

Lagardère

2017 GENERAL MEETING

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General and Managing Partner

4 May 2017



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Lagardère

OUR MARKETS
AND TRENDS

OUR GROUP TODAY

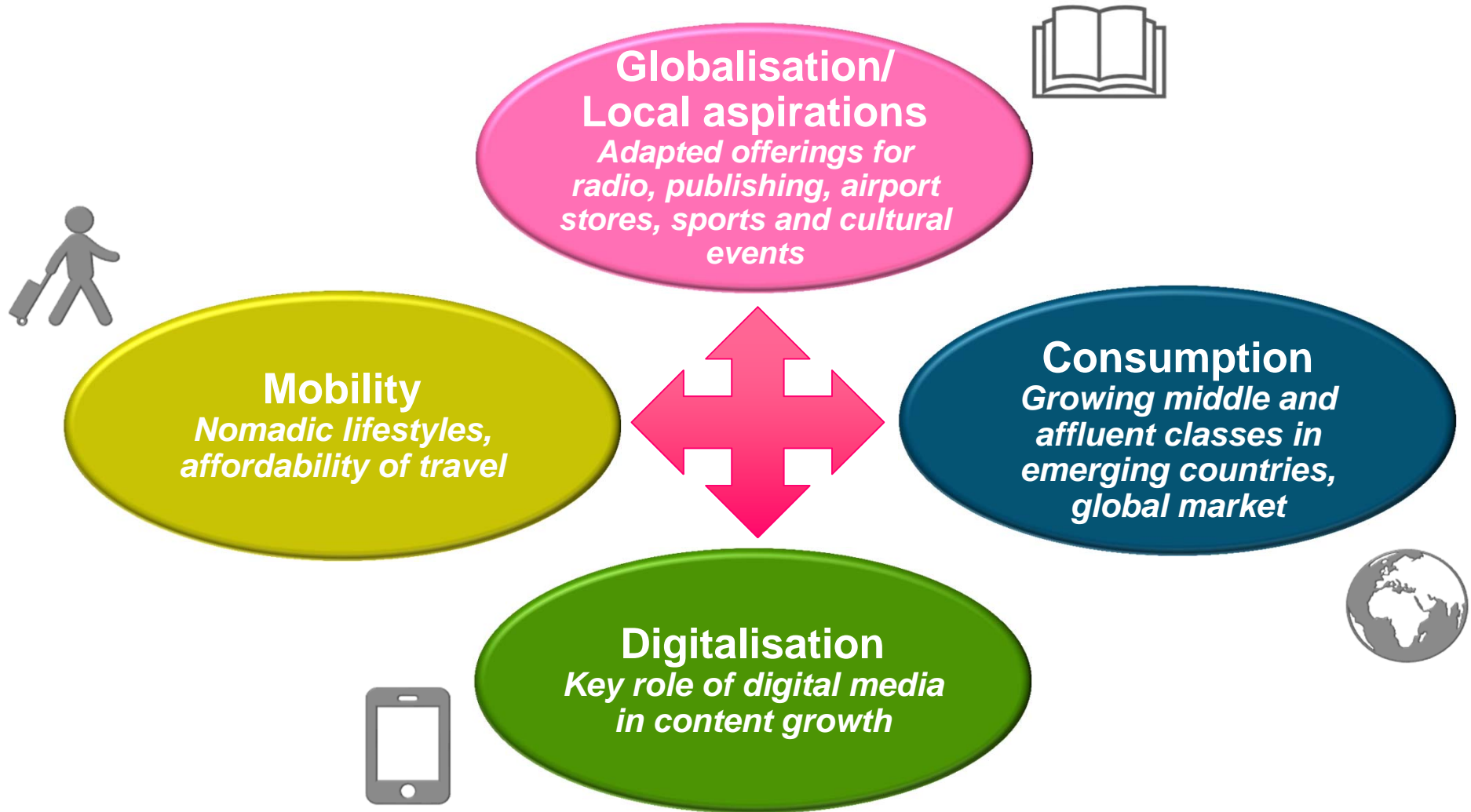
OUR VALUE CREATION
STRATEGY

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OUR OUTLOOK



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

