



Lagardère

INVESTOR PRESENTATION

NOVEMBER 2018



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 regarding Lagardère SCA's results or any other performance indicator, but rather trends or targets, as the case may be.

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;
- 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.

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.

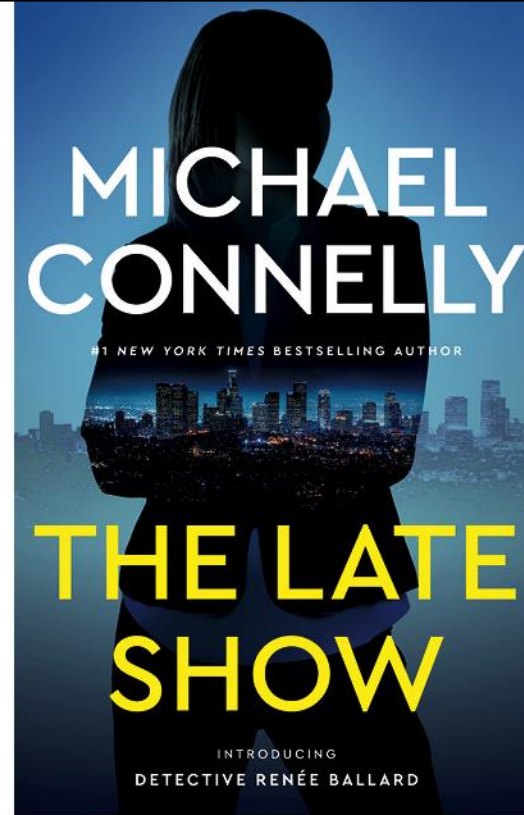
No representation or warranty, express or implied, is made as to, and no reliance should be placed upon, the fairness, accuracy, completeness or correctness of such forward-looking statements and Lagardère SCA, as well as its affiliates, directors, advisors, employees and representatives accept no responsibility in this respect.

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.

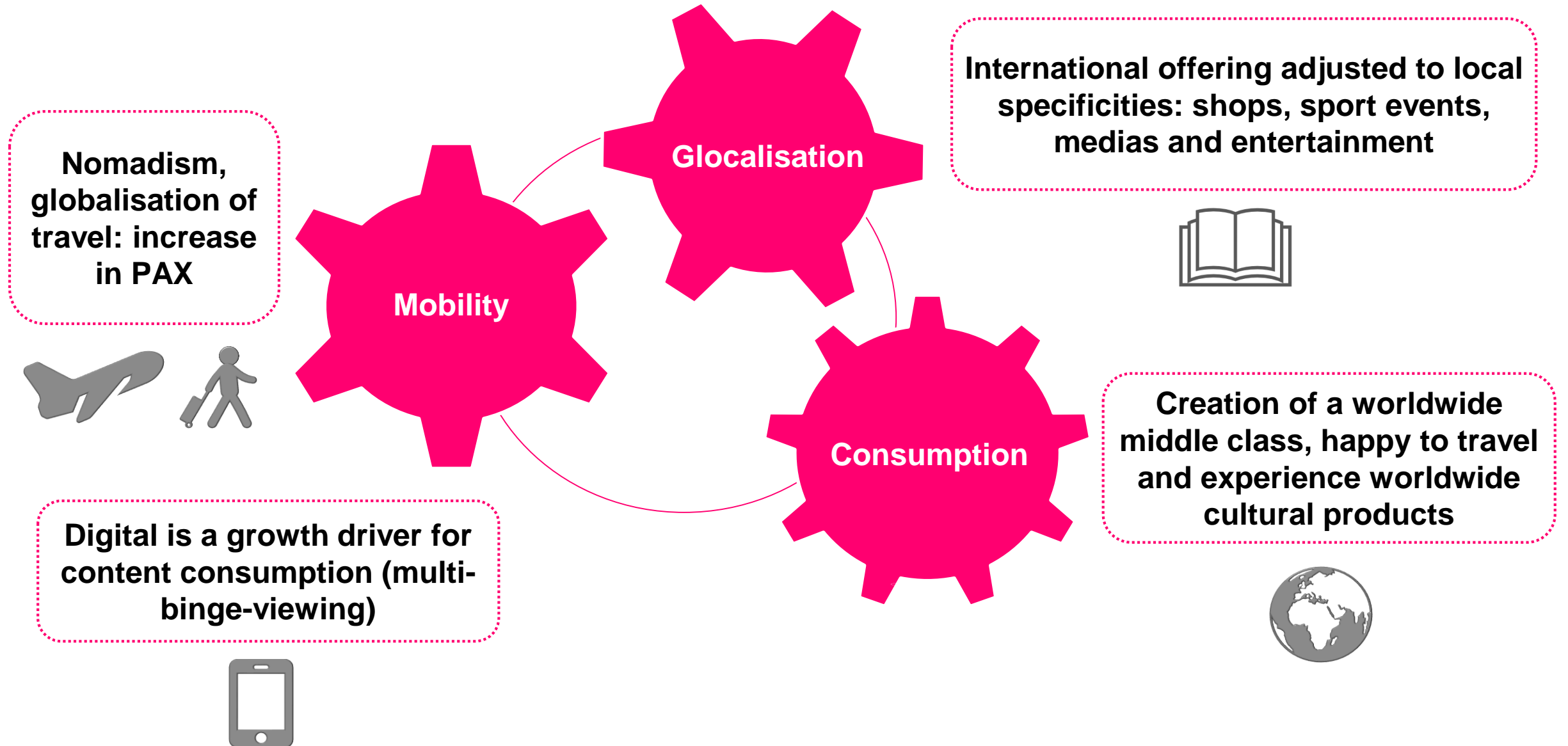
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MARKET TRENDS

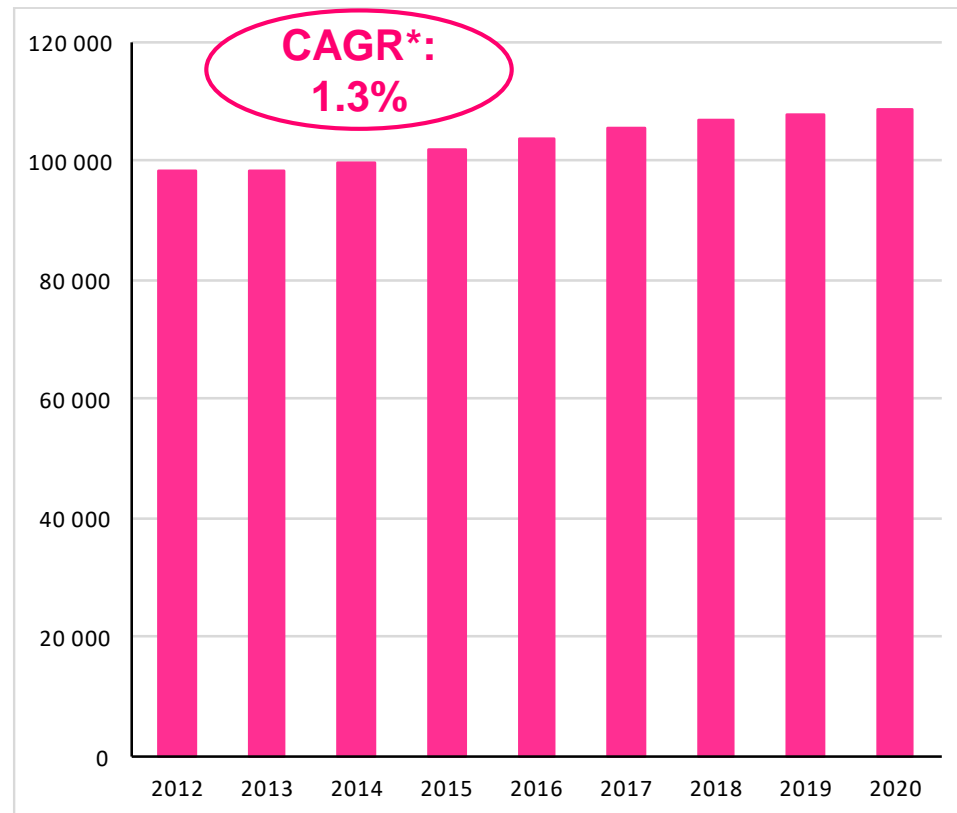


A FAST-CHANGING GLOBAL ENVIRONMENT SHAPED BY 4 KEY GROWTH DRIVERS



Global book market

Global revenue (\$m)

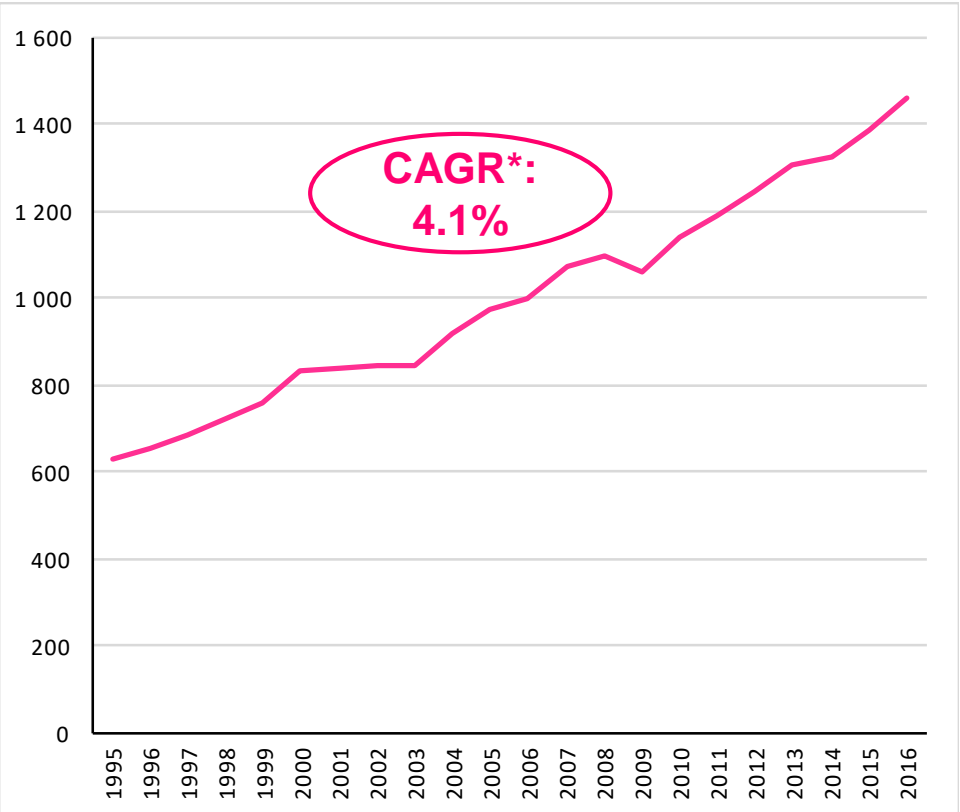


Trends

- Revenue stable over the past few years.
- Young people are still reading.
- “Big readers” are primarily older people, a demographic that is growing.
- The “best seller” phenomenon increases the number of casual readers.
- Digitalisation presents a growth opportunity.

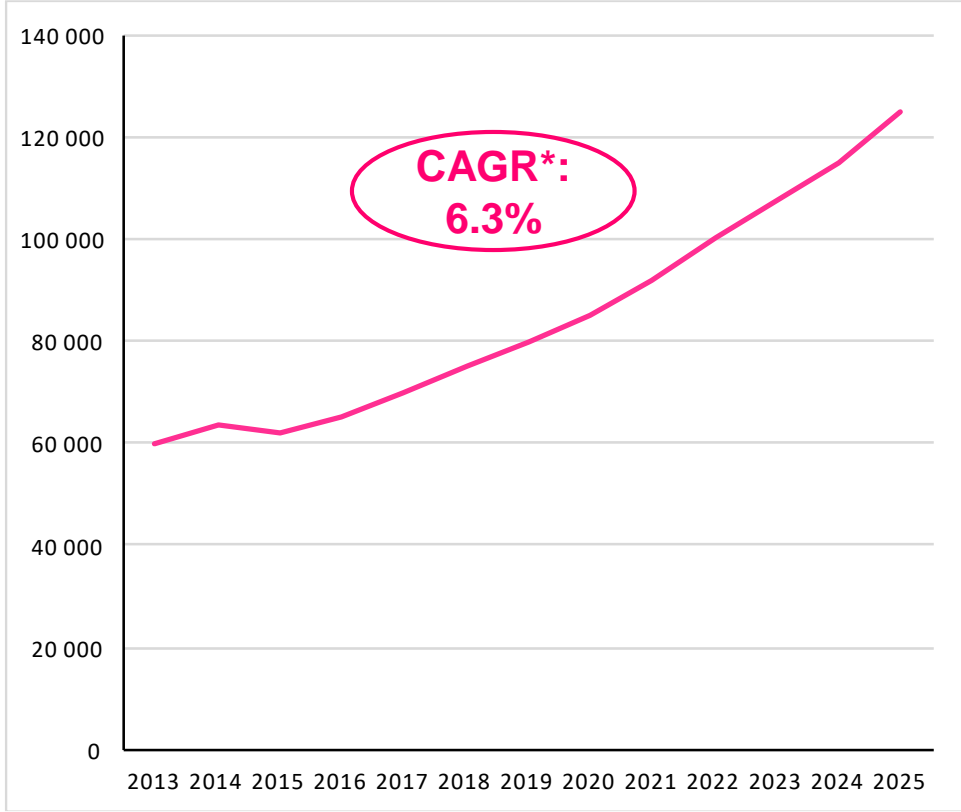
International tourism

Number of departures per year (in millions)



Outlook for the Travel Retail market

Global Duty Free and Travel Retail sales (in \$m)

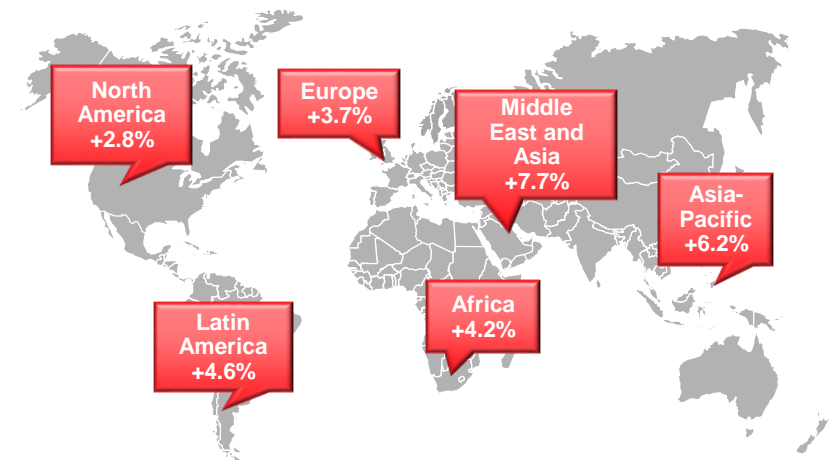


Sources : The World Bank, Duty Free World Council.
*CAGR: compound annual growth rate.

GROUP LONG-TERM GROWTH BASED ON WORLDWIDE INCLINATION TOWARDS EXPERIENCE: TRAVEL AND CULTURE EXPERIENCES

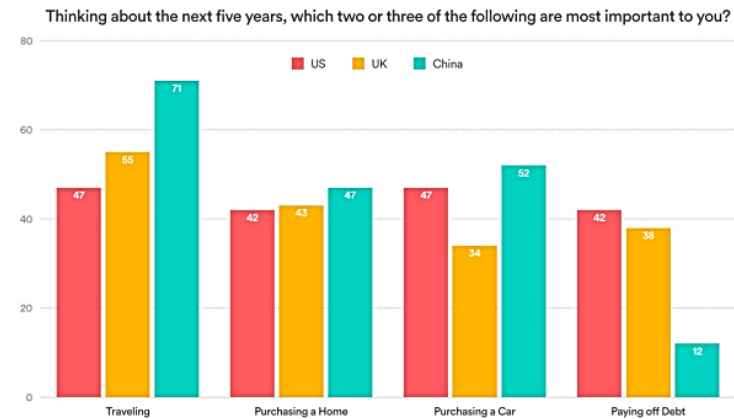
Growth in air passengers travel (in %, 2015-2040)

CAGR: 4.9%



Source: Lagardère, ACI, 2016 World Airport Traffic Forecasts.

