

Lagardère

**2016
GENERAL MEETING**

Arnaud Lagardère
General and Managing Partner

3 MAY 2016

SUMMARY

Lagardère

1

MARKETS AND TRENDS

2

OUR INTEGRATED AND DIVERSIFIED MODEL OF VALUE CREATION

3

OUR PERFORMANCE

4

OUR OUTLOOK



Lagardère

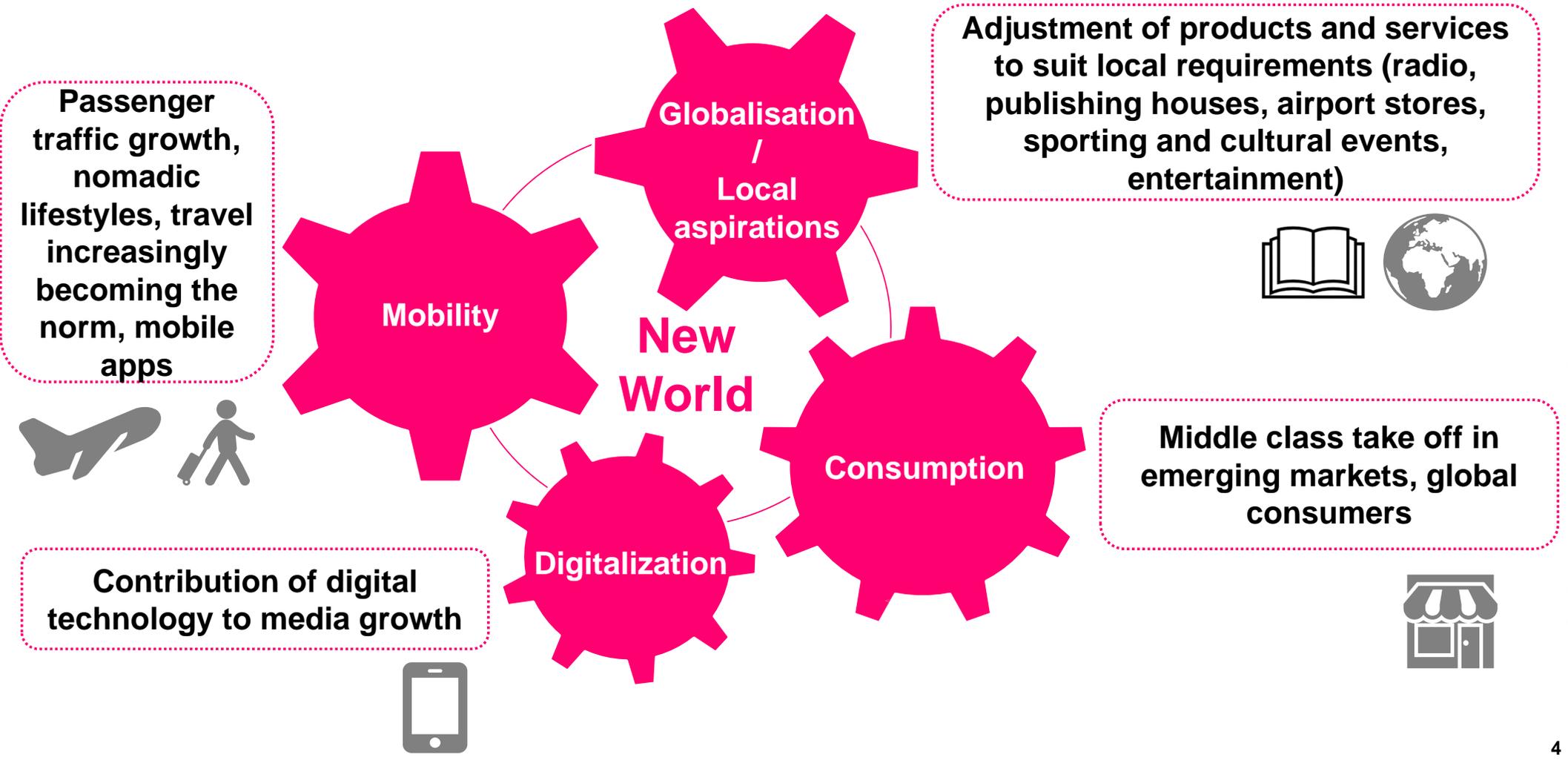
**MARKETS AND
TRENDS**

OUR INTEGRATED AND
DIVERSIFIED MODEL OF
VALUE CREATION

OUR PERFORMANCE

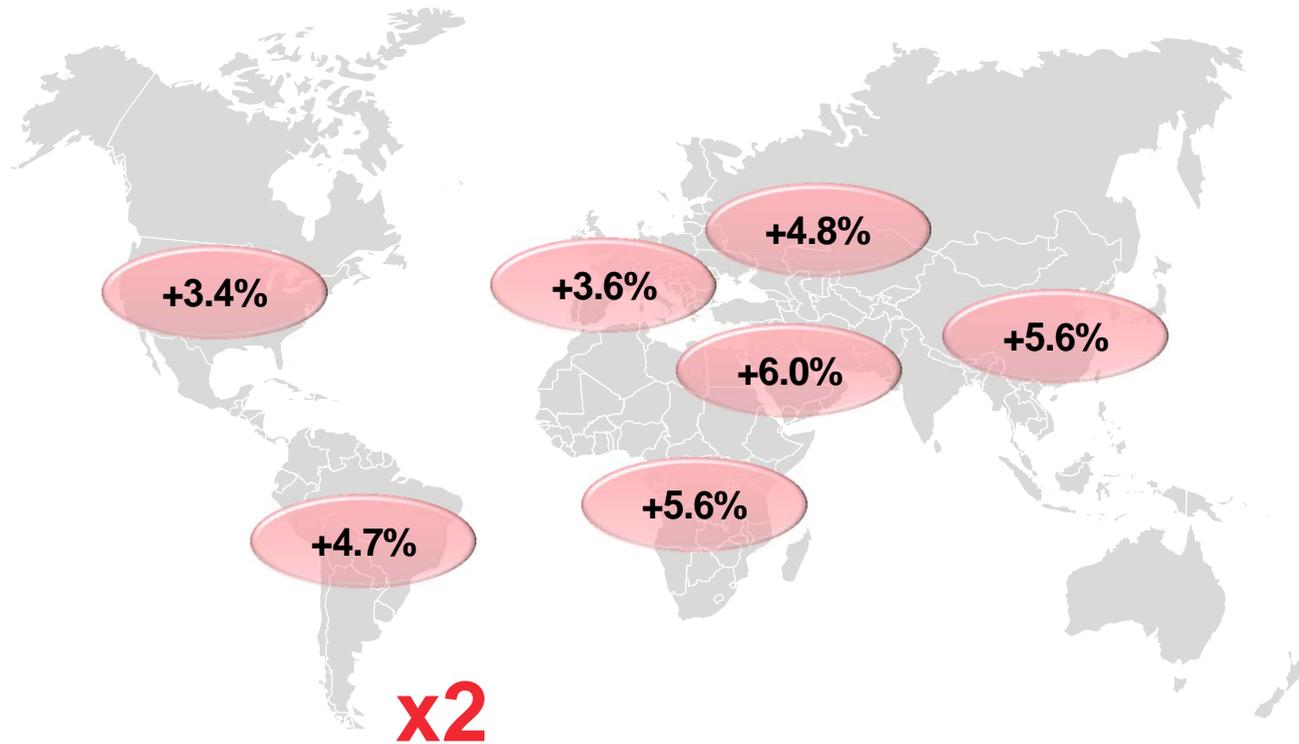
OUR OUTLOOK

A CHANGING ENVIRONMENT DRIVEN BY FOUR MAIN GROWTH FACTORS



IN THIS ENVIRONMENT OF GLOBALISATION AND CONSUMPTION TRAVEL RETAIL: A SIXTH CONTINENT

