



Lagardère
SERVICES

**LAGARDÈRE
SERVICES :
TRAVEL FOR
GROWTH!**

**INVESTOR DAY
LAGARDÈRE**

Paris – 28 May 2014



AGENDA

- **A new Lagardère Services**
- An attractive market on which Lagardère Services is well positioned
- A sustained growth exceeding expectations
- A widely demonstrated operational excellence
- An ambitious Vision for the future

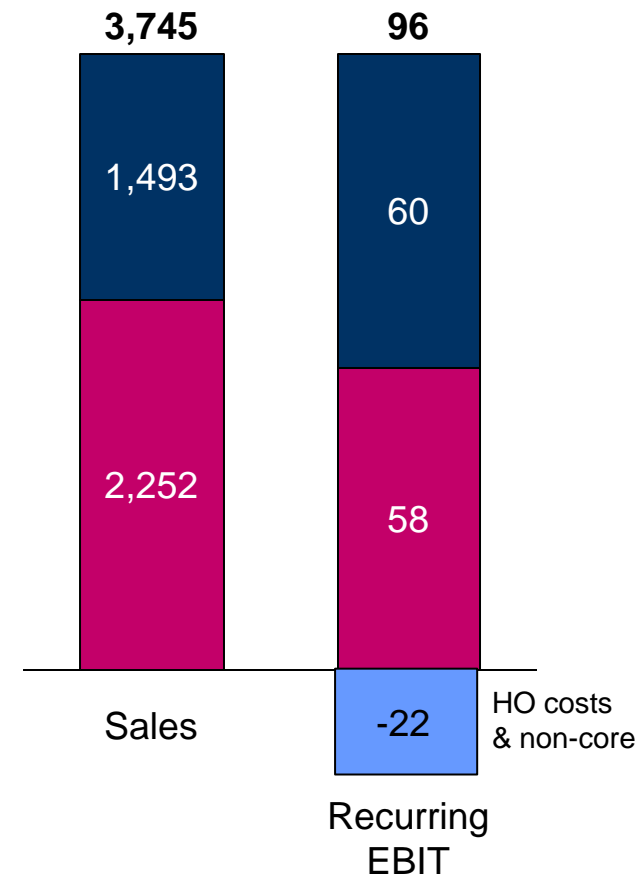
LAGARDÈRE SERVICES IN A SNAPSHOT

Lagardère Services IFRS key financials
(€m, 2013)

LS distribution



LS travel retail



AN AMBITIOUS TRANSFORMATION STRATEGY ANNOUNCED IN 2012

LS distribution

LS travel retail

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**

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

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



- 2/3 by
- 1/3 th

A high ambition in travel retail

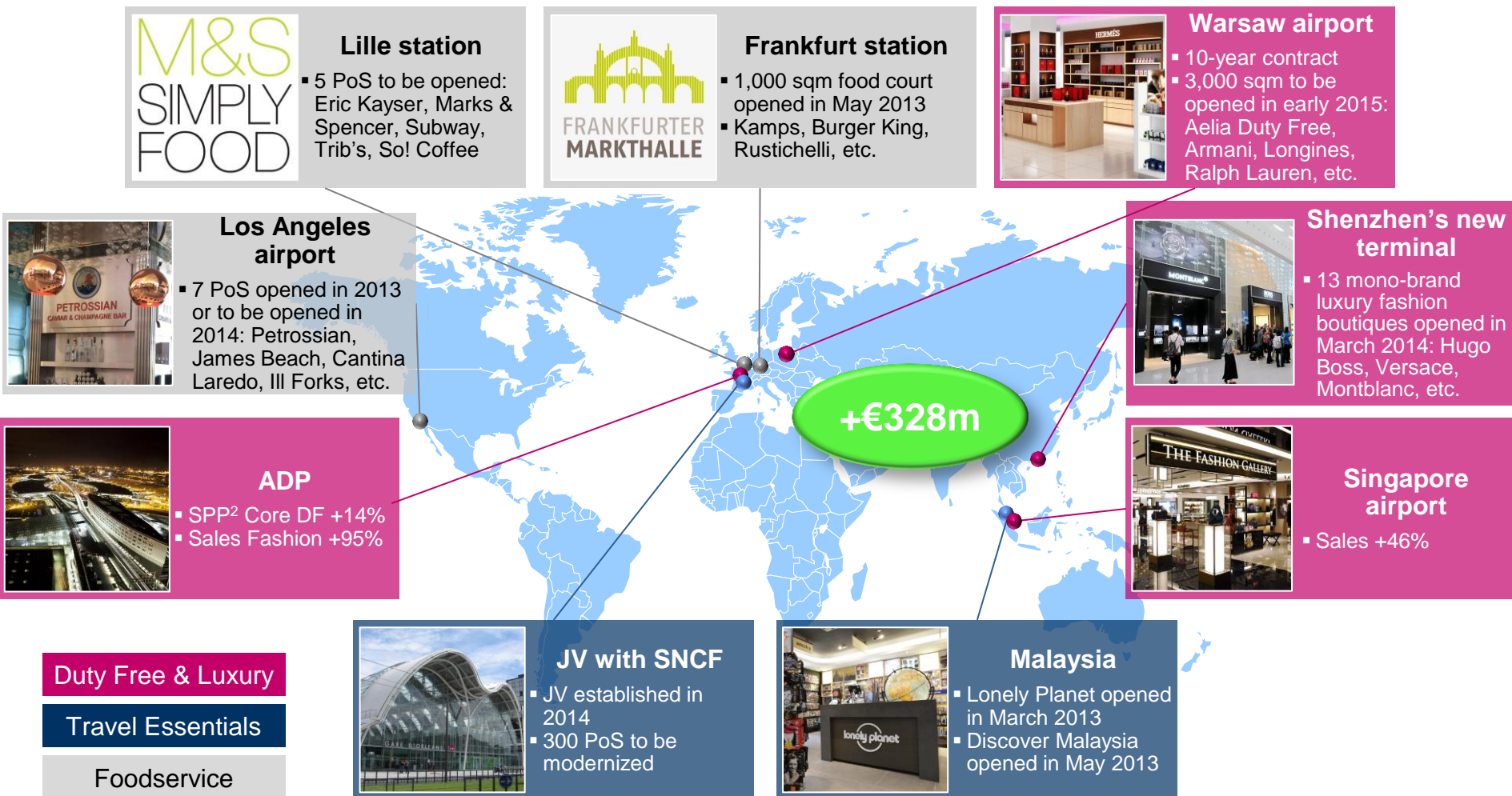


IN DISTRIBUTION, NEW INVESTORS SEEKED TO DEVELOP AND REINVENT THE BUSINESS

- LS Distribution can be further developed and reinvented. It requires investments Lagardère Services is not ready to consent since its strategic focus is Travel Retail
- Lagardère Services initiated a process in 2013 to find investors willing to support this project
- Process is progressing according to plan

IN TRAVEL RETAIL, €328M ADDITIONAL SALES SINCE 2011 FROM INTERNAL GROWTH¹

Non-exhaustive



1. Internal growth being defined as life-for-like growth and growth from tenders won

2. Sales Per Passenger

Source: Lagardère Services

IN TRAVEL RETAIL, €258M ADDITIONAL SALES SINCE 2011 FROM EXTERNAL GROWTH¹

Non-exhaustive



Gerzon

- 12 PoS in Schiphol airport over 2,400 sqm
- Key development in Luxury Fashion



Coffee Fellows

- c. 20 PoS in train stations in Germany
- Exclusive master-franchise in Travel Retail



Airst²

- c. €200m sales in over 200 PoS in 11 countries, mainly in airports
- Key development in Foodservice



Rome Duty Free

- €3.4bn over 14 years
- 8 PoS in Rome airports over more than 4,800 sqm
- Strategic entry in Italy



Unimex

- c. €20m sales in 2010
- 15 PoS in Prague airports
- Consolidation of our operations in Czech Republic



DFS NZ

- PoS at Gold Coast, Adelaide, and four airports in NZ
- On-line sales platform
- Consolidation of our operations in Pacific



Duty Free & Luxury

Travel Essentials

Foodservice

1. External growth being defined as growth deriving from acquisitions of companies. Including Retail Spain and Duty Free Switzerland

2. Airst² also operates in Duty Free & Luxury

Source: Lagardère Services

GROWTH PROFILE ON TRACK AT MID-PLAN



1. Proportional view

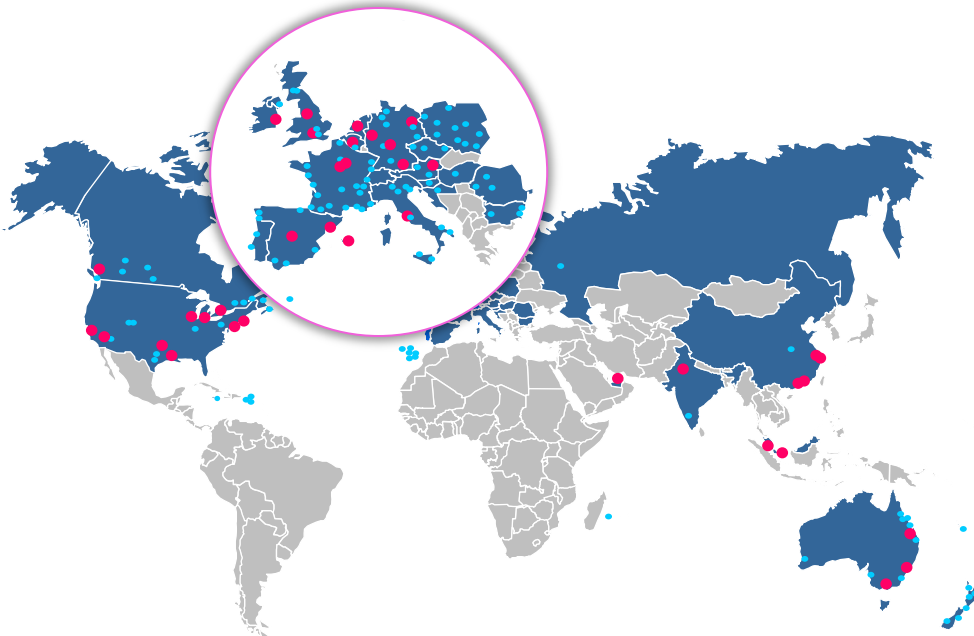
2. LS travel retail pro-forma perimeter i.e. including Retail in Spain and Duty Free in Switzerland

BEYOND FINANCIAL GUIDANCE, A TRULY GLOBAL TRAVEL RETAILER

Global reach: 30 countries, 150 airports

LS travel retail presence in airports

(As of April 30th, 2014)



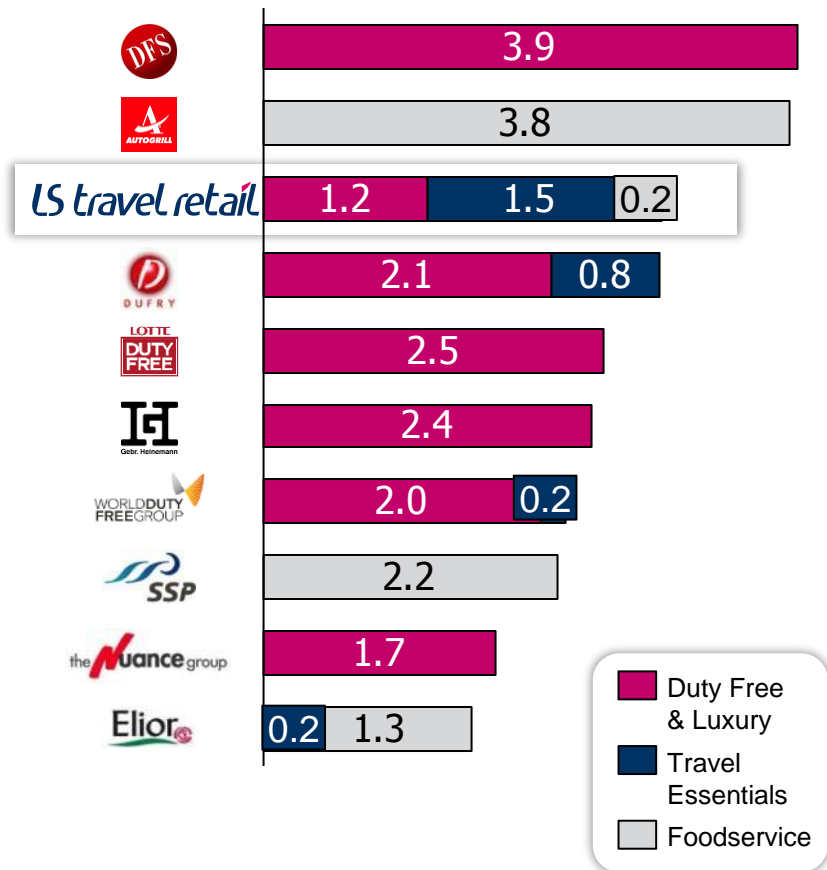
● Top 100 airport in terms of PAX volume ● Other airport