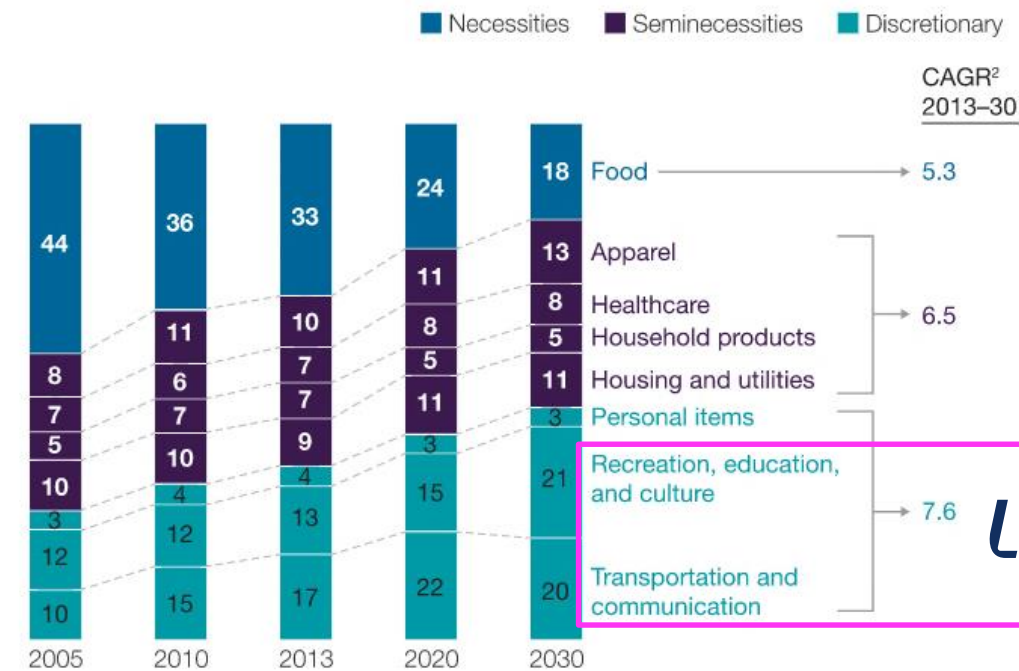
Travel is key for millennials & BRICs



Source: Airbnb travel report 2016.

Discretionary categories are showing the fastest growth

Per-household annual consumption in China by category, %¹



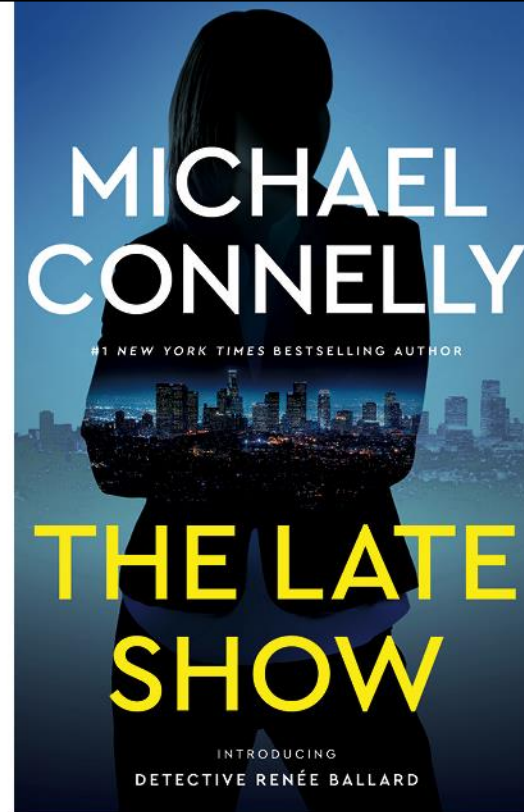
¹Figures may not sum to 100%, because of rounding.

²Compound annual growth rate.

Source: McKinsey analysis

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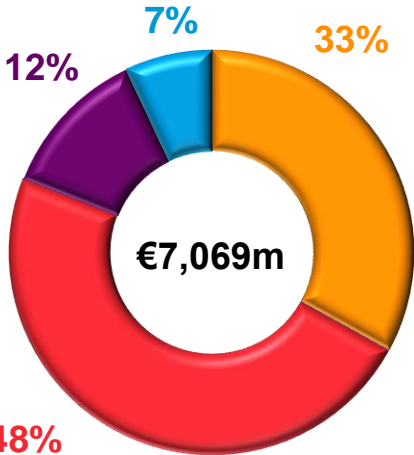
GROUP PROFILE



2017 revenue breakdown by division

Lagardère
TRAVEL RETAIL

- No. 4 worldwide in Travel Retail
- Robust expertise in three business lines



Lagardère
PUBLISHING

- No. 3 worldwide (Trade)
- A multi-segment publisher
- A major player in the digital sector

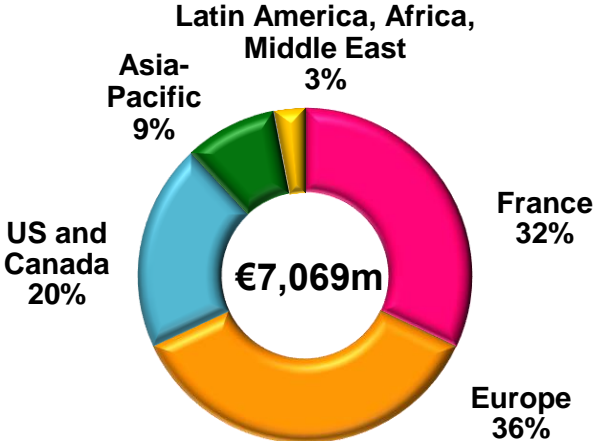
Lagardère
ACTIVE

- No. 1 in scripted TV Production in France
- One of France's leading Internet and mobile media groups
- Major player in Press and Radio in France

Lagardère
SPORTS AND ENTERTAINMENT

- Leader in football in Africa, Asia and Europe
- Leader in sponsorship and media rights globally
- Leader in golf talent management

2017 revenue breakdown by region



2017 recurring EBIT breakdown by division

Lagardère
ACTIVE

17%

Lagardère
SPORTS AND ENTERTAINMENT

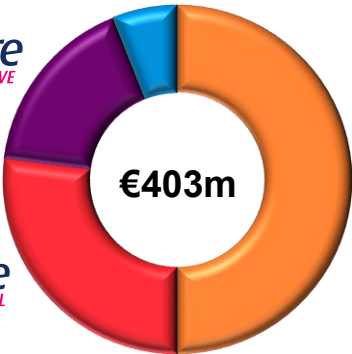
6%

Lagardère
PUBLISHING

50%

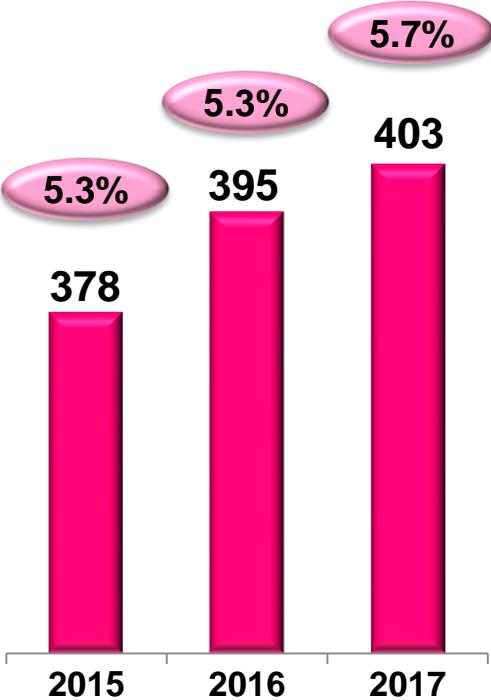
Lagardère
TRAVEL RETAIL

27%

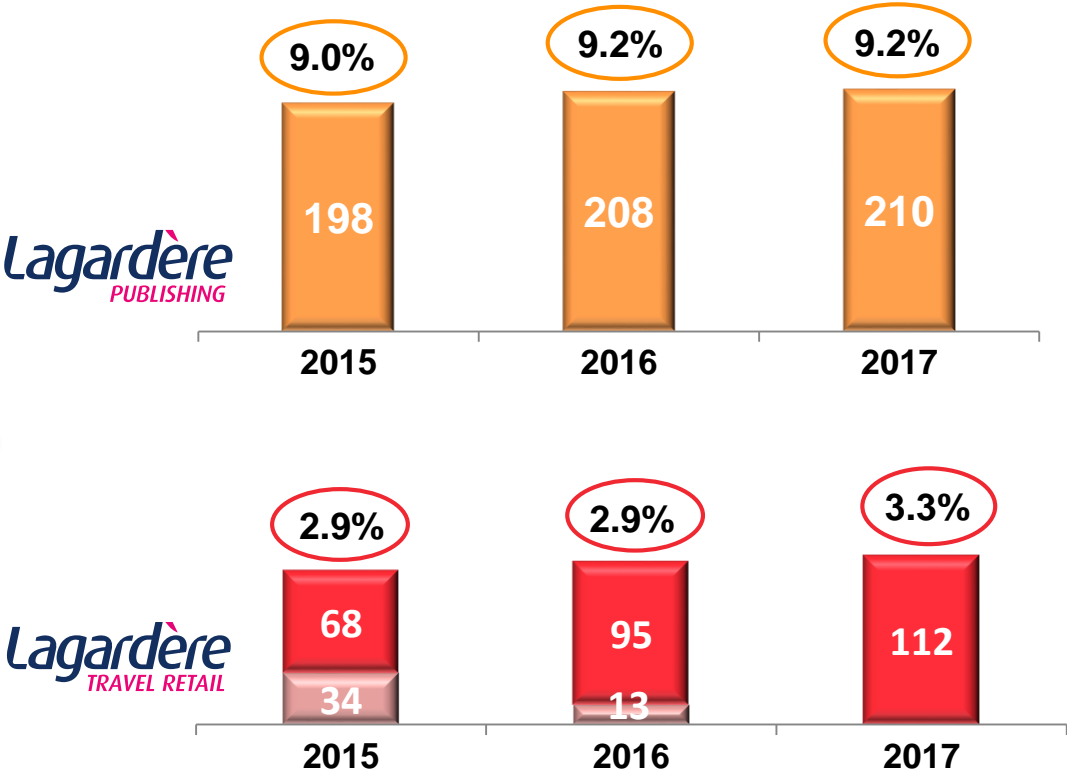


INCREASING THE PROFITABILITY OF THE BUSINESS IS OUR PRIORITY

Consolidated recurring EBIT (€m) and Group operating margin (%)



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

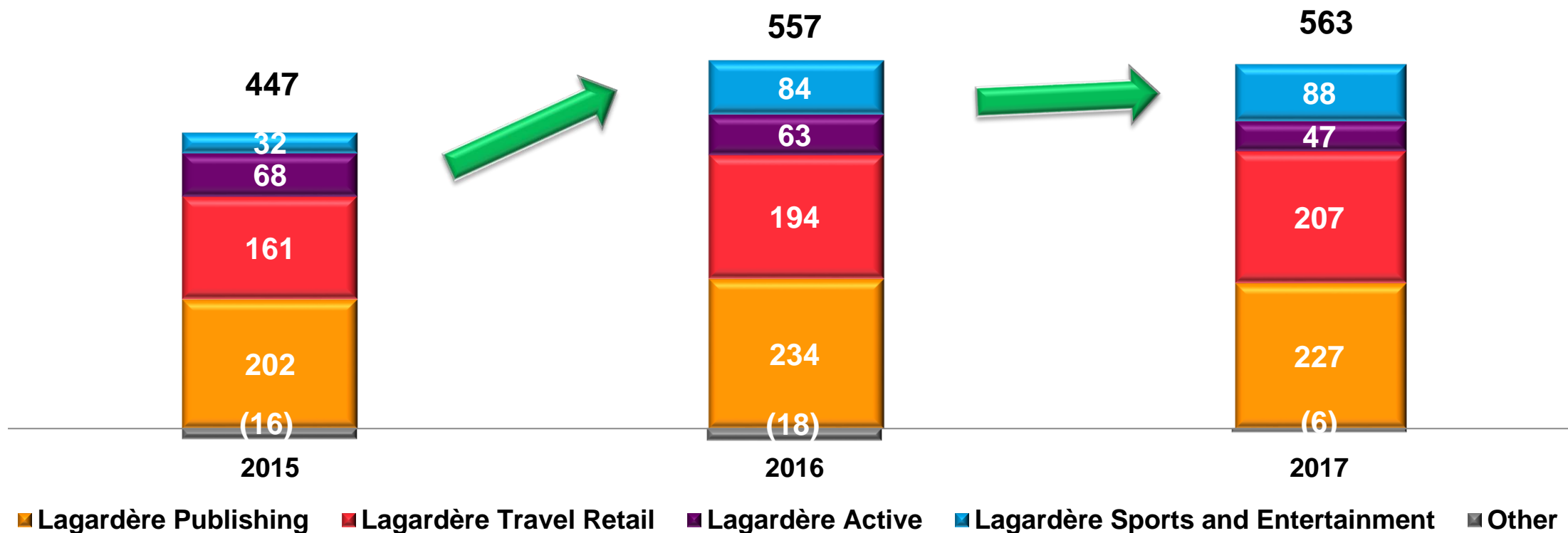


Main factors and measures

- Strict cost control.
 - Organisational optimisation of warehouses and other premises in France, UK and US.
 - Cost synergies resulting from acquisitions
-
- Improved product mix and purchasing conditions.
 - Positive impact of synergies resulting from acquisitions

AFTER A RISE OF 25% IN 2016, CASH FLOW GENERATION WAS STABLE IN 2017

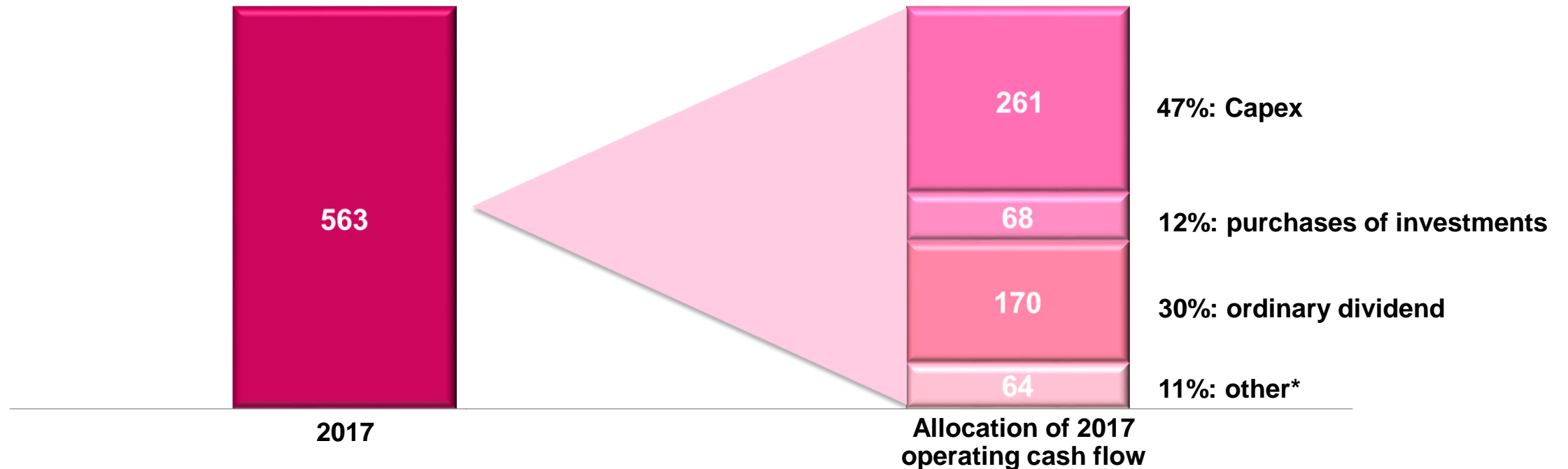
Cash flow from operations before changes in working capital (€m)*



- Cash flow from operation before changes in working capital stable in 2017 after a rise of 25% in 2016.
- 80% generated by Lagardère Publishing and Lagardère Travel Retail.