Air traffic growth* by region (% CAGR, 2014-2034)



x2

Passenger aircraft fleet (2034 vs 2014)

A sixth continent with:

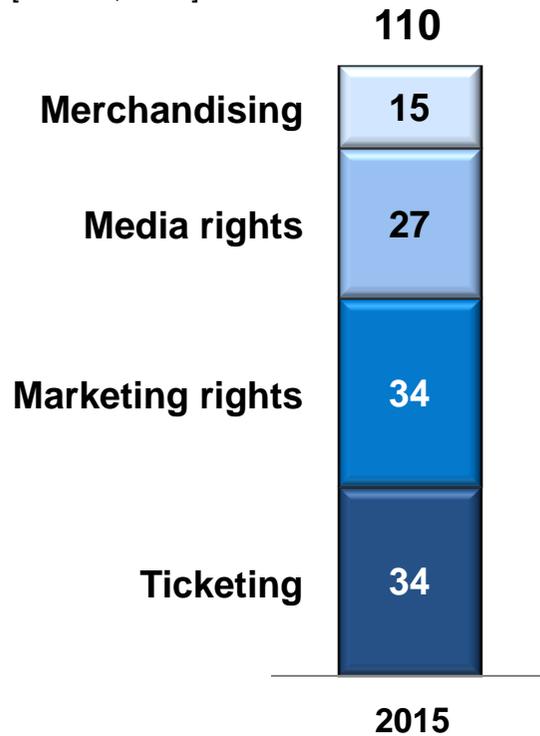
- its capitals
- its own economy
- its flows
- its inhabitants
- its own means of consumption
- its unity of time and place

*Traffic measured by revenue passenger-kilometers.
Source: Lagardère, ACI.

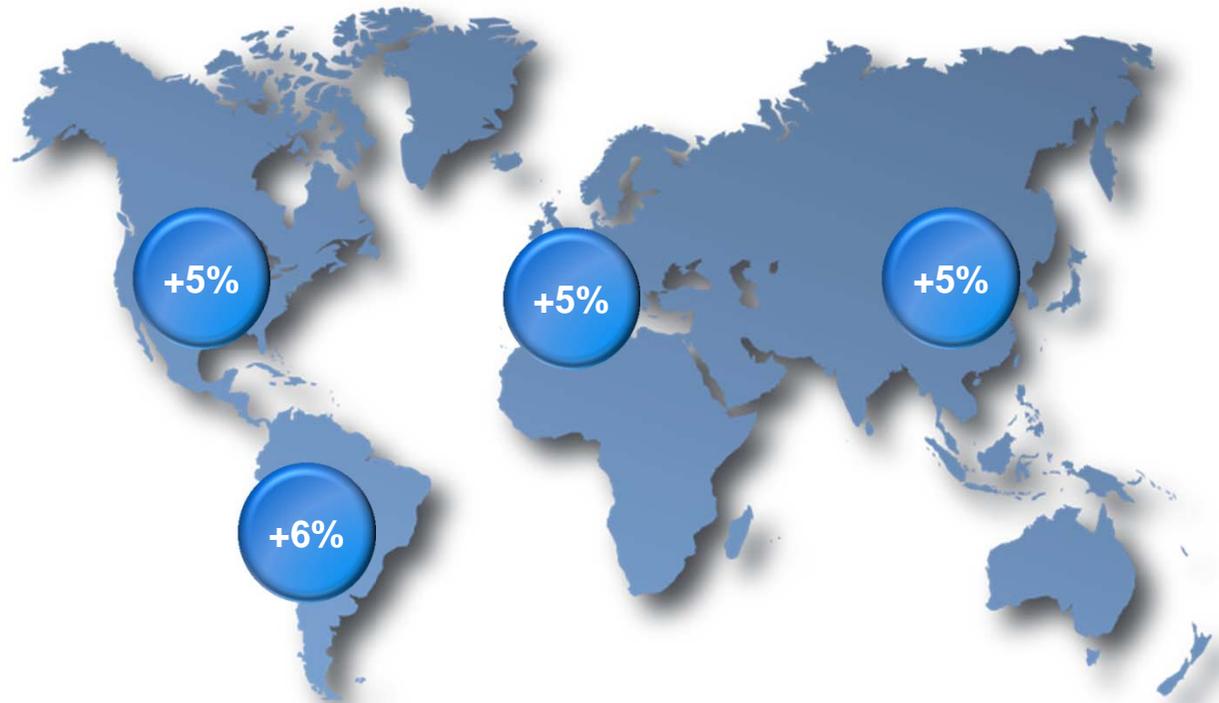
A GLOBAL ENVIRONMENT WITH SPECIFIC LOCAL FEATURES... GENERATING AUDIENCES THROUGH DIVERSIFIED NETWORKS

Worldwide sports market

[€billion, 2015]