Largest integrated Travel Retailer

Largest Travel Retailers by sales¹

(€bn, 2013)

Estimates



■ Duty Free & Luxury
■ Travel Essentials
■ Foodservice

1. LS travel retail consolidated sales @100%

Source: Lagardère Services, ACI, The Moodie Report

AN EXPERIENCED TEAM TO FURTHER GROW IN TRAVEL RETAIL



**Luc
MANSION**
CFO

**Frédéric
RENAULT**
EVP HR
& Communication

**Dag
RASMUSSEN**
Chairman & CEO

**Emmanuel
de PLACE**
COO LS travel retail
ASPAC

**Frédéric
CHEVALIER**
EVP Strategy

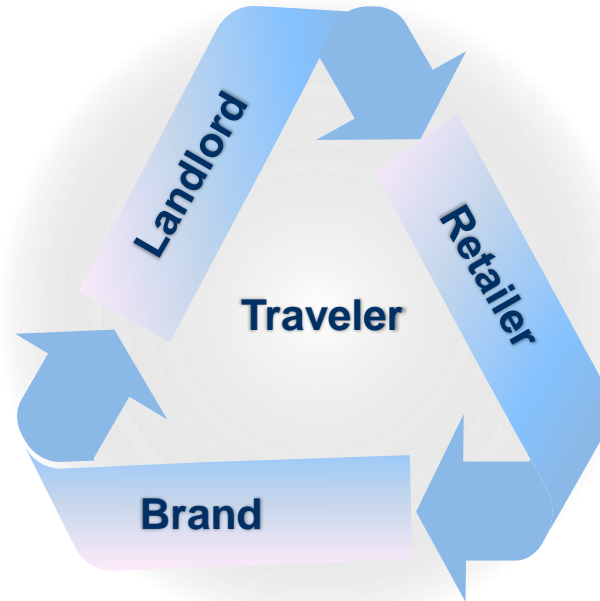
**Vincent
ROMET**
COO LS travel retail
EMEA

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TRAVEL RETAIL: A HIGHLY SPECIALIZED NICHE IN THE RETAIL WORLD

The Fashion Gallery, Changi airport



**A multi-channel and
multi-category industry**

Café Leffe, Tours railway station



hubiz, Warsaw metro station

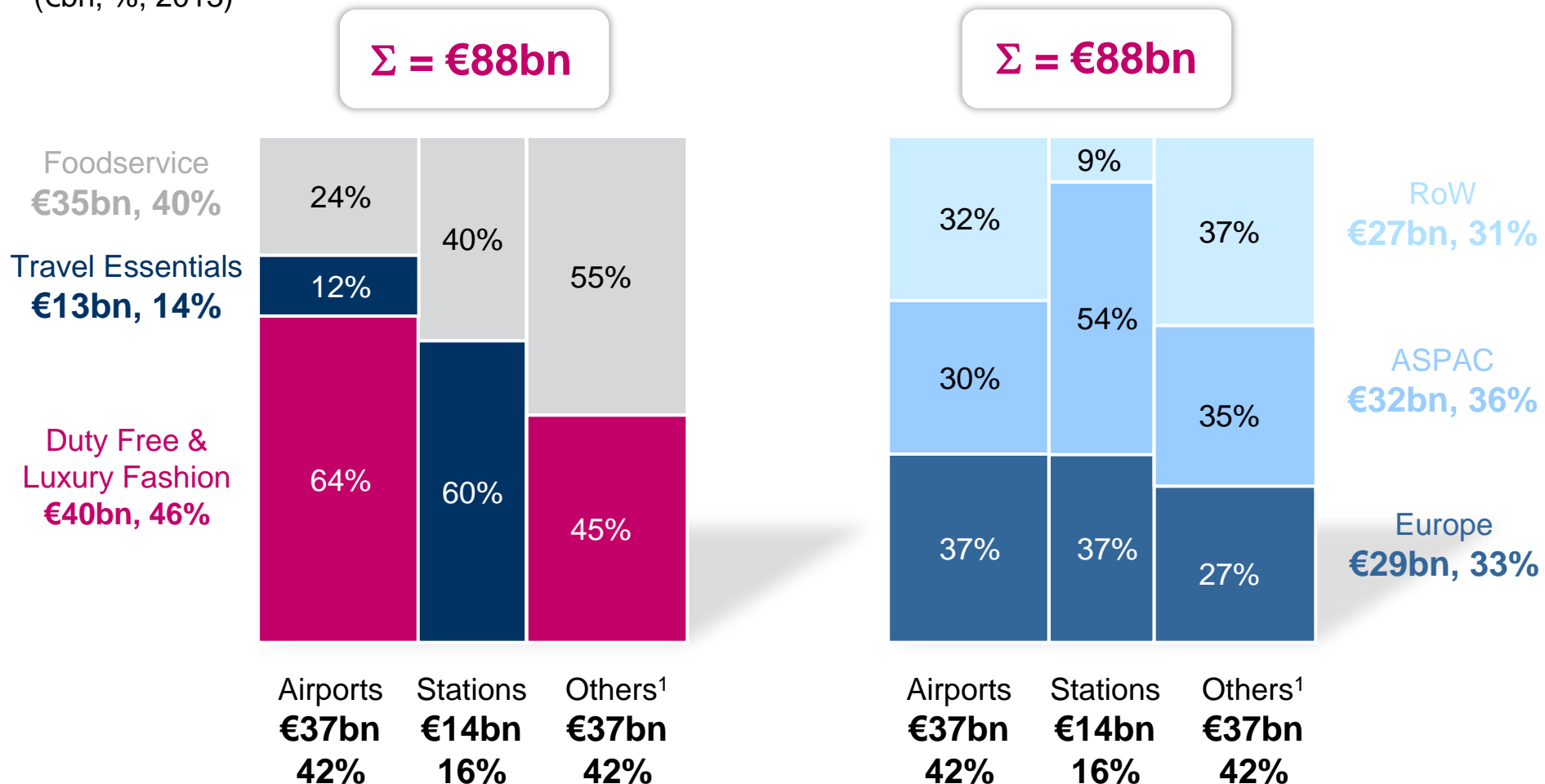


A €88BN MARKET

Travel Retail market size

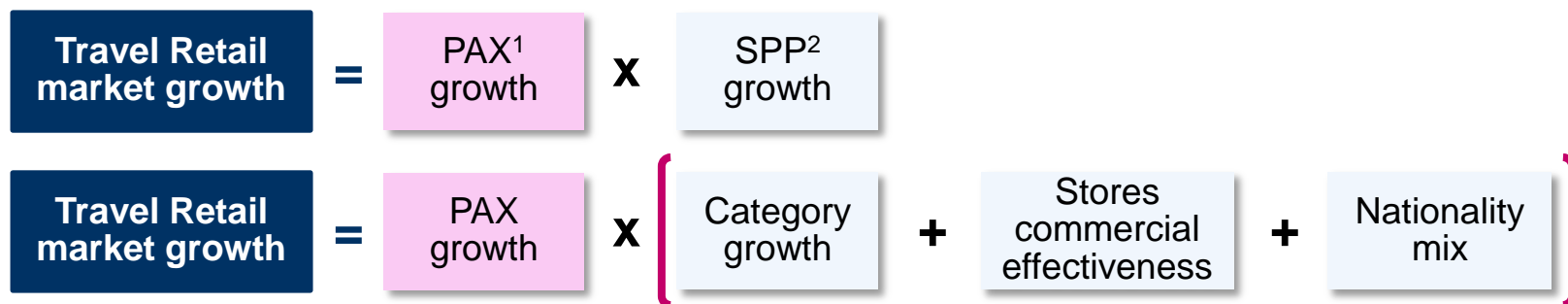
(€bn, %, 2013)

Estimates

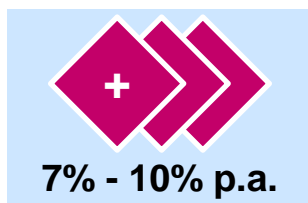


1. Incl. ferries, inflight, downtown stores for Duty Free & Luxury, highways, hospitals, museums for Foodservice

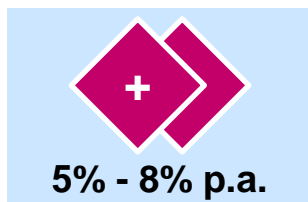
AN ATTRACTIVE INDUSTRY THANKS TO SOUND DRIVERS FUELLING TOP LINE GROWTH



Growth over
the past
10 years



Expected
growth over
the next
10 years



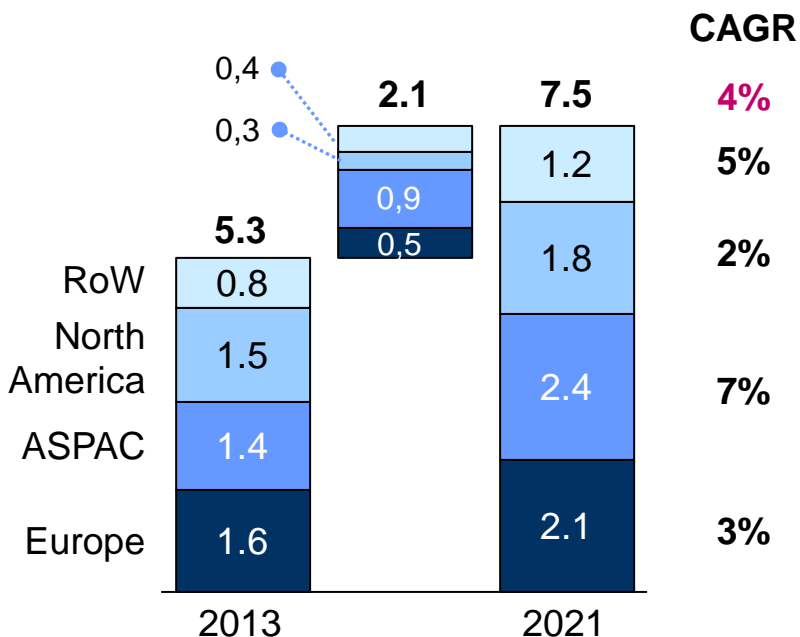
SOUND DRIVERS FUEL TOP-LINE GROWTH (1/2)

PAX GROWTH ILLUSTRATION

Sound long-term air traffic perspectives

Air traffic evolution

(billions of passengers, 2013 - 2021)



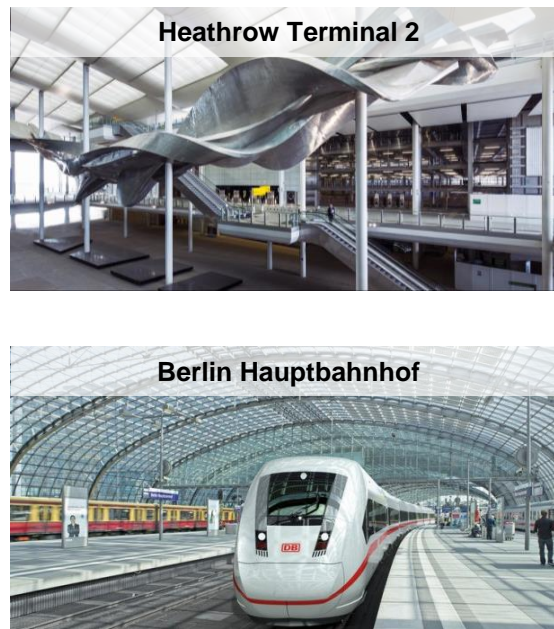
SOUND DRIVERS FUEL TOP-LINE GROWTH (2/2)