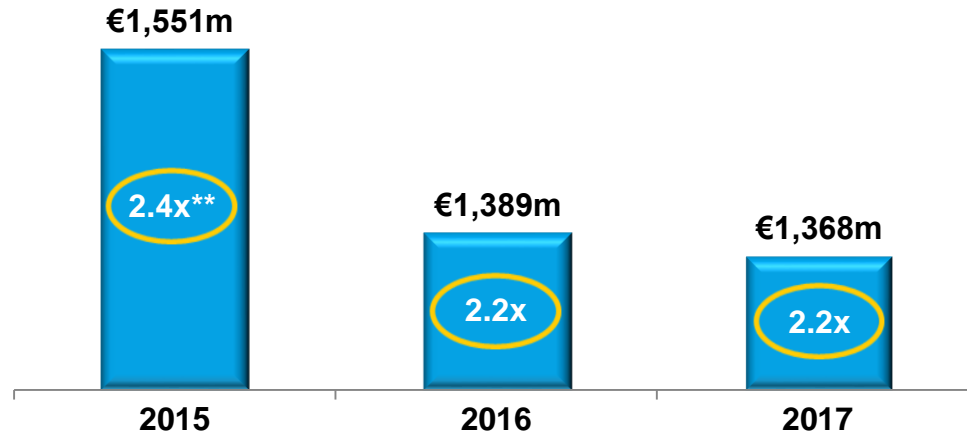
AROUND 60% OF CASH FLOW FROM OPERATIONS BEFORE CHANGES IN WORKING CAPITAL WAS USED TO FUND BUSINESS INVESTMENTS IN 2017

Allocation of cash flow from operations before changes in working capital in 2017 (€m)



- Around 60% of cash flow before changes in working capital used to fund investments in 2017.
- Stable net debt.

A tight rein on net debt...

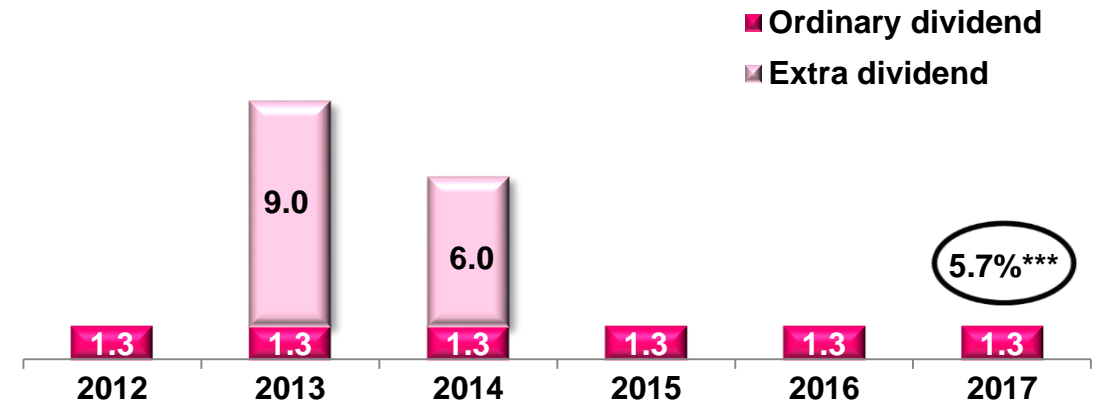


 **Leverage ratio**
Net debt/recurring EBITDA*

- Investment capacity of €500m assuming a leverage ratio of 3x.

... providing long-term viability for an attractive dividend payout policy

Historical dividend (€/share)



***Yield based on the closing share price of €22.61 at 29 June 2018.

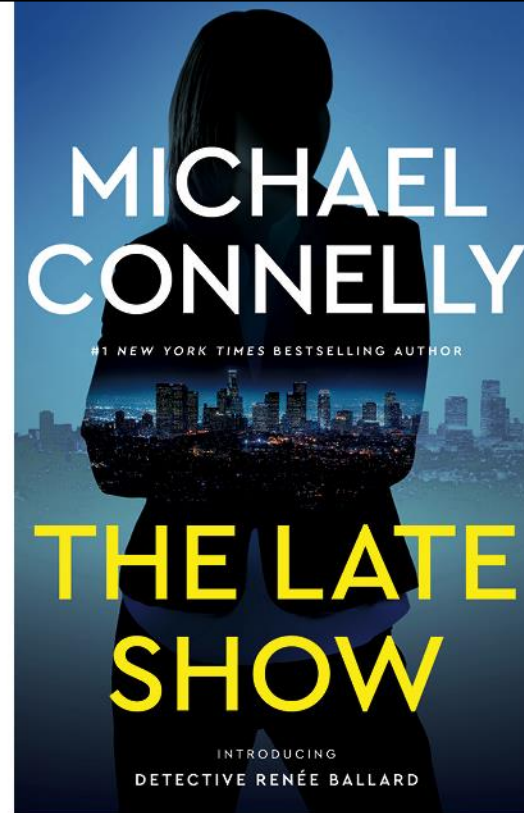
- Ordinary dividend stable over the long term (€ per share)
- Large payouts to shareholders following the one-off sales of non-strategic shareholdings.
- Attractive ordinary dividend yield given the current low interest rate environment.

*Alternative Performance Measure (APM) – See Definitions on slides 59 and 60.

**On a pro forma basis (as per credit facility covenant), i.e., taking into account 12 months' recurring EBITDA for Paradies.

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GROUP STRATEGY



1

A simpler, more ambitious and more focused business profile

2

A new and more efficient financial profile

- A Group structured around two priority pillars, to ensure each one is given all the necessary resources to dominate their sectors:

Power engine

Lagardère
PUBLISHING

Growth engine

Lagardère
TRAVEL RETAIL

Aim: to change the size and scale of the two pillars.

- ▶ Selling assets which no longer benefit from the strategic support of the Group for their development.
- ▶ Reinvesting the proceeds from the disposals in the two pillars.

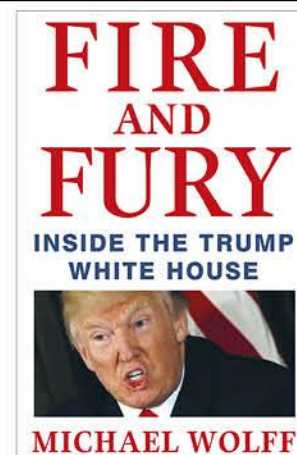
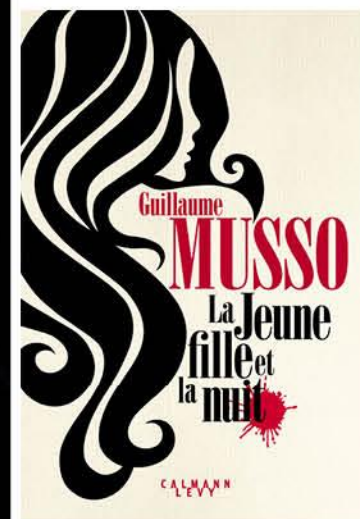
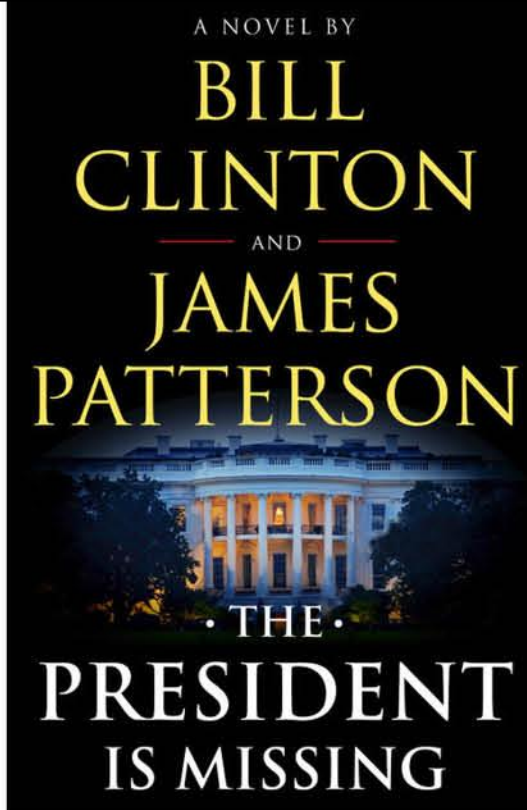
Thanks to the new business profile:

- stronger potential for synergies (both costs and business);
- maximized cash conversion;
- lower restructuring linked to declining activities.



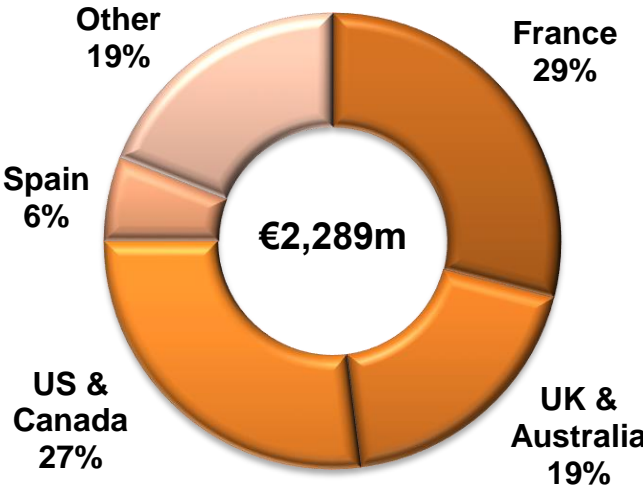
- ▶ **Structurally improved profitability and cash generation to finance the growth of our businesses.**
- ▶ **Group fundamentals maintained with regard to prudent financial policy.**

Lagardère
PUBLISHING

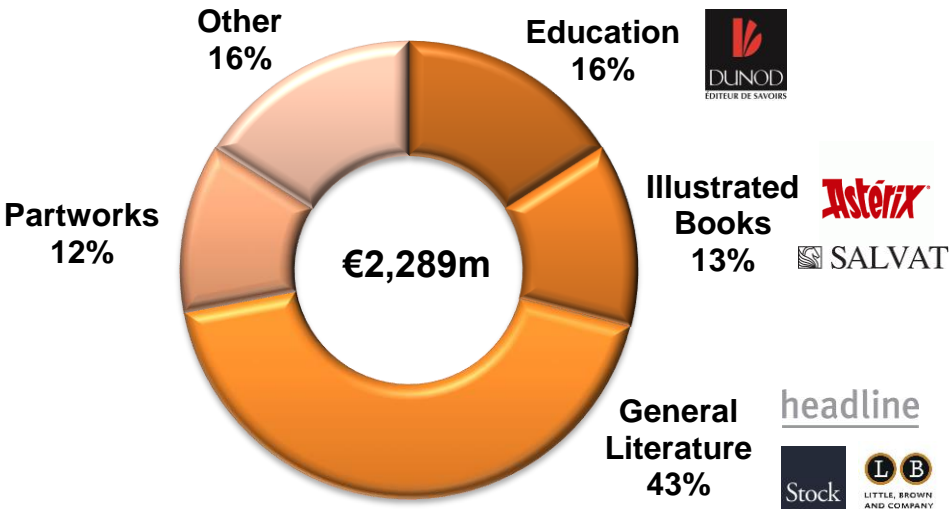


SUCCESSFUL PORTFOLIO OF PUBLISHING BUSINESSES WITH SOLID LEADING POSITIONS IN CORE MARKETS

2017 revenue by geographic area

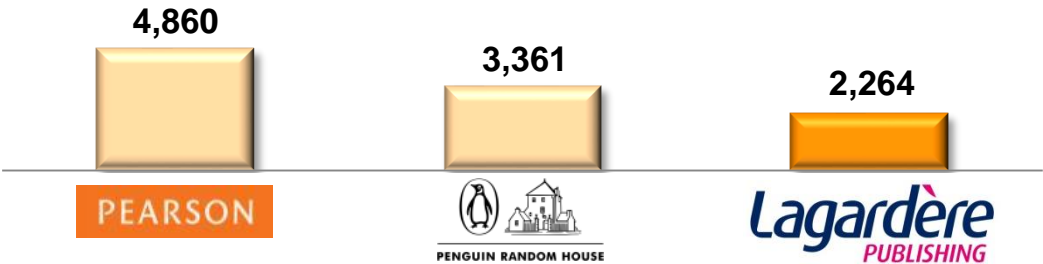


2017 revenue by activity



Top 3 Consumer book publishers worldwide

Based on 2016 pro-forma turnover (€m)
(Consumer: Trade & Education including Higher Education)



