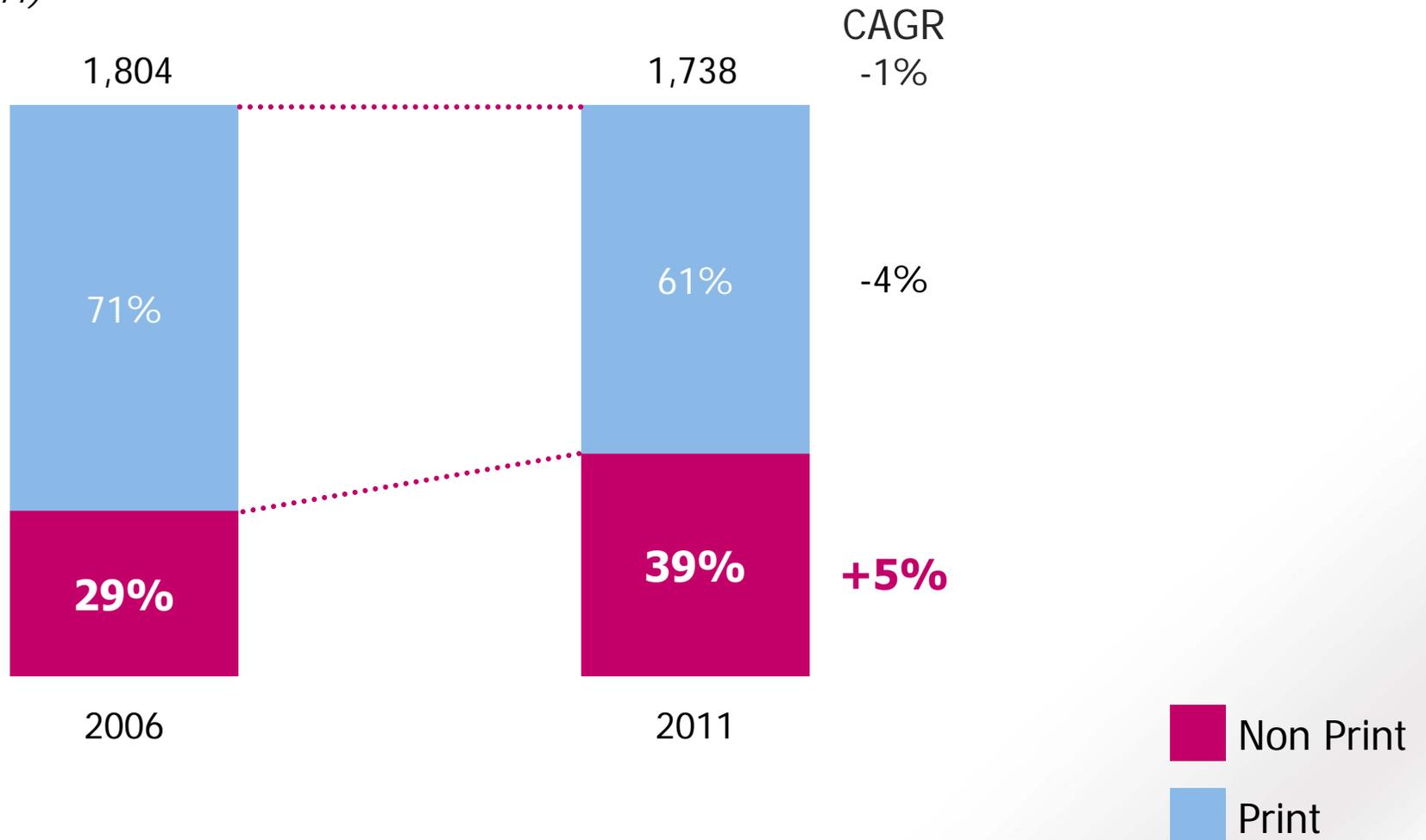
- A **market** for printed magazines will remain
- Our working assumption is that market will be **divided by two in volumes** between 2010 and 2015
- Many small titles will disappear... and inefficiencies attached. There is a **need for a distributor**, yet operating in a **quite different market environment**
- **Price increase** so far compensated decline in volumes. Evolution in value remains a question mark

(1) Linear mean, i.e. not weighted by market size
Source: Lagardère Services

A reduced dependency on print

LS Distribution non-print consolidated sales

(€ m, 2006-2011)



Source: Lagardère Services

Reinventing LS Distribution with a two-axis strategy

LS distribution

Reinvent LS Distribution

**Participate to and
benefit from industry
reinvention**

**Massively diversify
into non-print
businesses**

**Three initiatives – strongly interdependent –
constitute the core of the industry reinvention**

LS distribution

Reinvent LS Distribution



Set new market rules

Gain market share

Adapt asset base

**Participate to
and benefit
from industry
reinvention**

**Massively diversify
into non-print
businesses**

At least three initiatives will allow to diversify LS Distribution

LS distribution

Reinvent LS Distribution



Participate to and benefit from industry reinvention



Provide a full last-mile logistics offer

Import / Distribute Brands

Drive independent newsstands evolution

Massively diversify into non-print businesses

Lagardère Services is ready to be diluted in LS Distribution to forge alliances

- Travel retail is Lagardère Services' core focus. LS Distribution is managed as a cash-generator
- Strategic moves to reinforce diversification and drive market consolidation will be structured through alliances
 - **Peers** to consolidate the European industry. LS Distribution is in the best position to do so
 - **Industry partners** to accelerate diversification
- Lagardère Services pursues two objectives
 - **Move financed only with assets**, no additional financial resources will be allocated
 - Potential dilution in LS Distribution with no cash-out
 - Strategic moves financed with marginal assets disposals or alliances with funds
 - Increase of **Net Result Group Share**

Agenda

LS Distribution, an asset to reinvent

Jean-Baptiste Morin

The travel retail business, an appealing niche in retail

Frédéric Chevalier

▪ Travel retail market: definition and sizing

- Trends and strategic outlooks

External perspective on travel retail

Dermot Davitt

Coffee break

All

LS Travel Retail, a global and leading player

Luc Mansion + Vincent Romet

Testimonials from industry partners

External guests

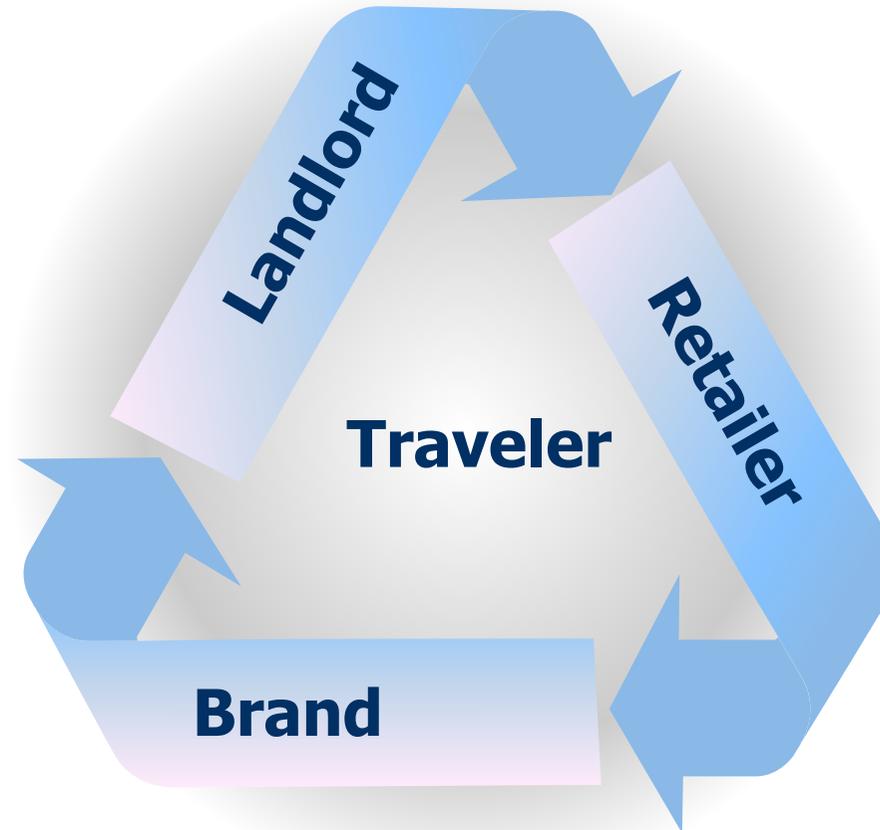
Vision for the future

Dag Rasmussen

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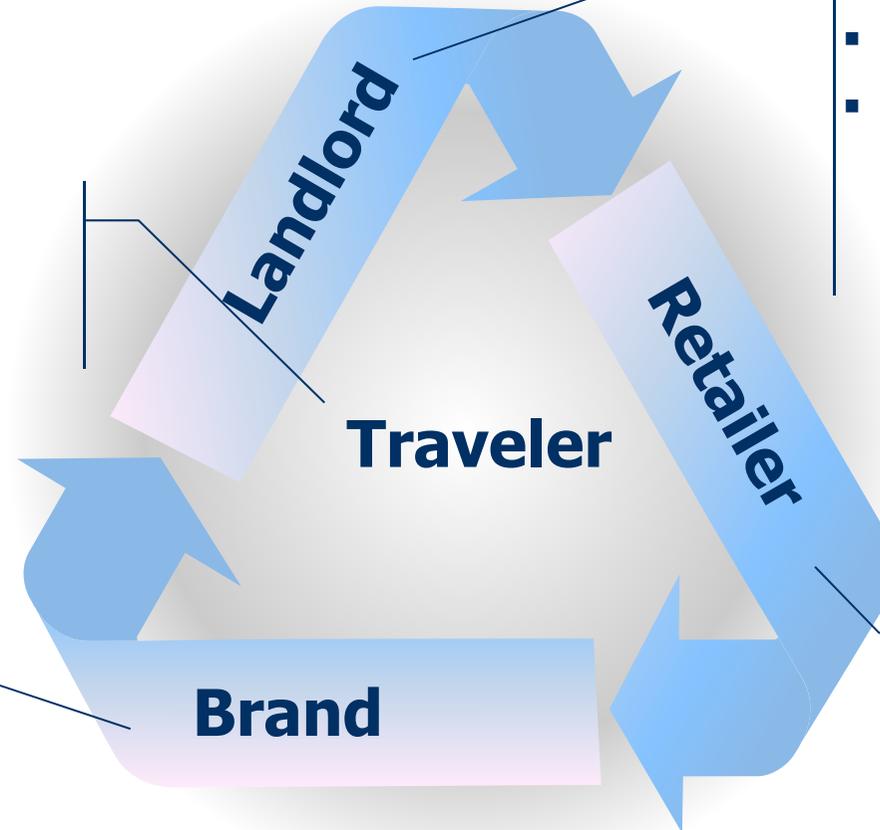
Travel retail is an ecosystem



Many specificities, a niche in the retail world

- **Specific mindset**
- **Strong constraints** associated to travel

- **Highly segmented** customer base
- Remarkable situation to **engage with customers**



- **Landlord**: space allocation, use clause definition
- **Pax** provider
- **Shopping enabler**: retail planning, pax processing, retail promotion, etc.

- Highly specific **operational constraints**
- Atypical **commercial productivity...** and **rent structure**

From an operator perspective, Travel Retail is actually a multi-channel and multi-products market

Travel retail market segmentation

Others ³			
Stations ²			
Airport			
	Duty Free & Luxury Fashion	Travel essentials¹	Foodservice

(1) News, gifts, convenience, souvenirs, electronics, etc.

(2) Railway and subway stations

(3) Ferry, border, in-flight, diplomatic stores, downtown duty free, highways, hospitals, museums, touristic sites, etc.