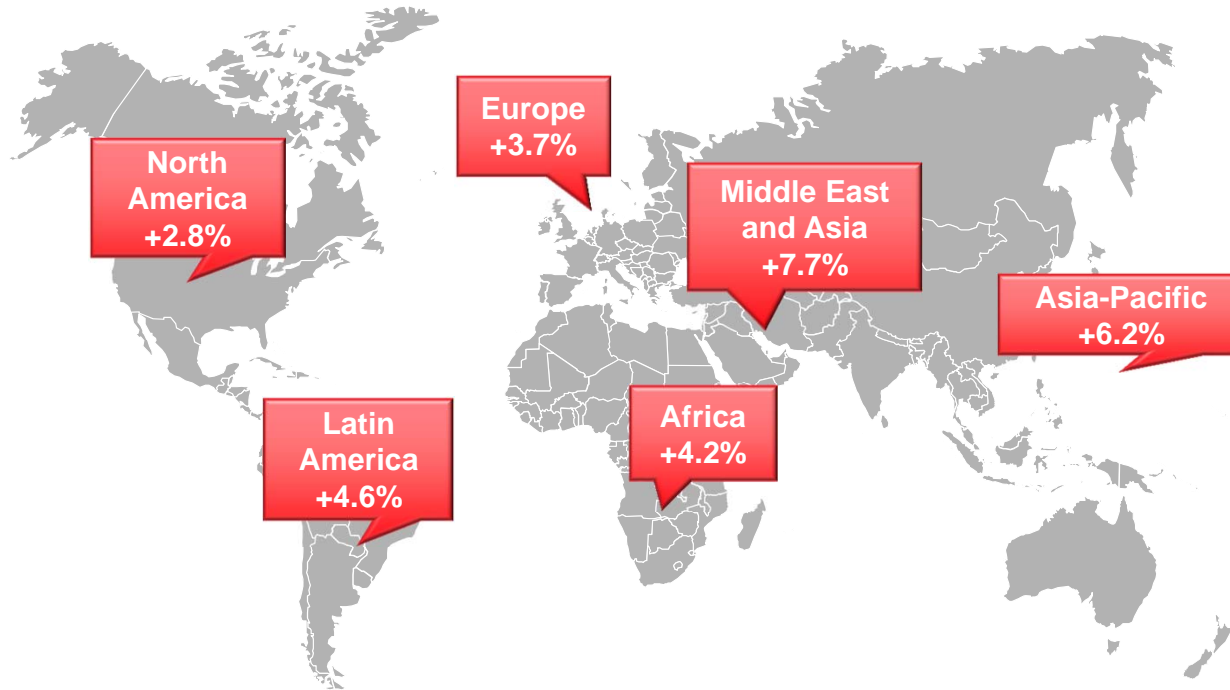


WORLDWIDE GROWTH IN TRAVEL RETAIL IS ESTIMATED AT 5% PER ANNUM



Growth in global air passenger traffic [%, 2015-2040]


Global average annual growth rate: 4.9%



Unprecedented growth in the middle and affluent classes in emerging countries

Air traffic is expected to double to over 14 billion passengers by 2029.

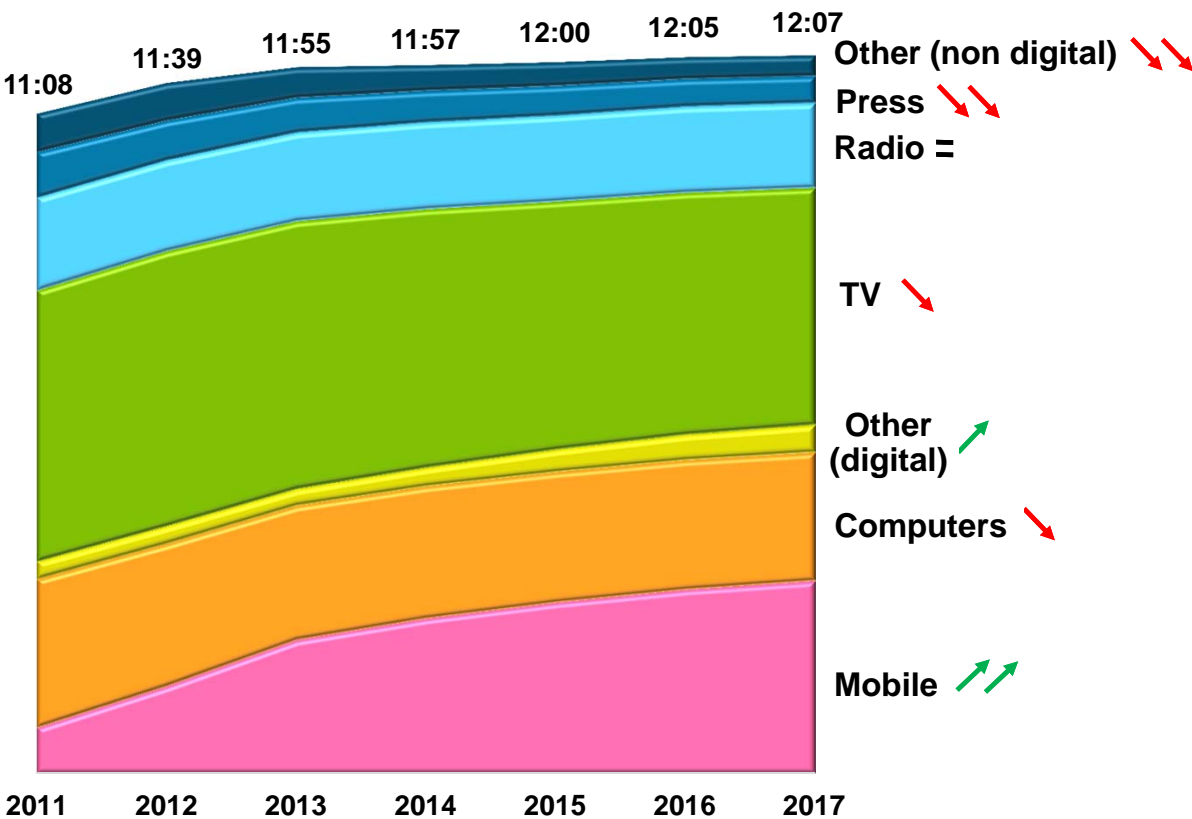
Sources: Lagardère, ACI, 2016 World Airport Traffic Forecasts.