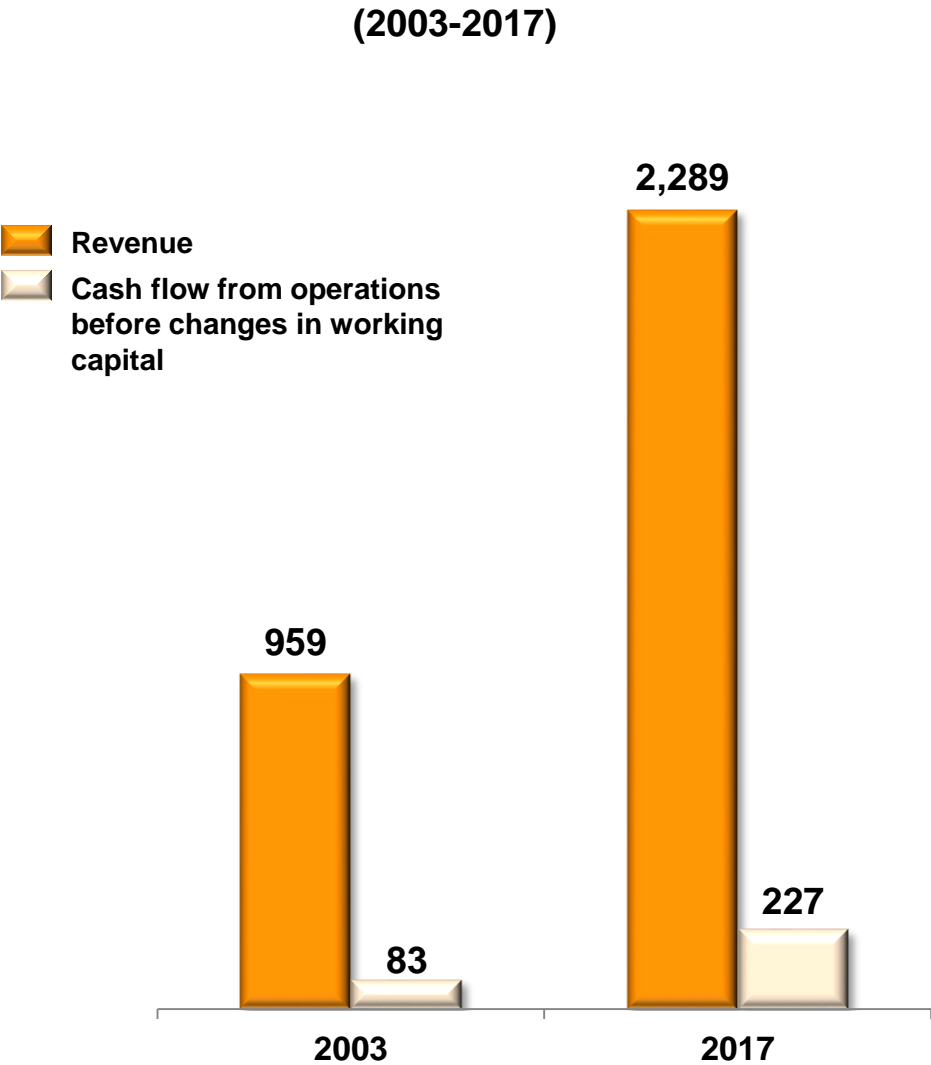
Ranking in core markets*



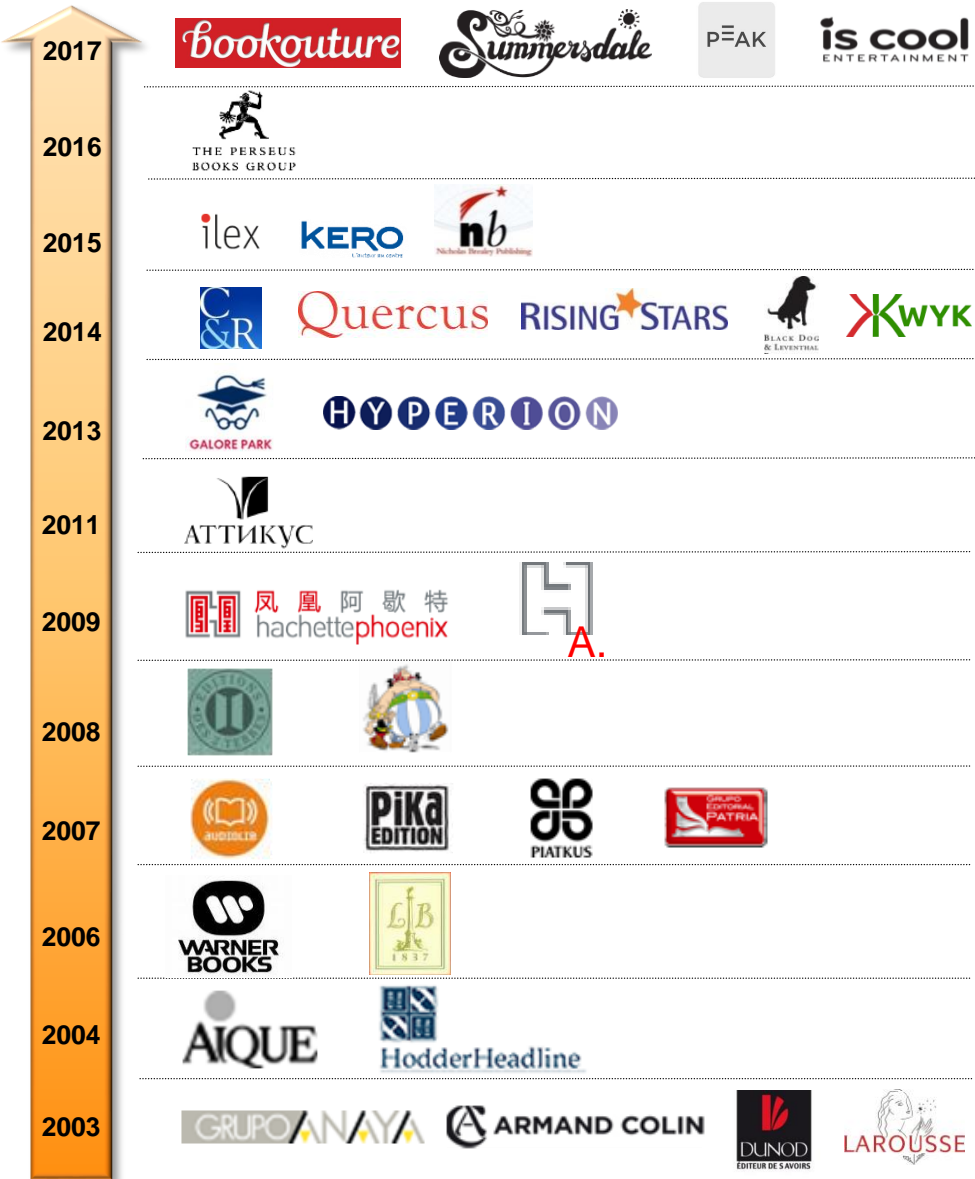
*Consumer (trading and education).
Based on 2016 average exchange rates. Revenues from STM, professional markets and other activities than book publishing have been excluded when it could be isolated.
Sources: Annual reports, Internal estimates, Ipsos, Nielsen Bookscan.

GROWTH FUELLED BY ACQUISITION AND INTERNATIONAL DEVELOPMENT

Revenue evolution (€m) and cash flow from operations before changes in working capital



Growth fuelled by acquisitions (2003-2017)



E-books

E-books contribution to Lagardère Publishing's overall revenue: 7.9% in 2017.

E-publishing

Reinforcing leadership: Bookouture / acquisition of Britain's leading independent e-publisher.



Mobile apps

Exploring new opportunities: UK mobile gaming startups acquisitions for cross-fertilization with all imprints (Neon Play / Brainbow - Peak).



E-education

Spearheading new educational practices: from the digital multi-support version of a textbook to enhanced classroom content including game-changing self-assessment, solutions: acquisition of Rising Stars.

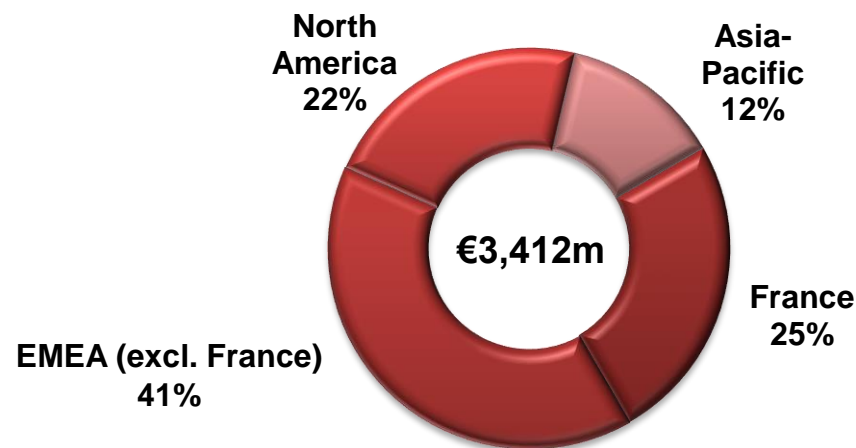


Lagardère
TRAVEL RETAIL



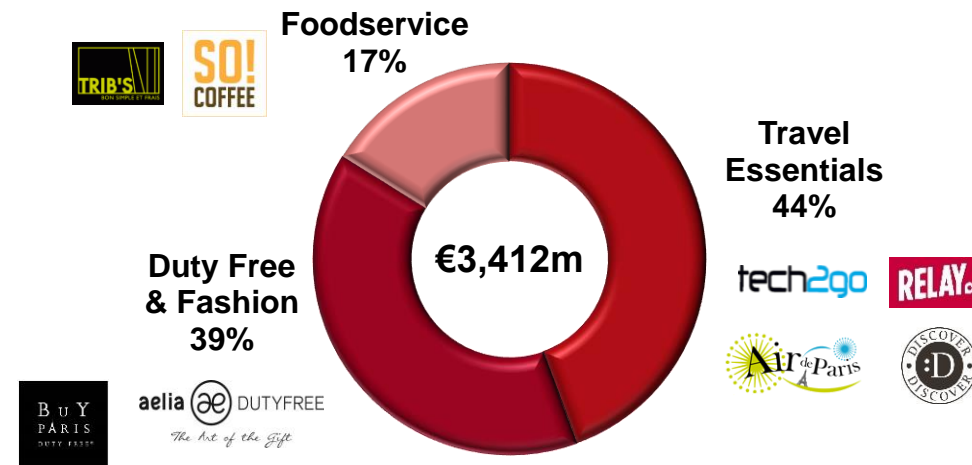
HIGH GROWTH BUSINESS WITH LEADING POSITIONS IN ITS 3 SEGMENTS

2017 revenue* by geographic area



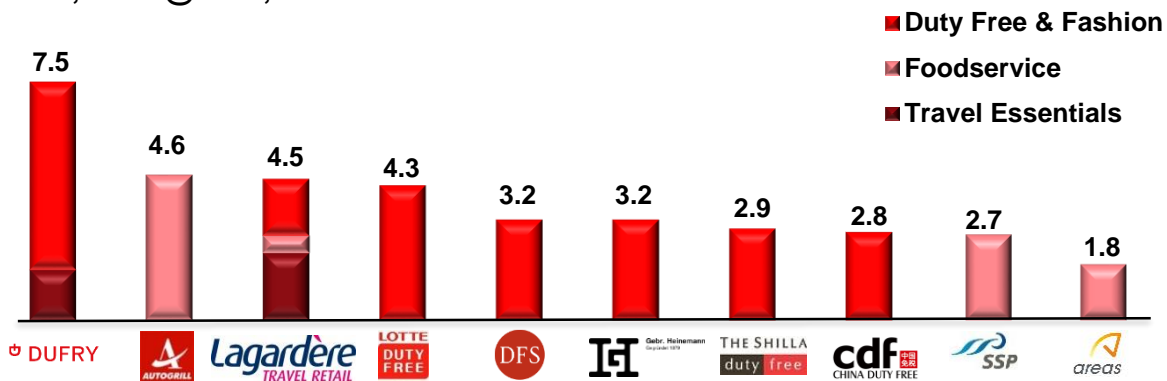
*IFRS revenue, excluding Distribution.

2017 revenue by activity



Top 10 Travel Retail operators worldwide

€bn, sales @100%, 2017



Ranking in core markets

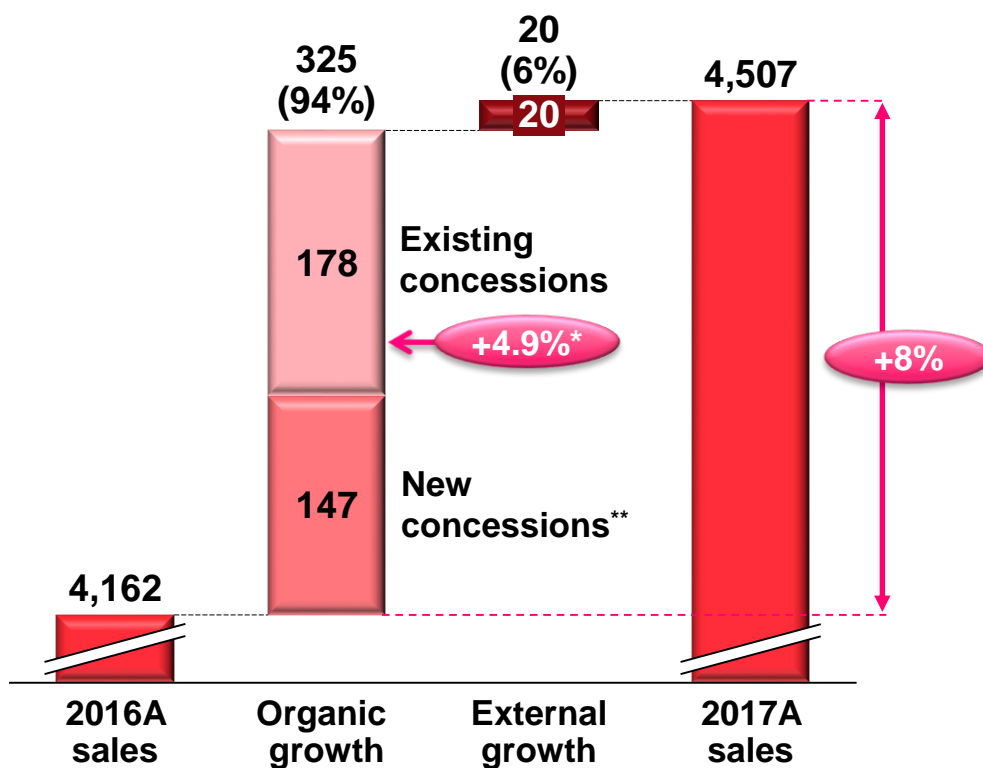


DIVERSIFIED GROWTH PATHS

» A strong development mainly driven by organic growth

Bridge sales growth

(€m at constant exchange rates, revenue @100%, 2016-2017)



*On a like-for-like basis.

**Net of contracts terminated over the period.

» Organic Growth

Gain of new concessions

- August 2018** • The Netherlands: Foodservice on national railway
- Late 2017** • Shanghai, Beijing, Wuhan: Duty Free & Fashion, Foodservice
- September 2017** • Dakar: Duty Free and Travel Essentials
- May 2017** • Hong Kong: Liquor & Tobacco (with China Duty Free Group)
- March 2017** • Geneva: Duty Free
- End 2016** • Riyadh, Dammam, Jeddah: Duty Free
- November 2016** • Poland: master concession won at Gdansk airport
- December 2015** • Abu Dhabi: Duty Free & Foodservice

Expansion of existing concessions

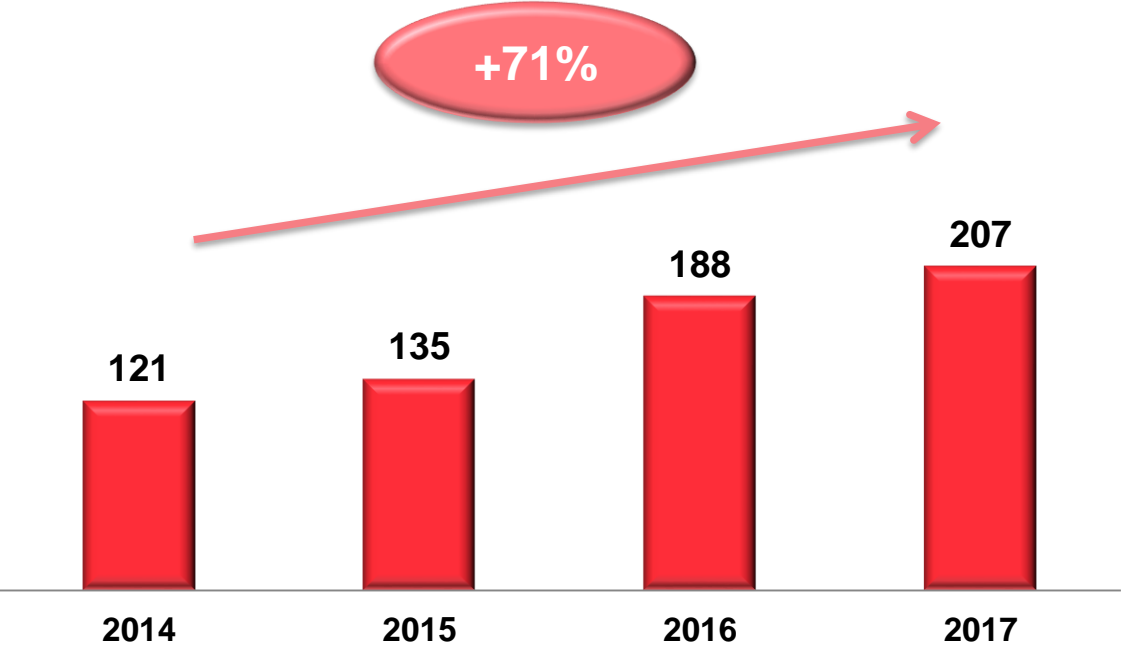
- Late 2017** • Auckland: opening of a new Duty Free store
- February 2017** • Prague: Take-over of 9 additional Duty Free stores
- December 2016** • Rome: Foodservice & Duty Free in Avancorpo Terminal
- September 2015** • Nice: opening of new T1 with an innovative food concept