Source: Lagardère Services estimates

From an operator perspective, travel retail is actually a multi-channel and multi-products market

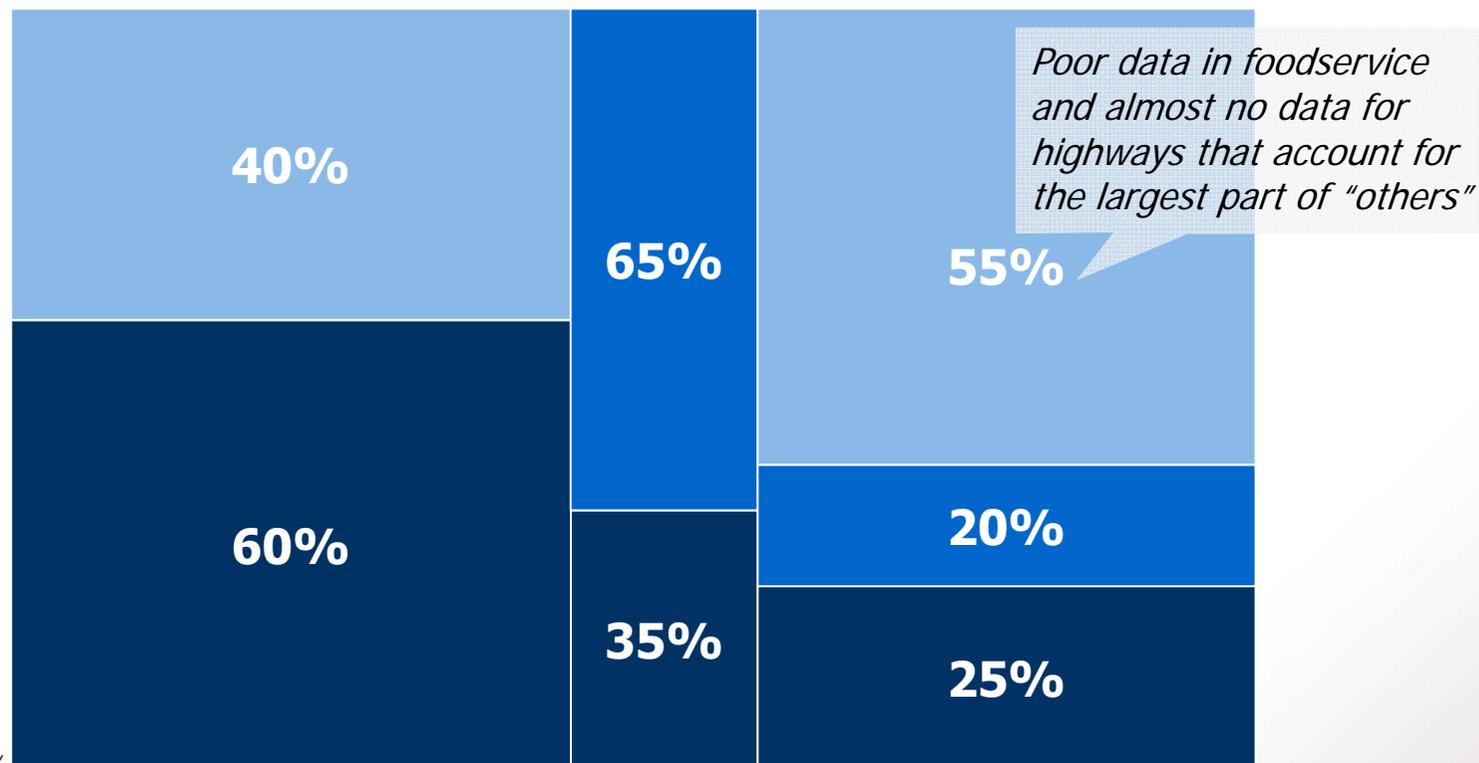
Estimates

Travel retail market size

(€ bn, %, 2011)

$\Sigma = \text{€75bn}$

- **Others³**
€30bn, 40%
- **Stations²**
€13bn, 17%
- **Airports**
€32bn, 43%



(1) News, gifts, convenience, souvenirs, electronics, etc.

(2) Railway and subway stations

(3) Ferry, border, in-flight, diplomatic stores, downtown duty free, highways, hospitals, museums, touristic sites, etc.

Source: Lagardère Services estimates

The industry is exposed to several kind of unpredictable events

- Airport retail is closely correlated with pax hence global **GDP growth**: however a cyclical air traffic is compensated by a very resilient rail traffic
- A business exposed to **external events** disruptive in the airport environment
- Exposure to **regulation changes**
 - C. ½ of market is duty free retail, i.e. business partly created by tax exemptions granted by states
 - Some threats exists: tobacco ban in airports, one-bag policy, etc.

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A fast growing market

Estimates

Travel retail market size and growth perspectives

(€ bn, %, 2011)

Σ = €75bn

Others¹
€30bn, 40%

Stations
€13bn, 17%

Airports
€32bn, 43%

Annual growth until 2020

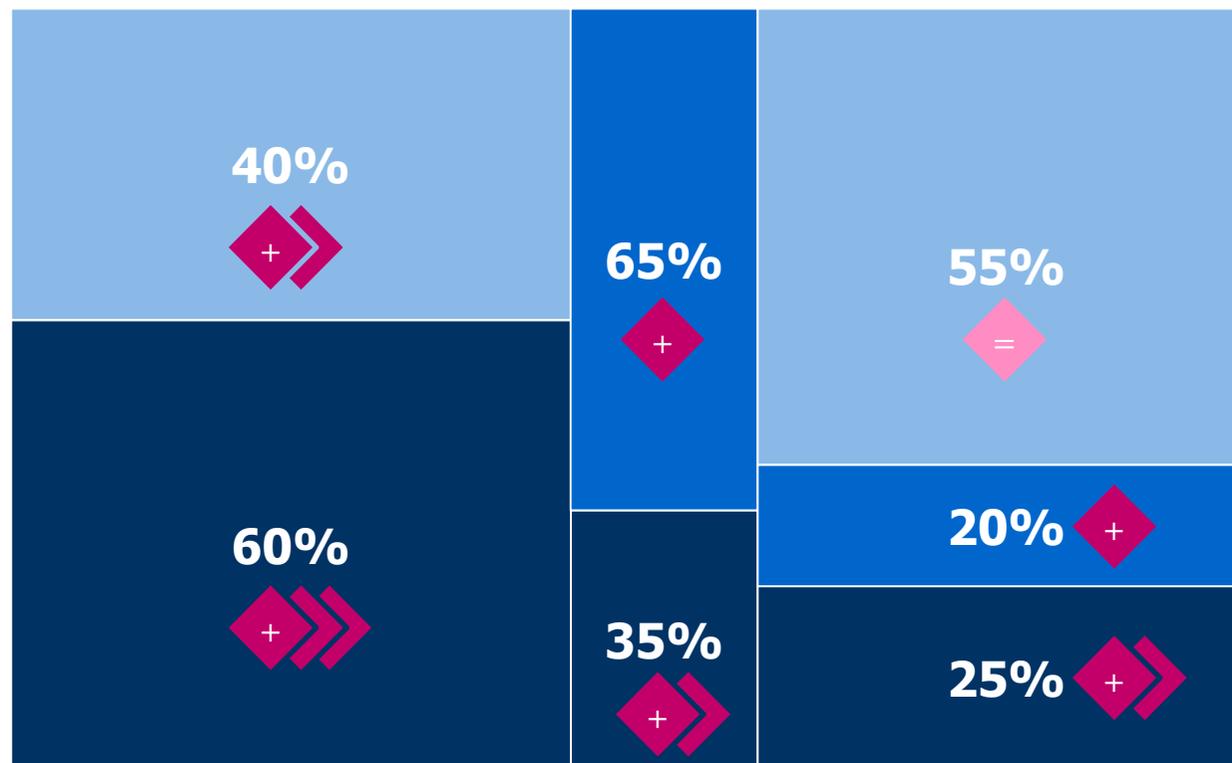
(% p.a.)

◆ = 0% - 2%

◆+ = 2% - 4%

◆+> = 4% - 8%

◆+>> = > 8%



Duty Free & Luxury Fashion
€34bn, 45%

Travel essentials
€11bn, 15%

Foodservice
€30bn, 40%

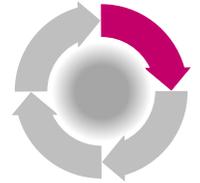
(1) Incl. ferries, inflight, downtown stores for duty free & luxury fashion; highways, hospitals, museums for foodservice

Source: Lagardère Services estimates

Reinvention of the industry benefits to the largest players



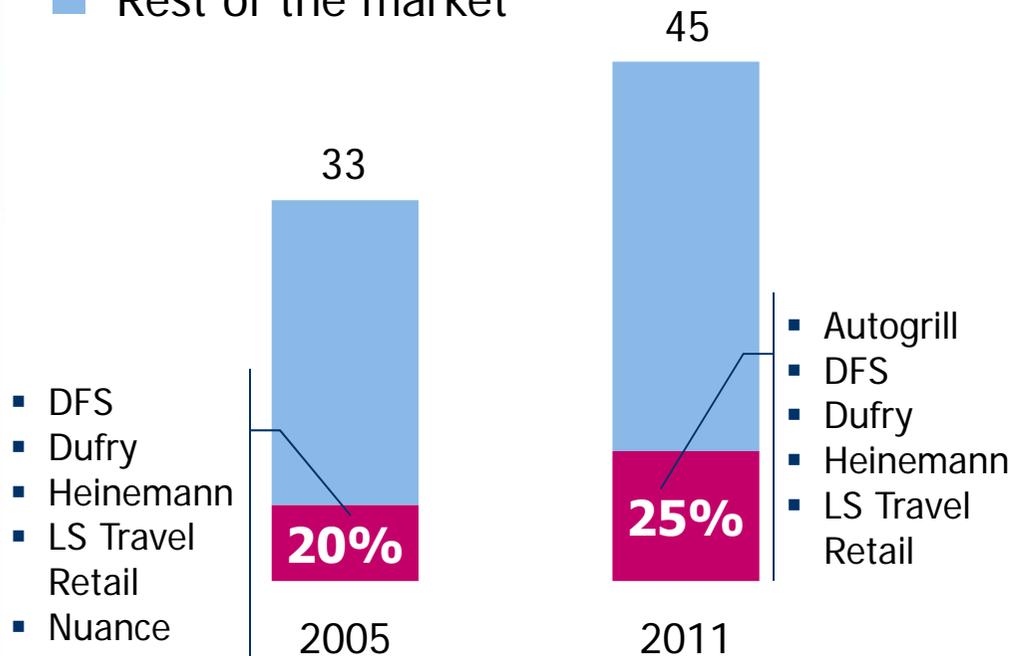
Consolidation is under way but is far from being achieved



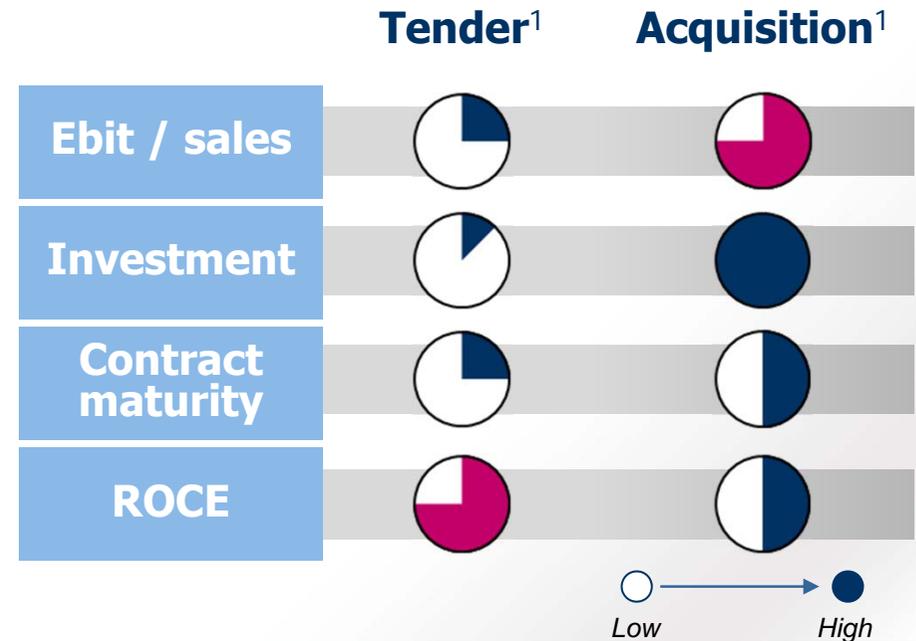
Five largest players market share in travel retail – Foodservice excluded

(€ bn, %, 2005, 2011)

- Top 5
- Rest of the market

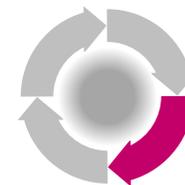


- Winning **tenders** and performing some **acquisitions** is mandatory as well
- Both routes are **equally appealing** financially speaking



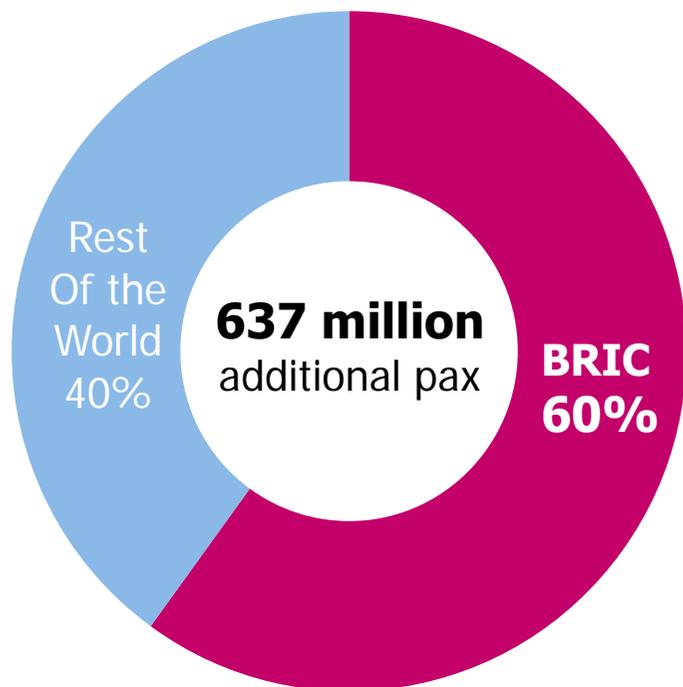
(1) Based on recent tenders and recent acquisitions
Source: Lagardère Services estimates

Emerging countries heavily contribute to growth worldwide, driving industry's globalization