SPP GROWTH ILLUSTRATION

Category growth

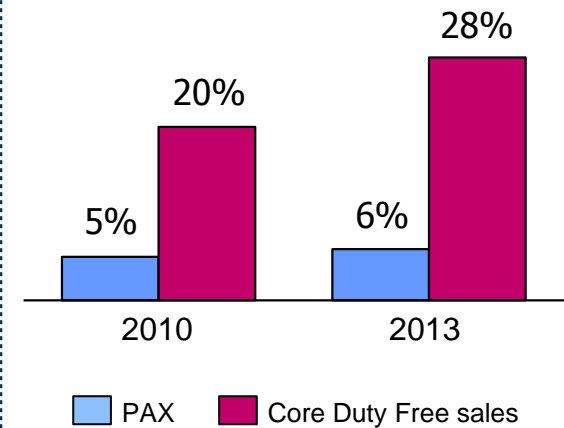


Commercial effectiveness



Nationality mix

Top 10 spending nationalities – Weight in airport¹ metrics
(share of total international pax and of core duty-free sales, 2010 - 2013)

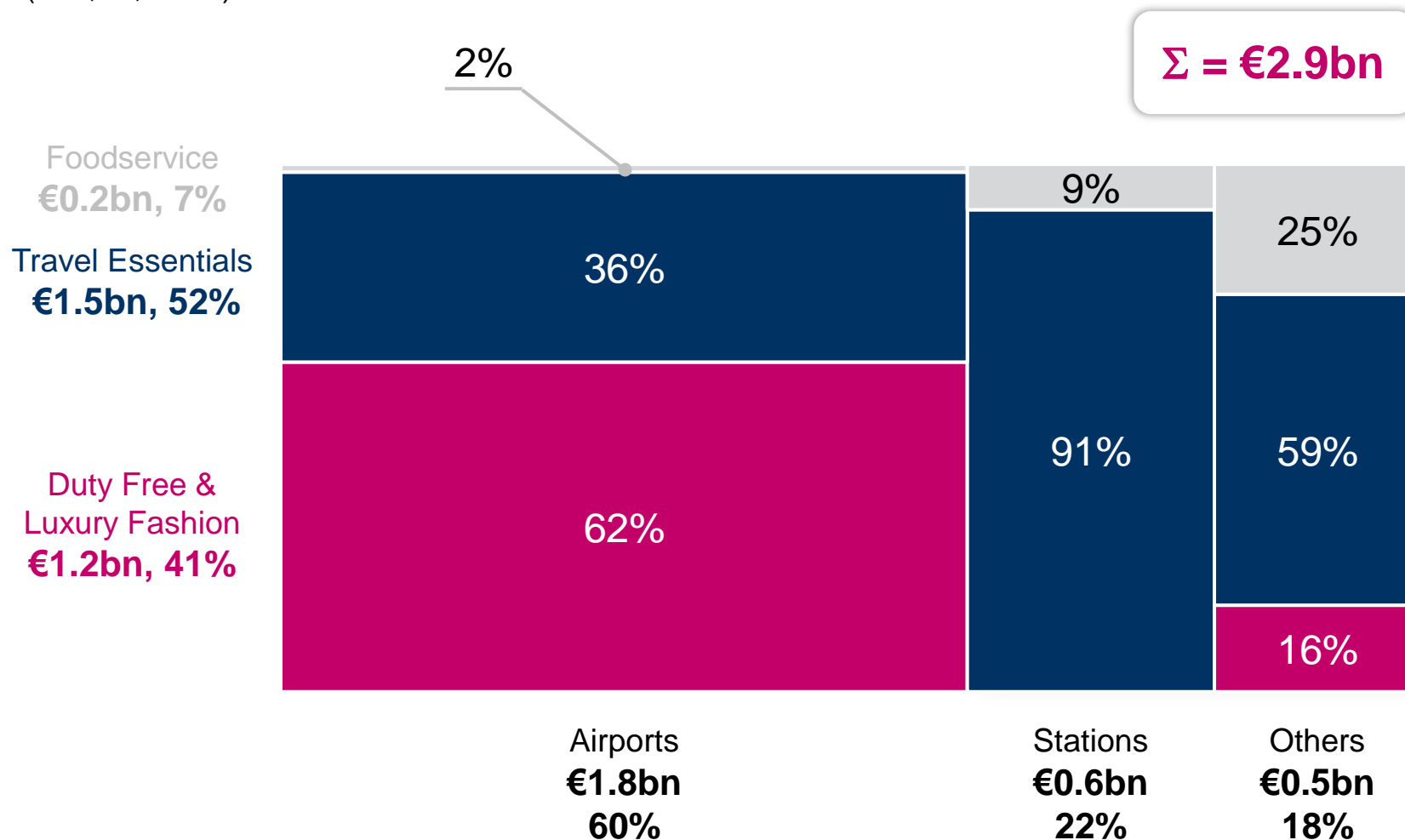


1. Aéroports de Paris, Aeroporti di Roma, Prague Vaclav Havel airport, Nice airport

LAGARDÈRE SERVICES WELL POSITIONED TO BENEFIT FROM INDUSTRY GROWTH

LS travel retail consolidated sales @100% breakdown by channel and business line

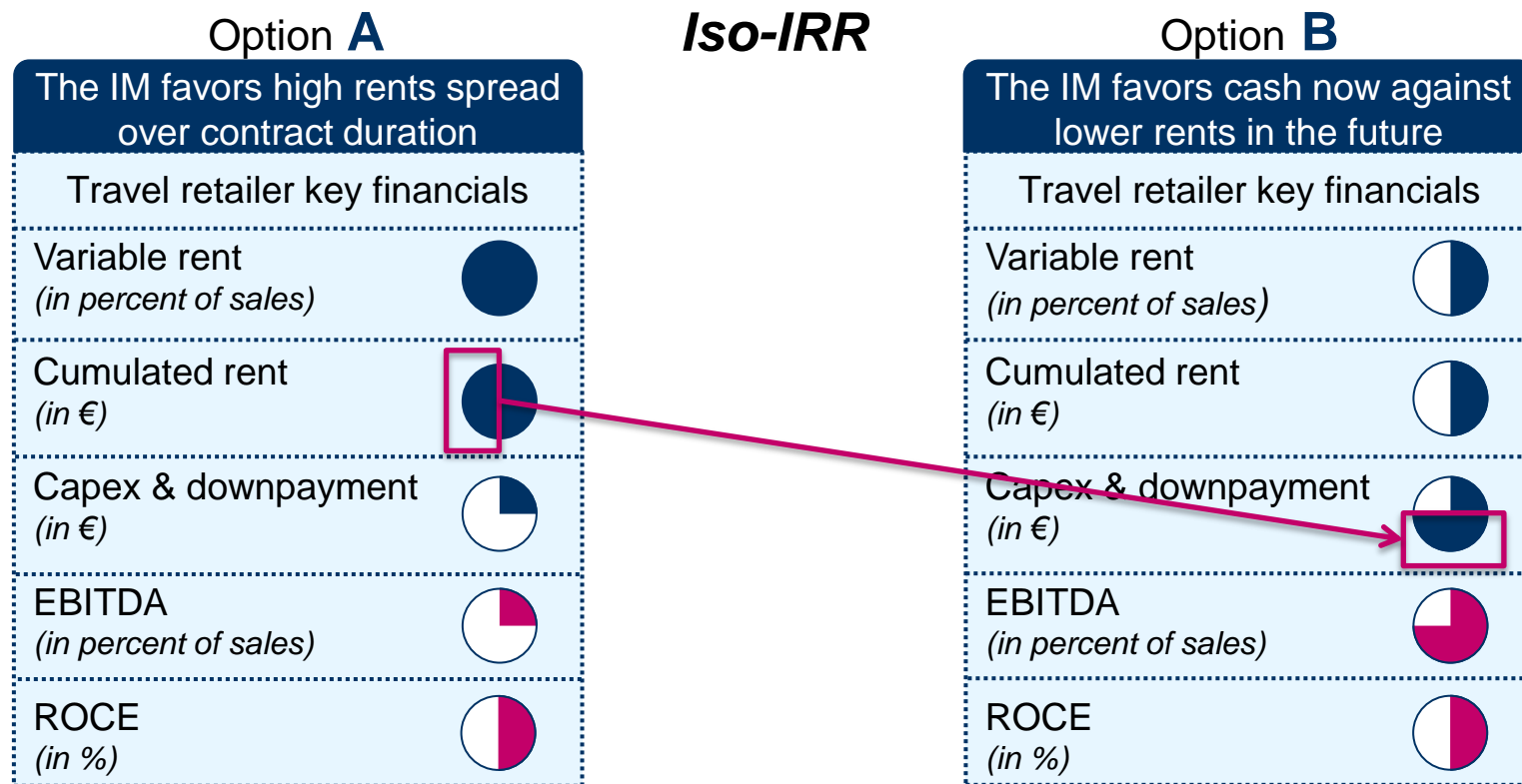
(€bn, %, 2013)



ATTRACTIVE INDUSTRY TRIGGERING HIGH RETURN, **Lagardère SERVICES** YET WITH VERY DIFFERENT P&L PROFILES

An Infrastructure Manager (IM) has a duty-free contract to tender / a subsidiary running the duty-free to outsource...

Illustrative



Lagardère Services is rebalancing its development strategy and targets all kind of options

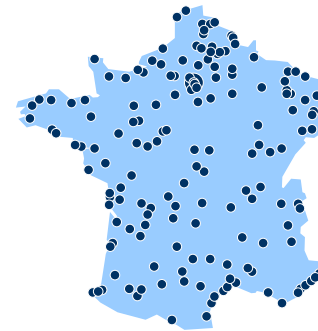
○ → ●
Low High

GROWING SOPHISTICATION REQUIRED TO SEIZE GROWTH AND MAINTAIN PROFITS

Marketing



Operations



SNCF: 300 PoS,
the vast majority to
be refitted within
18 months

Business development



Abu Dhabi Airports unveils upcoming tender, Feb. 2014

...and more!



LAGARDERE SERVICES' INTEGRATED BUSINESS MODEL: A DIFFERENTIATING MODEL DELIVERING TOP LINE GROWTH

A central development

& a local adaptation...

...delivering growth

Consolidated sales @100%
(€bn, % CAGR, 2011-13)

Duty Free & Luxury	Duty Free core business	Aelia Duty Free, BuY Paris	L'Occitane
	Fine Food & Confectionery	So Chocolate	Fauchon
	Fashion & Accessories	The Fashion Gallery, Eye Love	Hermès
Travel Essentials	News & Convenience	Relay, hubiz	Casino
	Gifts & Souvenirs	Discover	Lonely Planet
	Electronics & Media	Tech2Go	FNAC
Foodservice	Quick Service Restaurant	Trib's, Rustichelli & Mangione	McDonalds
	Full Service Restaurant	The Flame	Café Leffe
	Bars & Cafés	So! Coffee, deCanto	Starbucks