» External Growth

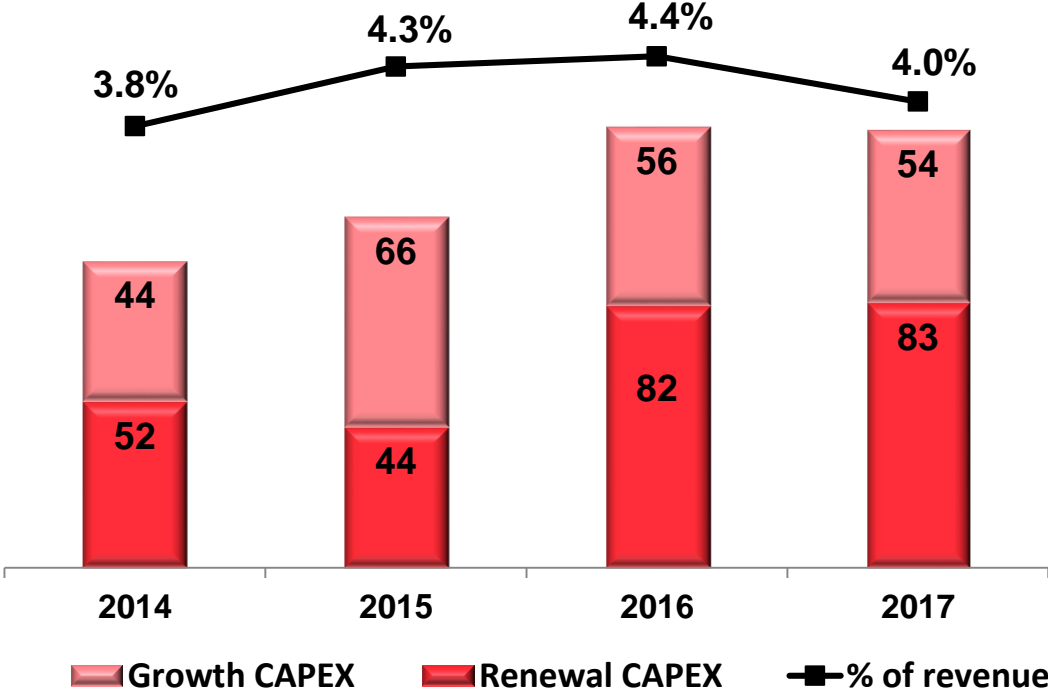
- August 2018** • North America: agreement for the acquisition of Hojeij Branded Foods (expected closing in Q4 2018)
- June 2017** • Poland: acquisition of Inflight Service activities
- October 2015** • North America: acquisition of Paradies (present in more than 76 airports)

IMPROVEMENT OF CASH GENERATION BACKED BY A RESILIENT BUSINESS MODEL

Travel Retail Cash Flow from Operations*



Breakdown of Capex**



*Travel Retail perimeter only (excluding Distribution) – Cash Flow from Operations before changes in working capital.

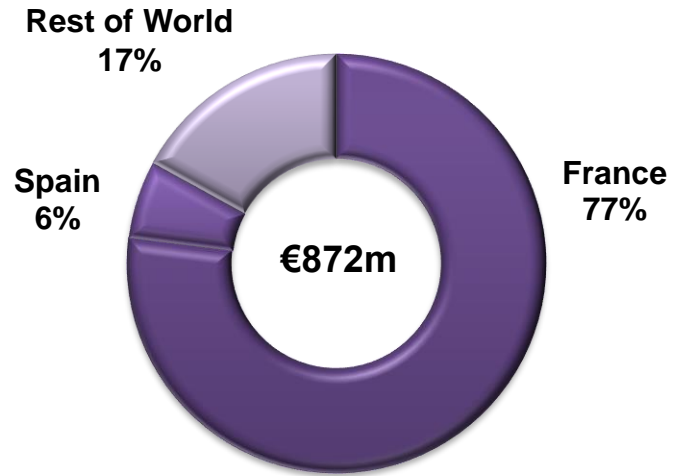
**Capex Travel Retail, excluding Distribution.

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ACTIVE

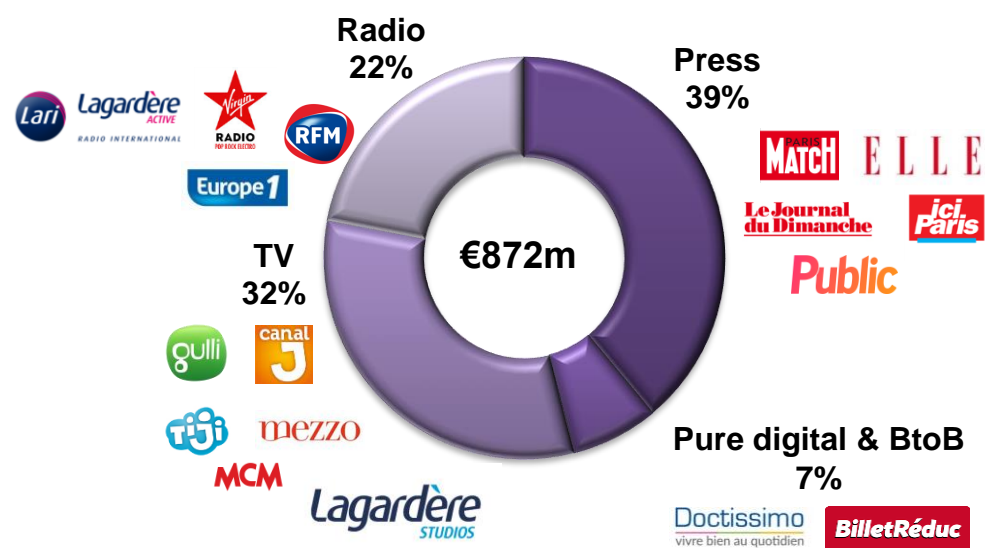


A DIVERSIFIED BUSINESS MIX WITH SOLID LEADING POSITIONS

2017 revenue by geographic area



2017 revenue by activity



Peers

Radio + TV + Internet



Sound market positions



Magazine publisher
in France



Scripted TV production
in France



Internet
in France



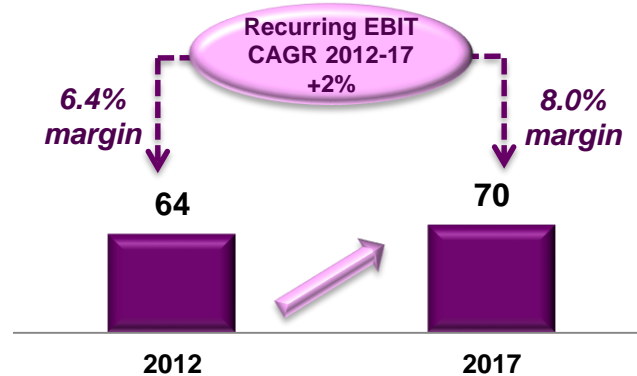
Youth and family
TV channels
in France



SUSTAIN PROFITABILITY AND DEVELOP PROMISING GROWTH DRIVERS

Secure a profitable development

- Employment protection plan in 2013.
- Voluntary redundancy plan in 2016.



Reinforce audiovisual activity

Acquisition of Grupo Boomerang TV in Spain

Acquisition of Aito Media Group in Finland

Acquisition of Skyhigh TV in the Netherlands

International development

- Keewu in Senegal
- Diffa*
- Vibe Radio in Abidjan
- LVMG in Cambodia
- Gulli Bil Arabi in 18 countries



Focus on the strongest print media brands and diversify their sources of revenue



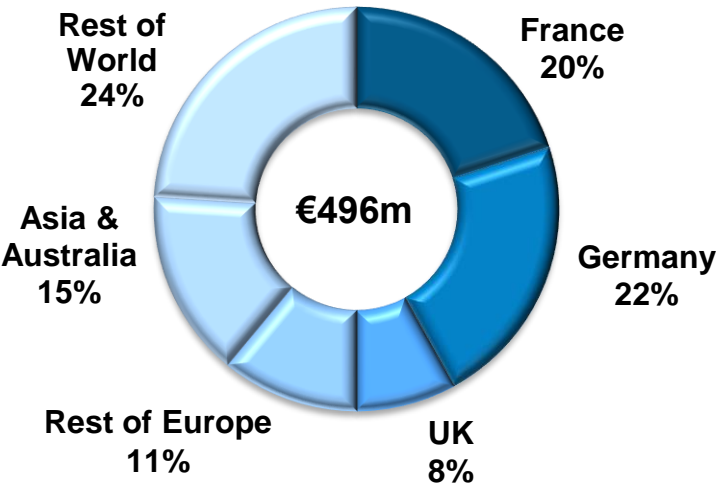
Lagardère

SPORTS AND
ENTERTAINMENT

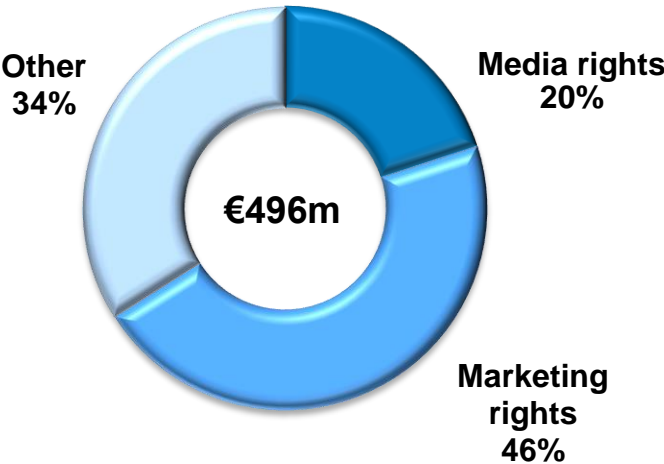


A GLOBAL NETWORK COMBINING INTERNATIONAL EXPERTISE WITH LOCAL MARKET KNOWLEDGE

2017 revenue by geographic area



2017 revenue by activity



Competitive Landscape



Leading Positions

#1
In football
in Africa, Asia
and Europe

#1
In sponsorship
and media rights
globally

#1
In golf talent
management

A SUCCESSFUL RECOVERY PLAN TO PREPARE FOR GROWTH



PRESERVING LONG TERM PARTNERSHIPS

Long-term partnerships

22 YEARS of continuous partnership with **CAF**
> Contract until 2028



21 YEARS of continuous partnership with **AFC**
> Contract until 2020



Tailored partnerships

70 EUROPEAN FOOTBALL & RUGBY CLUBS



STRENGTHENING CORE SALES ACTIVITIES

- Consolidate and expand comprehensive business on existing territories in Football Europe – including new services (Virtual Advertising etc.)

- Focus on AFC & CAF next cycles



- Leverage our Media and Sponsorship sales network to create value for rights holders

- Develop our Olympic Games and major events business through long term partnerships



DEVELOPING BRAND CONSULTING AND DIGITAL SERVICES

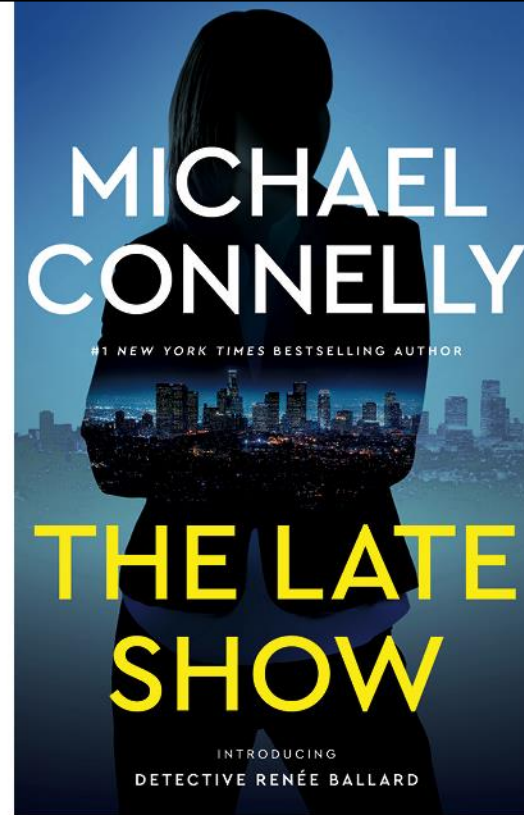
- Launch of Lagardère Plus, a global agency with a mission to transform traditional brand sponsorships into highly inventive and impactful marketing platforms:

- partnership exploratory and strategy;
- comprehensive digital strategies;
- production & management of digital content;
- mobile and tablet apps for rights-holders;
- social apps & activations for rights-holders and brands;
- data analysis.



Lagardère

**GROUP
PERFORMANCE
IN H1 2018**



- Solid performance from Travel Retail
- Sustained business levels across the other divisions
- Solid financial position with Free cash flow improving substantially

(€m)	H1 2017*	H1 2018
Revenue	3,308	3,366
Group recurring EBIT**	132	132
<i>Group operating margin**</i>	<i>4.0%</i>	<i>3.9%</i>
Profit – Group share	27	119
Adjusted profit – Group share**	58	60
Free cash flow**	(67)	149
Net debt** at end of period***	(1,368)	(1,453)

+1.8% consolidated
+4.4% like-for-like*

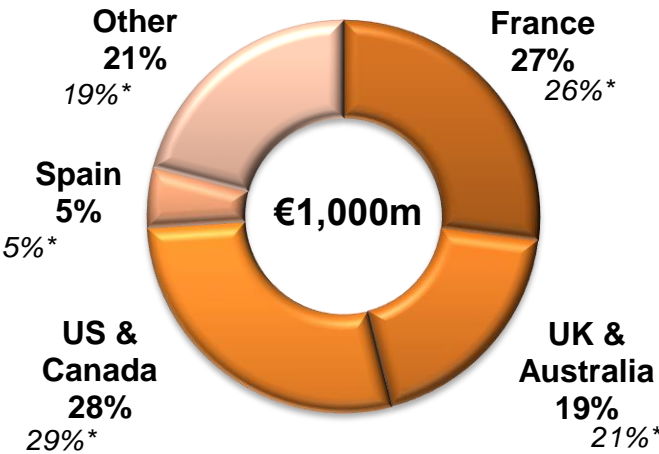
Leverage ratio
improvement to 2.3x
(vs 2.6x at 30 June 2018)

*Restated for IFRS 15 under the retrospective method.

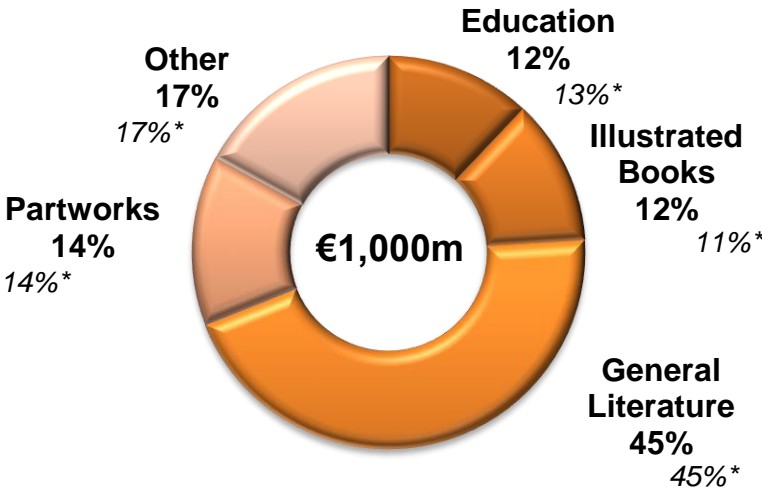
**Alternative Performance Indicator (API) – See Glossary on slides 59/60.

