

Lagardère

2016 GENERAL MEETING

Gérard Adsuar

Deputy Chief Financial Officer

3 MAY 2016

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KEY FIGURES FOR THE GROUP

Annual Ordinary and Extraordinary General Meeting of 3 May 2016

Lagardère

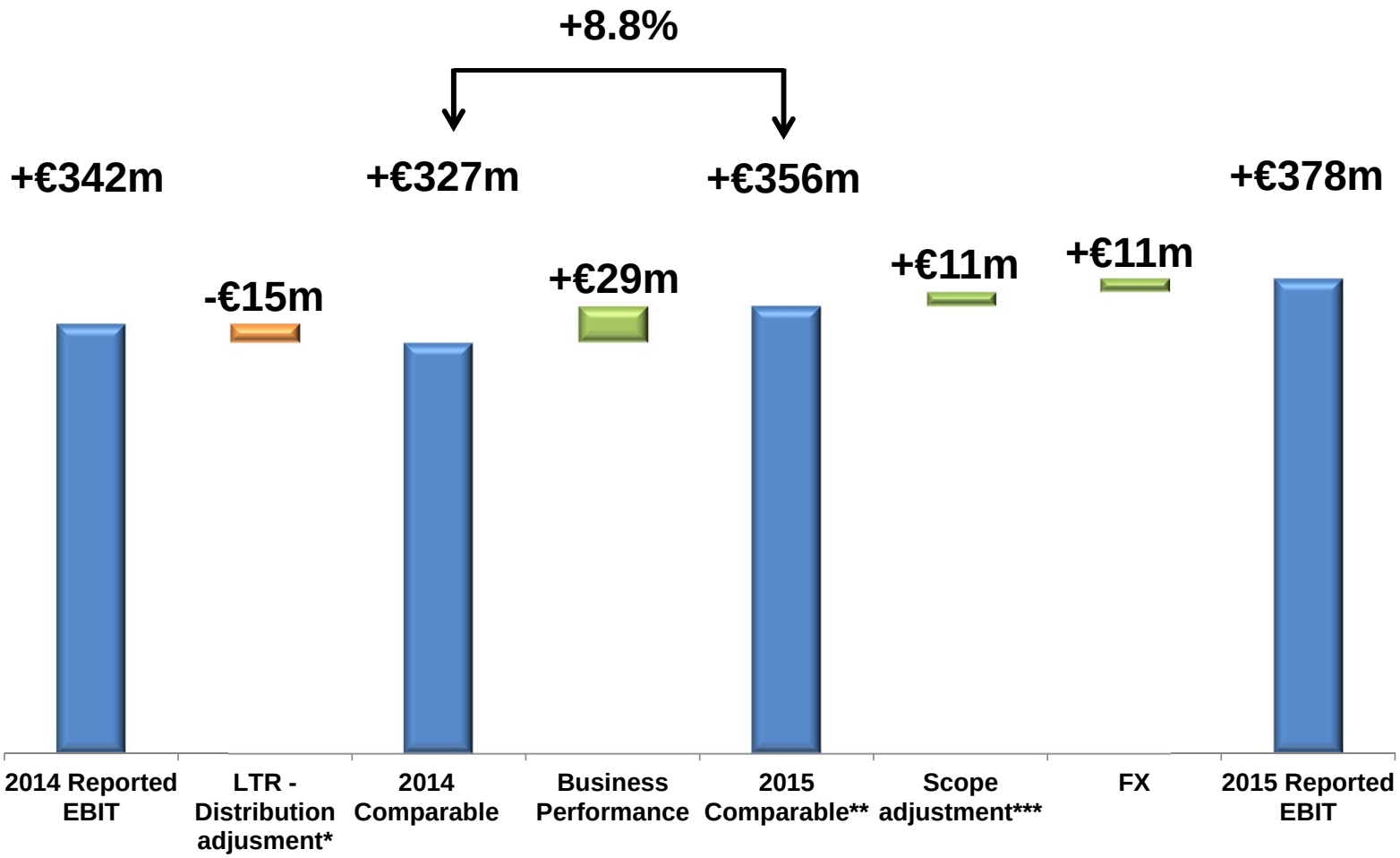
KEY FIGURES FOR THE GROUP

(€m)	2014	2015	Reported change	Like-for-like change*
Sales	**7,170**	**7,193**	**+0.3%**	**+3.0%**
Recurring EBIT of fully consolidated companies**	**342**	**378**	**+10.5%**	**/**
Group operating margin	***4.8%***	***5.3%***	***+0.5 pt***	**/**
Profit – Group share	**41**	**74**	**+€33m**	**/**
Adjusted profit* – Group share**	**185**	**240**	**+€55m**	**/**
Free cash flow	**(23)**	**274**	**+€297m**	**/**
Net debt at end of the period	**(954)**	**(1 551)**	**-€597m**	**/**
Earnings per share (in €)	**0.32**	**0.58**	**+81.3%**	**/**