↑
proprietary concepts

↑
partner brands

▪ Develop centrally key areas of expertise

▪ Partner with global brands

▪ Partner with landlords

▪ Select, adapt and operate locally

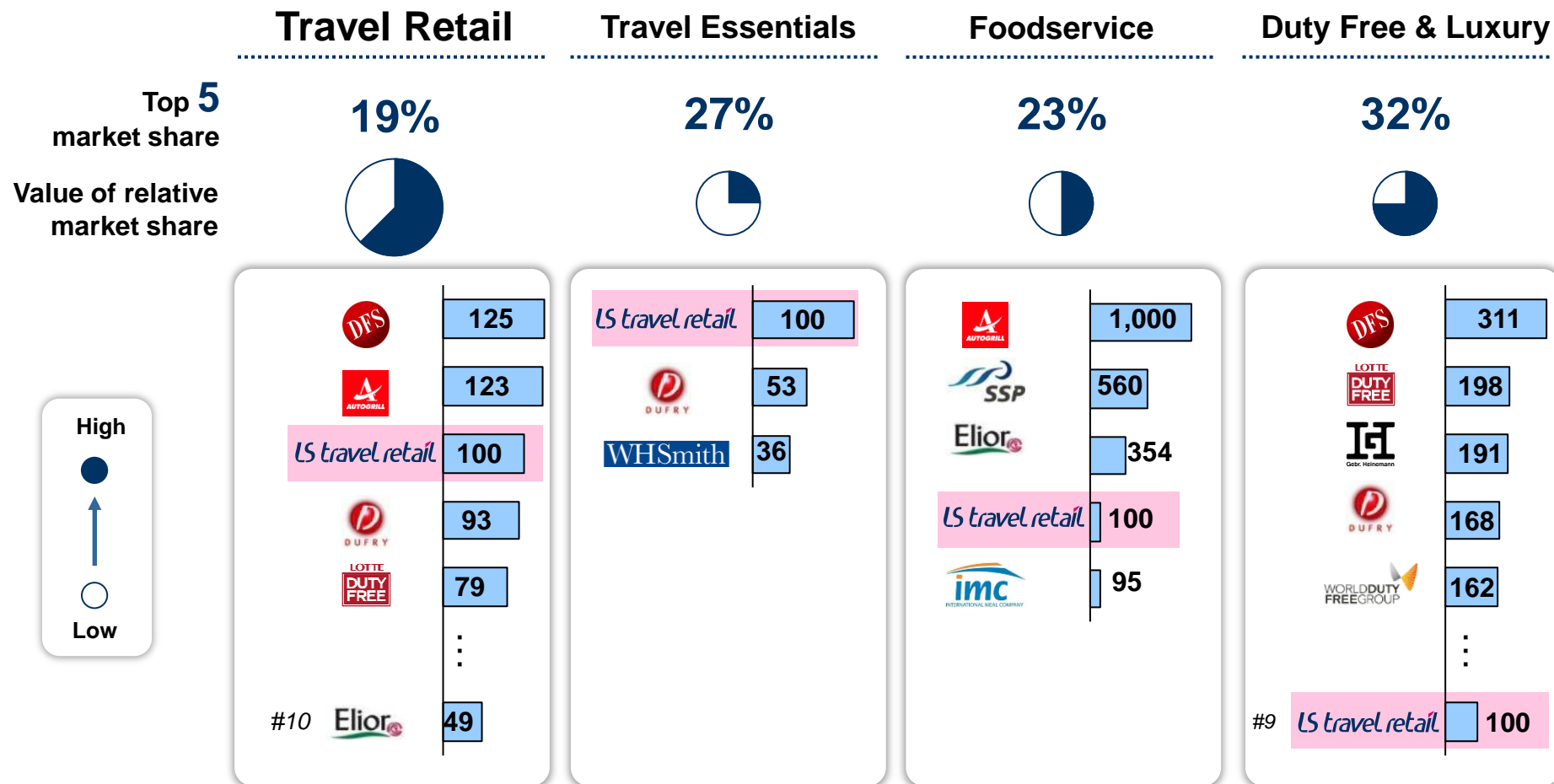


POSSIBLE INDUSTRY CONSOLIDATION, ESPECIALLY IN DUTY FREE

Estimates

Top Travel Retailers' relative size vs. LS travel retail

(Base 100 for LS travel retail, 2013 pro-forma¹)



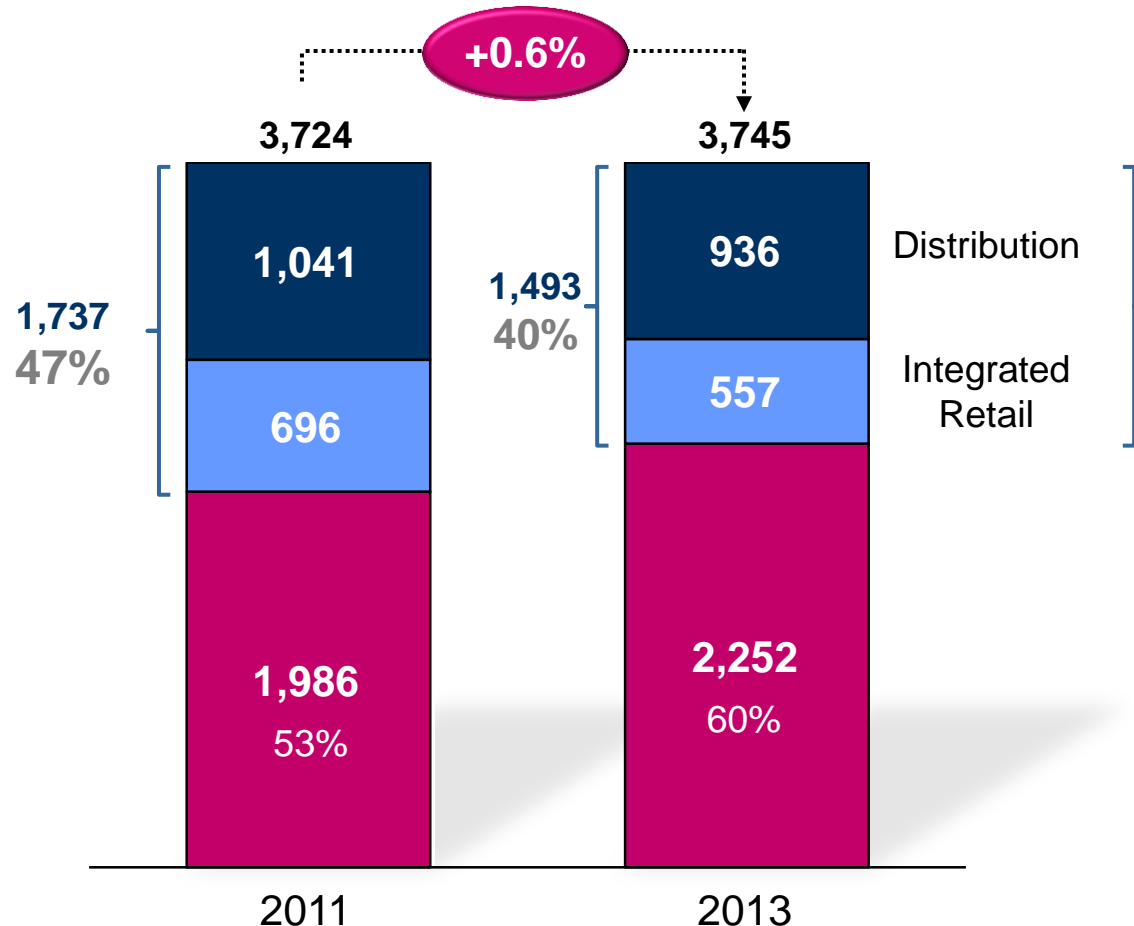
1. Airster and Gerzon acquisitions fully consolidated

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STRONG GROWTH OF TRAVEL RETAIL OVER THE PERIOD

Lagardère Services IFRS consolidated sales
(€m, %, 2011 - 2013)



LS distribution

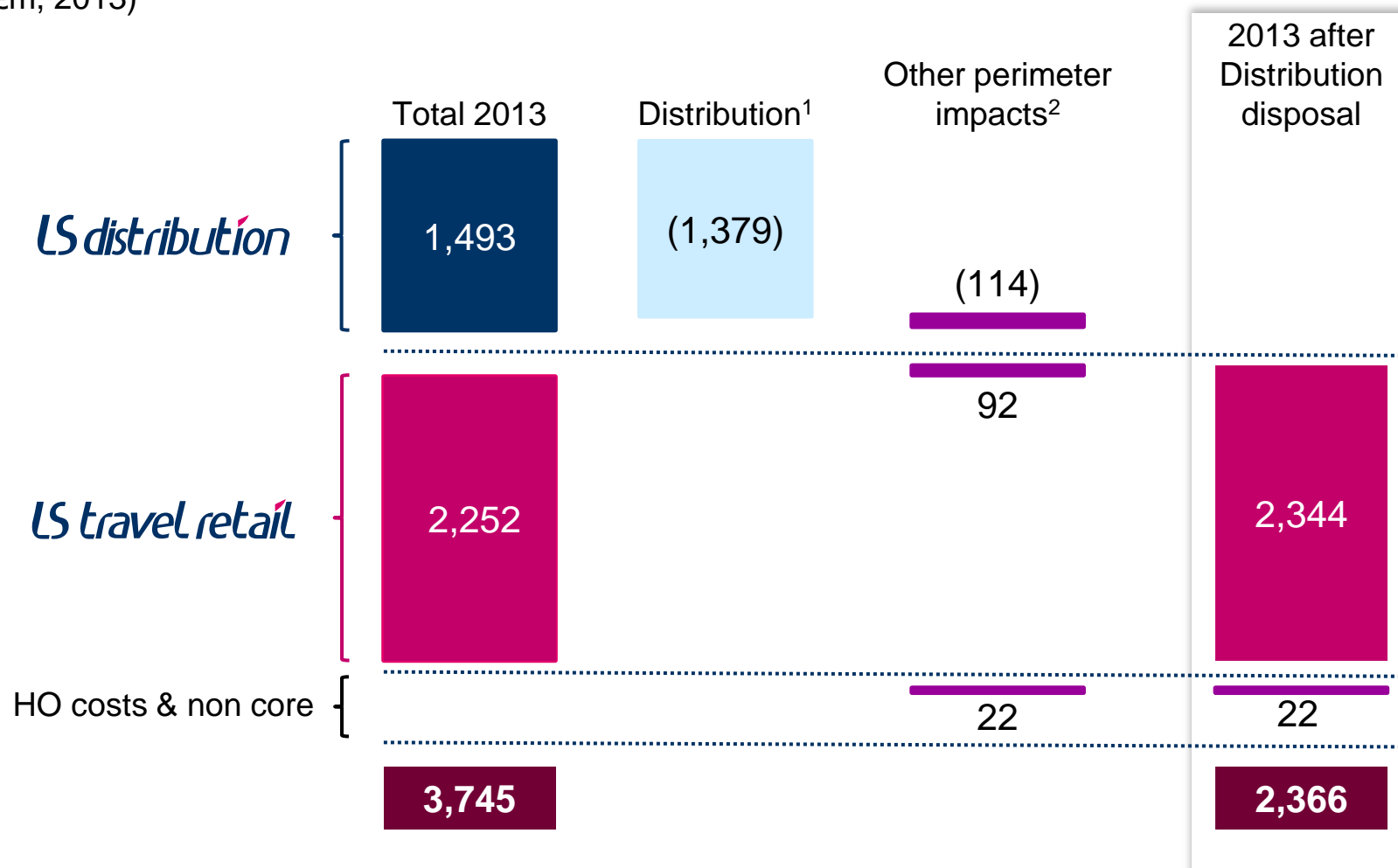
-14%

LS travel retail

+13%

FOLLOWING LS DISTRIBUTION DISPOSAL, A PURE TRAVEL RETAIL PLAYER, WITH €2.4bn SALES,

Lagardère Services IFRS consolidated sales after Distribution disposal
(€m, 2013)