***Net debt as of 31 December 2017.

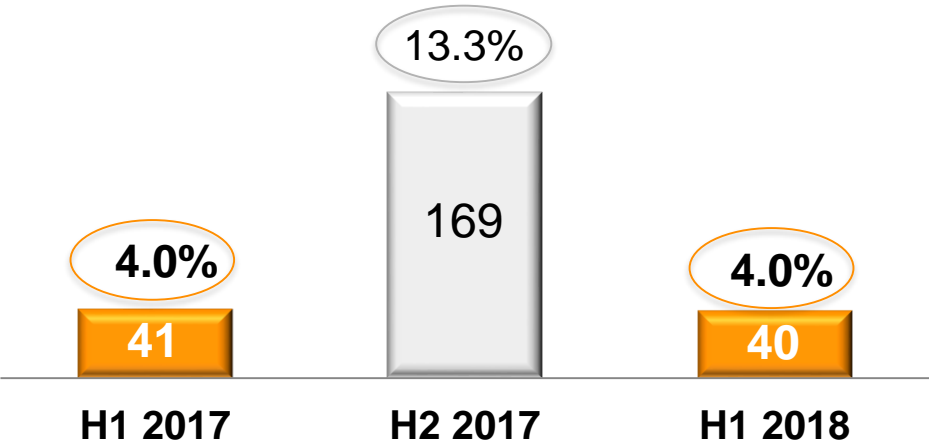
H1 2018 revenue by geographic area



H1 2018 revenue by activity

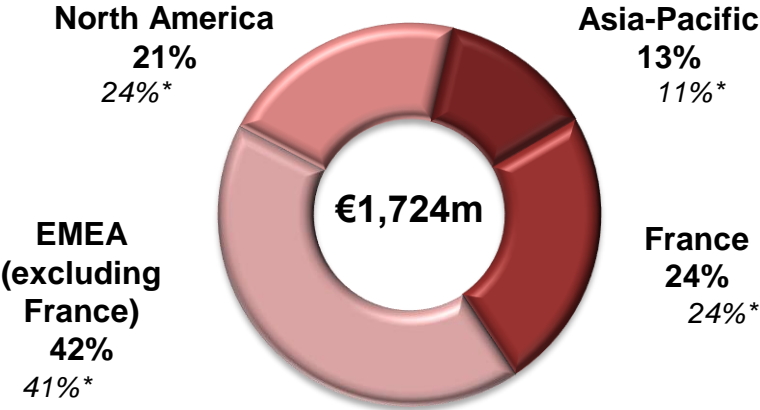


Change in recurring EBIT (€m) and operating margin (%)

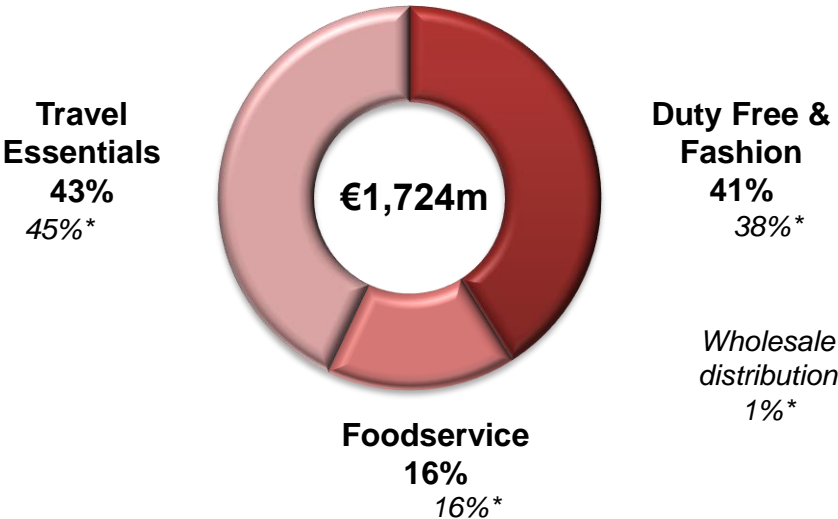


*% of revenue in H1 2017.

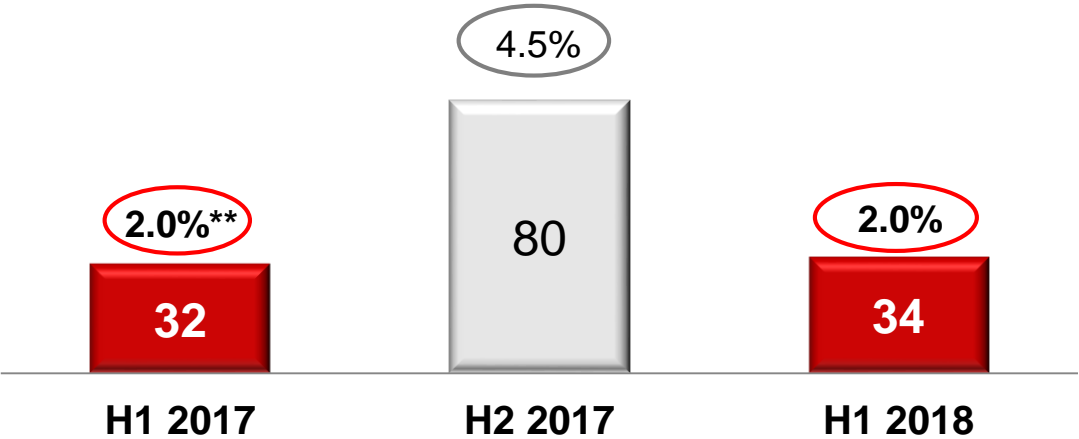
H1 2018 revenue by geographic area



H1 2018 revenue by activity



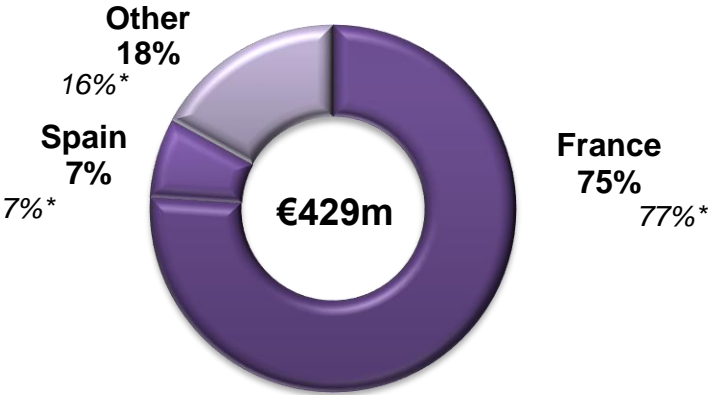
Change in recurring EBIT (€m) and operating margin (%)



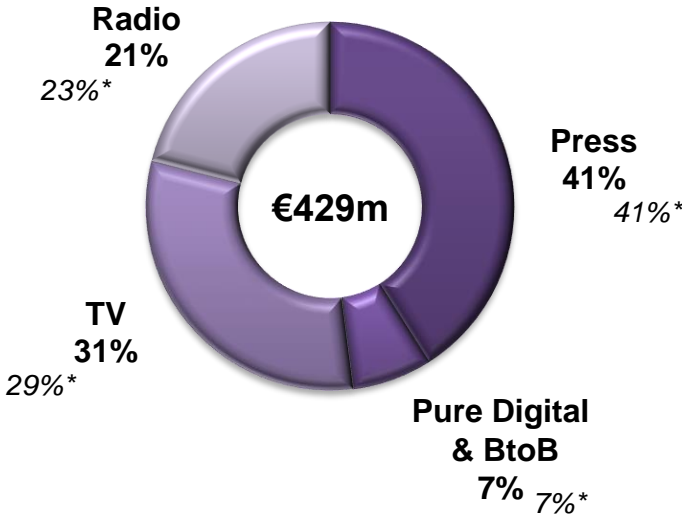
*% of revenue in H1 2017.

**Travel Retail only (excluding Distribution contribution).

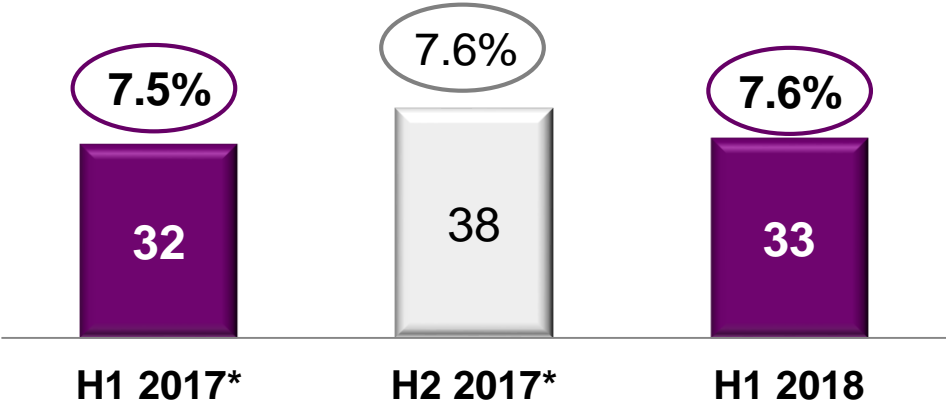
H1 2018 revenue by geographic area



H1 2018 revenue by activity

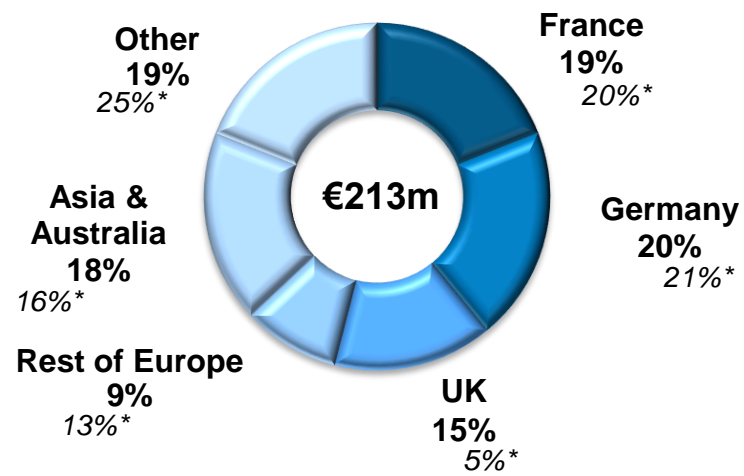


Change in recurring EBIT (€m) and operating margin (%)

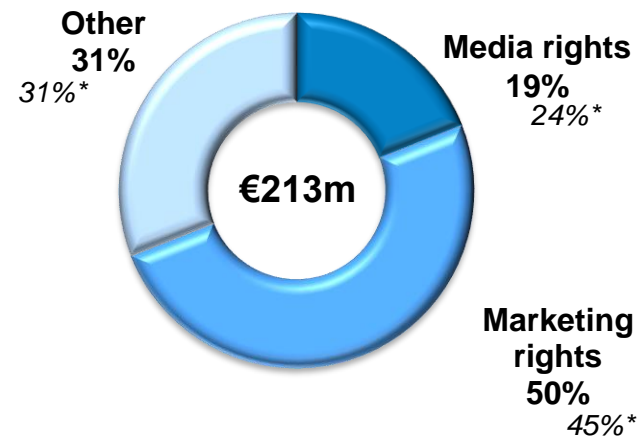


*% of revenue in H1 2017 restated for IFRS 15 under the retrospective method.

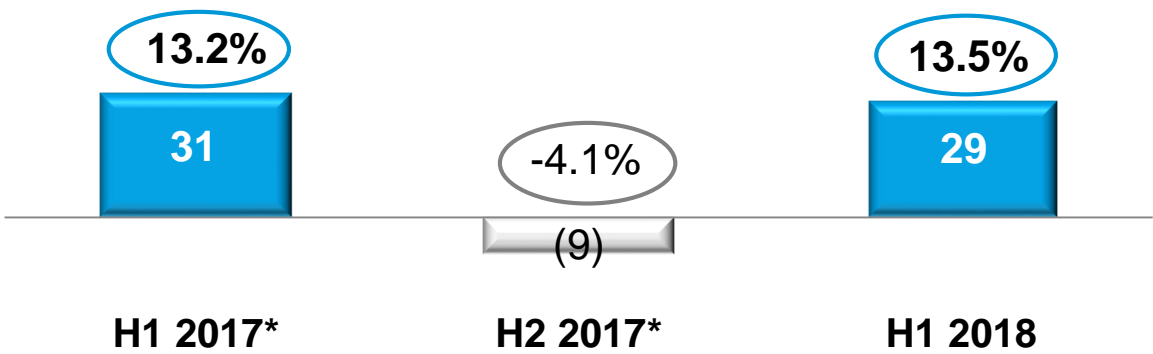
H1 2018 revenue by geographic area



H1 2018 revenue by activity



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



*% of revenue in H1 2017 restated for IFRS 15 under the retrospective method.

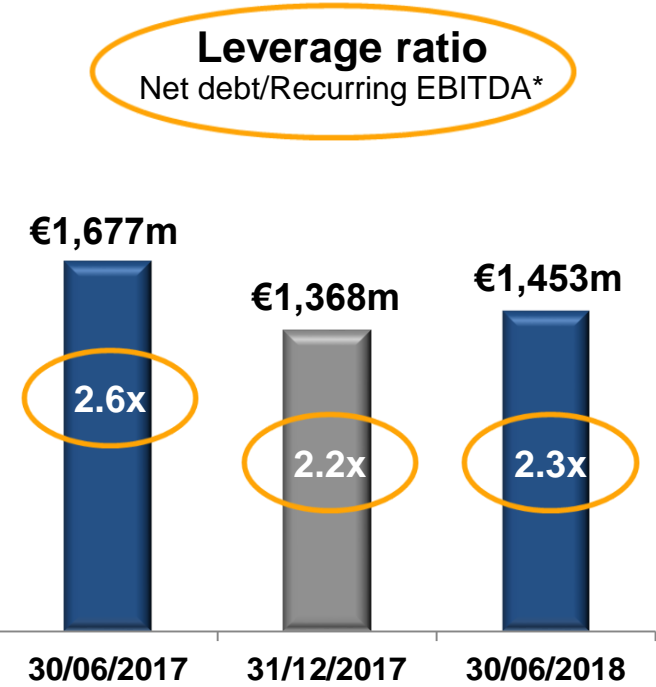
CONSOLIDATED STATEMENT OF CASH FLOWS

(€m)	H1 2017*	H1 2018	
Cash flow from operations before changes in working capital	181	189	← Up 4.4%
Changes in working capital	(222)	(112)	← Substantial improvement attributable to optimisation drive at Lagardère Travel Retail and decrease in trade receivables at Lagardère Publishing
Income taxes paid	(50)	(11)	
Net cash from (used in) operating activities	(91)	66	
<i>Purchase of property, plant & equipment and intangible assets</i>	(125)	(119)	← Sustained strong level of investment including growth capex at Travel Retail
<i>Disposals of property, plant & equipment and intangible assets</i>	149	202	
Free cash flow	(67)	149	← Includes cash impact of real estate disposals of +€193m vs. +€143m in H1 2017**
<i>Purchase of investments</i>	(37)	(18)	
<i>Disposals of investments</i>	3	23	
Net cash from (used in) operating & investing activities	(101)	154	
<i>Dividend paid and other</i>	(161)	(206)	
<i>Interest paid</i>	(26)	(32)	
Change in net debt	(288)	(85)	

*Restated for IFRS 15 under the retrospective method.