Worldwide growth of 5% a year, driven by
media and marketing rights



Globalization of rights accelerating



Lagardère

MARKETS AND TRENDS

**OUR INTEGRATED
AND DIVERSIFIED
MODEL OF VALUE
CREATION**

OUR PERFORMANCE

OUR OUTLOOK

AN INTEGRATED MODEL OF VALUE CREATION

Lagardère

Lagardère
PUBLISHING

World #3 Trade book publisher

#1 in France, #2 in the UK,
#3 in Spain, #4 in the US

A multi-segment publisher

General Literature, Illustrated
books, Education, Partworks

A leading digital player



LITTLE, BROWN AND COMPANY



Lagardère
TRAVEL RETAIL

World #4 in Travel Retail

More than 4,500 shops in
30 countries and 220 airports
worldwide

Strong expertise in
three business lines

Travel Essentials, Duty Free &
Fashion, Foodservice

To be divested :
Press Wholesale Distribution



Lagardère
ACTIVE

Leading magazine publisher

15 French titles
81 international editions under
license

French #1 TV audiovisual producer

France leading Internet & mobile
media group

Major player in Radio in France



Lagardère
SPORTS AND
ENTERTAINMENT

Leader in football in Africa, Asia,
England, France and Germany

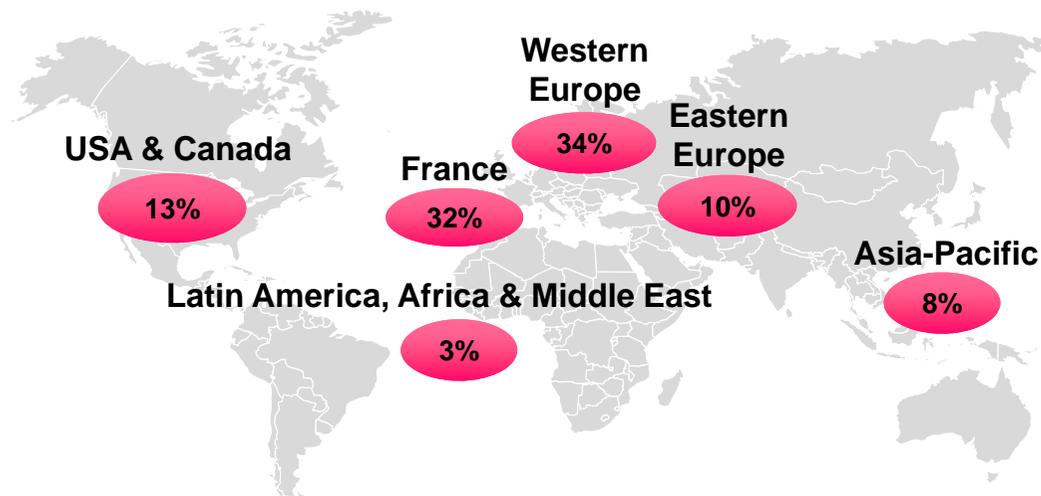
Leader in sports marketing
in Asia and Africa

Leader in the representation of
golf players worldwide

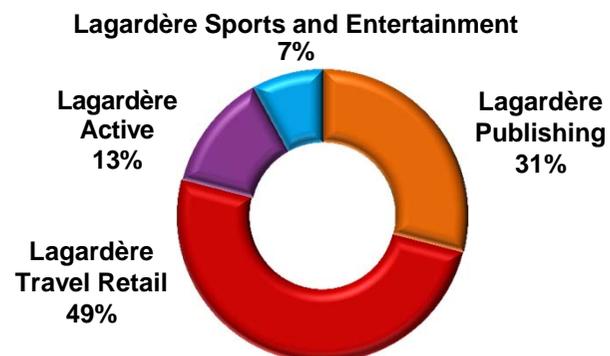


AN INTEGRATED AND DIVERSIFIED MODEL

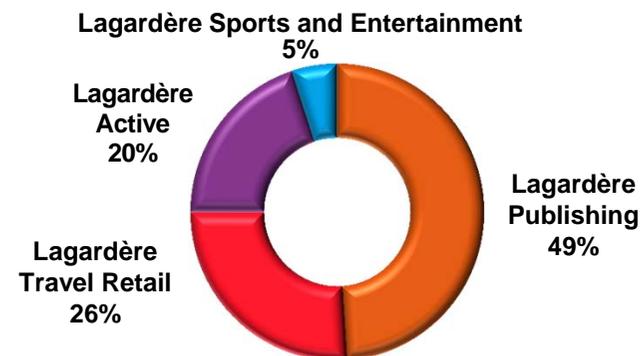
Breakdown of sales by geographic area in 2015