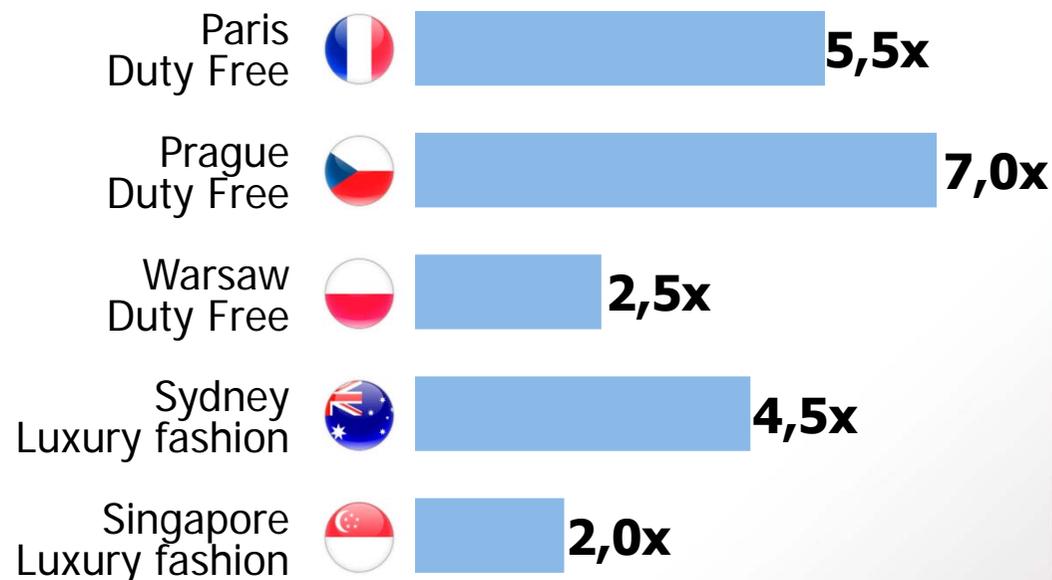
Increase¹ in total air traffic between 2006 and 2011

(€ bn, %, 2006-2011)



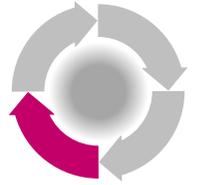
Sales Per Pax for BRIC destinations

(As a multiple of the SPP of the remaining pax, 2011)



(1) Total air traffic increased from 4.4 bn pax in 2006 up to 5.0 bn in 2011. BRIC represented 10% of total traffic in 2006 and 16% in 2011
Source: ACI World Statistics, Lagardère Services

Sophistication is a growing expectation in the industry



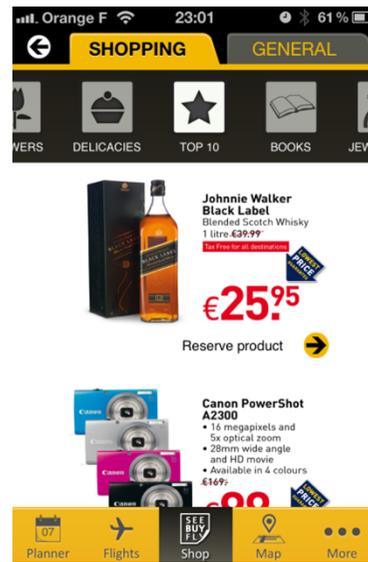
Travelers



"Airports are special places. I expect new products, I want expert advice, I would like to be pampered"

Woman - frequent traveler - Asia

Landlords



Amsterdam Schiphol mobile app

"I must define a unique value proposition to differentiate from other airports. Retail is critical in supporting it"

National airport - North America

Brands

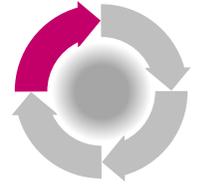


London Heathrow Terminal 5

"Stations give me a unique place to showcase my innovations to urban customers, my core target"

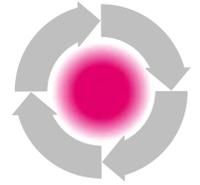
Global beverage company

Convergence requires the ability to bundle multiple concepts on a given location



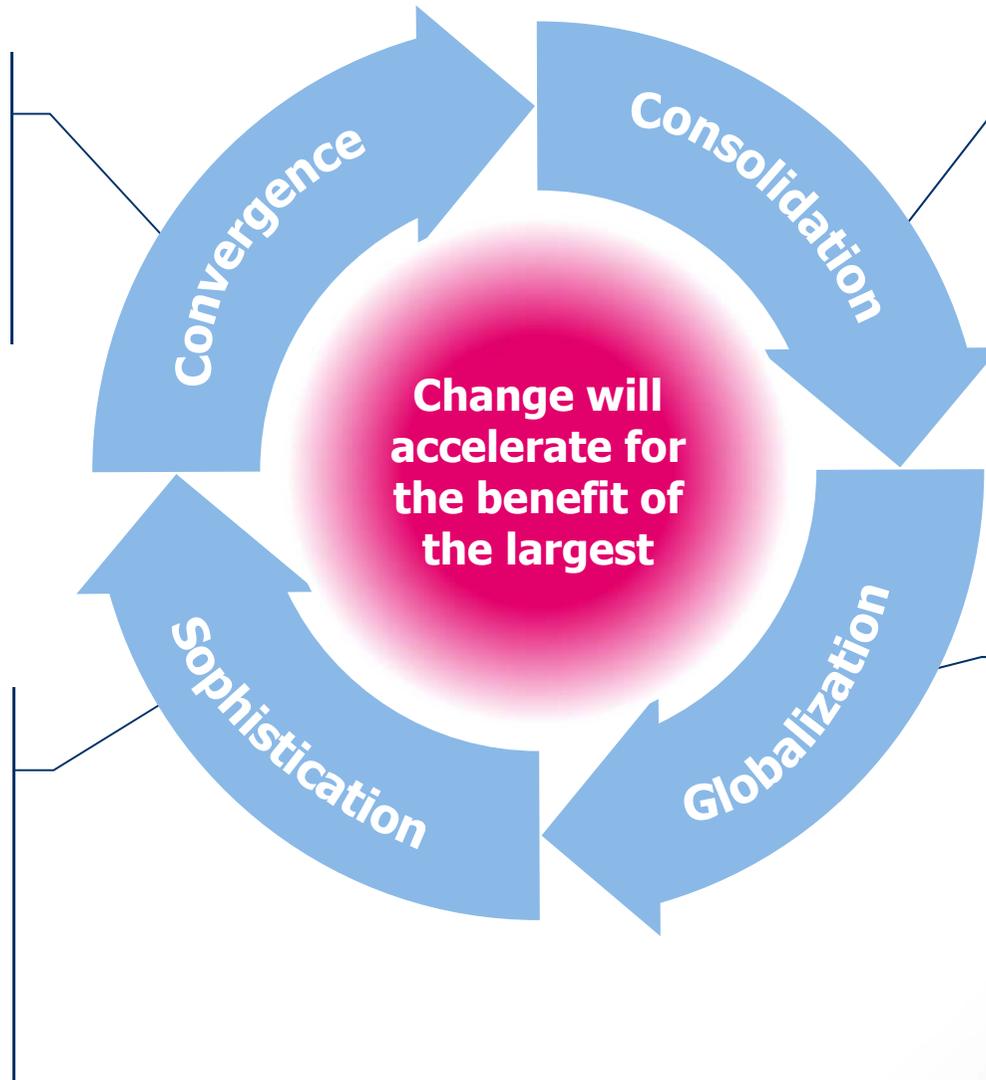
- LS Travel Retail doesn't believe that market will evolve towards a small bunch of master retailers, each operating alone in a given airport
- **However** retailers will **more and more bundle multiple categories** in their offer to landlords
 - Deliver more sophisticated retail to the travelers
 - Better serve the landlord, i.e. our primary customer
- **The growing need** to assist landlords in their retail planning demonstrates this convergence

Industry deeply reshaped by 2020: more attractive for largest players



- Fewer and fewer **pure players**
- Consumer trend towards hybrid concepts

- **State-of-the-art high street** techniques
- Travel-specific actions to grow **uniqueness** of the channel



- **Economies of scale** will fuel consolidation
- Emergence of **M&A between large players**

- Race for relative size implies strong focus on **large current markets** and more exposure to **emerging markets**
- **Marketing** (B2B and B2C)
- Risk management

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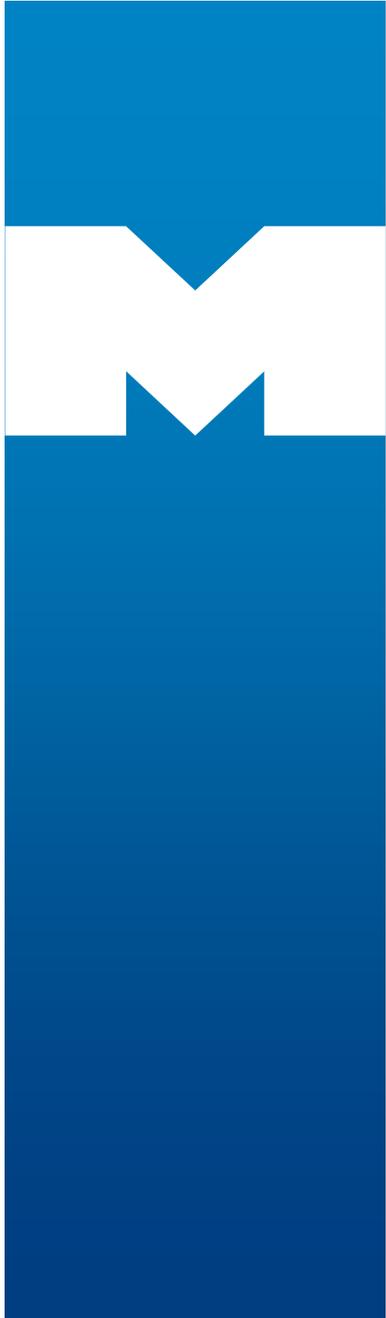
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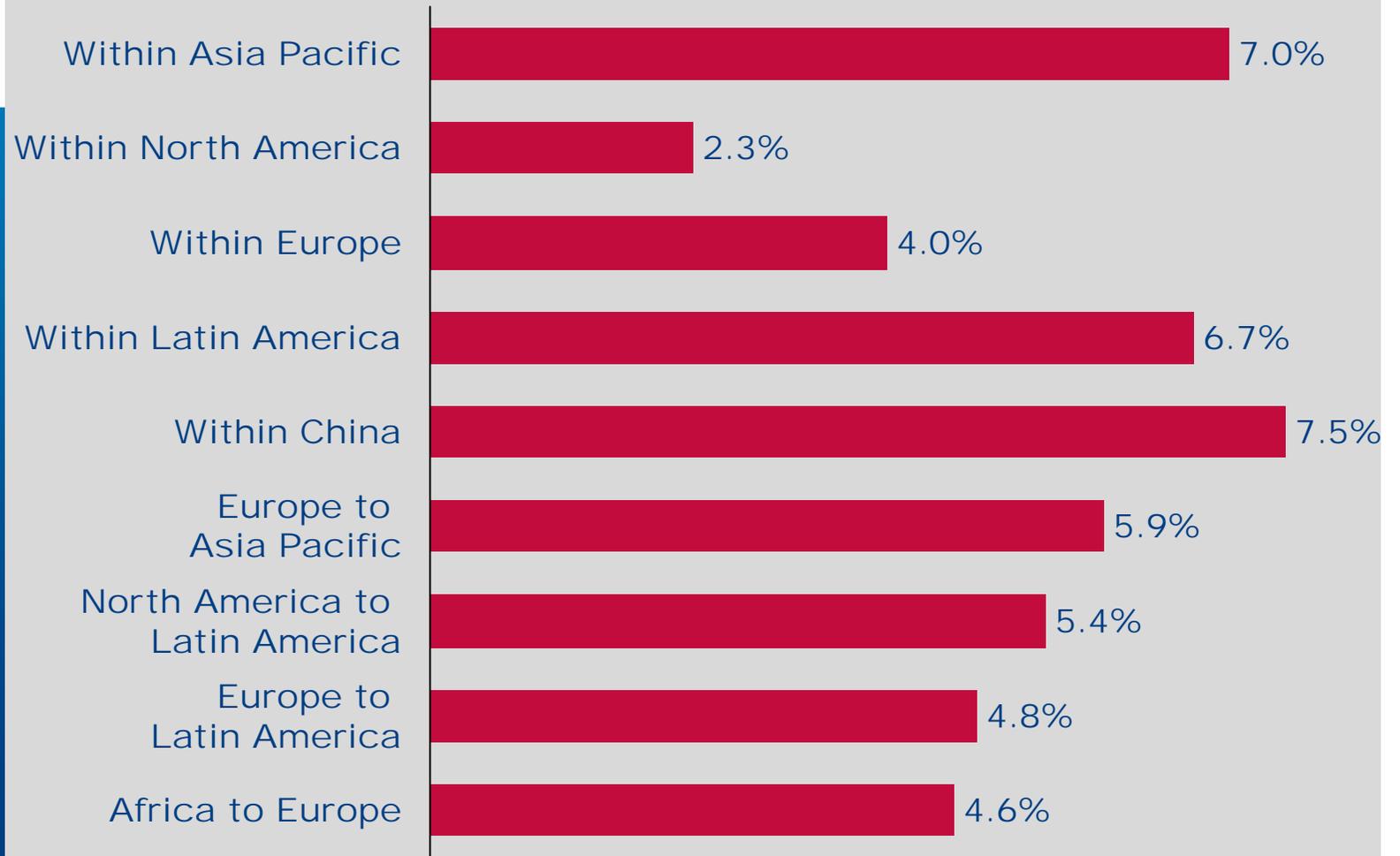
All