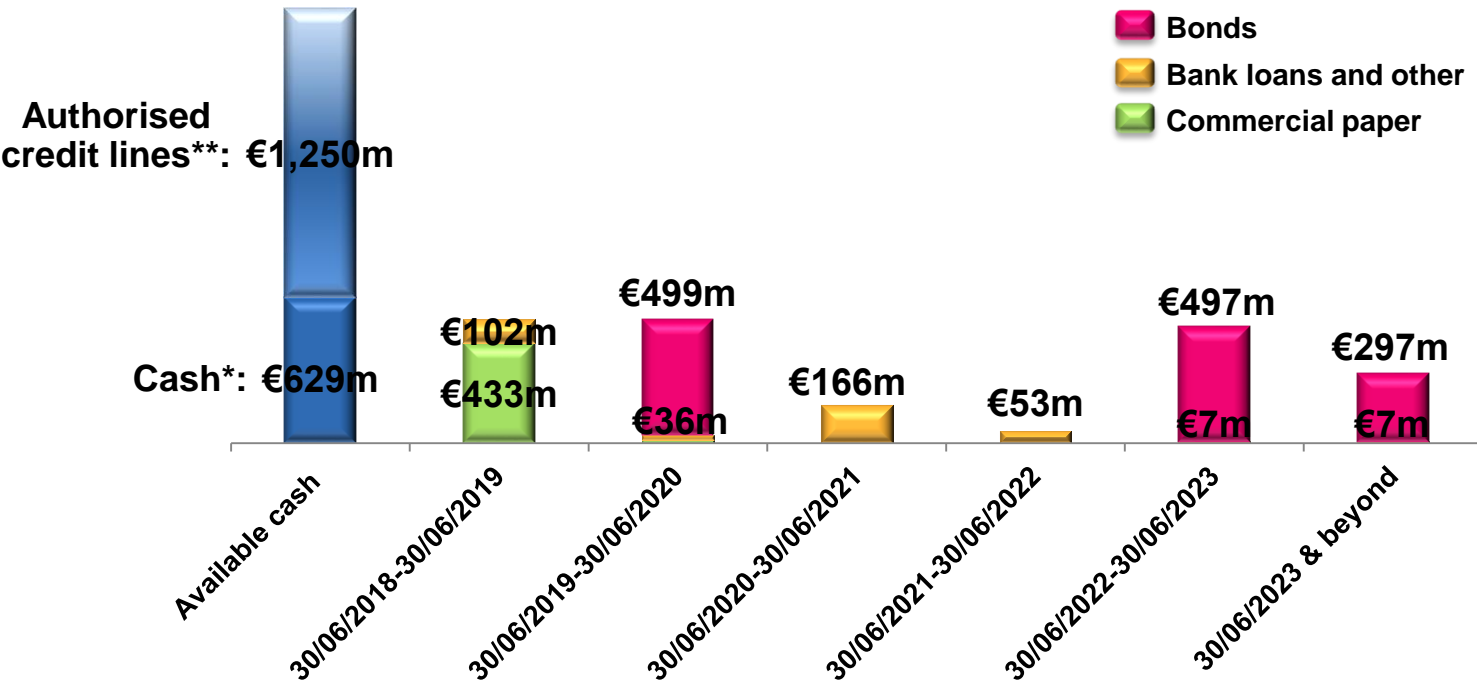
**Cash impact net of tax and relocation capex.

- Delivering a leverage ratio close to 2.3x thanks to a tight rein on debt due to favourable H1 cash flow generation.



*Alternative Performance Indicator (API) – See Glossary on slide 60.

- Strong liquidity maintained.
- Next €500m bond maturity not until September 2019.

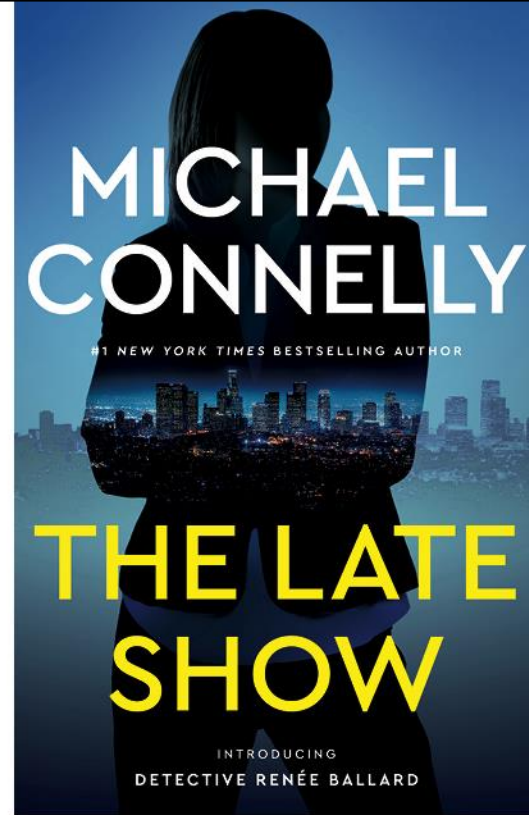


*Short-term investments and cash.

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

Lagardère

GUIDANCE

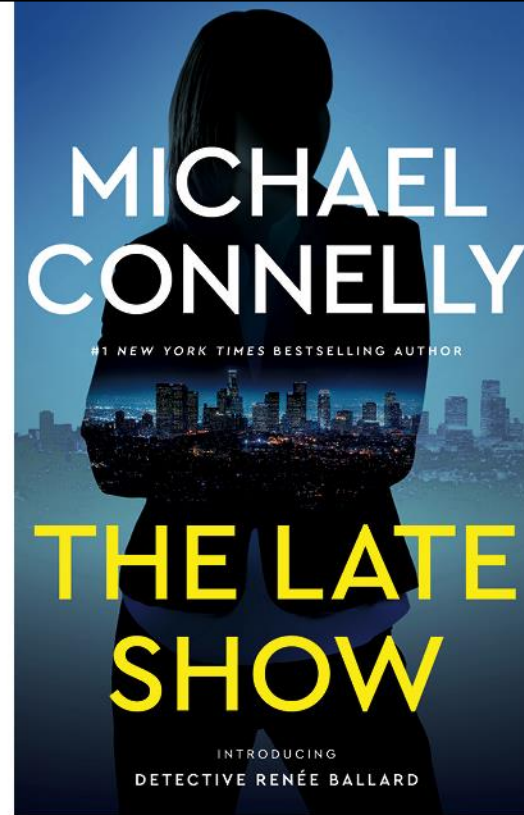


The Lagardère group is raising the 2018 recurring EBIT target announced last March.

Group recurring EBIT growth in 2018 is now expected to be between 1% and 3% versus 2017, restated for IFRS 15, at constant exchange rates and excluding the impact of disposals at Lagardère Active.

Lagardère

**APPENDIX:
BUSINESS UPDATES**



1

A strategy to drive growth and improve profitability and cash generation, while maintaining a long-term vision.

2

Choice and objective of the timing of disposals and reinvestments.

3

Reinvestments broadly accretive in terms of recurring EBIT, cash generation and acquisition multiples.

4

Launched in June 2017, our transformation has resulted in disposals in progress and a strategic acquisition for Lagardère Travel Retail in North America, with the Group exploring other avenues for reinvestment.

EXPANSION OF NON-FICTION AND BACKLIST PUBLISHING PROGRAMS

- Date of creation: 1996
- Date of acquisition: 1st April 2016
- 2015 revenue: ≈ €90m
- Activities: Non-fiction / Backlist publishing programs
- 9 imprints: Avalon Books, Basic Books, DACapo Press, Public Affairs, Running Press, etc.
- Market Positioning: Major general trade publisher in the United States
- Markets: United States + United Kingdom
- Synergies: The synergies for us will come to finding our own way out of the global Perseus infrastructure and running the business through our own infrastructure, which will take about 18 months.



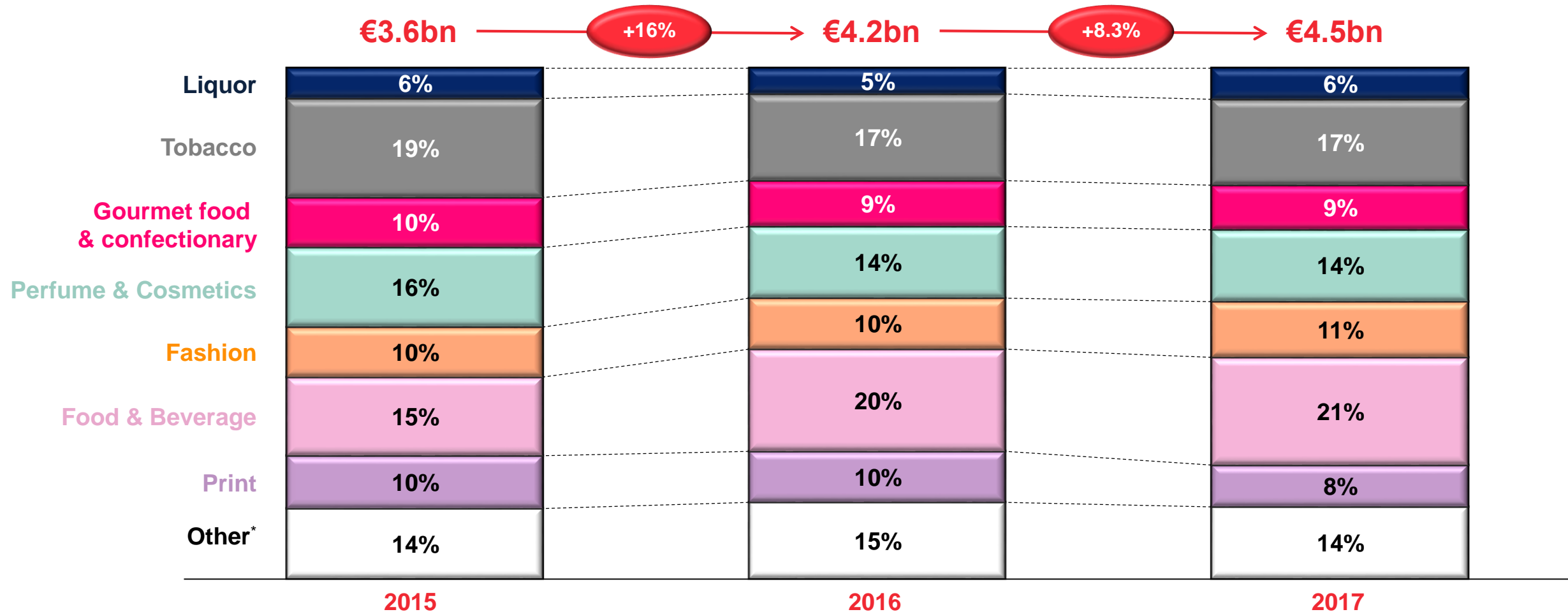
THE PERSEUS
BOOKS GROUP



TRAVEL RETAIL ORGANIC GROWTH DRIVERS

➤ A favourable product mix evolution

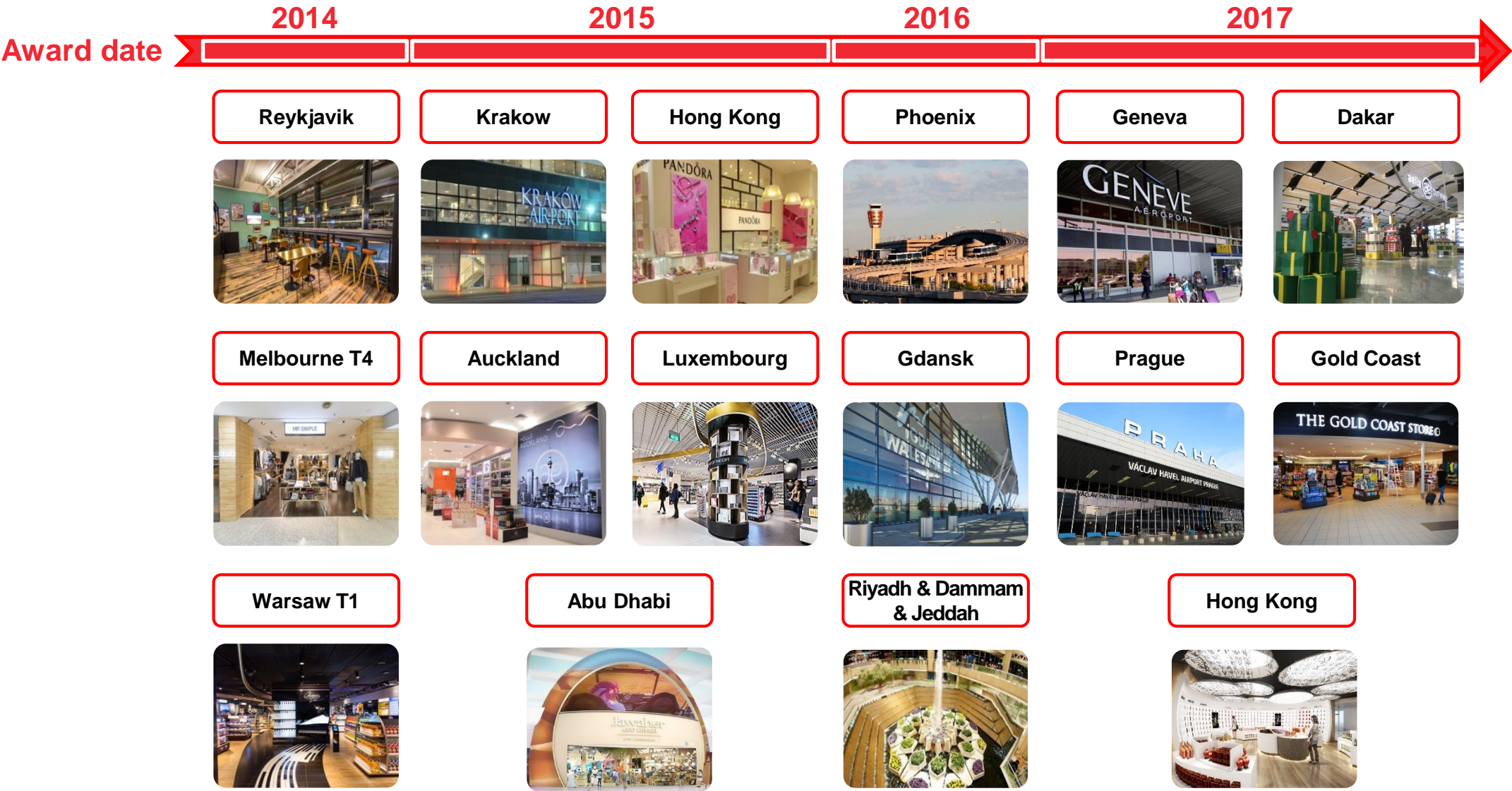
(in €m, revenue@100% 2015-2017)



*Other mainly includes: travel accessories, gifts & souvenirs and convenience products (phone cards, lottery, etc.).

GROWTH HAS BEEN DRIVEN BY THE AWARD OF MAJOR TENDER OFFERS IN ALL THREE BUSINESSES...