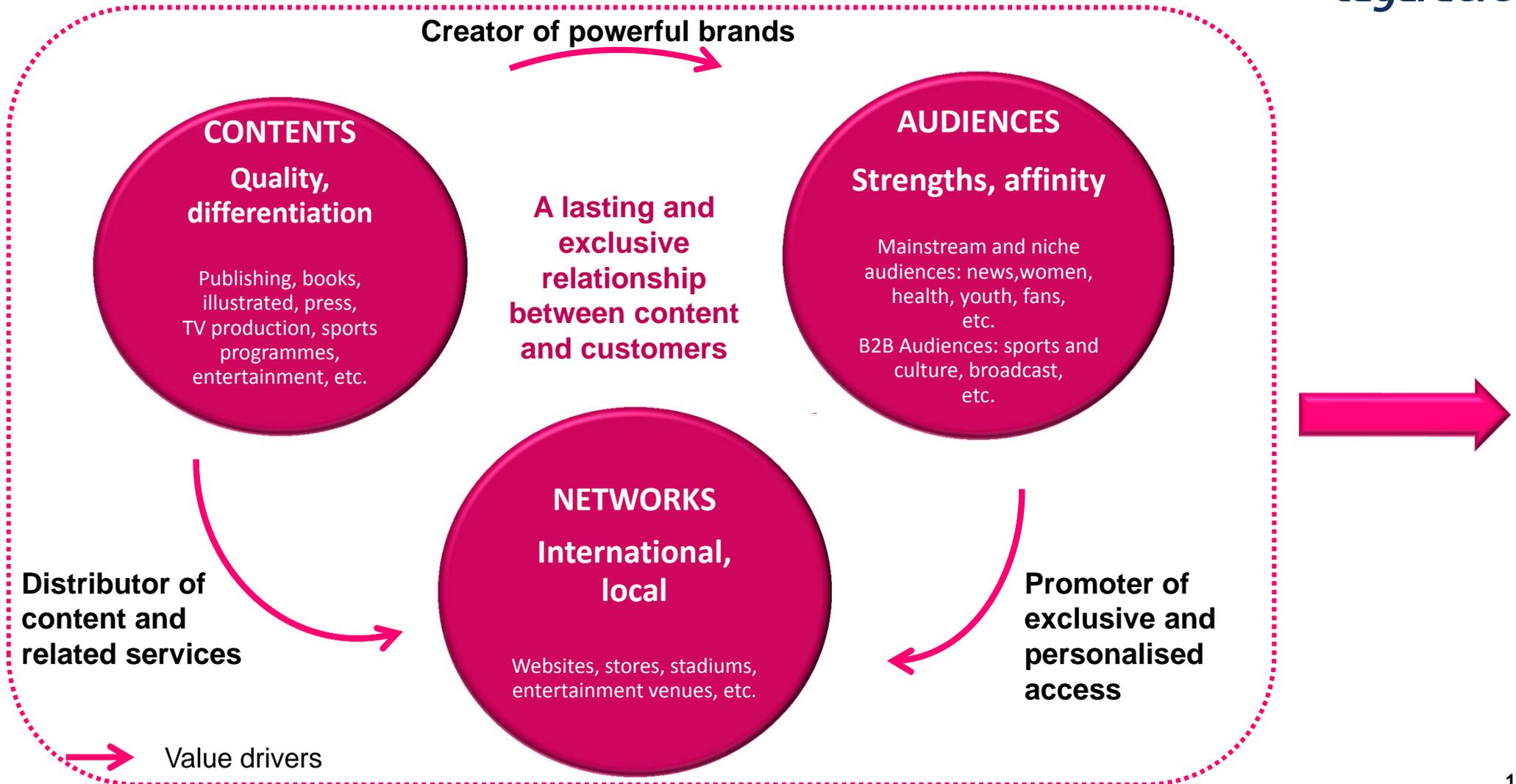
Breakdown of sales by division in 2015



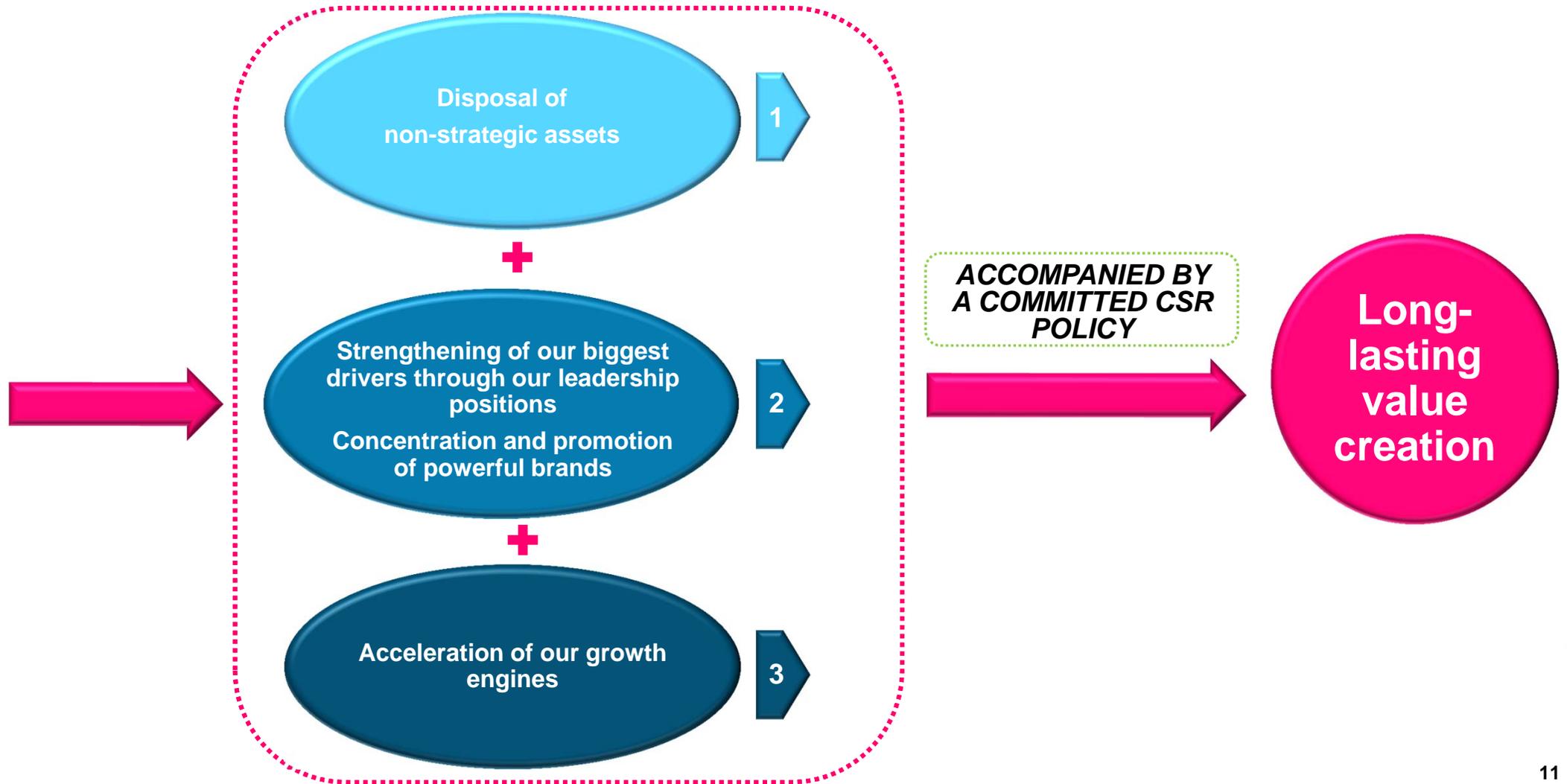
Breakdown of Recurring EBIT by division in 2015



AN INTEGRATED MODEL OF VALUE CREATION BASED ON THREE PILLARS...