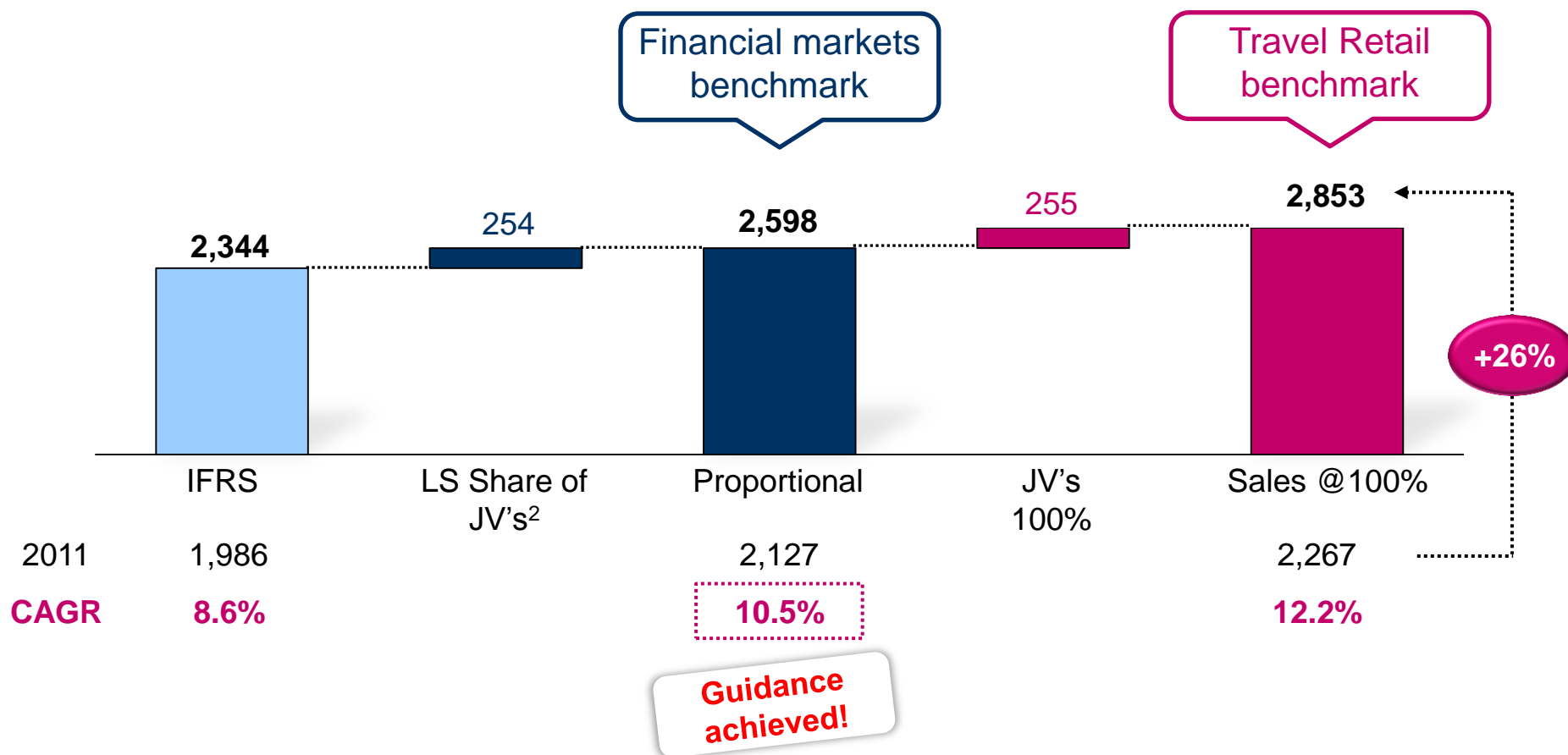


1. LS Distribution perimeter to be sold

2. Curtis in the US, Retail in Spain, Duty Free in Switzerland

LS TRAVEL RETAIL CONSOLIDATED SALE @ 100% UP BY 26% OVER THE PERIOD, CONSISTENTLY WITH GUIDANCE

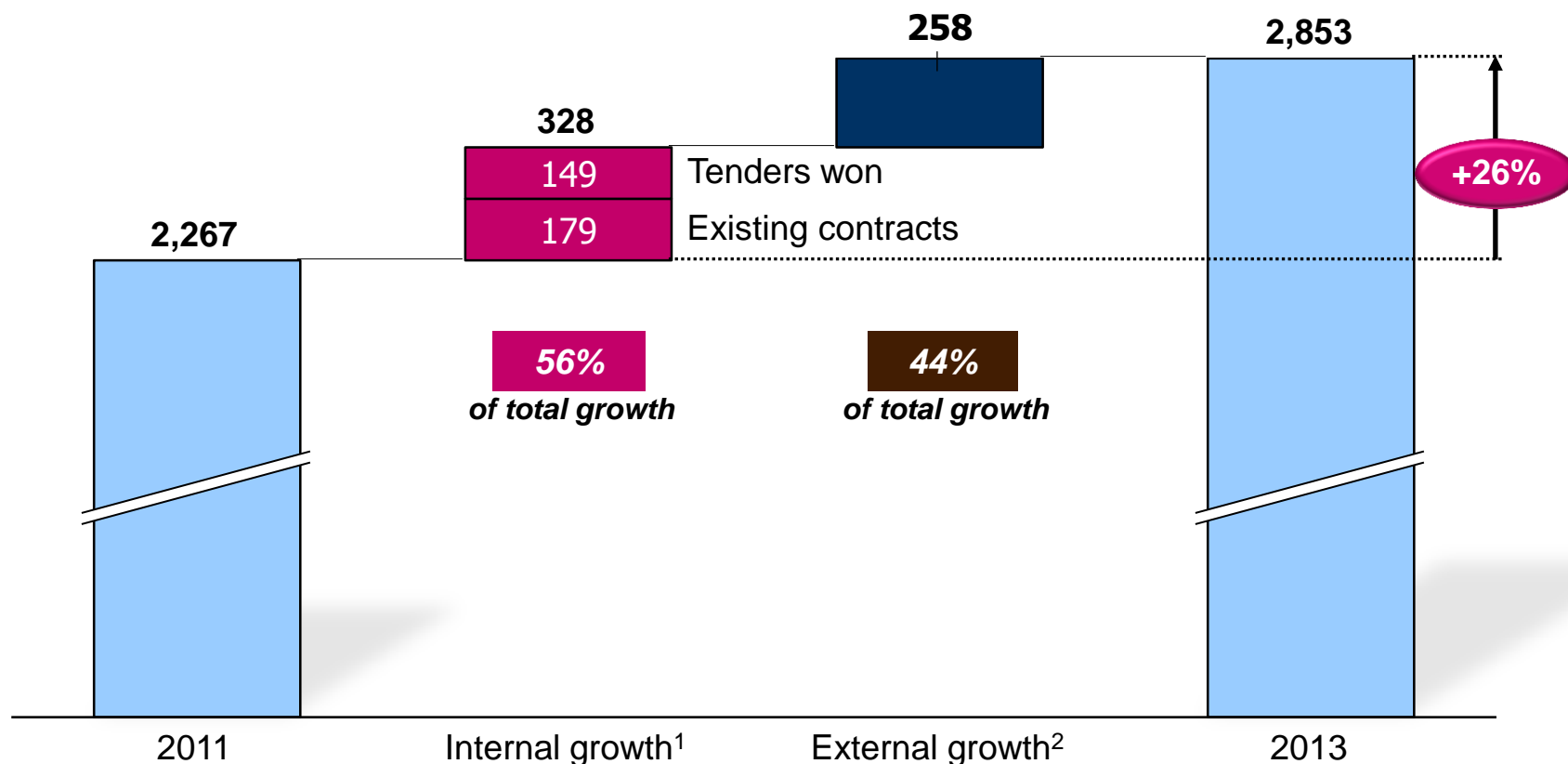
Bridge LS travel retail¹ IFRS consolidated sales to consolidated sales @100%
(€m, 2013)



1. Including Retail Spain and Duty Free Switzerland
2. Relay@ADP, C-Store, Dutyfly SDA, Lyon Duty Free, La Réunion, Time Newslink

INTERNAL GROWTH REMAINS THE MAIN DEVELOPMENT PATH, HOWEVER SUCCESSFUL ACQUISITIONS ARE ACCELERATING THE GROWTH

LS travel retail consolidated sales @100% growth breakdown by nature
(€m, 2011 - 2013)



1. Net of the contracts terminated over the period
2. Including Retail in Spain and Duty Free in Switzerland
Source: Lagardère Services

AN INTERNATIONAL PLAYER OPERATING ACROSS ALL GEOGRAPHIES AND ALL CHANNELS

LS travel retail consolidated sales @100% breakdown by geography and channel
(€bn, %, 2013)

Σ = €2.9bn

Others¹

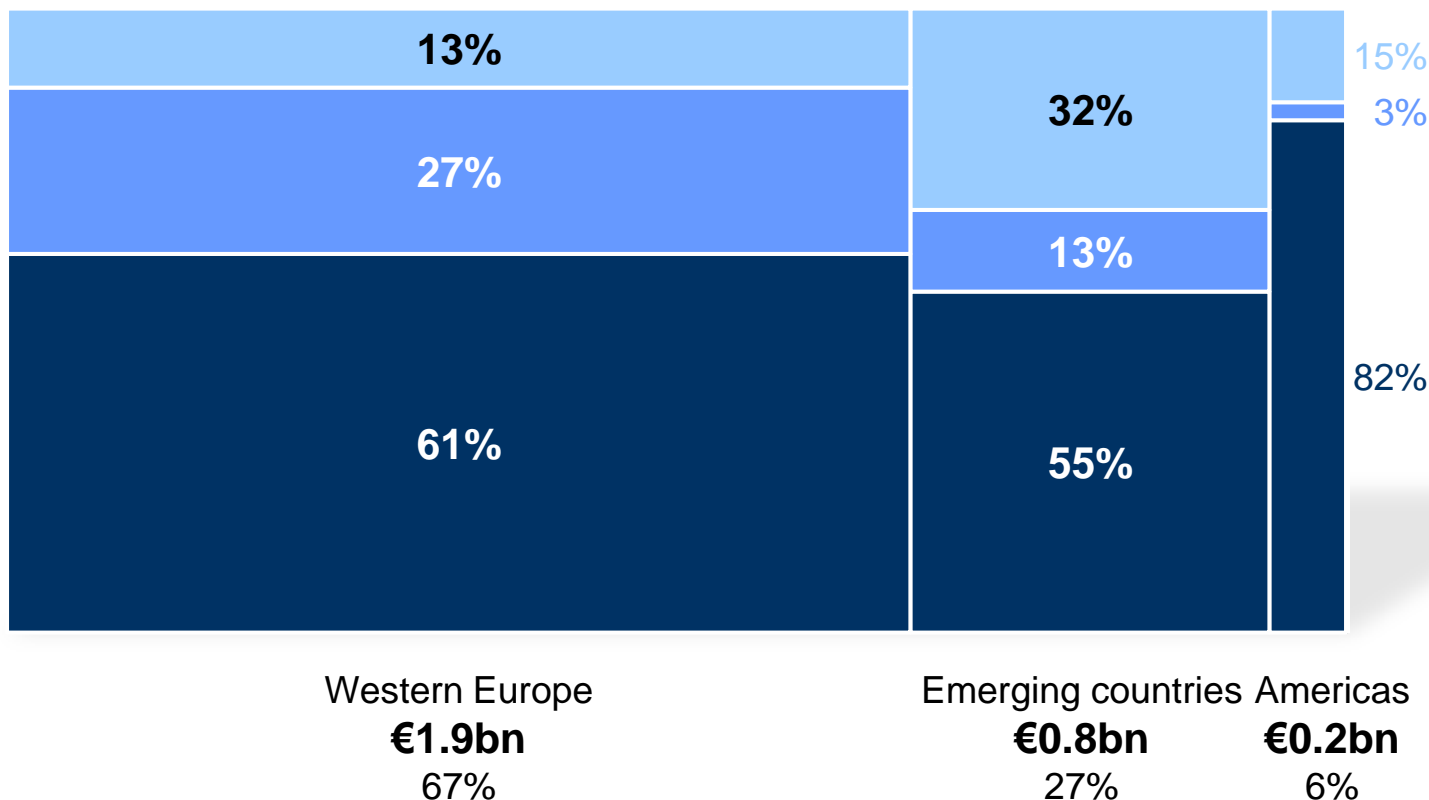
€0.5bn, 18%
(vs. 21% in 2011)

Stations

€0.6bn, 22%
(vs. 24% in 2011)

Airports

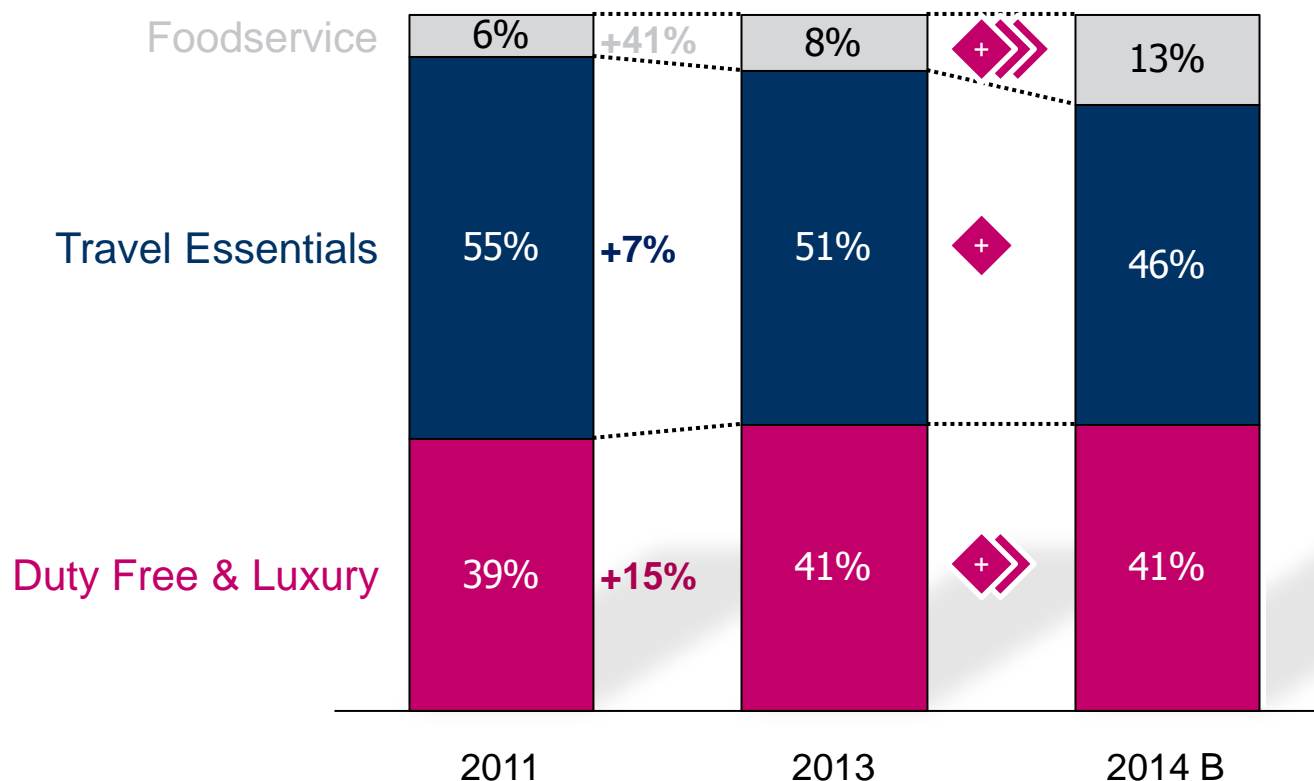
€1.8bn, 60%
(vs. 55% in 2011)