Focus on major airport tender offers won since 2014



... AND BY SELECTIVE M&A OPERATIONS

Focus on M&A operations performed from 2014 to 2018

Gerzon

- Closed in **January 2014**
- 12 PoS in **Schiphol airport**
- Operations in **Fashion**
- Annual sales: **€55m**



Airest

- Closed in **April 2014**
- 200 PoS in **11 countries**
- Operations mainly in **Foodservice**
- Annual sales: **€200m**



Saveria

- Closed in **April 2015**
- 17 PoS located at **JFK T4**
- Operations in **Fashion & Conf.**
- Annual sales: **€20m**



Coffee Fellows

- Closed in **January 2014**
- 18 PoS in **German train stations**
- Operations in **Foodservice**
- Annual sales: **€10m**



Paradies

- Closed in **October 2015**
- 520 PoS located in **75 airports**
- Operations in the **3 businesses**
- Annual sales: **€480m**



Hojeij Branded Foods

- Signed in **August 2018**
- 124 PoS in **38 airports**
- Operations in **Foodservice**
- Annual sales: **\$225m**



Inflight Service activities in Poland and Northern Ferries

- Closed in **June 2017**
- 9 PoS in **airports and seaport**
- Operations in **Duty Free**
- Annual sales: **€20m**



PARADIES LAGARDÈRE: CREATING A REGIONAL LEADER

Overview of Paradies Lagardère

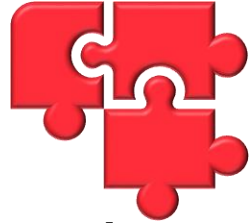
Paradies Lagardère 2017 key figures

#3
in North
America

98
airports

6,000
employees

\$852m
revenue



A new entity managed
by an experienced
leadership team



A unique and
complementary North
American footprint

Paradies Lagardère
TRAVEL RETAIL



A brand portfolio tailor
made for the North
American market



A strong and
long-lasting relationship
with landlords

ACQUISITION OF HOJEIJ BRANDED FOODS: REINFORCING LAGARDÈRE TRAVEL RETAIL IN NORTH AMERICA AND IN FOODSERVICE GLOBALLY (1/3)

HBF 2017 key figures

124
restaurants
across
38
airports

40+
brand
relationships
and
proprietary
concepts

\$225m
revenue¹

Profile of HBF

Leading airport
Foodservice travel
retail operator in
North America

Recognised operational
excellence with leading
proprietary and partner
brands

Successful acquisition
in 2017 of Vino Volo,
#1 airport wine bar
chain in the US and
Canada

Transaction overview

Transaction summary

- Acquisition of 100% of Hojeij Branded Foods (HBF)
- Purchase price: \$330 million²

EBITDA, synergies and implied multiple

- Attractive synergy potential with run rate of circa \$10 million per annum the fourth year following the acquisition
- Transaction EBITDA multiple (on a valuation gross of partners share) of seven times estimated 2018 Pro Forma EBITDA³ including run rate synergies

Expected closing and conditions

- Q4 2018 (completion subject to antitrust clearance and third party consents)

¹Including 12 months revenue of Vino Volo, acquired in July 2017.

²Based on debt and cash free valuation, net of partners share in operating JVs (ACDBE programmes) estimated to be 16% over the period of the business plan.

³Pro Forma EBITDA is defined as Reported EBITDA adjusted for the run-rate performance of shops opening and closing in 2018 as well as the USD 10 million run-rate impact of recurring synergies.

ACQUISITION OF HOJEIJ BRANDED FOODS: REINFORCING LAGARDÈRE TRAVEL RETAIL IN NORTH AMERICA AND IN FOODSERVICE GLOBALLY (2/3)

Strategic rationale

An attractive travel foodservice market in North America

- A large travel foodservice market (50% of total North American travel retail market) supported by **sound drivers and significant potential for growth** thanks to:
 - ✓ Solid traffic forecasts
 - ✓ Very dynamic segment with growing demand from travelers and landlords' awareness

Reinforcing Lagardère Travel Retail in North America

- Combining the activities of Paradies Lagardère and HBF **creates the third-largest operator in the North American airport travel retail and restaurant industry.**
- With **operations in more than 110 airports**, the combination of HBF and Paradies Lagardère would generate an **overall annual sales in excess of \$1.1 billion**, with circa \$350 million in food and beverage sales.
- Both Lagardère Travel Retail and HBF are Atlanta-based and have a **strong cultural fit and high quality oriented business models**
- **A very strong and experienced management team**

ACQUISITION OF HOJEIJ BRANDED FOODS: REINFORCING LAGARDÈRE TRAVEL RETAIL IN NORTH AMERICA AND IN FOODSERVICE GLOBALLY (3/3)

Expected synergies

Sales uplift synergies

- Roll-out of HBF concepts/brands, well positioned for specific consumer needs
- Improved menu tailoring and customer targeting
- Operational know-how and excellence in execution

COGS¹ synergies

- Alignment of purchasing conditions to the extent possible on food products as well as on beverages
- Consolidation of volumes between Paradies Lagardère and HBF, which will improve bargaining power with vendors
- Better costs of goods management

G&A² & other synergies

- Creation of a dedicated Foodservice business unit, which will improve efficiencies
- Consolidation and rationalisation of central functions and costs
- Convergence towards a dedicated and business-oriented IT system

Total quantified synergies

\$10 millions³ run rate

Full potential of recurring synergies to be reached in 2021

¹Cost Of Goods Sold.

²General and administrative.

³Pre tax.

Overview of Abu Dhabi contract awarded



Key figures

- **10-year contract** on core duty free categories, confectionery and fine foods
- **13 PoS** over **3,000 sq.m.**
- 10-year estimated cumulated revenue: **€2.1bn**
- **7** Food and Beverage contracts awarded in April 2016

Abu Dhabi Capital Group | أبو ظبي كابيتال جروب

Lagardère
TRAVEL RETAIL

50/50 joint venture created to bid and run operations



Multi-category shops



Le Club iconic shop

KEY FEATURES AND RATIOS OF TENDER OFFERS IN THE AIRPORT TRAVEL RETAIL ENVIRONMENT

✓ **Contracts are awarded through tender offer processes where travel retail operators answer RFPs on “packages” depending on the retail space location and / or the product line targeted**

<div>Business line</div> <div>Main ratios¹</div>		Duty Free & Fashion	Travel Essentials	Foodservice
Surface (sq.m.)		500 – 10,000	30 – 200	50 – 300
Capex (€/sq.m.)		3,000 – 5,000 (incl. brand contrib.)	1,000 – 3,000	2,000 – 5,000 (incl. kitchen)
Length (years)		5 – 10	5 – 7	7 – 10
Rent (% of sales)		15 – 40	8 – 30	10 – 35
		Most of the time supported by a Minimum Guaranteed ²		
Exclusivity		Rare (de facto in some cases)		

¹Ratios 90% within standard deviation from the mean.
²MG could be fixed, indexed on traffic and/or inflation, monthly or annual.
Source: Lagardère Travel Retail estimates.

THE BRAND FOR WOMEN

BRAND

1st UPSCALE WOMEN'S BRAND
11,313,000 consumers of which 8,451,000 are women

1st PREMIUM WOMEN'S BRAND
2,976,000 consumers of which 1,920,000 are women

PRESS

THE NEWS, FASHION & BEAUTY
MULTIGENERATIONAL WOMEN'S WEEKLY
329,932 copies

1st UPSCALE WOMEN'S WEEKLY
2,074,000 readers
of which 1,735,000 are women

1st PREMIUM WOMEN'S MAGAZINE
556,000 readers
of which 438,000 are women

AROUND THE WORLD

1st FASHION MEDIA BRAND IN THE WORLD
21 million readers
46 print editions and 44 websites

AWARDS AND EVENTS

IN TUNE WITH WHAT WOMEN WANT
ELLE international beauty awards
ELLE fashion solidarity – ELLE readers' grand prize – ELLE cinema's grand prize – ELLE Active – ELLE & women – ELLE run – ELLE zen

INTERNET

1st UPSCALE WOMEN'S PRESS WEBSITE
2,561,000 UV

MOBILE

WOMEN'S NEWS JUST A CLICK AWAY
ELLE Emojis Application
ELLE Podcasts available for download on iTunes

1st of the CU on the MOBILE
2,071,000 UV (website+app)

TV

ELLE GIRL
#FashionBeauty
#Entertainment
#SocietyDiscovery
#Events
Available in Canal packages

COMMUNITY

Facebook 1.5M fans
Twitter 1.7M followers
Pinterest 934K subscribers
Instagram 273K subscribers
Google + 172K subscribers
Beauty Gang 10,000 subscribers

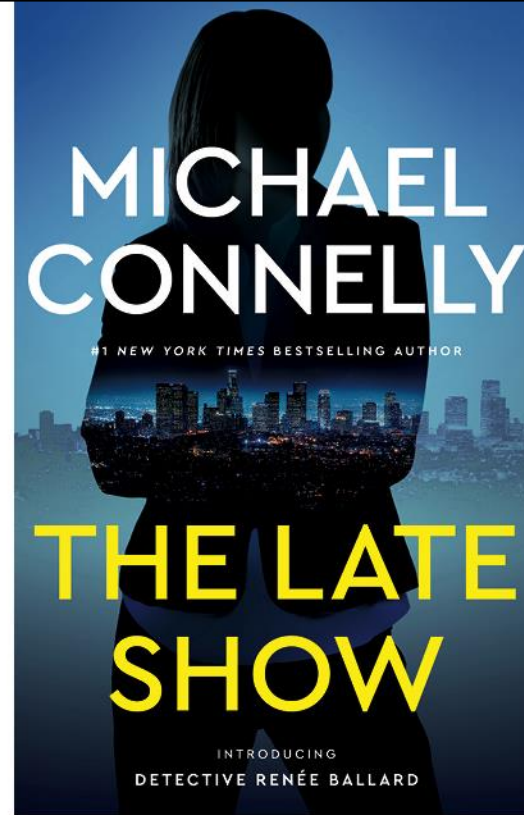


2018 SPORTS EVENTS CALENDAR

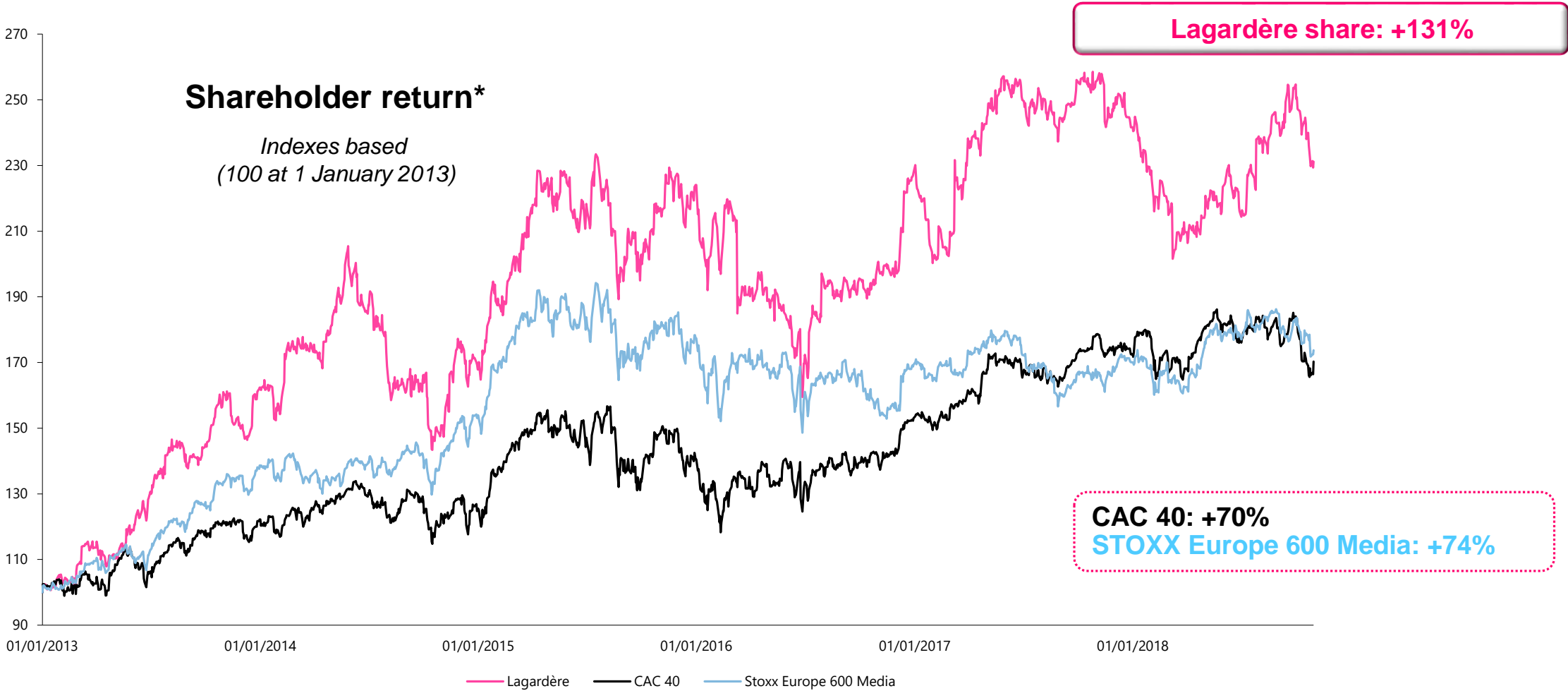


Lagardère

**APPENDIX:
FINANCIAL UPDATES**



AN EXCELLENT SHAREHOLDER RETURN



*Source: Capital IQ and Datastream as of 31 October 2018.

Lagardère uses alternative performance measures which serve as key measures of the Group's operating and financial performance. These indicators are tracked by the Executive Committee in order to assess performance and manage the business, as well as by investors in order to monitor the Group's operating performance, along with the financial metrics defined by the IASB. These indicators are calculated based on elements taken from the consolidated financial statements prepared under IFRS.

- **The like-for-like change in revenue is calculated by comparing:**
 - Revenue for the period adjusted for companies consolidated for the first time during the period and revenue for the prior-year period adjusted for consolidated companies divested during the period;
 - Revenue for the prior-year period and revenue for the current period adjusted based on the exchange rates applicable in the prior-year period.
- **Recurring EBIT. The Group's main performance indicator is recurring operating profit of fully consolidated companies (Group recurring EBIT), which is calculated as follows:**

Profit before finance costs and tax excluding:

 - Gains (losses) on disposals of assets;
 - Impairment losses on goodwill, property, plant and equipment, intangible assets and investments in equity-accounted companies;
 - Net restructuring costs;
 - Items related to business combinations:
 - Acquisition-related expenses;
 - Gains and losses resulting from purchase price adjustments and fair value adjustments due to changes in control;
 - Amortisation of acquisition-related intangible assets.
 - Specific major disputes unrelated to the Group's operating performance;
 - Income (loss) from equity-accounted companies before impairment losses.

- **Operating Margin** is calculated by dividing Recurring EBIT of fully consolidated companies (Group recurring EBIT) by revenue.
- **Recurring EBITDA over a rolling 12-month period** is calculated as recurring EBIT of fully consolidated companies (Group recurring EBIT) plus dividends received from equity-accounted companies, less amortisation and depreciation charged against intangible assets and property, plant and equipment.
- **Adjusted profit – Group share** is calculated on the basis of profit - Group share, excluding non-recurring/non-operating items, net of tax and minority interests, as follows:
Profit - Group share excluding:
 - Gains (losses) on disposals of assets;
 - Impairment losses on goodwill, property, plant and equipment, intangible assets and investments in equity-accounted companies;
 - Net restructuring costs;
 - Items related to business combinations:
 - Acquisition-related expenses;
 - Gains and losses resulting from purchase price adjustments and fair value adjustments due to changes in control;
 - Amortisation of acquisition-related intangible assets.
 - Specific major disputes unrelated to the Group's operating performance;
 - Tax effects of the above items, including the tax on dividends paid in France;
 - Non-recurring changes in deferred taxes.
- **Free cash flow** is calculating as cash flow from operations plus net cash flow relating to acquisitions and disposals of intangible assets and property, plant and equipment.
- **Net debt** is calculated as the sum of the following items: Short-term investments and cash and cash equivalents, Financial instruments designated as hedges of debt, Non-current debt and Current debt.

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Calendar

(all time is CET)

- **Publication of Q4 2018 revenue**

7 February 2019 at 8:00 a.m.

Address: 42 rue Washington - 75408 Paris - France

Tickers: Bloomberg (MMB FP), Reuters (LAGA.PA)