Ordinary dividend per share (in €)	**1.30**	**1.30******	**=**	**/**

- **Sales: a negative perimeter effect of -€393m, and a positive currency effect of €222m.**

*At constant perimeter and exchange rates.
**Recurring EBIT of fully consolidated companies of the four operating divisions + other activities.
***Excluding non-recurring/non-operating items.
****Ordinary dividend submitted for approval for 2015.

2015 RECURRING EBIT, SLIGHTLY ABOVE THE FULL-YEAR GUIDANCE



*Effect of Swiss Distribution activity and Curtis disposals.
**Calculated using 2014 exchange rates.
***Effect of Paradies and Grupo Boomerang TV acquisitions.

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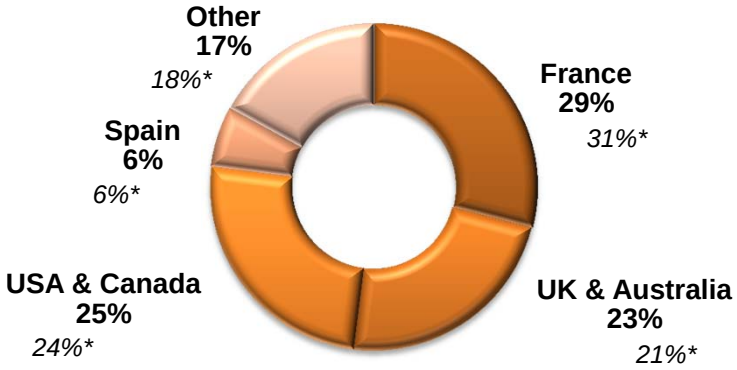
PERFORMANCE BY DIVISION

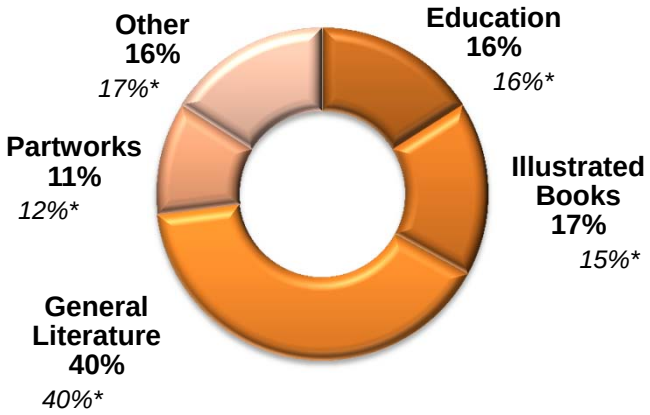
Annual Ordinary and Extraordinary General Meeting of 3 May 2016