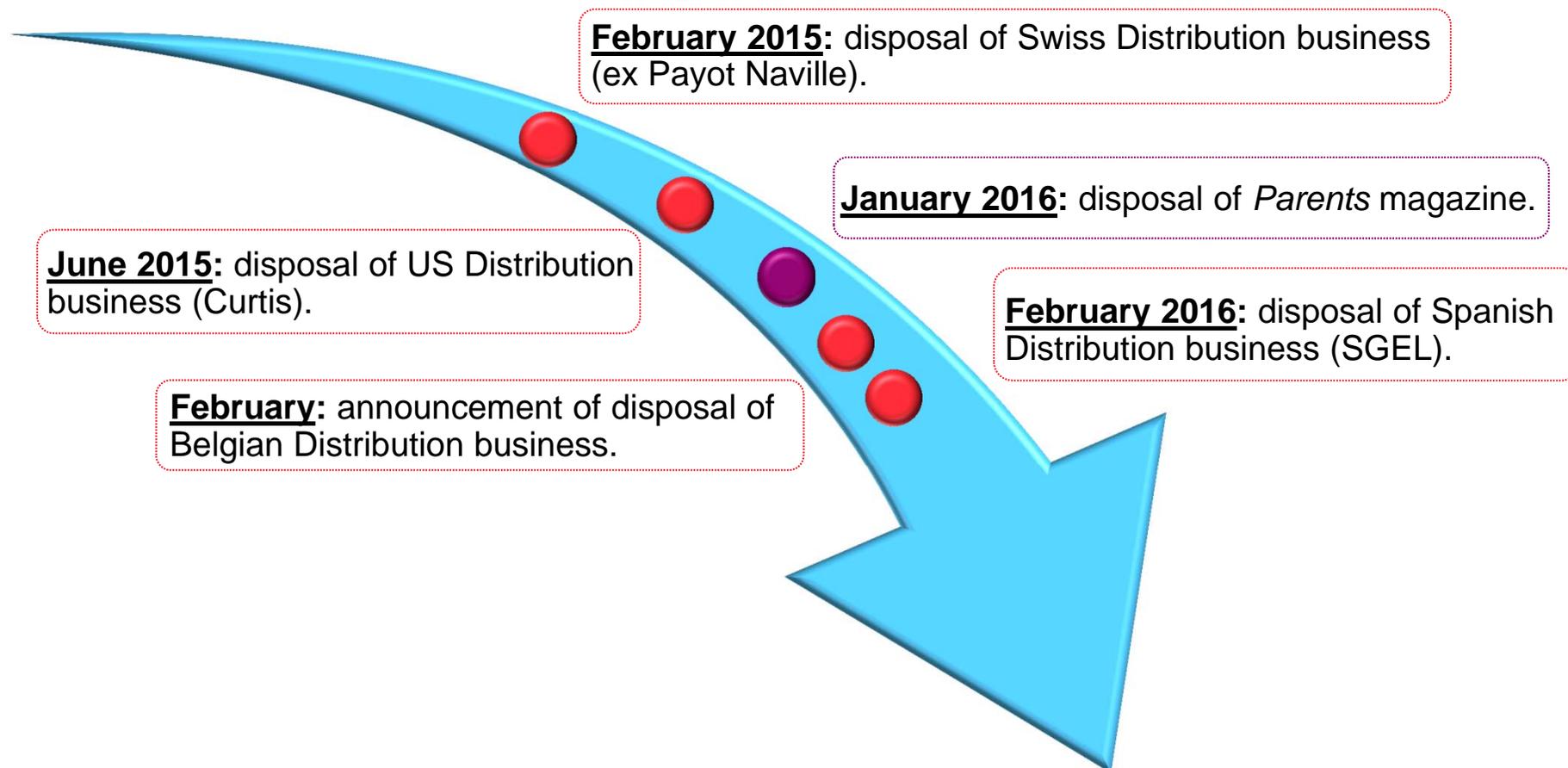


... AND A STRATEGIC TRANSFORMATION PLAN UNDERWAY



1 DISPOSAL OF NON-STRATEGIC ASSETS

CONTINUATION OF OPERATIONS IN 2015 AND 2016



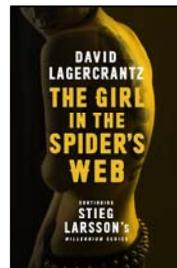
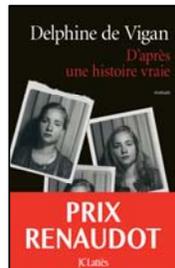
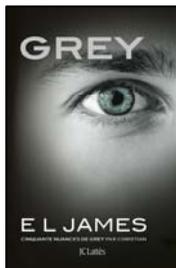
2

STRENGTHENING OUR POWER ENGINES THROUGH OUR LEADERSHIP

Lagardère
PUBLISHING

Content leading positions

- No. 3** publishing group worldwide
- No. 1** publisher in France
- No. 2** publisher of digital bestsellers in the US
- No. 2** UK publisher
- No. 4** US publisher



International coverage

3,934 new titles published in Spain and Latin America

30% of Hachette UK's sales generated by Digital

34 titles published by Hachette Book Group reached No. 1 on the *New York Times* bestseller list

152,923 titles available in print-on-demand format in France

6,357 permanent employees worldwide



STRENGTHENING OUR POWER ENGINES THROUGH OUR LEADERSHIP

Network leading positions

No. 4 Travel Retail operator worldwide

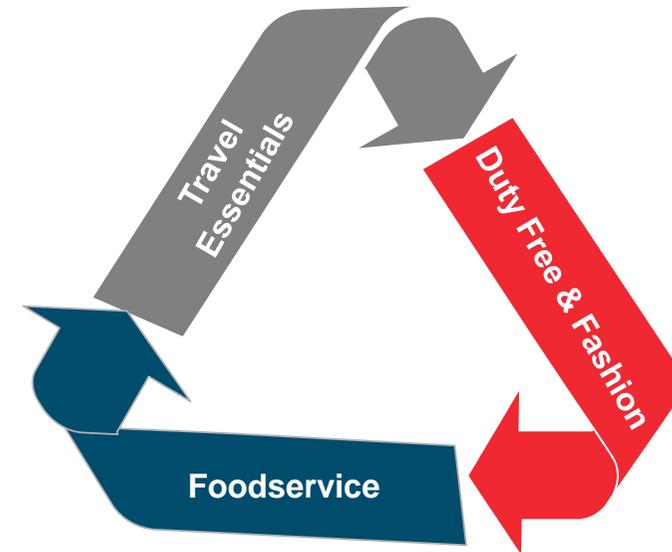
No. 3 Travel Retail operator in North America

No. 1 Travel Retail operator in France, Poland and the Czech Republic

No. 4 Foodservice operator in travel areas worldwide

A winning positioning

International positioning on three segments:
Travel Essentials, Duty Free & Fashion and Foodservice



Key positions in terms of audience and content

No. 1 up-market women's brand with Elle

No. 1 audiovisual producer in France with Lagardère Studios

No. 1 in channels targeting a children and family audience in France with Gulli, Tiji and Canal J

Recognised brands

10 million print and digital readers for Elle, the No. 1 up-market women's brand

2.1 million unique visitors to Europe1.fr, the leading radio site on the mobile Internet

2,600 hours of programmes produced by Lagardère Studios in France and Spain

28 million households in more than 50 countries receive Mezzo



Key positions in Sports and Entertainment

No. 1 in football in Africa, Asia, England, France and Germany

No. 1 in sports marketing in Asia and Africa

More than 70 football club partners in Europe

More than 10,000 hours of programmes provided to broadcasters, including through the sale of rights and distribution of content