CELEBRATING
10 YEARS
IN
TRAVEL
RETAIL

Dermot Davitt
Deputy Publisher, The Moodie Report

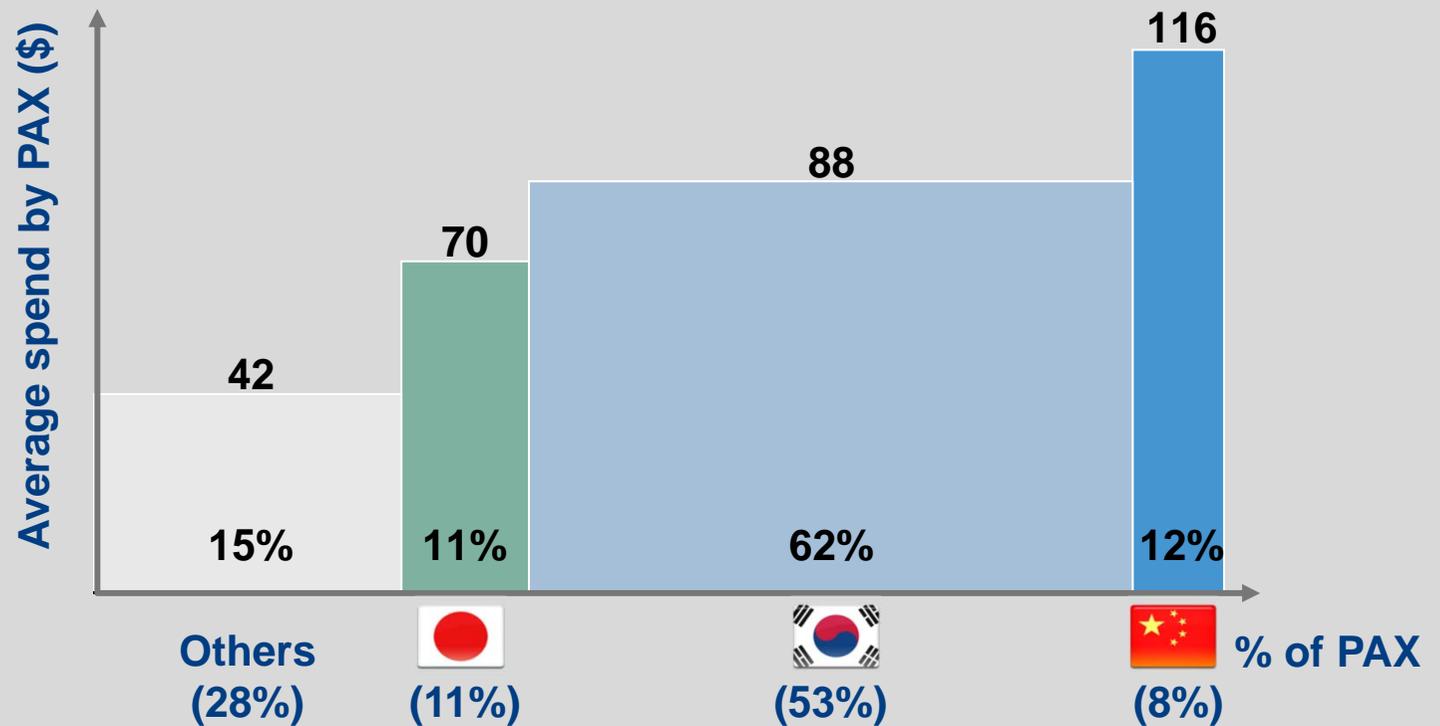
Forecast annual traffic growth by route 2010-2030: Asia Pacific leads the way



Source: Boeing

Power of the Chinese travelling spend

Incheon Sales Contribution of Duty free by nationality (%)



Source: IIAC

Key themes and influences...

- A highly fragmented industry...but changing
- The key players growing through acquisition and extending their control of the major concessions

Key themes and influences...

- Competition, consumers and the concession model
- The commercial challenge at airports
- Long-term thinking trumps short-term interest...though not always...
- Airports seek a more direct role through JV or owned retail



Key themes and influences...

- New travel patterns & trends
- Changing expectations of the travel retail environment
- Category winners and losers

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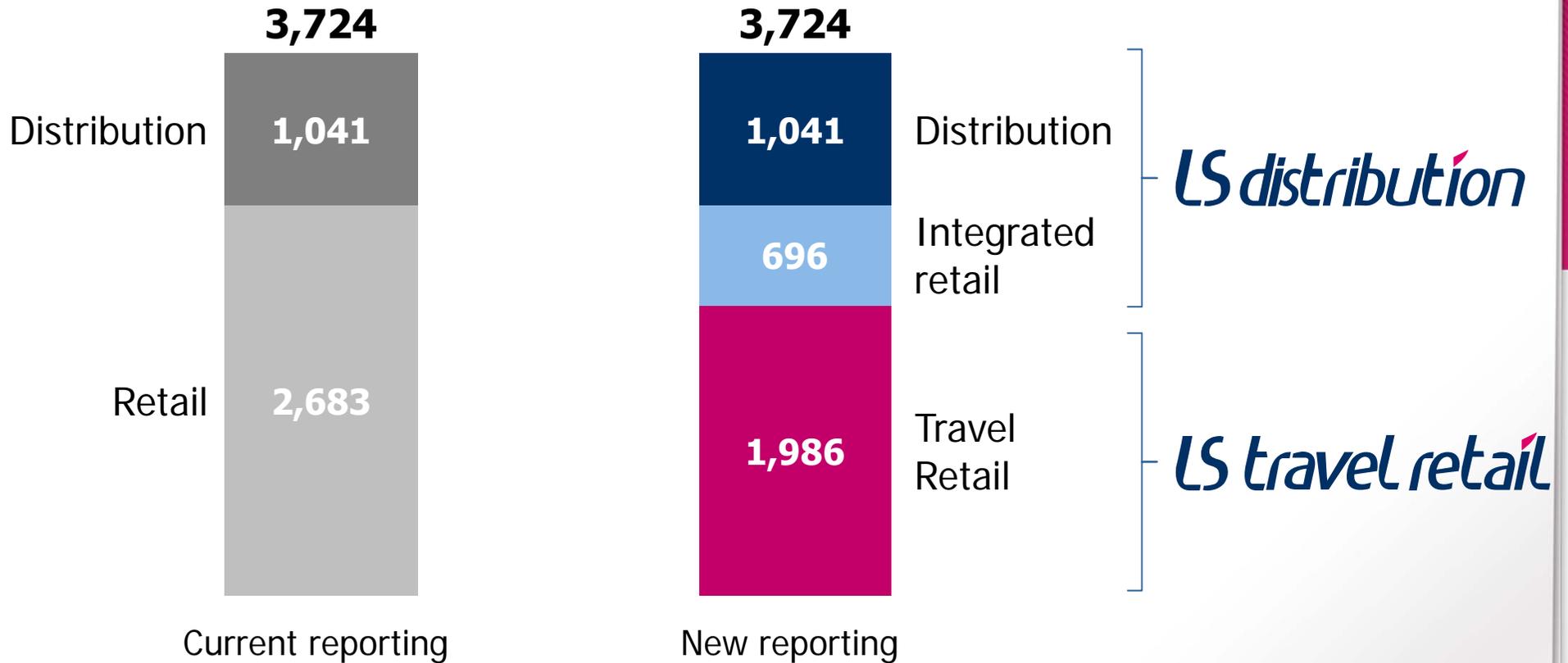
Questions and Answers

All

LS Travel Retail accounts for €2.0bn consolidated sales

Sales breakdown

(€ m, 2011)

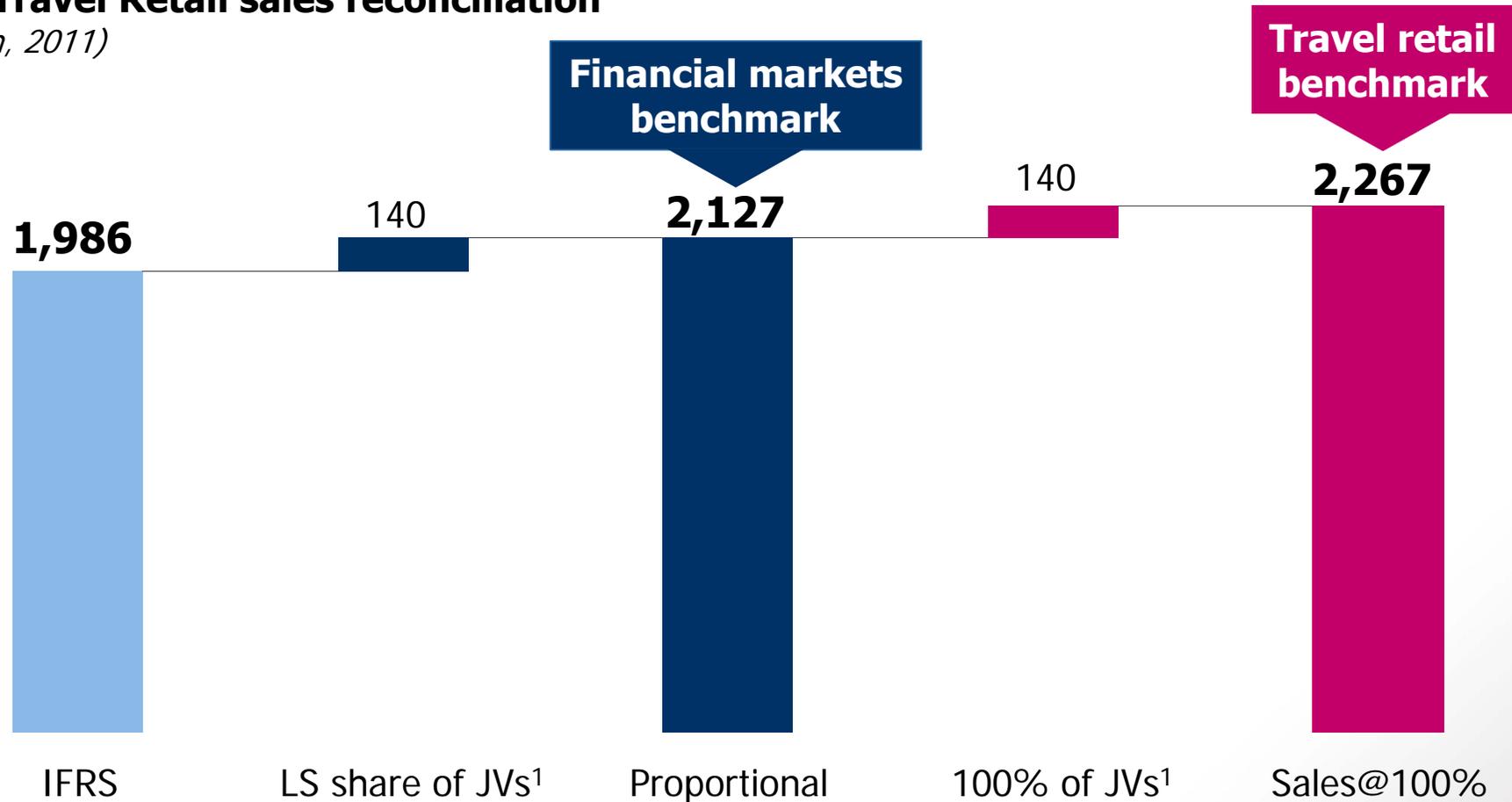


Source: Lagardère Services

Sales reached €2.3bn in economic terms

LS Travel Retail sales reconciliation

(€ m, 2011)

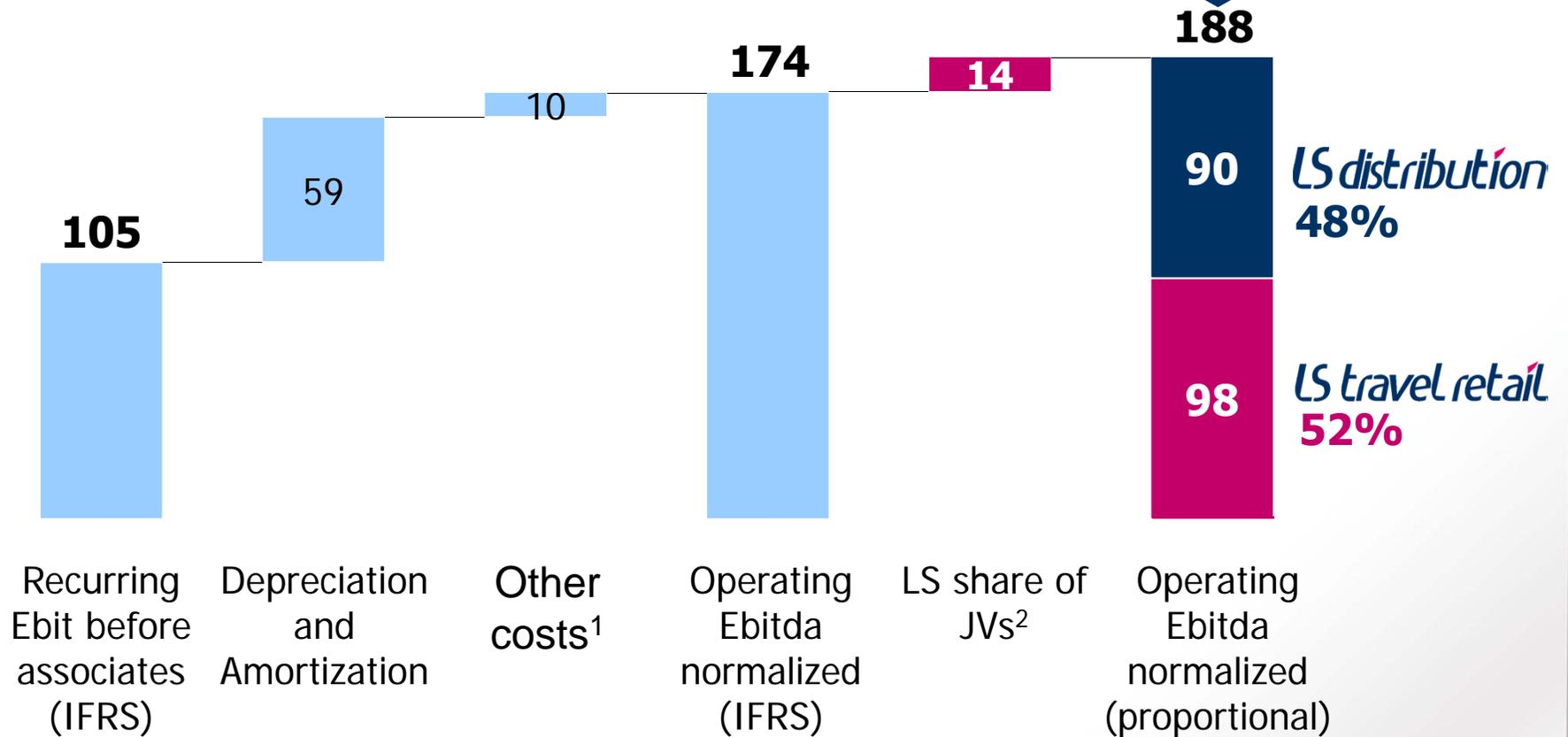


(1) SDA and Relay@ADP (JV with Aéroport de Paris), Aéroport de Lyon, Dutyfly, etc. – Figures net from intercos
Source: Lagardère Services