LAGARDÈRE PUBLISHING

2015 sales by geographical area



2015 sales by activity



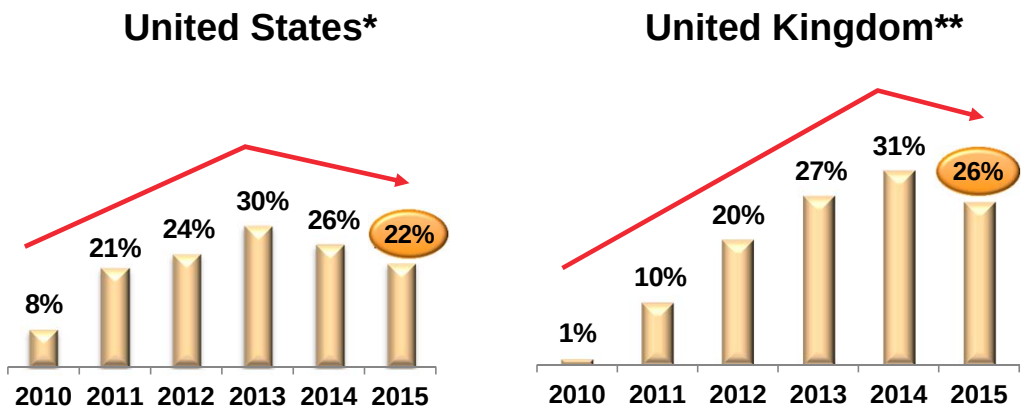
(€m)	2014	2015	Change Reported basis	Change Like-for-like basis
Sales (a)	**2,004**	**2,206**	**+10.1%**	**+1.7%**
Recurring EBIT of fully consolidated companies (b)	**197**	**198**		
Operating margin (b)/(a)	***9.8%***	***9.0%***		
Income from equity-accounted companies	**2**	**1**		
Non-recurring/non-operating items	**(30)**	**(16)**		
EBIT	**169**	**183**		

*% of sales in 2014.

LAGARDÈRE PUBLISHING

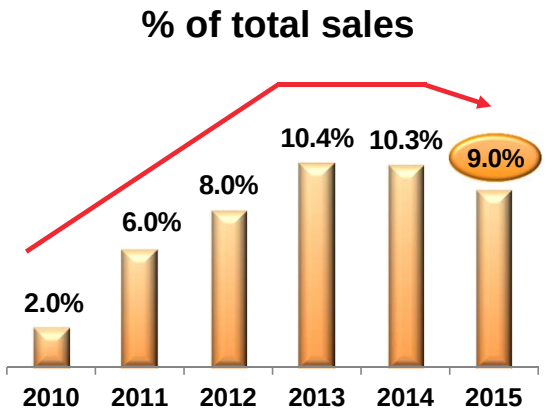
- **As expected, the weight of e-books has decreased: e-books accounted for 9% of total sales of the division in 2015 vs. 10.3% in 2014.**
- Digital for the time being remains essentially limited to the traditional fiction/non-fiction segment, and only in the US and in the UK, where in 2015 market trends have been reversed, with a rebound in volumes of printed books to the detriment of e-books:
  - in the **US**, Lagardère Publishing digital sales accounted for 22% of Trade sales in 2015. It reflects market trend and the impact of the agreement with e-retailers;
  - in the **UK**, e-book sales decreased due to a less intensive new release schedule and to a change in VAT rate. E-books accounted for 26% of Adult trade sales;
  - **French** and **Spanish** markets still at an early stage.

E-book share – as percentage of Trade sales



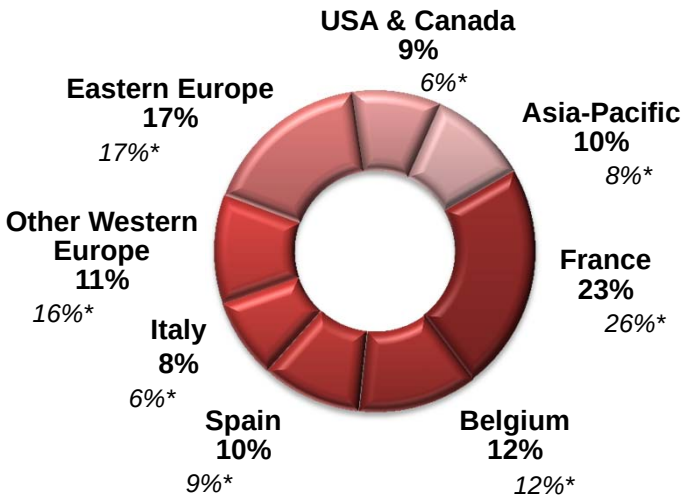
*Trade. / **Adult trade.