Leading performance halls

Powerful brands and a global network of local experts


 Lagardère
SPORTS


 Lagardère
LIVE ENTERTAINMENT

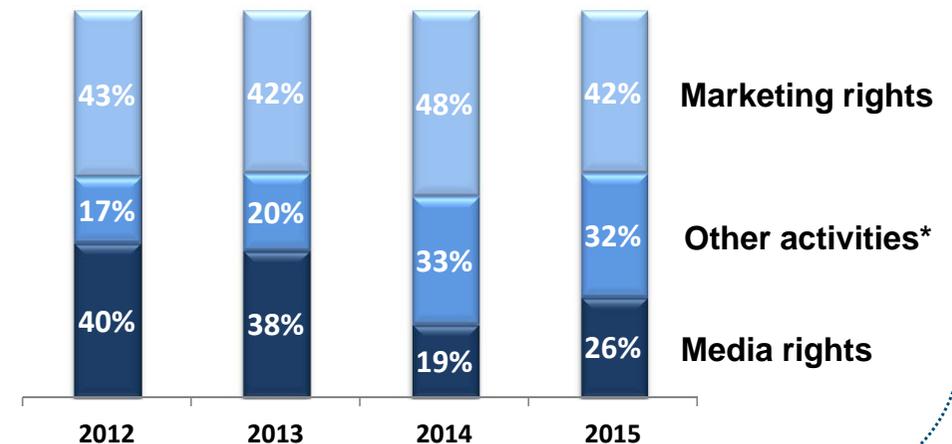

 sponsorship
360


 Lagardère
Paris Racing


 FOLIES BERGERE


 Casino
de
Paris

A significant change of the business mix, aimed at delivering a more regular performance



*Stadium management, Brand consulting, Entertainment.

ACCELERATION OF OUR GROWTH AND POWER ENGINES



H2 2015

Acquisition of several marketing and sponsorship agencies UFA Sports, akzio! ajoint.



Perseus

Generalist trade publisher in the United States, publishing 700 titles per year.

TV Production



May 2015

Acquisition of 82% of Grupo Boomerang TV, the leading independent television producer in Spain.

April 2015

Acquisition of 17 stores in JFK airport (New York).

January 2015

Rising Star in the United Kingdom.

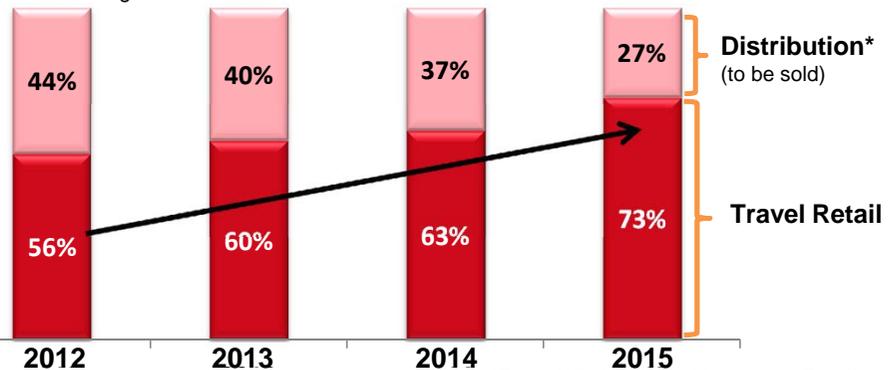
Travel Retail



October 2015: acquisition of Paradies, a leader in Travel Retail in North America. Creation of North America's No. 3 player in Travel Retail

Transformation accelerates

% sales of total Lagardère Travel Retail



*Press Wholesale and Integrated Retail.

... ACCOMPANIED BY A COMMITTED CSR POLICY

4 STRATEGIC PRIORITIES



STIMULATING THE
DIVERSITY AND
INNOVATIVE CAPACITY
OF OUR **TALENT**



SUPPORTING THE
RESPONSIBLE
DEVELOPMENT OF
DIGITAL



PROMOTING ACCESS
TO **CULTURE** AND
ENTERTAINMENT



STRENGTHENING
OPERATIONAL
SUSTAINABILITY

3 OBJECTIVES



MEETING GROWING
REGULATORY
CONSTRAINTS



ADAPTING OUR **CSR**
POLICY TO THE GROUP'S
STRATEGIC ROADMAP



DEEPENING **STAKEHOLDER**
RELATIONS

A DIVERSIFIED, CONSOLIDATED MODEL EMBODIED BY THE DRIVE OF EACH DIVISION...

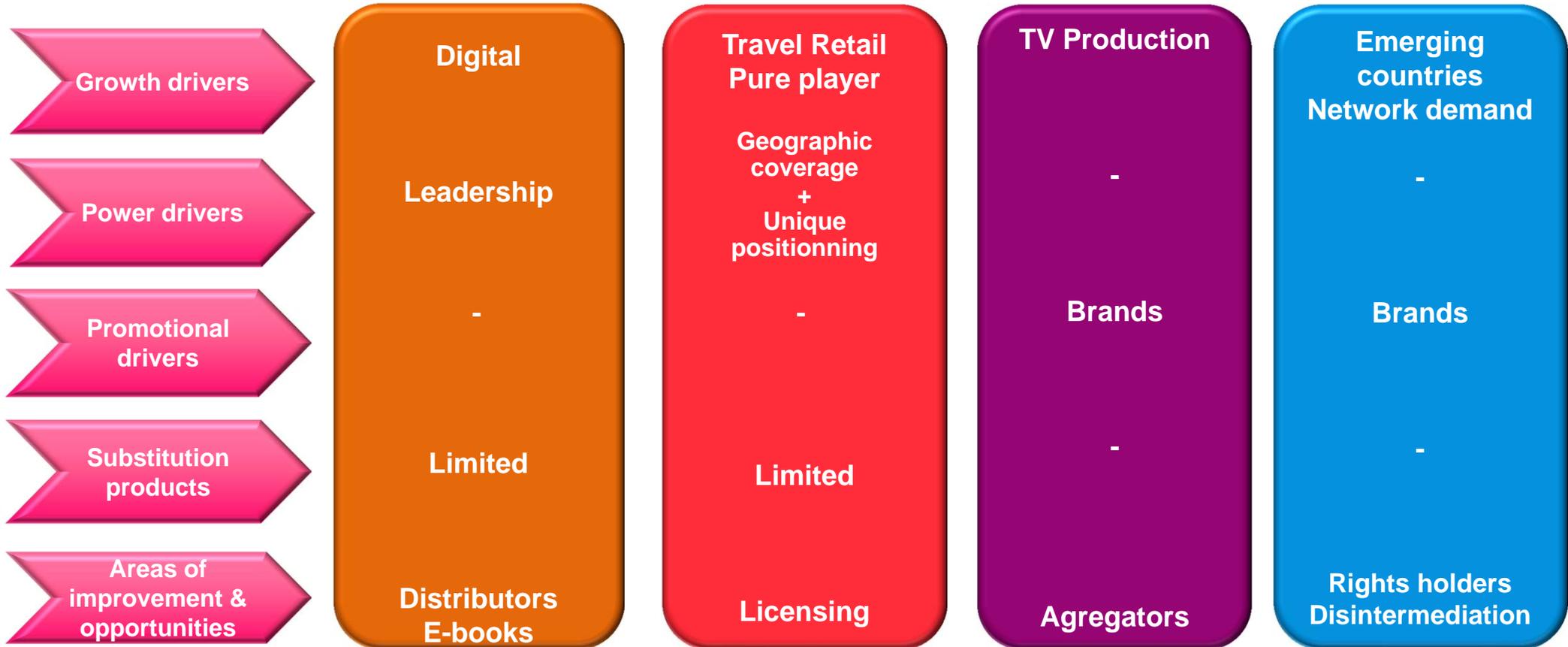
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Lagardère
PUBLISHING