1. Incl. ferries, inflight, downtown stores for Duty Free & Luxury, highways, hospitals, museums for Foodservice

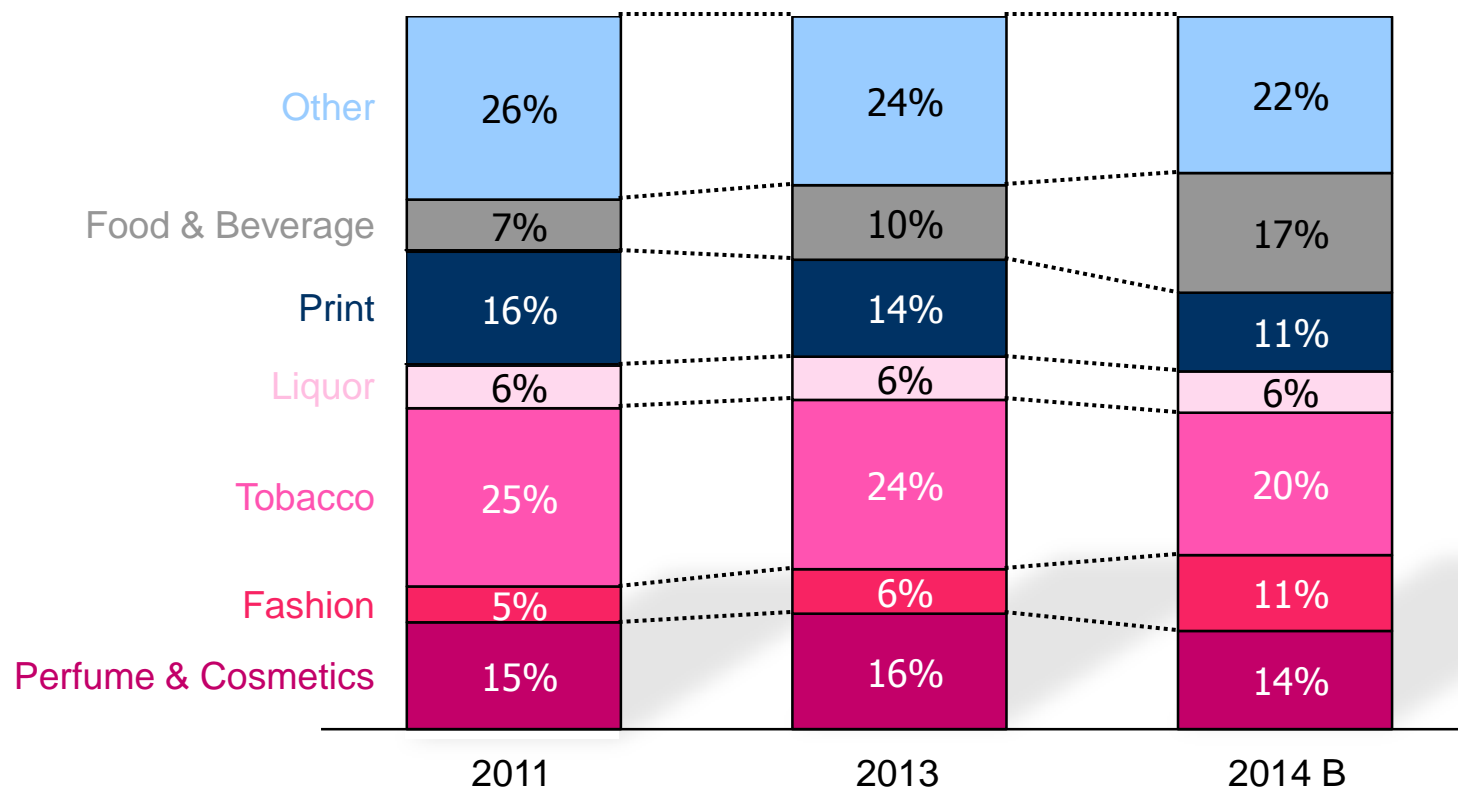
GROWTH FUELED BY THE FAST GROWING AND MORE PROFITABLE DUTY FREE & LUXURY AND FOODSERVICE BUSINESS LINES...

LS travel retail consolidated sales @100% by business line
(%, 2011 – 2014 B)



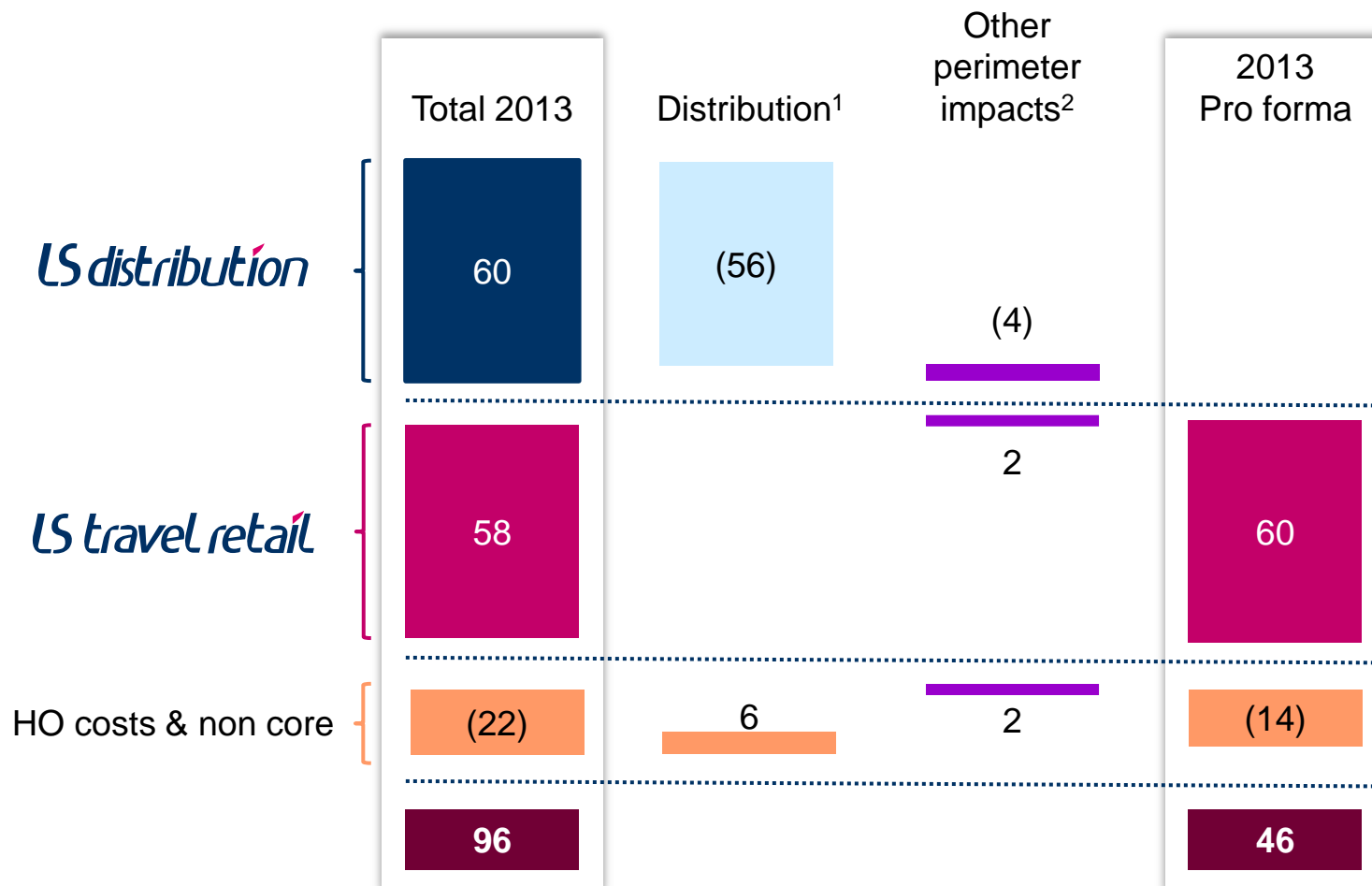
... DRIVING A FAVORABLE MIX EVOLUTION

LS travel retail consolidated sales @100% by product category
(%, 2011 - 2014 B)



LS DISTRIBUTION DISPOSAL: A €50M IMPACT ON THE RECURRING EBIT BEFORE ASSOCIATES

Lagardère Services IFRS Recurring EBIT before associates after Distribution disposal
(€m, 2013)



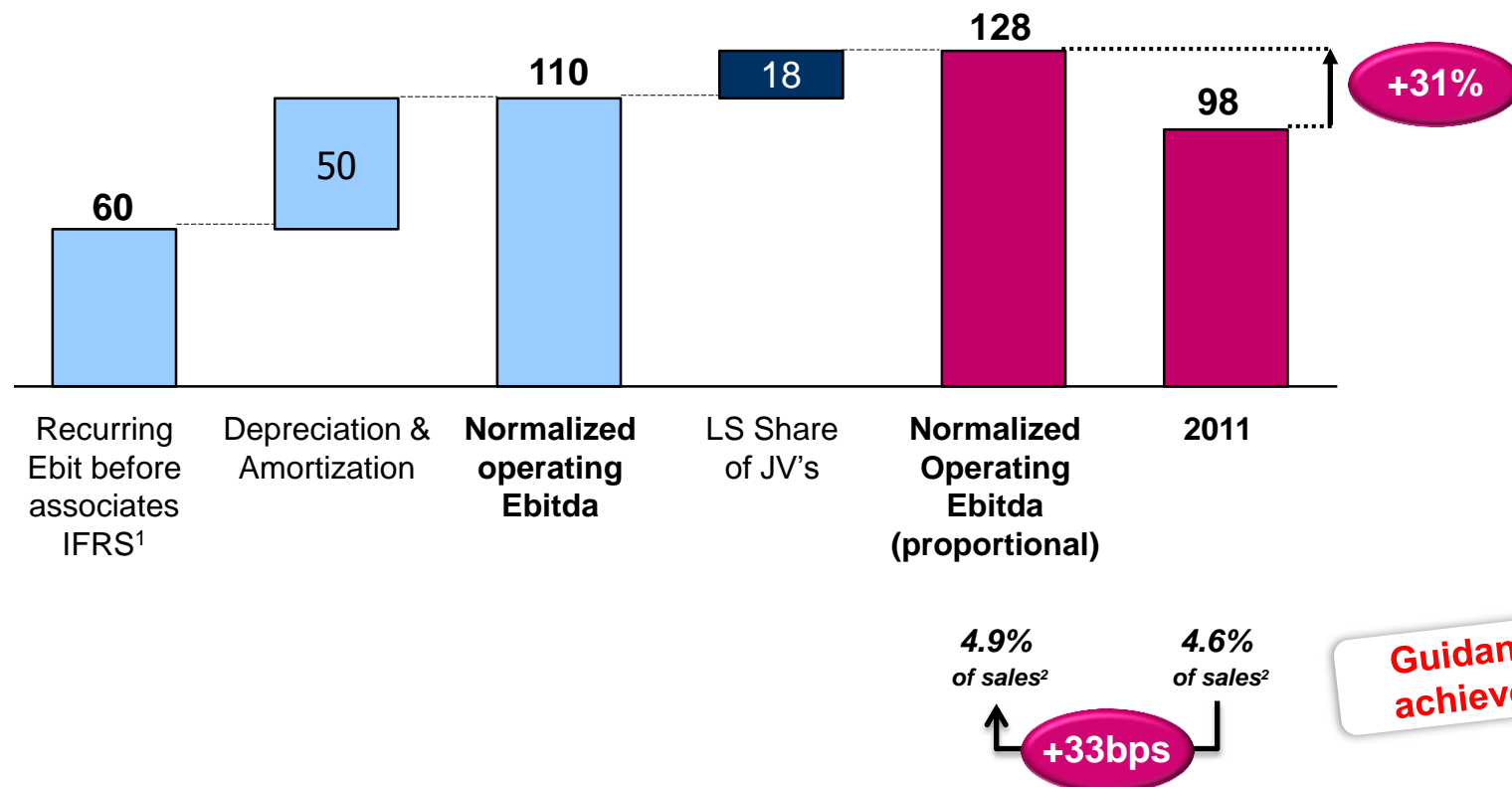
1. LS Distribution perimeter to be sold

2. Curtis in the US, Retail in Spain, Duty Free in Switzerland

LS TRAVEL RETAIL EBITDA INCREASED BY 31%, ABOVE GUIDANCE

LS travel retail bridge to Normalized Operating Ebitda (proportional)