LS Travel Retail contributes to half of Lagardère Services Ebitda

Lagardère Services profitability breakdown and reconciliation (€ m, 2011)

Financial markets benchmark



(1) Incl. corporate costs and exceptional items

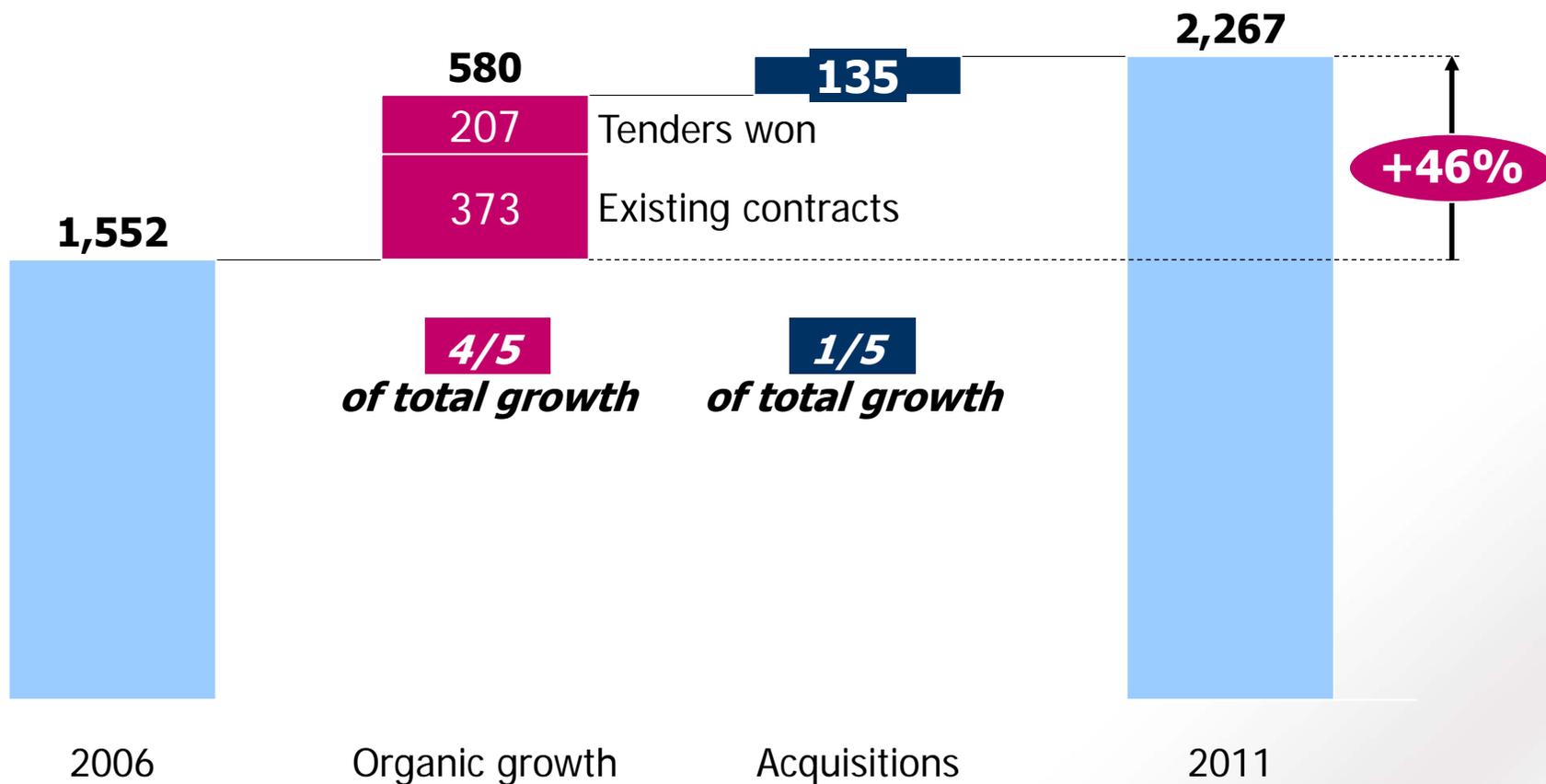
(2) SDA and Relay@ADP (JV with Aéroport de Paris), Dutyfly, etc. – Figures net from intercos

Source: Lagardère Services

Organic growth as main past development path

Sales@100% growth breakdown by nature

(€ m, 2006-2011)

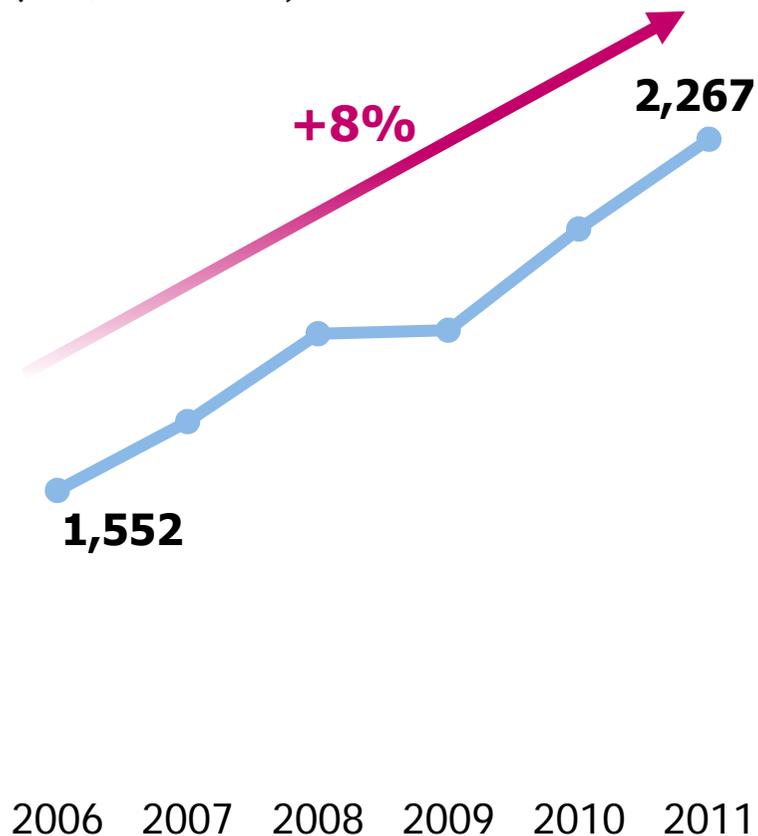


Source: Lagardère Services

A robust growth profile fueled with a moderated flow of investments

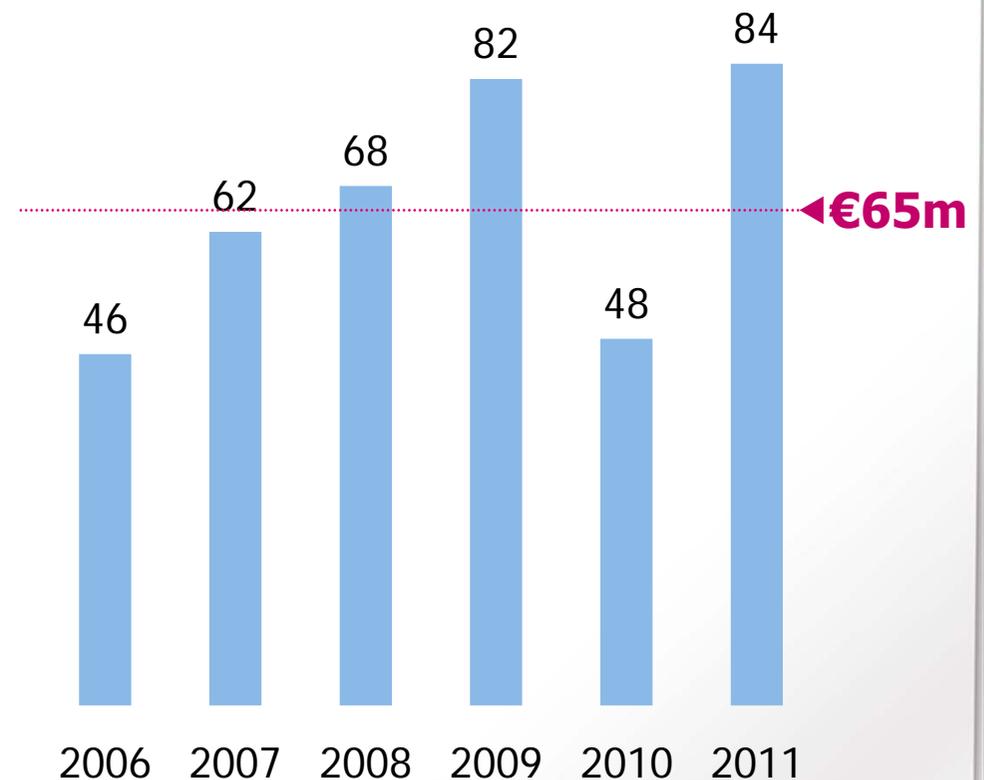
Annual consolidated sales@100% growth

(€ m, 2006-2011)



Annual total capital expenditures incl. acquisitions in LS Travel Retail

(€ m, 2006-2011)



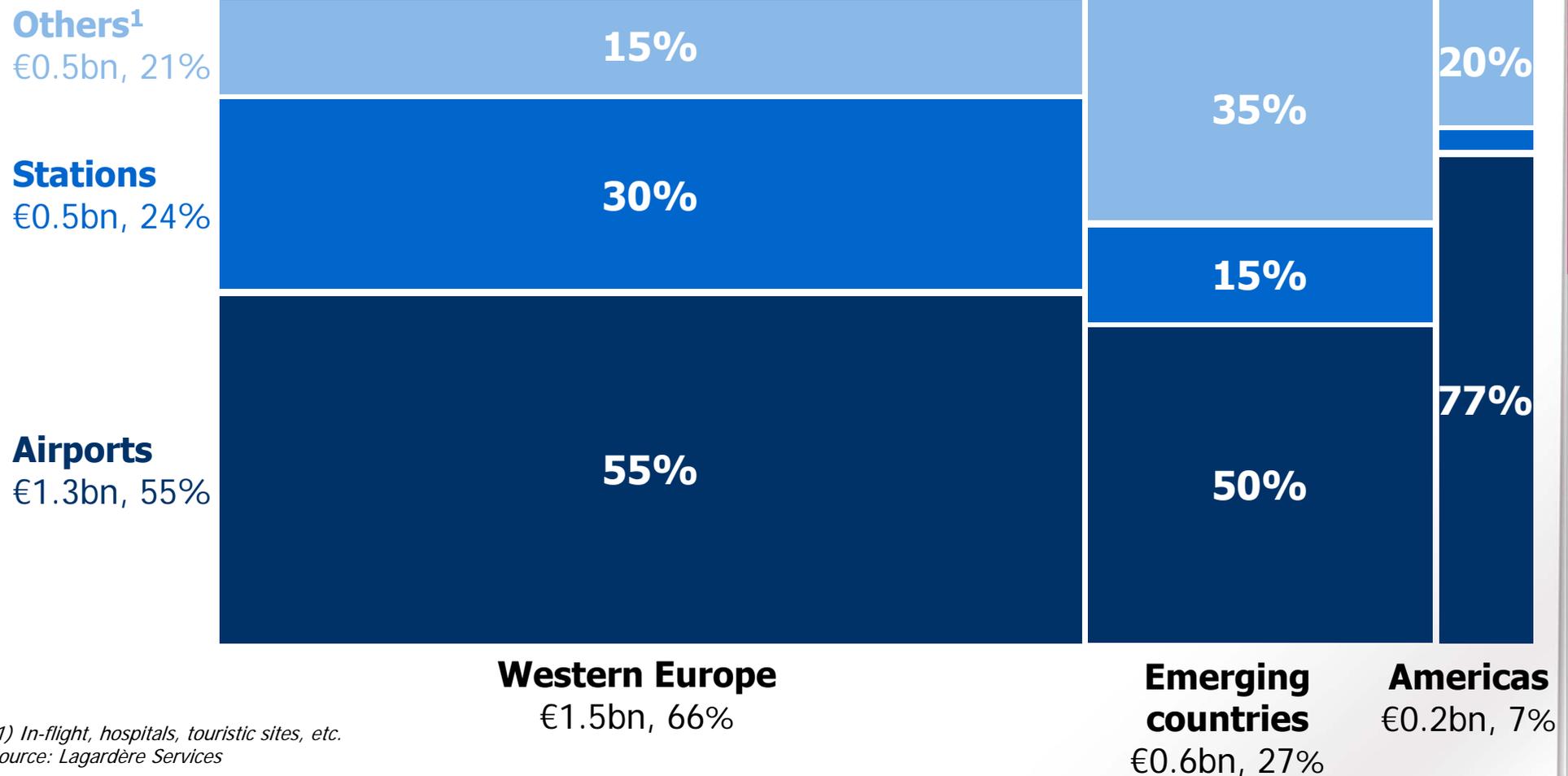
Source: Lagardère Services

An international player operating across all territories and all channels

LS Travel Retail sales@100% breakdown by geography and channel

(€ bn, %, 2011)