Lagardère
TRAVEL RETAIL

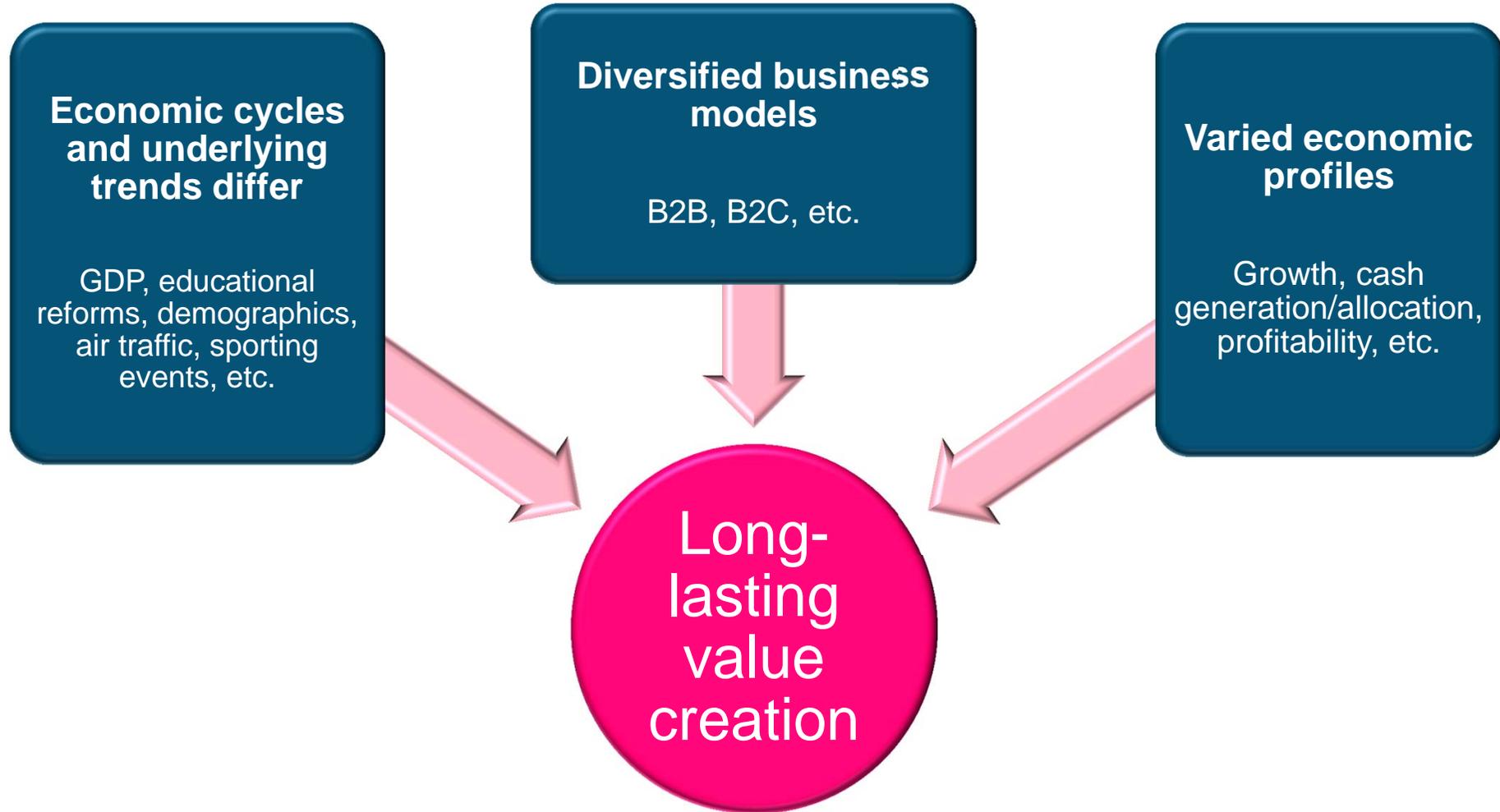
Lagardère
ACTIVE

Lagardère
SPORTS AND
ENTERTAINMENT



... FOCUSED ON CREATING LASTING VALUE

Lagardère





Lagardère

MARKETS AND TRENDS

OUR INTEGRATED AND
DIVERSIFIED VALUE
CREATION MODEL

**OUR
PERFORMANCE**

OUR OUTLOOK

SOLID 2015 PERFORMANCE

Lagardère

Group sales:

€7,193 million

up 3% on a like-for-like basis
Ahead of the long-term target

Group Recurring EBIT:

€378 million

up 10.5% on a reported basis
up 8.8% based on the guidance method*
Above guidance**

Adjusted profit – Group share:

€240 million

+29.7%

*At constant exchange rates and excluding the potential disposal of Distribution activities.