Lagardère Publishing e-book sales

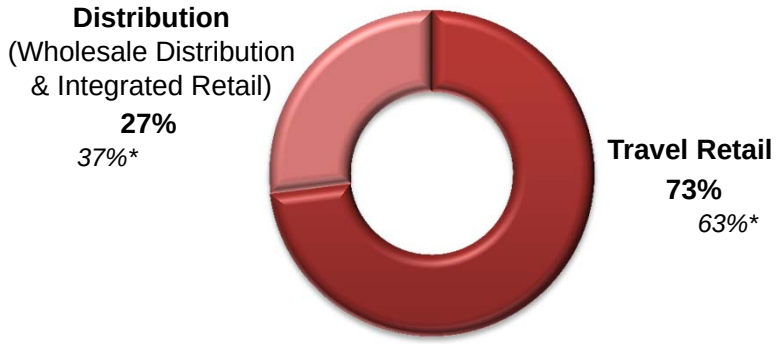


LAGARDÈRE TRAVEL RETAIL

2015 sales by geographical area



2015 sales by activity

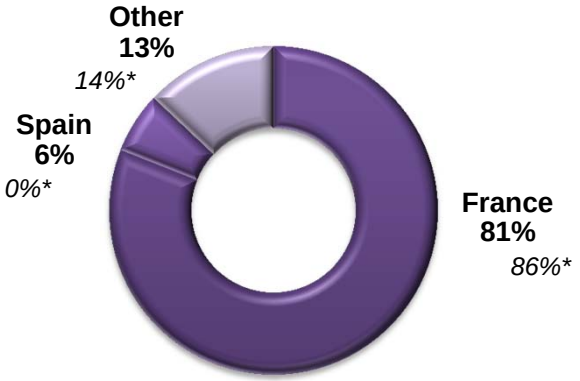


(€m)	2014	2015	Change Reported basis	Change Like-for-like basis
Sales (a)	**3,814**	**3,510**	**-8.0%**	**+4.3%**
Recurring EBIT of fully consolidated companies (b)	**105**	**102**		
Operating margin (b)/(a)	***2.7%***	***2.9%***		
Income from equity-accounted companies	**6**	**10**		
Non-recurring/non-operating items	**(64)**	**(74)**		
EBIT	**47**	**38**		

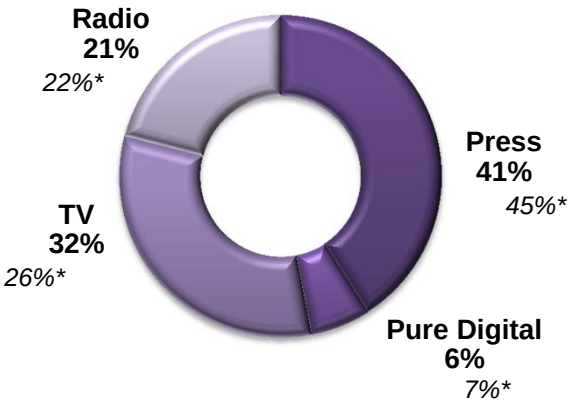
*% of sales in 2014.

LAGARDÈRE ACTIVE

2015 sales by geographical area



2015 sales by activity

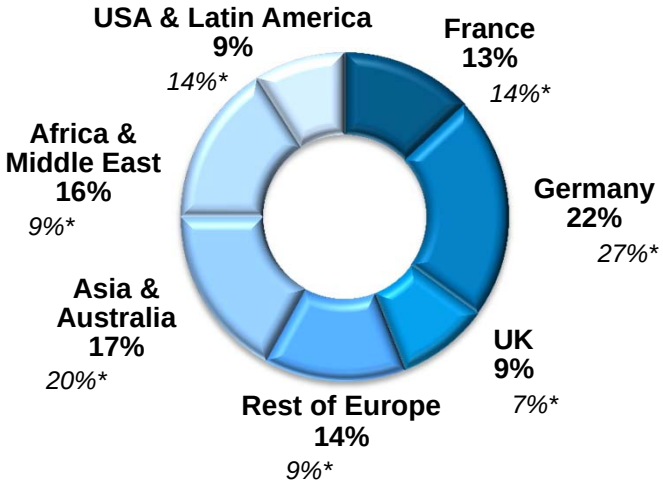


(€m)	2014	2015	Change Reported basis	Change Like-for-like basis
Sales (a)	**958**	**962**	**+0.5%**	**-5.8%**
Recurring EBIT of fully consolidated companies (b)	**73**	**79**		
Operating margin (b)/(a)	***7.6%***	***8.2%***		
Income from equity-accounted companies	**4**	**2**		
Non-recurring/non-operating items	**(21)**	**(63)**		
EBIT	**56**	**18**		