100% = €2.3bn

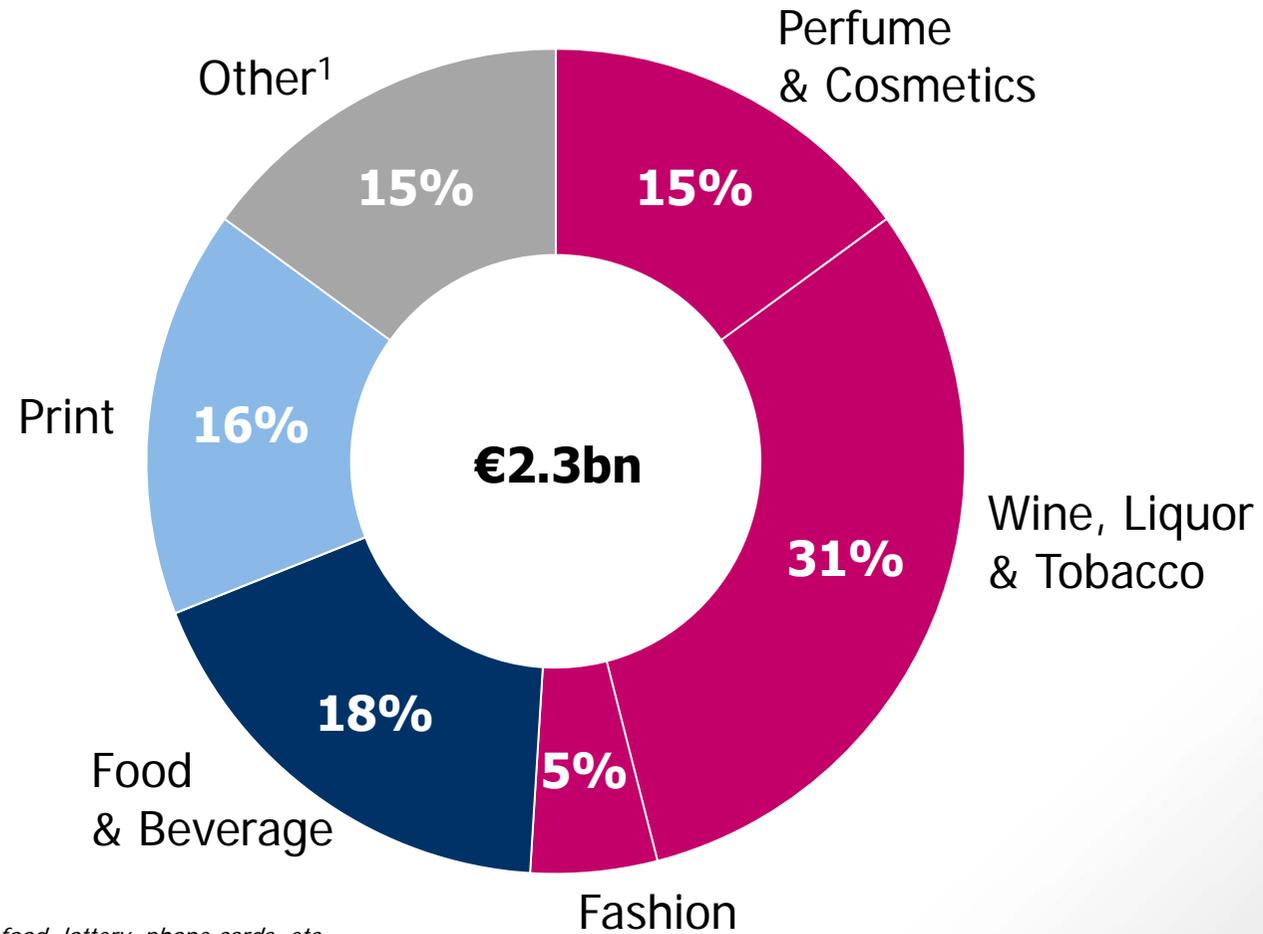


(1) In-flight, hospitals, touristic sites, etc.
Source: Lagardère Services

A balanced mix of products

LS Travel Retail sales@100% breakdown by product

(€ bn, %, 2011)

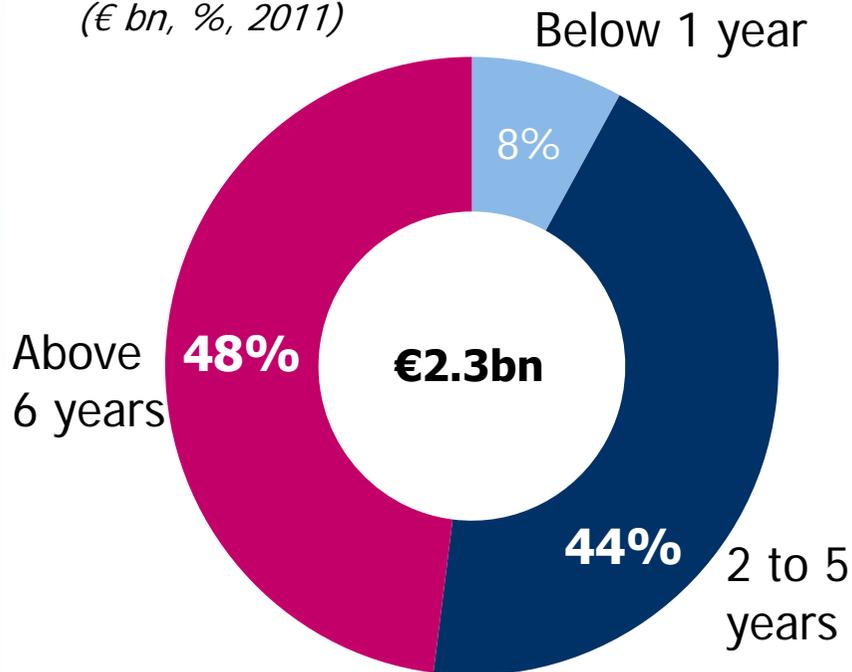


(1) Gifts, souvenirs, electronics, gourmet food, lottery, phone cards, etc.
Source: Lagardère Services

A solid portfolio of contracts combined with a healthy balance sheet

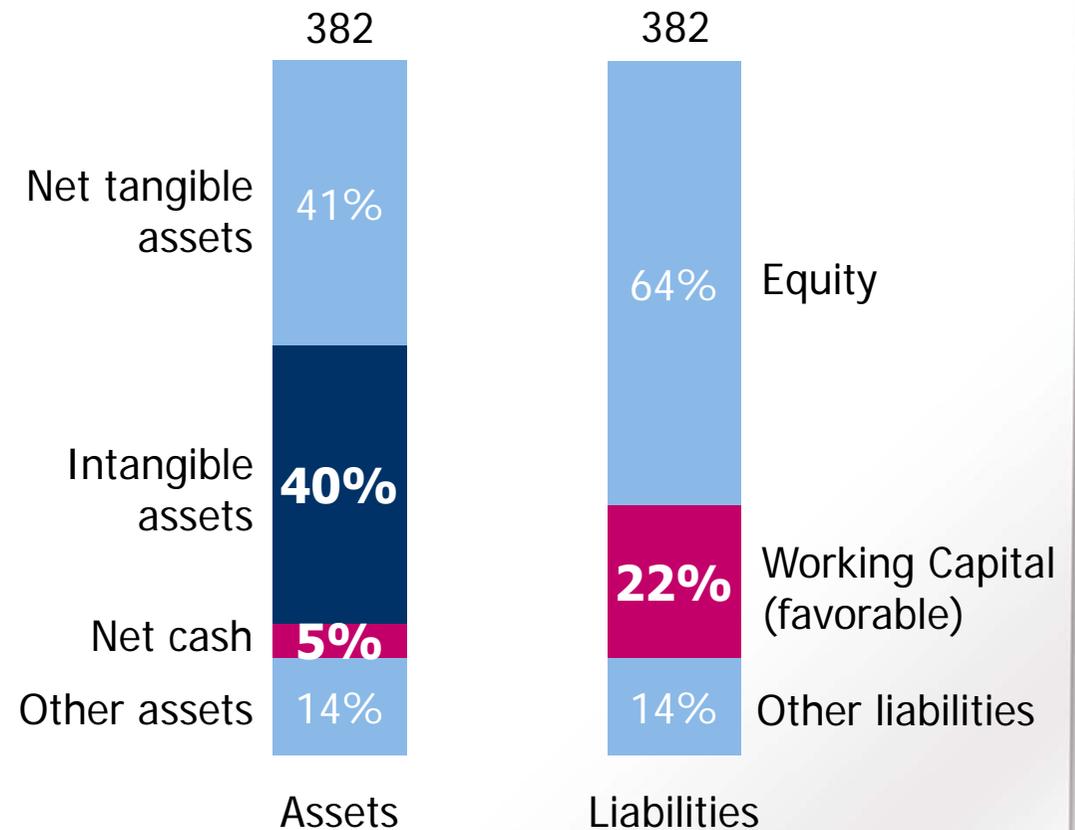
Sales@100% breakdown by contract maturity

(€ bn, %, 2011)



Simplified balance sheet for LS Travel Retail – proportional view

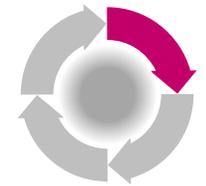
(€ m, %, 2011)



LS Travel Retail renewed 99% of its contracts in Duty Free, renewal rate exceeds 90% overall

Source: Lagardère Services

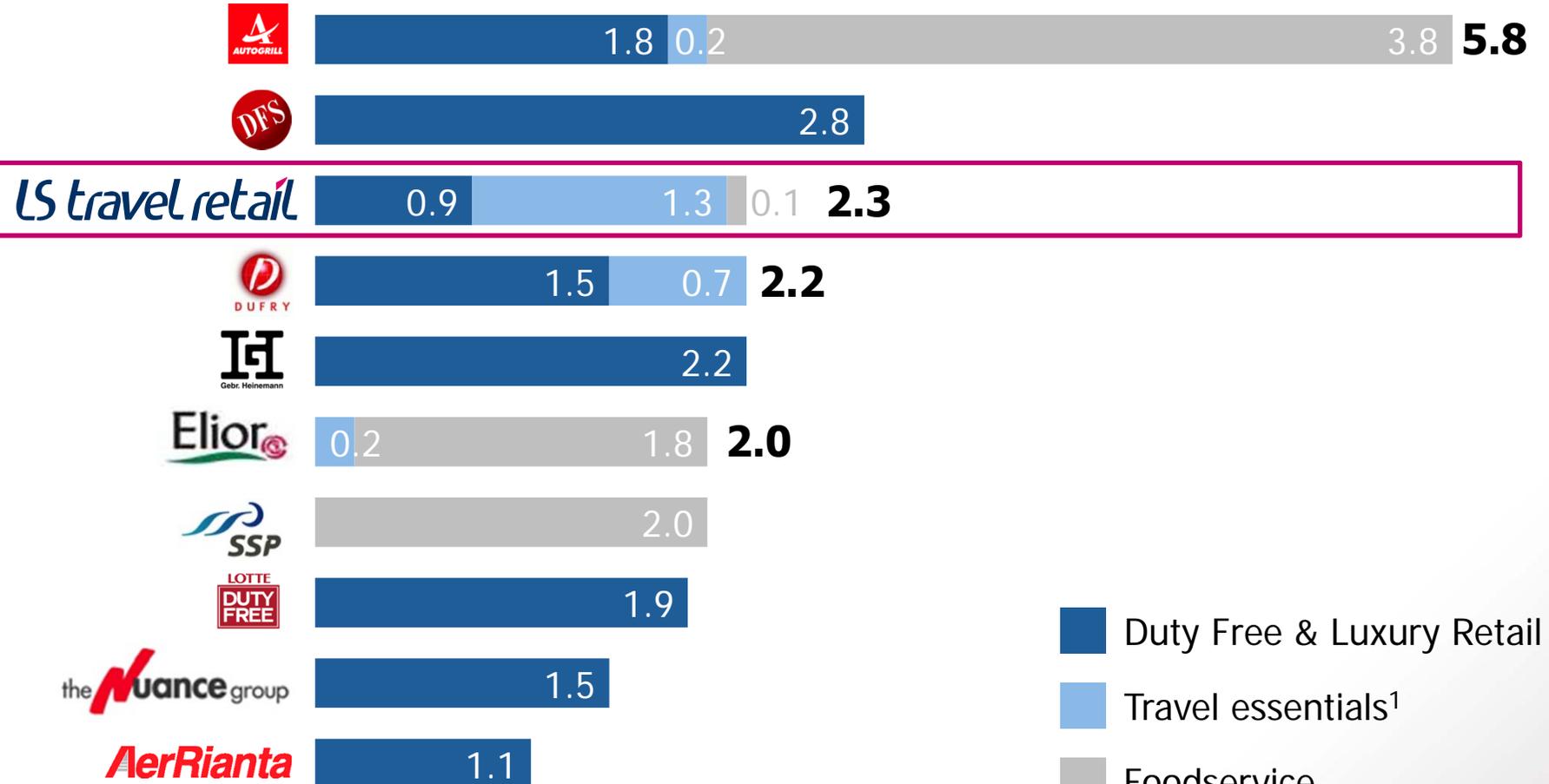
Third player worldwide in the race for consolidation