(€m, %, 2011; 2013)



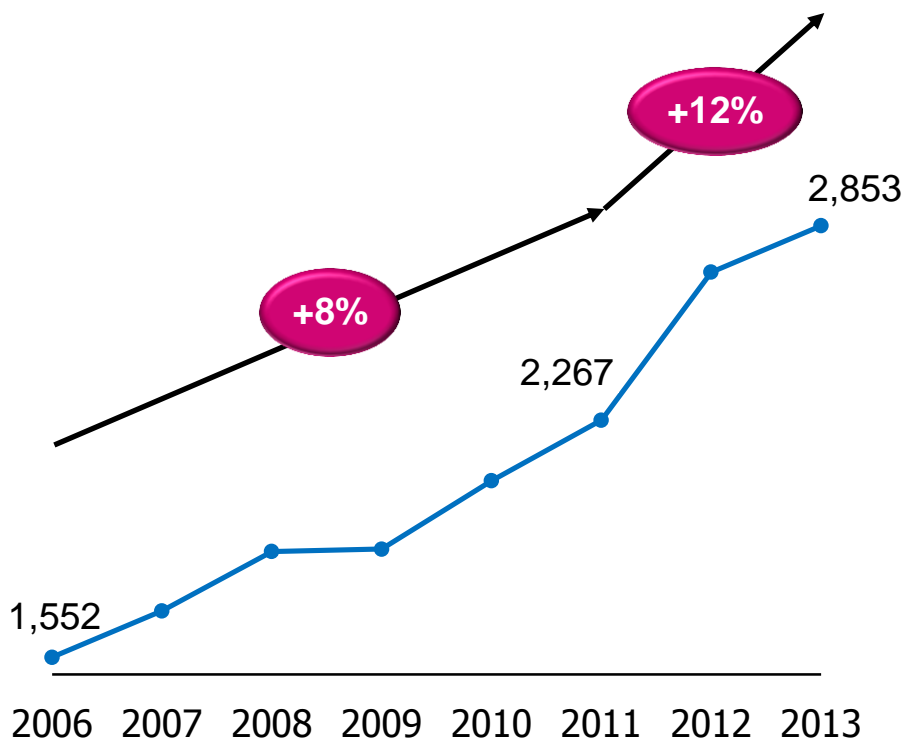
1. Including Retail in Spain and Duty Free in Switzerland

2. Consolidated, proportional view

INCREASING INVESTMENT SUPPORTING A FASTER DEVELOPMENT PATH

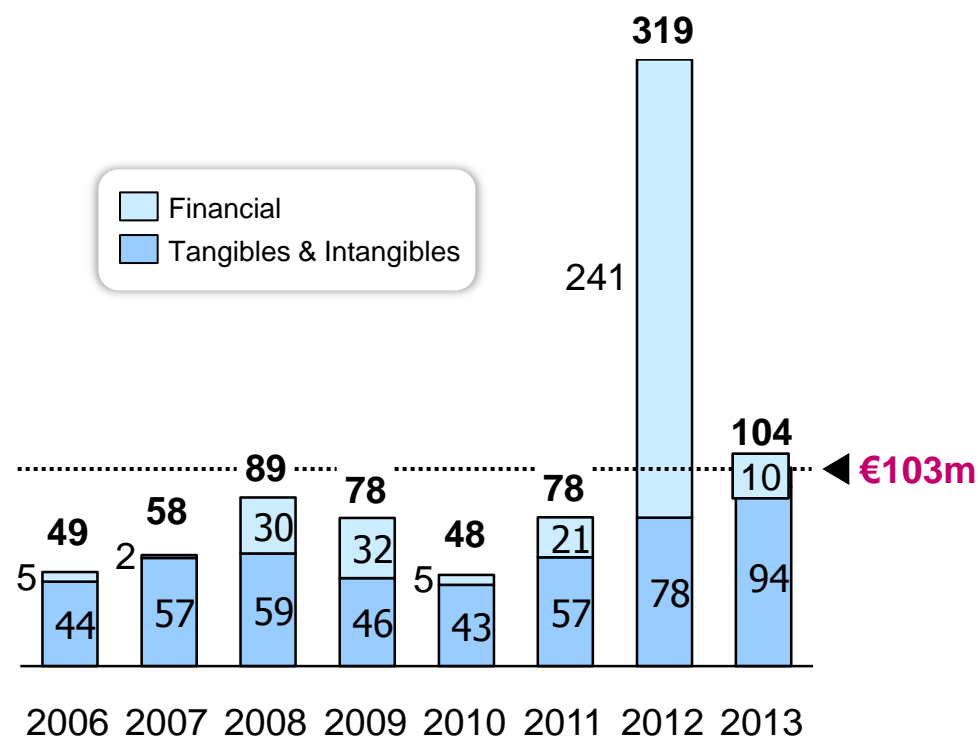
Annual LS travel retail consolidated sales @100% growth

(€m, % CAGR, 2006 - 2013)



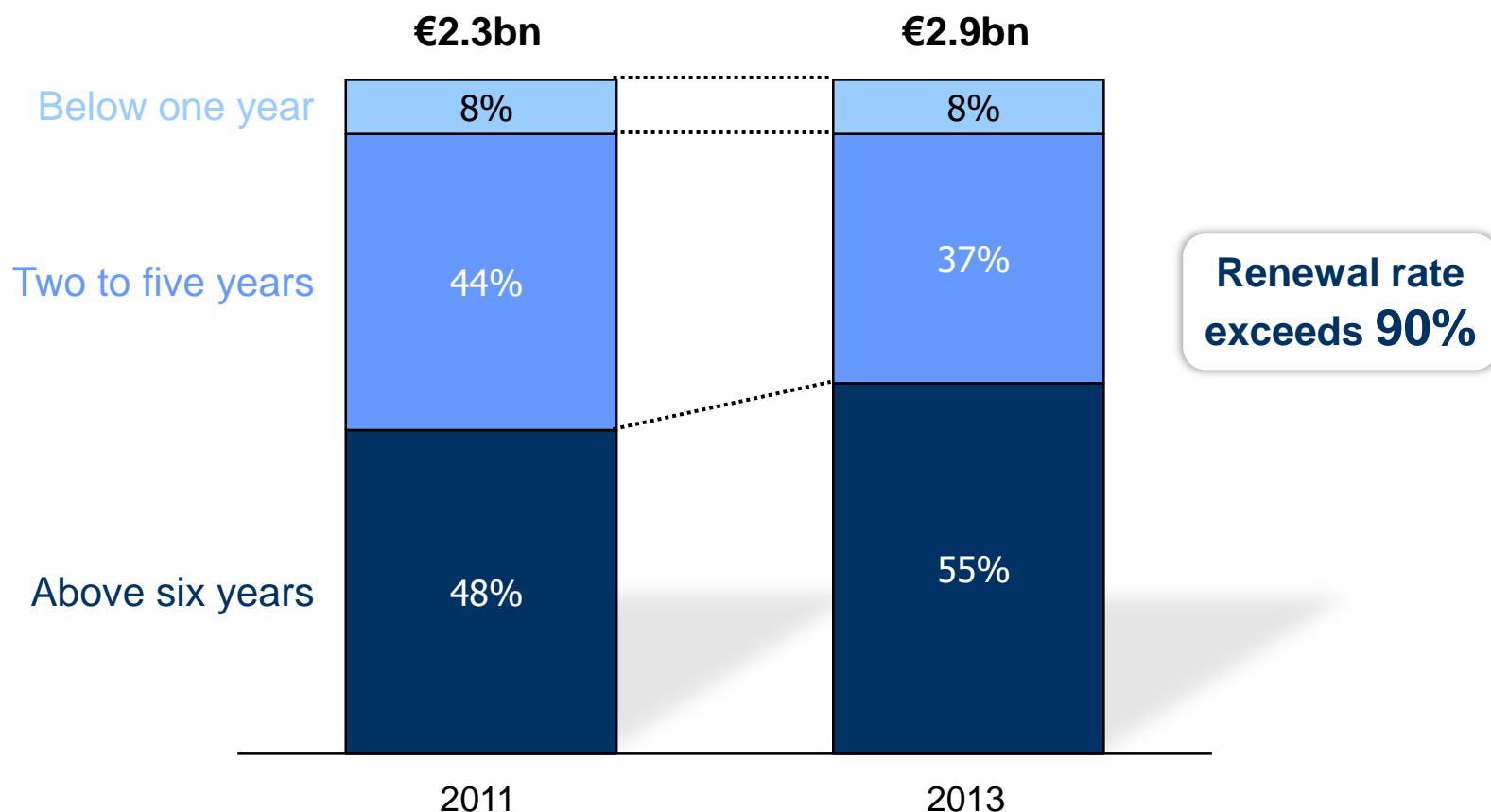
Annual total capital expenditures incl. acquisitions in LS travel retail

(€m, 2006 - 2013)



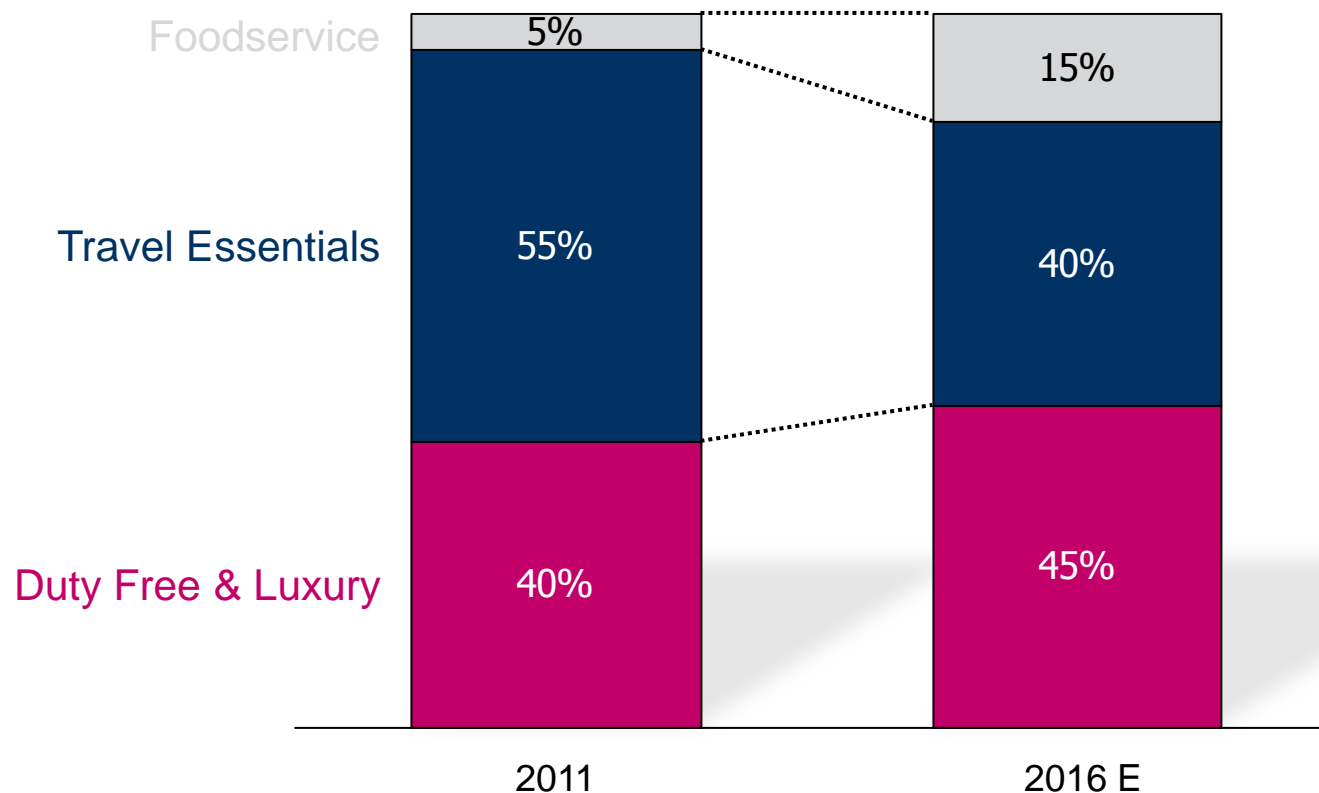
CONTINUED INCREASE OF LS TRAVEL RETAIL MATURITY RATE AND ABOVE 90% RENEWAL RATE MAINTAINED