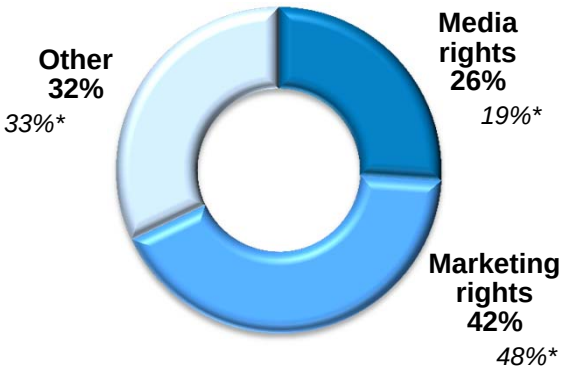
*% of sales in 2014.

LAGARDÈRE SPORTS AND ENTERTAINMENT

2015 sales by geographical area



2015 sales by activity



(€m)	2014	2015	Change Reported basis	Change Like-for-like basis
Sales (a)	**394**	**515**	**+30.9%**	**+19.6%**
Recurring EBIT of fully consolidated companies (b)	**4**	**20**		
Operating margin (b)/(a)	***1.0%***	***3.9%***		
Loss from equity-accounted companies	**(3)**	**(2)**		
Non-recurring/non-operating items	**(19)**	**(62)**		
EBIT	**(18)**	**(44)**		

*% of sales in 2014.

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GROUP FINANCIAL RESULTS

Annual Ordinary and Extraordinary General Meeting of 3 May 2016

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CONSOLIDATED INCOME STATEMENT

(€m)	2014	2015
Sales	**7,170**	**7,193**
Recurring EBIT of fully consolidated companies*	**342**	**378**
Income from equity-accounted companies**	9	11
Non-recurring/non-operating items	(142)	(215)
Total EBIT	**209**	**174**
Operating activities	*254*	*195*
Other activities	*(45)*	*(21)*
Net interest expense	(73)	(66)
Profit before tax	**136**	**108**
Income tax expense	(87)	(37)
Total profit	**49**	**71**
Attributable to minority interests	*(8)*	*3*
Profit – Group share	**41**	**74**

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

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ADJUSTED PROFIT – GROUP SHARE

(€m)	2014	2015
Profit – Group share	**41**	**74**
Restructuring costs*	+53	+56
Gains (losses) on disposals*	+5	-24
Fair value adjustment resulting from changes in control*	-25	-
Impairment losses on goodwill, tangible and intangible fixed assets*	+41	+62
Amortisation of acquisition-related intangible assets and other acquisition-related expenses*	+42	+48
Cricket litigation in India (WSG)*	-	+19
Tax contribution on dividends paid to shareholders	+28	+5
Adjusted profit – Group share	**185**	**240**

*Net of taxes.

CONSOLIDATED STATEMENT OF CASH FLOWS

(€m)	2014	2015
Cash flow from operations before interest, taxes	403	447
Changes in working capital	(49)	180
Cash flow from operations	**354**	**627**
Interest paid & received, income taxes paid	(144)	(103)
Cash generated by/(used in) operating activities	**210**	**524**
Acquisition/Disposal of property, plant & equipment and intangible assets	*(233)*	*(250)*
Free cash flow	**(23)**	**274**
Acquisition of financial assets	*(282)*	*(568)*
Disposal of financial assets	*34*	*(59)*
Net cash from operating & investing activities	**(271)**	**(353)**