Estimates

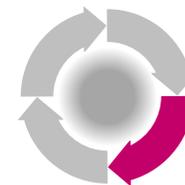
Largest travel retail operators by sales

(€ bn, 2011)



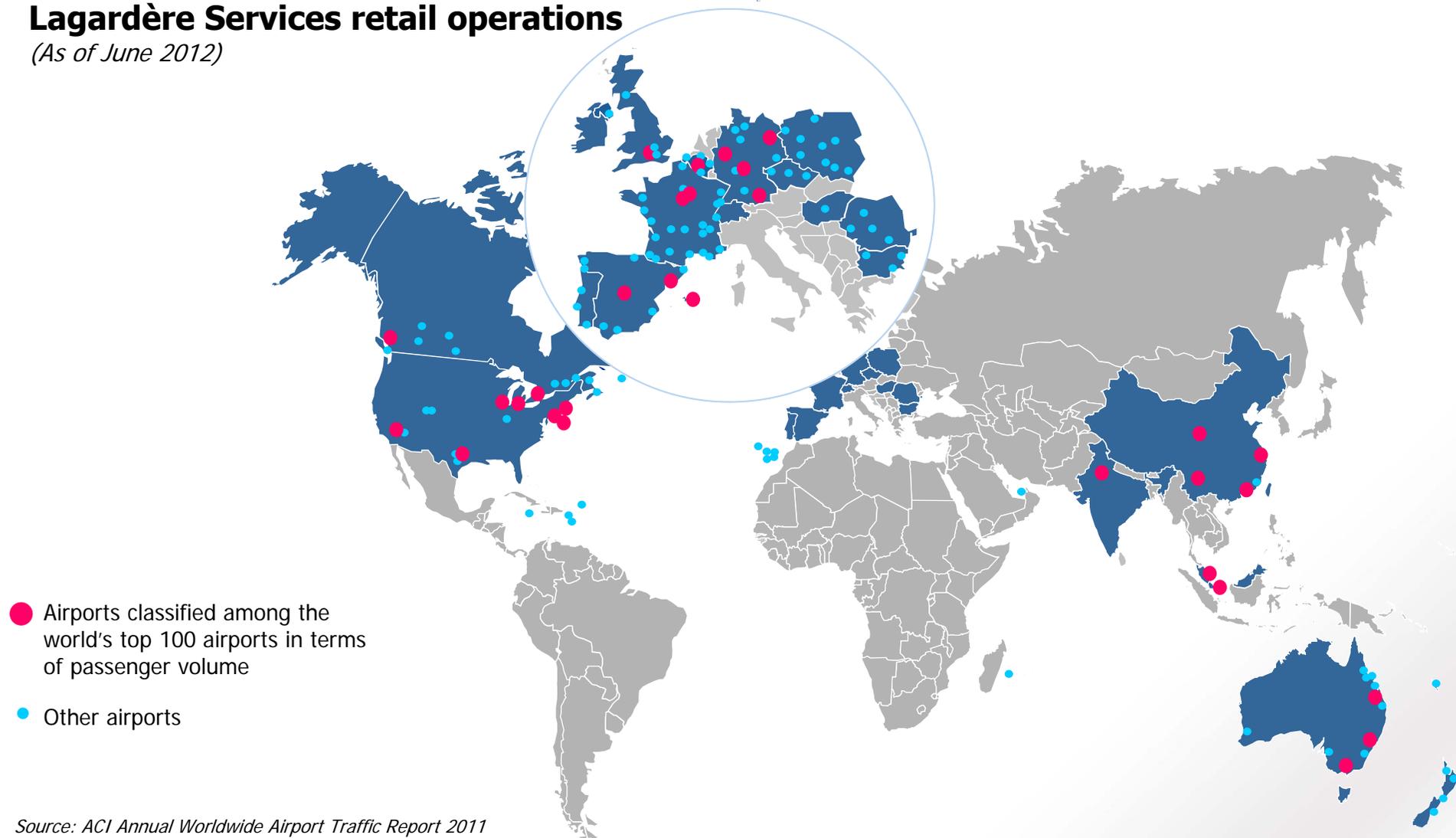
(1) News, gifts, convenience, souvenirs, electronics, etc.
Source: Lagardère Services estimates

Beyond size, we are truly global with operations in 26 countries and more than 130 airports worldwide



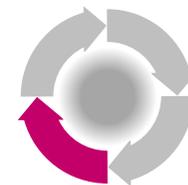
Lagardère Services retail operations

(As of June 2012)



Source: ACI Annual Worldwide Airport Traffic Report 2011

Investing in excellence and innovation...



Lonely Planet – Sydney Airport

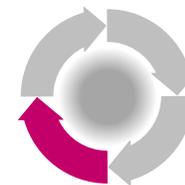


So Chocolate – Singapore Airport

bream

Lagardère
Innovation

... pays off since our operations win awards throughout the World



2010

Heathrow Airport T1

Longchamp
Best score in the Mystery Shopping customer satisfaction



Singapore Airport

The Fashion Gallery
"Best New Shop Opening in Asia/Pacific"
DFNI



2011

Hong-Kong

LS Travel Retail
"Outstanding *Quality Tourism Services Merchant*"
HK Productivity Council



Glasgow Airport

Discover Glasgow
Best News, Gifts and Electronic store
DFNI



Frankfurt Airport

Virgin
Shop stars 2011 for Customer Service
Frankfurt Airport

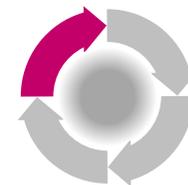


2012

Singapore Airport

So Chocolate
"Best confectionery store worldwide (Dreamstore)"
The Moodie Report



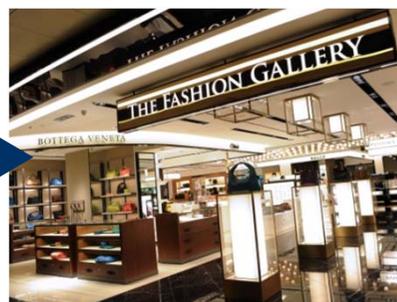


Growth supported by our ability to bundle various retail concepts



Singapore Airport

From Souvenirs to Luxury Fashion



Xi'an Airport

From Souvenirs to Luxury Fashion



Paris CDG Airport

From Duty Free to Specialty

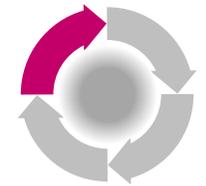


Frankfurt Main Station

From Travel essentials to a Food court



A rich portfolio of concepts to operate across the segments in travel retail



LS Travel Retail brands

Duty Free & Luxury

alpha DUTY FREE

THE FASHION GALLERY

BUY
PARIS
DUTY FREE®

Travel essentials

RELAY

minute

hubiz

hub CONVENIENCE

Foodservice

TRIB'S
BON SIMPLE ET FRAIS

THE FLAME
RESTAURANT & BAR

Bread & Butter
SANDWICH COFFEE SALAD

Mr. Baker

Franchised brands

HERMÈS PARIS

Cartier

BVLGARI BOSS
HUGO BOSS

TOD'S

N

BOTTEGA VENETA NESPRESSO.

Salvatore Ferragamo

fnac

lonely planet

7
ELEVEN

iStore boutique

SUBWAY

PAUL

MAISON DE QUALITÉ
FONDÉE EN 1889

Kamps

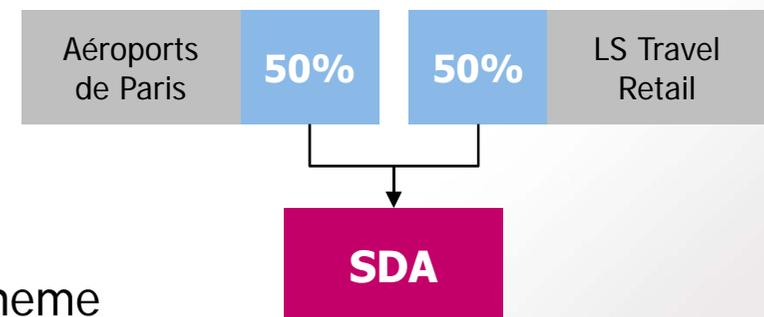
La
BRIOCHE
DOREE

COSTA
SINCE 1971
COFFEE

A know-how to manage complex transformations through JVs with landlords

Structure of the JV for duty free retail in Parisian airports

- The primary mission of travel retailers is to maximize the value from the flow of travelers provided by the airport. Delivering this mission requires a **close alignment of interests**
- Airport environments sometimes require **heavy transformations** that deeply impact retail activities
- In such situations, alignment of interests is critical to the global retail performance. A JV structure is a powerful **tool to drive performance**
- Over the past four years SDA sales growth has beaten traffic by **9 points** each year. Recent extension to Luxury Fashion and Travel essentials proves the success of the collaboration
- Lagardère Services systematically proposes this scheme to airports where heavy transformations are planned



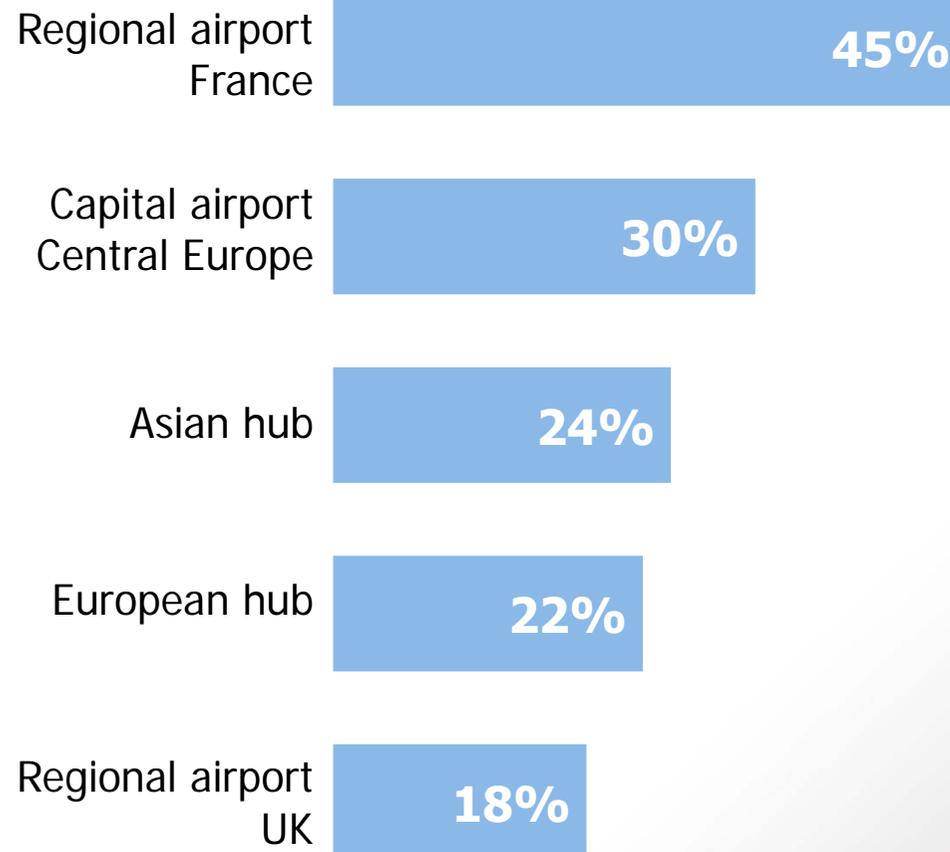
Source: Aéroports de Paris, Lagardère Services

A bold claim... delivered to landlords



(1) Like-For-Like
Source: Lagardère Services

LFL¹ SPP growth after takeover/ renovation (%)



Agenda

LS Distribution, an asset to reinvent

Jean-Baptiste Morin

The travel retail business, an appealing niche in retail

Frédéric Chevalier

External perspective on travel retail

Dermot Davitt

Coffee break

All

LS Travel Retail, a global and leading player

Luc Mansion + Vincent Romet

Testimonials from industry partners

External guests

Vision for the future

Dag Rasmussen

Questions and Answers

All

Roundtable – External guests



François RUBICHON
Deputy CEO,
Aéroports de Paris



Horst MUTSCH
Head of
Letting/Marketing/ServiceStore,
DB Station&Service AG



Olivier BENAMOU
Global Travel Retail
Managing Director,
L'Oréal Consumer Products