**Recurring EBIT was expected to increase by approximately 7% compared with 2014.

FREE CASH FLOW GENERATION IMPROVED SIGNIFICANTLY IN 2015

Free cash flow at €274m, up €297m compared to 2014, thanks to:

An increased amount of cash flow from operations (+€44m)

A strong focus on working capital requirement (+€229m)

A decrease of interests and taxes paid (-€41m)

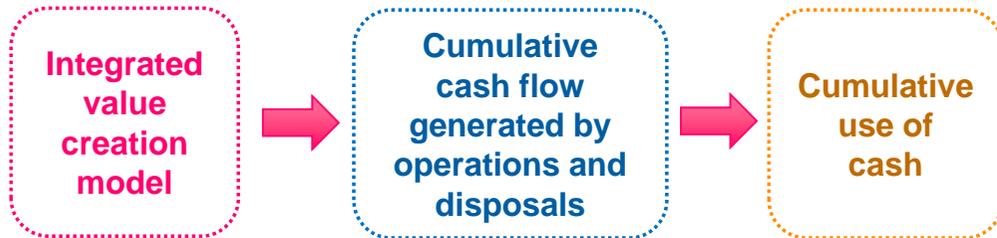
Targeted capital expenditures for growth

**While maintaining a high amount of Capex (€250m) within the divisions,
in order to fuel future growth.**

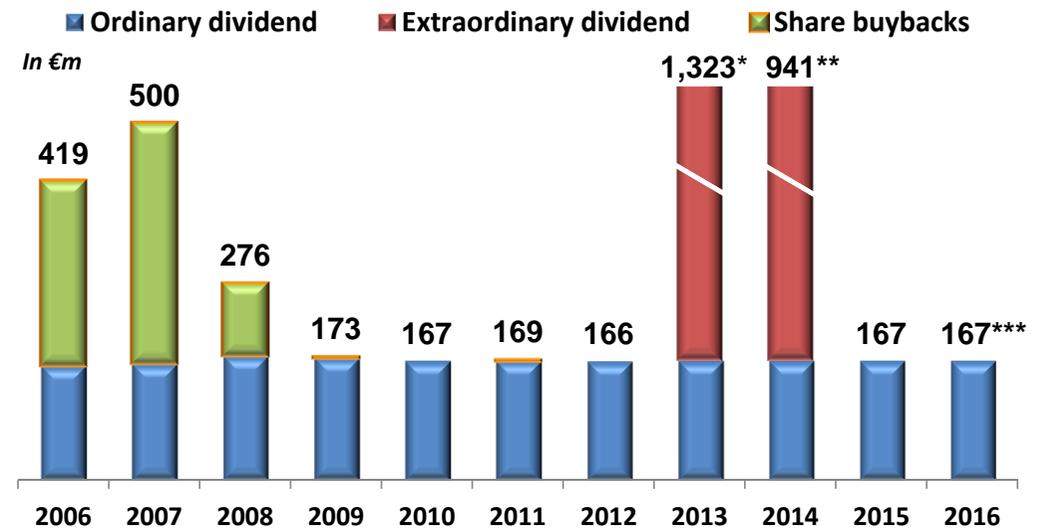
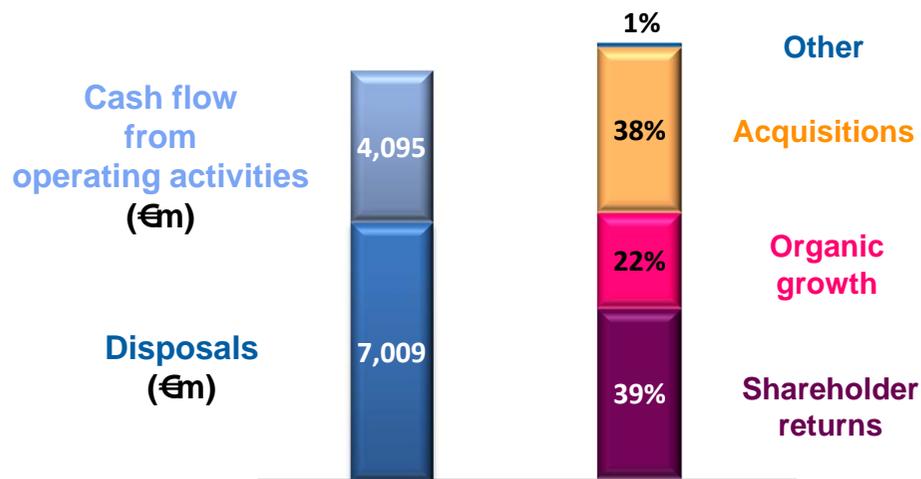
VALUE CREATION DRIVEN BY PRODUCTIVE INVESTMENTS PROVIDING A SUSTAINABLE RETURN FOR SHAREHOLDERS

Cumulative cash flow for 2006-2015

€4.3 billion distributed to shareholders between 2006-2015



➤ Ex-dividend date: 6 May 2016
➤ Payment date: 10 May 2016



*An extraordinary dividend of €9/share was distributed in May 2013.

**An extraordinary dividend of €6/share was distributed on 8 May 2014 following the disposal of 20% of Canal+ France at end-2013.

***An ordinary dividend of €1.30/share has been submitted to the shareholders for approval at the Annual General Meeting.



Lagardère

MARKETS AND TRENDS

OUR INTEGRATED AND
DIVERSIFIED VALUE
CREATION MODEL

OUR PERFORMANCE

OUR OUTLOOK

COMPLETION OF THE TRANSFORMATION OF OUR BUSINESSES TOWARDS THE NEW WORLD...

Lagardère

Lagardère
TRAVEL RETAIL

- Finalise our divestment from Distribution
- Continue growth through calls for tender and timely acquisitions

Lagardère
SPORTS AND
ENTERTAINMENT

- Concentrate on our growth areas
- Speed up the development of consulting services

Lagardère
ACTIVE

- Successfully carry out the social and economic aspects of the voluntary redundancy plan
- Accelerated development of Lagardère Studios

Lagardère
PUBLISHING

- Explore all digital opportunities
- Seek out complementary acquisitions
- Complete overhaul of textbooks business

Roadmap

BACKED BY A SOLID, STRUCTURED FINANCIAL PROCESS

Lagardère

Financial suitability of economic models

**Improved performance indicators:
EBITDA/EBIT/FCF...**

**Structured support of capital expenditures
for organic growth**

**Optimisation and controlled monitoring
of business indicators (WCR, etc.)**

**Careful selection of capital expenditures
for external growth**

Controlled management of debt

Lagardère

LONG TERM OUTLOOK CONFIRMED*

Top-line growth objective

To achieve an organic growth >3% per year by 2018

Recurring EBIT** objective

Group recurring EBIT growth of circa 5% per year in average between 2013 and 2018***

*Announced in May 2014.

**Recurring EBIT of the four operating divisions and other activities.

***This target based on 2013 figures, is to be adjusted once the Distribution and Integrated Retail businesses are sold.