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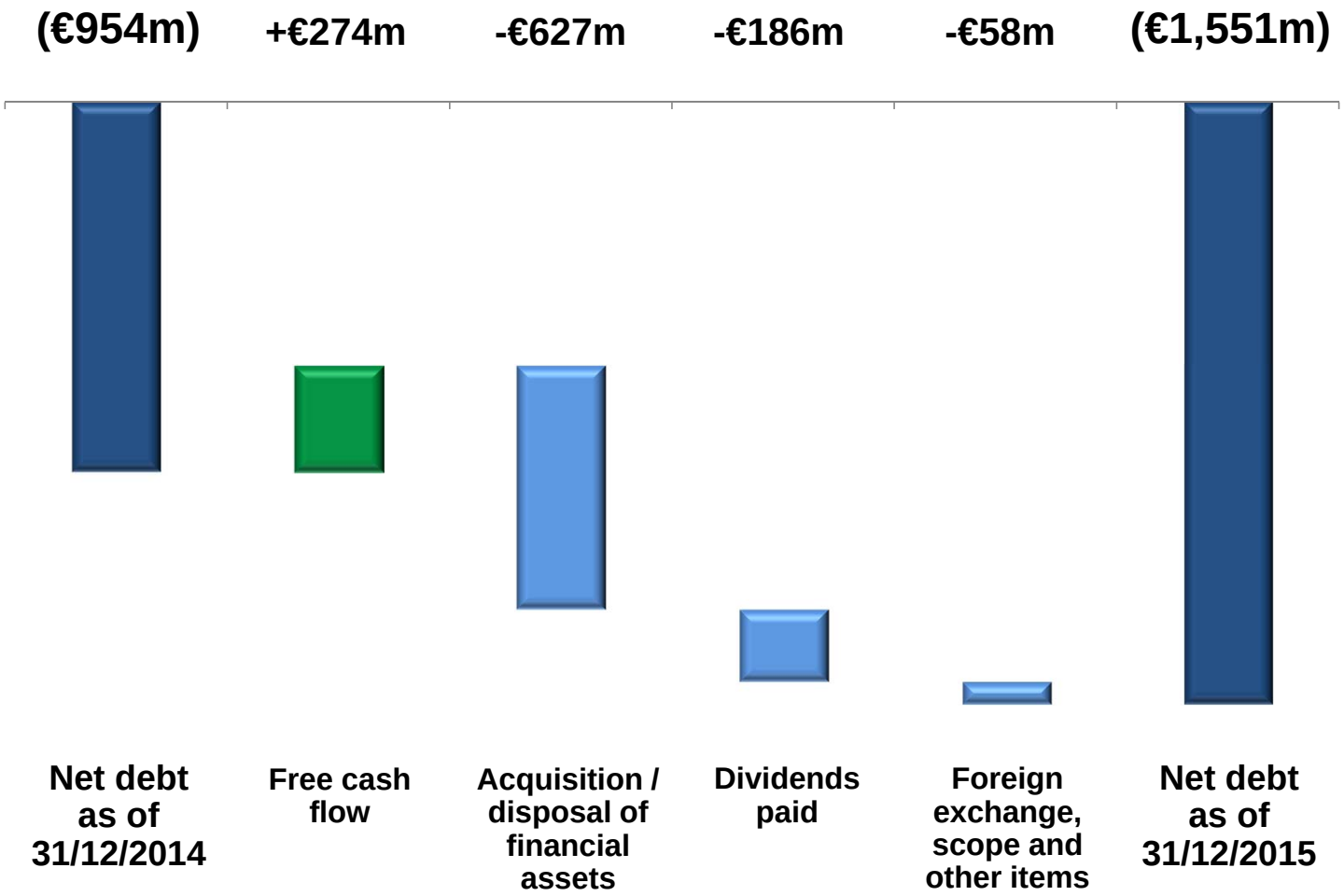
CONSOLIDATED BALANCE SHEET

(€m)	31 Dec. 2014	31 Dec. 2015
Non-current assets (excl. investments in associates and joint ventures)	3,948	4,672
Investments in associates and joint ventures	159	155
Current assets (other than short-term investments and cash)	2,834	2,846
Short-term investments and cash	566	634
TOTAL ASSETS	7,507	8,307
Stockholders' equity	2,084	2,135
Non-current liabilities (excl. debt)	714	800
Non-current debt	1,030	1,526
Current liabilities (excl. debt)	3,189	3,187
Current debt	490	659
TOTAL LIABILITIES AND EQUITY	7,507	8,307

CHANGE IN NET DEBT IN 2015



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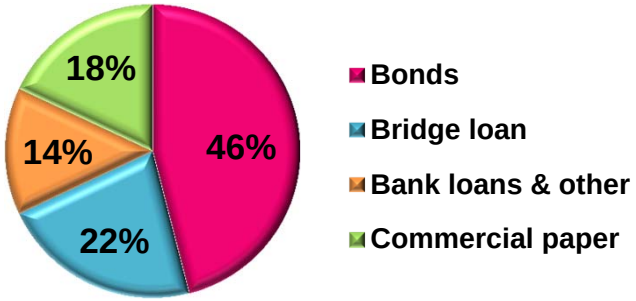
FINANCIAL POSITION