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LS Travel Retail will accelerate its development and improve its operational margin

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

Sales

+10%
per annum

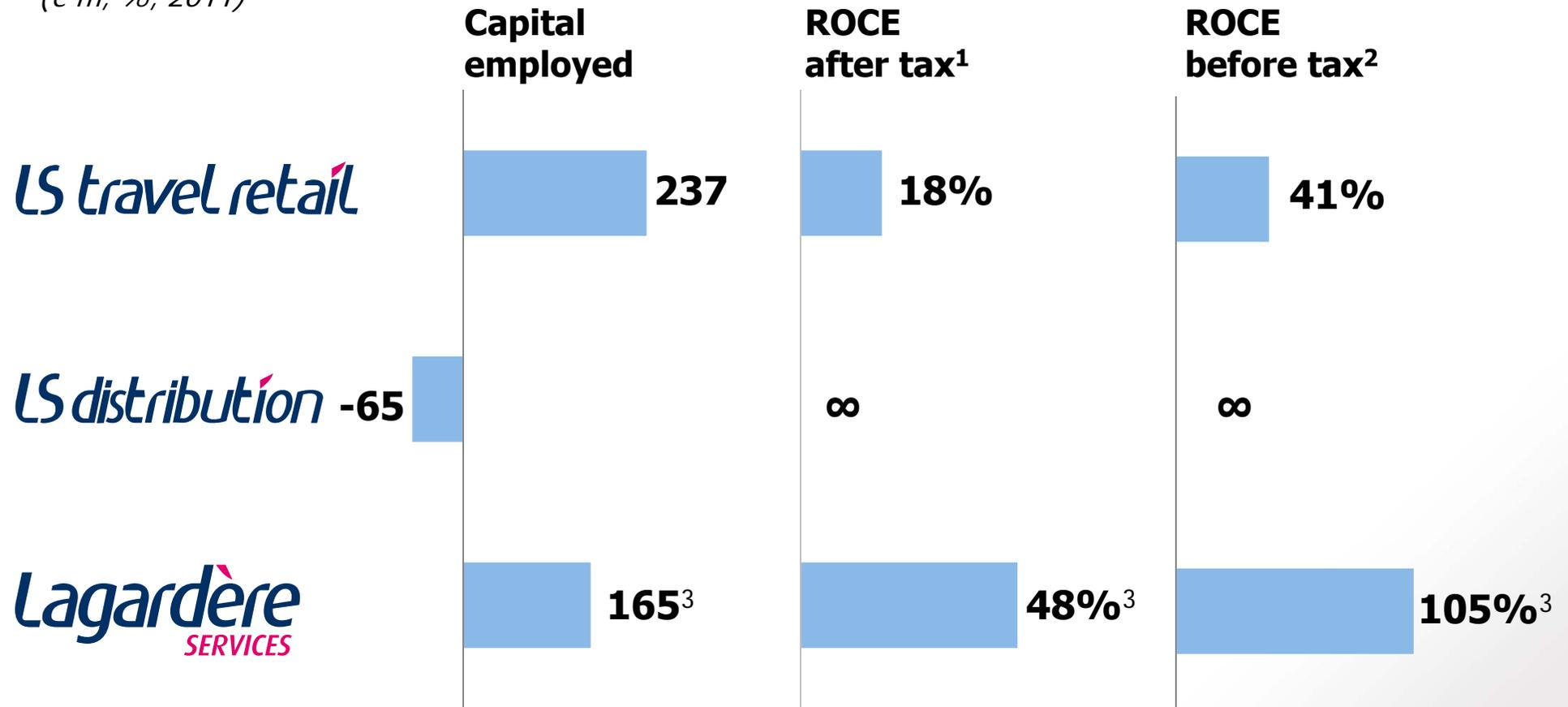
Ebitda margin

+0.5 pt to +1.0 pt
over the period

Building future growth on a strong foundation

ROCEs -Proportional view

(€ m, %, 2011)



(1) Recurring EBIT before associates after tax / Capital Employed including Goodwill

(2) EBITDA / Capital Employed including Goodwill

(3) Incl. Corporate

Source: Lagardère Services

A high ambition in travel retail

Consolidation

Reach
#2 worldwide
in TR including
large acquisitions

Convergence

Reach
Top 5 worldwide
in each segment

Further innovate
in **concepts**
portfolio

Globalization

Become a leading
player in
3 continents
(with a special focus on
Europe, Asia, Middle-East
and Africa)

Reinforce
leadership in
airports and **rail**
channels

Grow LS Travel
Retail
awareness

Sophistication

Deliver, measure
and communicate
on **excellence**

An ambitious plan in Duty Free & Luxury

**Current
LS Travel Retail
position**

**Large player,
mostly European**

**Strategic
initiatives**

	Market requirements	LS initiatives
Consolidation	Relative size to negotiate with suppliers	Grow by acquisitions and through tenders
Convergence	Lower break-even point on smaller platforms	Leverage expertise in other segments to speed-up development
Globalization	Diversified geographies to capture growth, reduce risk and build B2B awareness	Expand globally with a focus on EMEA and Asia Make LS Travel Retail a top B2B brand
Sophistication	Size and global reach needed to finance innovation and marketing	Deliver insights and innovation to our business partners

**Target
LS Travel Retail
position**

**One of the five
largest players
operating
globally**

An entry in Foodservice

**Current
LS Travel Retail
position**

**Few strong local
positions,
marginal
globally**

**Strategic
initiatives**

	Market requirements	LS initiatives
Consolidation	Increasingly global to sign top brands and to negotiate with few suppliers	Grow essentially through tenders , local small acquisitions possible
Convergence	More and more hybrid concepts: retail and foodservice	Leverage expertise in retail to develop unique concepts
Globalization	Diversified geographies to capture growth, reduce risk and build B2B awareness	Leverage existing platforms to expand to foodservice Make LS Travel Retail a top B2B brand
Sophistication	Size needed to finance innovation and marketing	Develop a portfolio of winning in-house and franchised concepts

**Target
LS Travel Retail
position**

**One of the
five largest
players**

A preserved and undisputed leadership in Travel essentials

**Current
LS Travel Retail
position**

**Strategic
initiatives**

**Target
LS Travel Retail
position**

**Undisputed
World leader**

	Market requirements	LS initiatives
Consolidation	Local market share more important than global market share	Grow essentially through tenders
Convergence	More and more hybrid concepts: retail and foodservice	Leverage expertise in foodservice to develop unique concepts
Globalization	Diversified geographies to capture growth and build B2B awareness	Leverage Relay awareness to introduce LS Travel Retail
Sophistication	Size needed to finance innovation and marketing	Develop top understanding of travelers due to Relay reach Adapt concept to consumer needs, grow relay.com

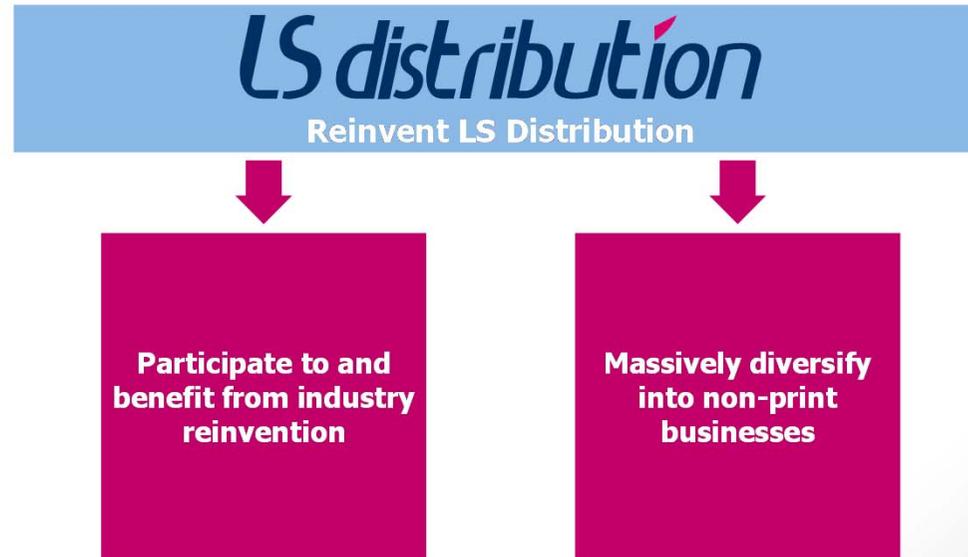
**Undisputed
World leader**

Caveat

- The ambition provided in the following slides is valid at current market conditions. A major disruption in the global economy and / or a significant change in the competitive environment and / or unfavorable changes in passenger traffic and / or unfavorable changes in taxation and restrictions on the duty-free sale in countries where the company operates would affect negatively this ambition
- It shall be interpreted without any transformational acquisition that could be achieved in travel retail

Distribution will remain a cash-generator and will be reinvented through alliances

Reinventing LS Distribution with a two-axis strategy



LS Travel Retail will accelerate its development and improve its operational margin

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

Sales

+10%
per annum

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

Ebitda margin

+0.5 pt to +1.0 pt
over the period

- Favorable mix evolution
- Development acceleration with emphasis on M&A
- Fixed costs squeezed

An accelerated development that implies

- Lower ROCE
- Faster top-line growth
- Higher margin

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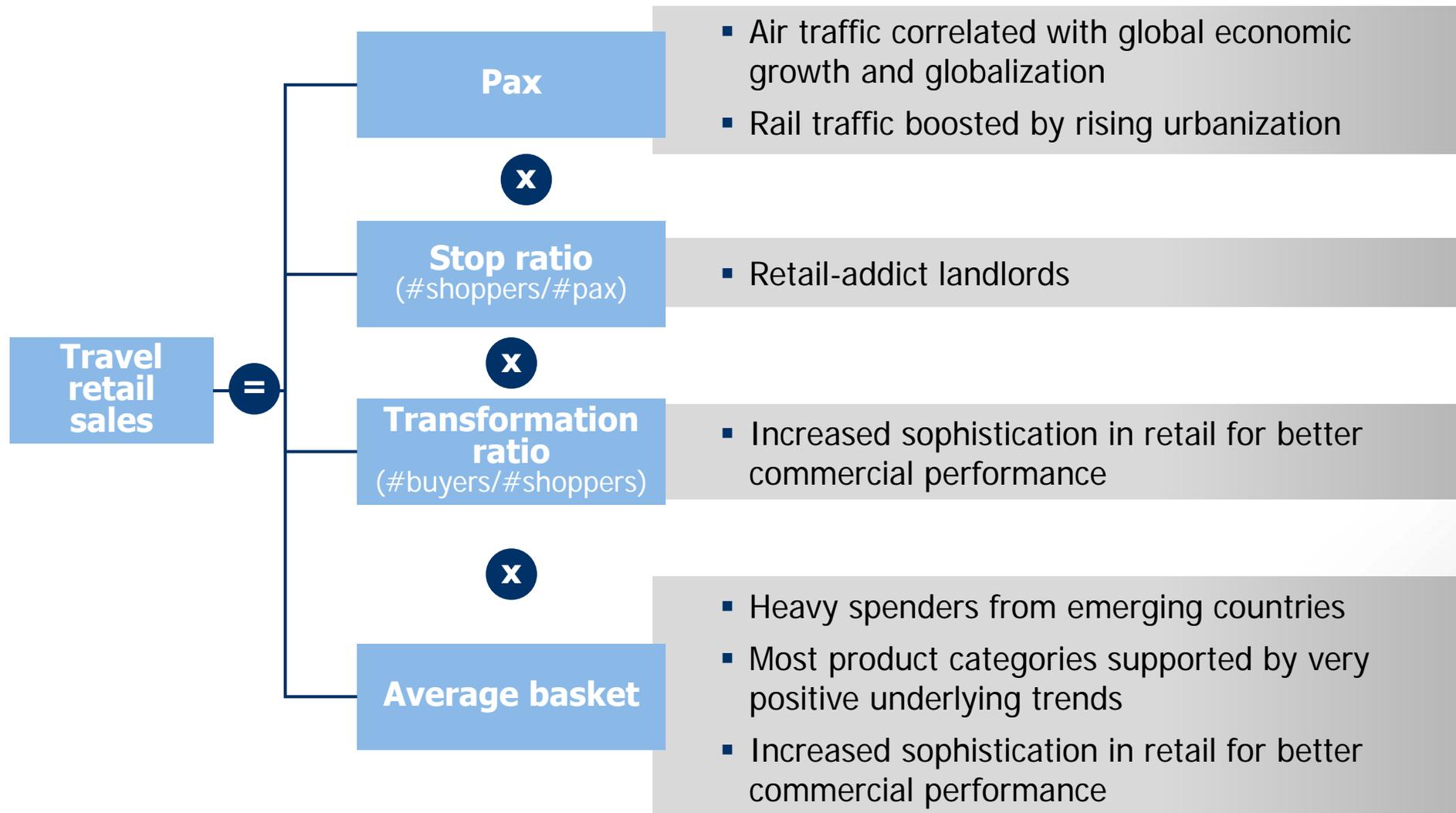
Appendices

Each stakeholder plays a critical role to monetize the flow of travelers

Influence on monetization by stakeholder



Healthy long-term underlying trends





END OF THE DOCUMENT