LS travel retail consolidated sales @100% breakdown by contract maturity
(%, 2011 - 2013)



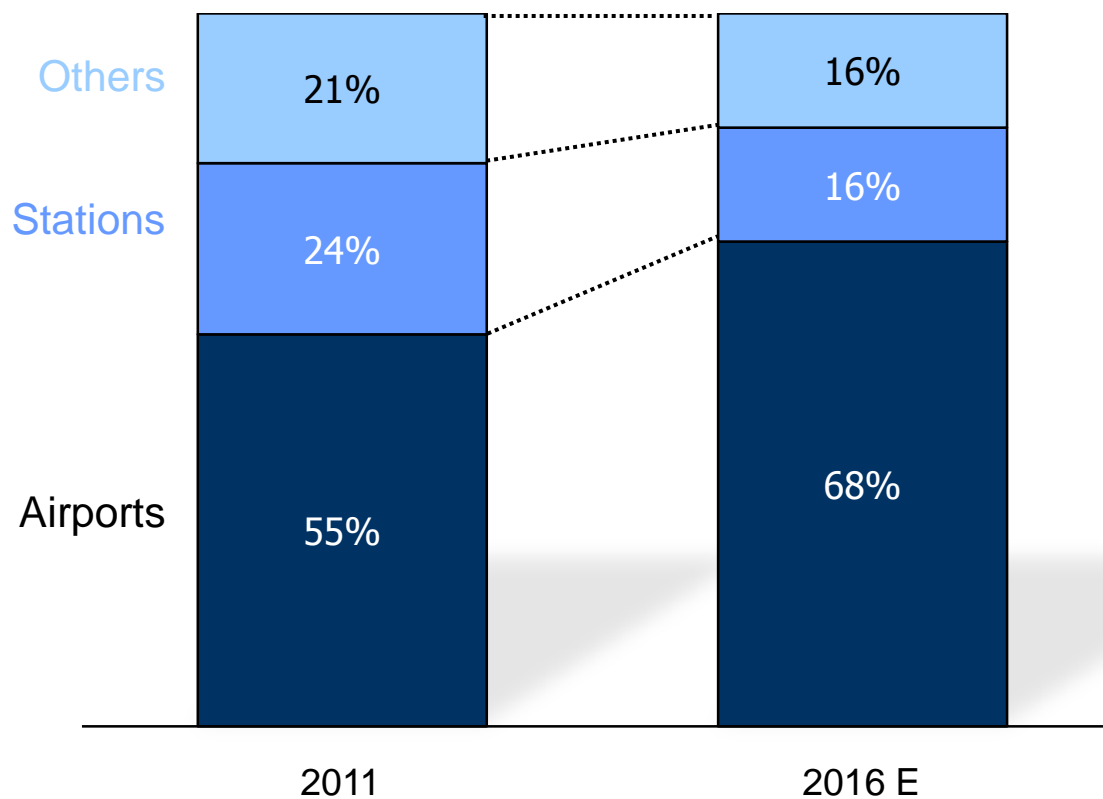
FAVORABLE EVOLUTION OF BUSINESS LINE MIX EXPECTED

LS travel retail consolidated sales @100% by business line
(%, 2011 - 2016 E)



FAVORABLE EVOLUTION OF CHANNEL MIX EXPECTED

LS travel retail consolidated sales @100% by channel
(%, 2011 - 2016 E)



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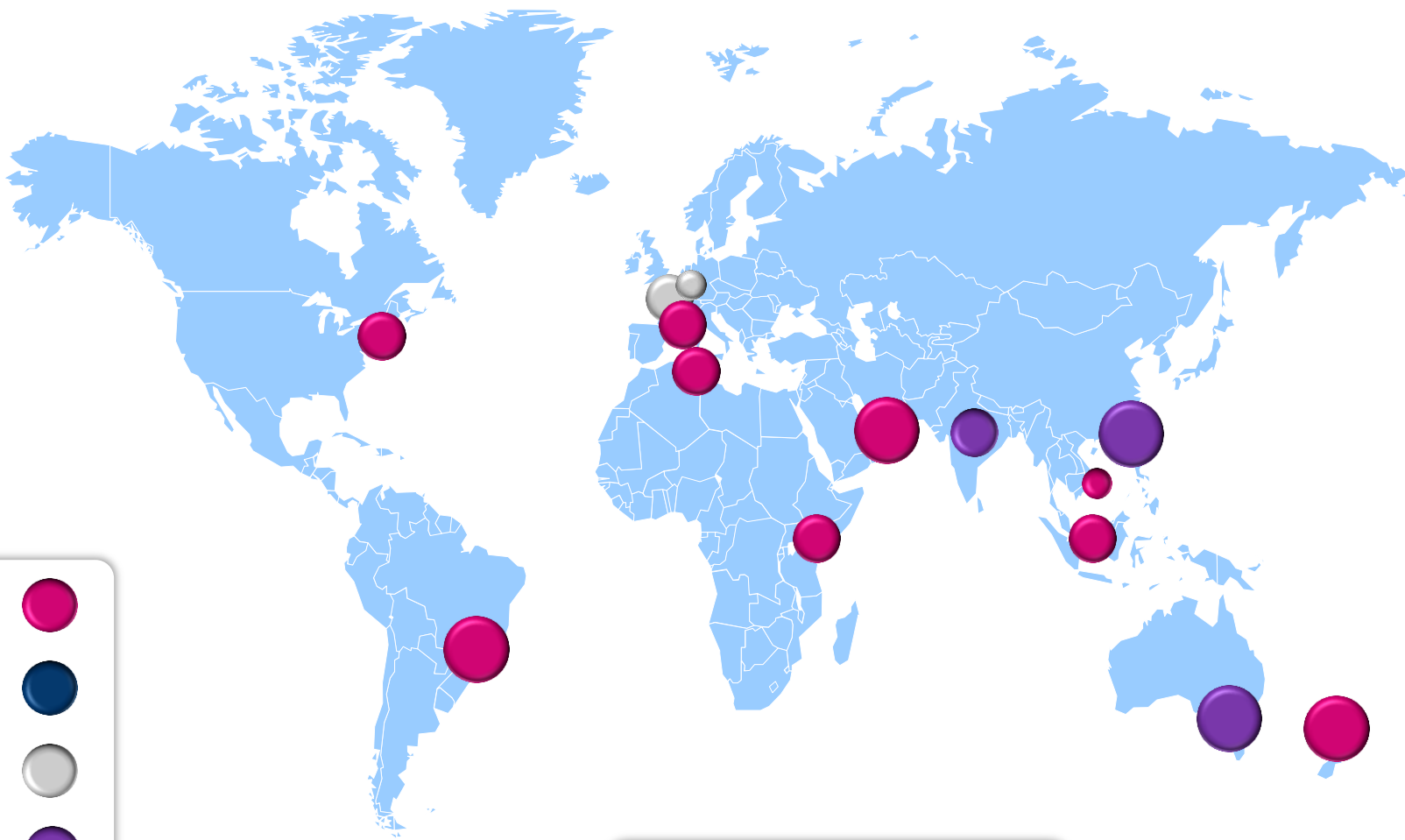
GREAT RESULTS ACHIEVED THANKS TO OUR STAKEHOLDERS' SUPPORT

What we discussed today



NUMEROUS NEW CONTRACTS CURRENTLY ADDRESSABLE

Illustrative



- Duty Free & Luxury
- Travel Essentials
- Foodservice
- Multiple categories

And many others...

CONFIDENCE IN OUR ABILITY TO CAPTURE SOME OF THESE OPPORTUNITIES

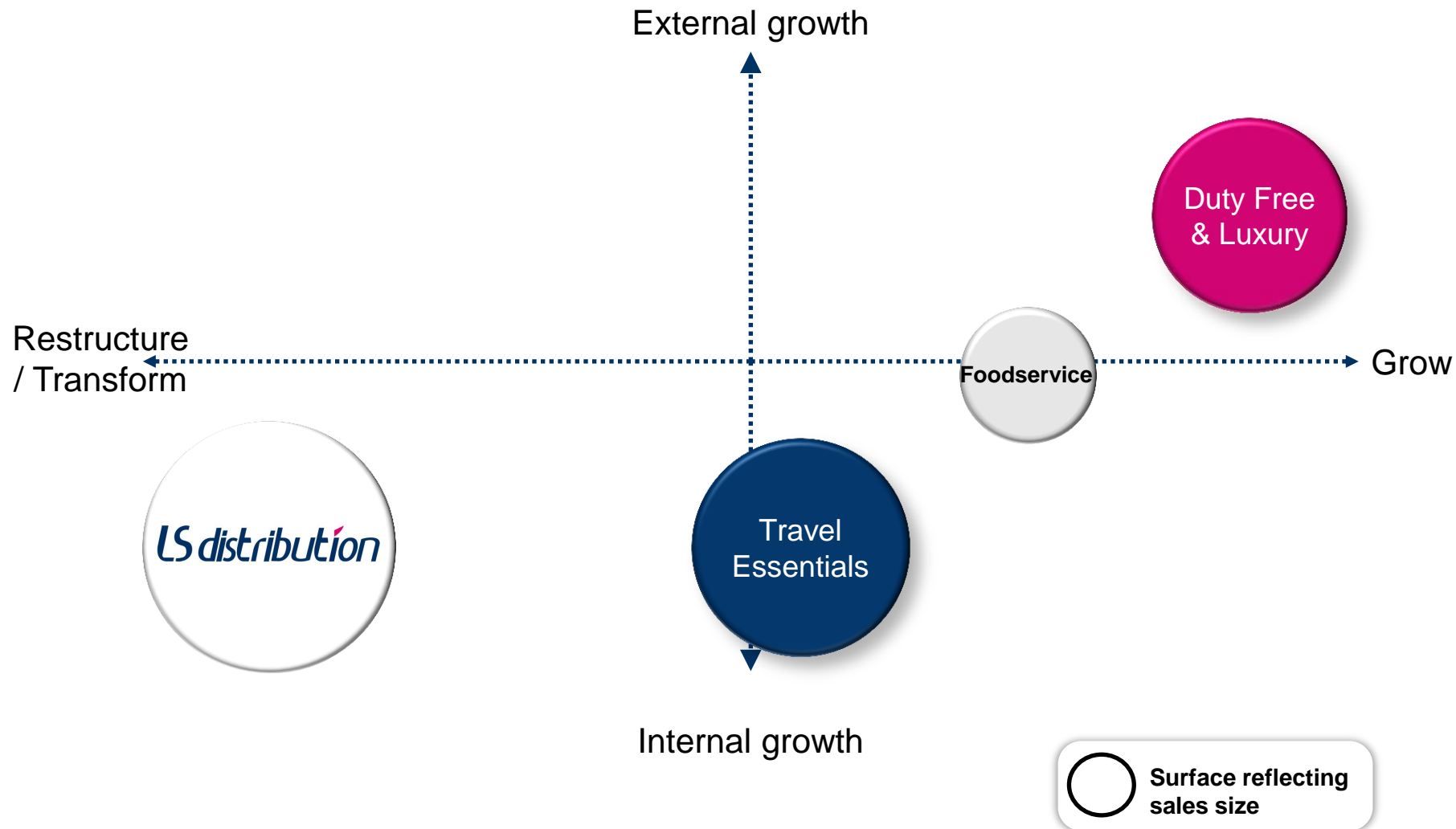
Pure Travel Retailer

**Fantastic portfolio of
concessions**

Winning positioning

**Great operational
expertise**

AN INCREASED FOCUS ON GROWTH



GUIDANCE IMPROVED

LS travel retail¹ guidance

(€m, %, 2011; 2013; 2016)



1. LS travel retail pro-forma perimeter i.e. including Retail in Spain and Duty Free in Switzerland

2. Proportional view