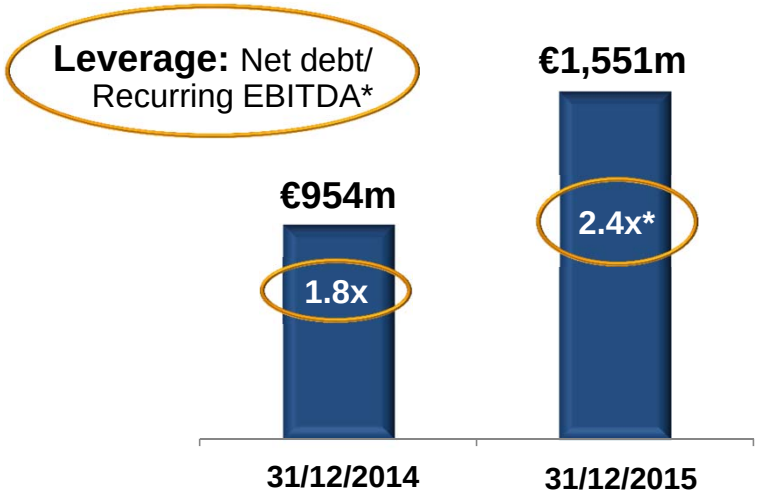
Annual Ordinary and Extraordinary General Meeting of 3 May 2016

SOUND FINANCIAL POSITION

- **2015**
  - Revolving Credit Facility refinanced in May 2015 for €1.25bn, 5 years + up to 2 years extension options.
  - Strong liquidity, with €1,884m covering up to end of 2018.
  - Gross debt centered on bond market and commercial paper.
  - Paradies funded through $530m USD bridge loan available until October 2017, refinanced in April 2016 using the €500m bond issue due in April 2023.

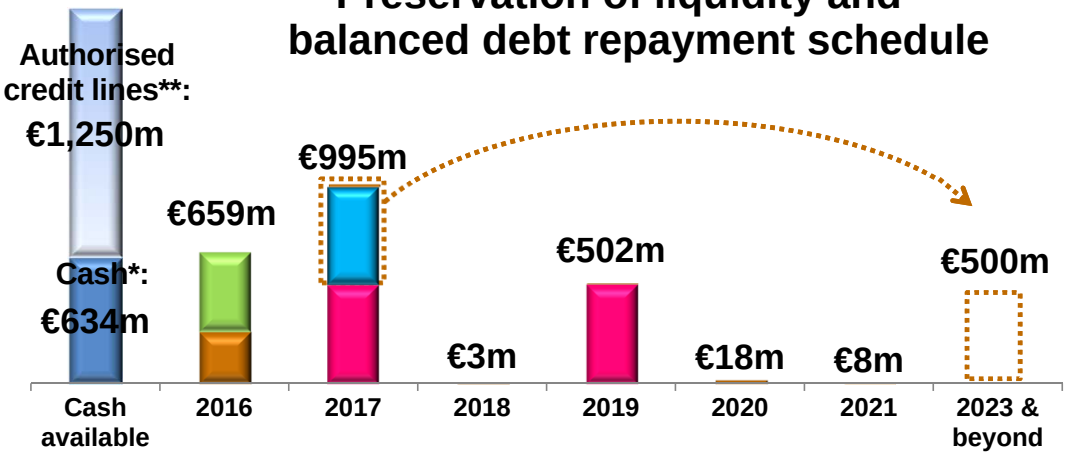
Gross debt breakdown: well-balanced funding sources





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

Preservation of liquidity and balanced debt repayment schedule



*Short-term investments and cash.
**Group credit facility excluding authorised credit lines at divisions level.

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GUIDANCE

Annual Ordinary and Extraordinary General Meeting of 3 May 2016

GUIDANCE

- **2016 guidance**

- **In 2016, the recurring EBIT of fully consolidated companies* is expected to grow slightly above 10% compared to 2015:**
  - at constant exchange rates;
  - excluding any impact from any disposal of Distribution activities.

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