 Average annual growth rate

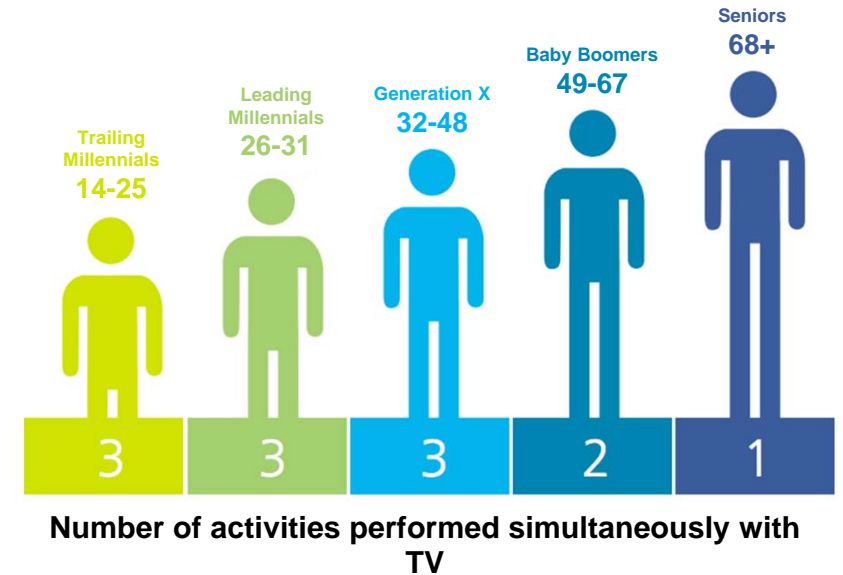
RISE IN MEDIA CONSUMPTION DRIVEN BY MOBILE DEVICES AND MULTITASKING



Daily media consumption



Multitasking in parallel with TV



Multiple connected devices in homes



Sources: e-marketer (US), Digital Democracy Survey Deloitte (US), Nielsen.

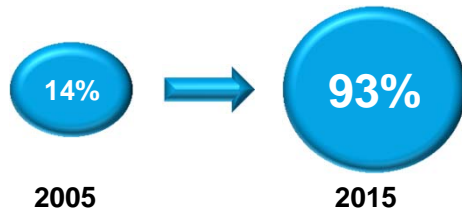
A DYNAMIC AND INCREASINGLY GLOBAL SPORTS MARKET



■ Growth trends in the sports market

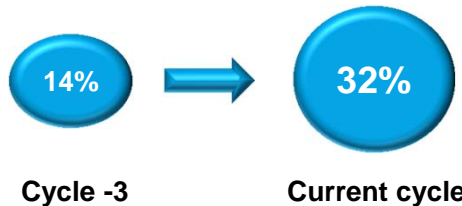


The global sports market is growing at 5% per annum, driven by media and marketing rights



Share of sports in the Top 100 live TV programmes in the US

Live sport is a major source of audiences and viewer engagement



Share of international media rights in the Top 5 football leagues in Europe

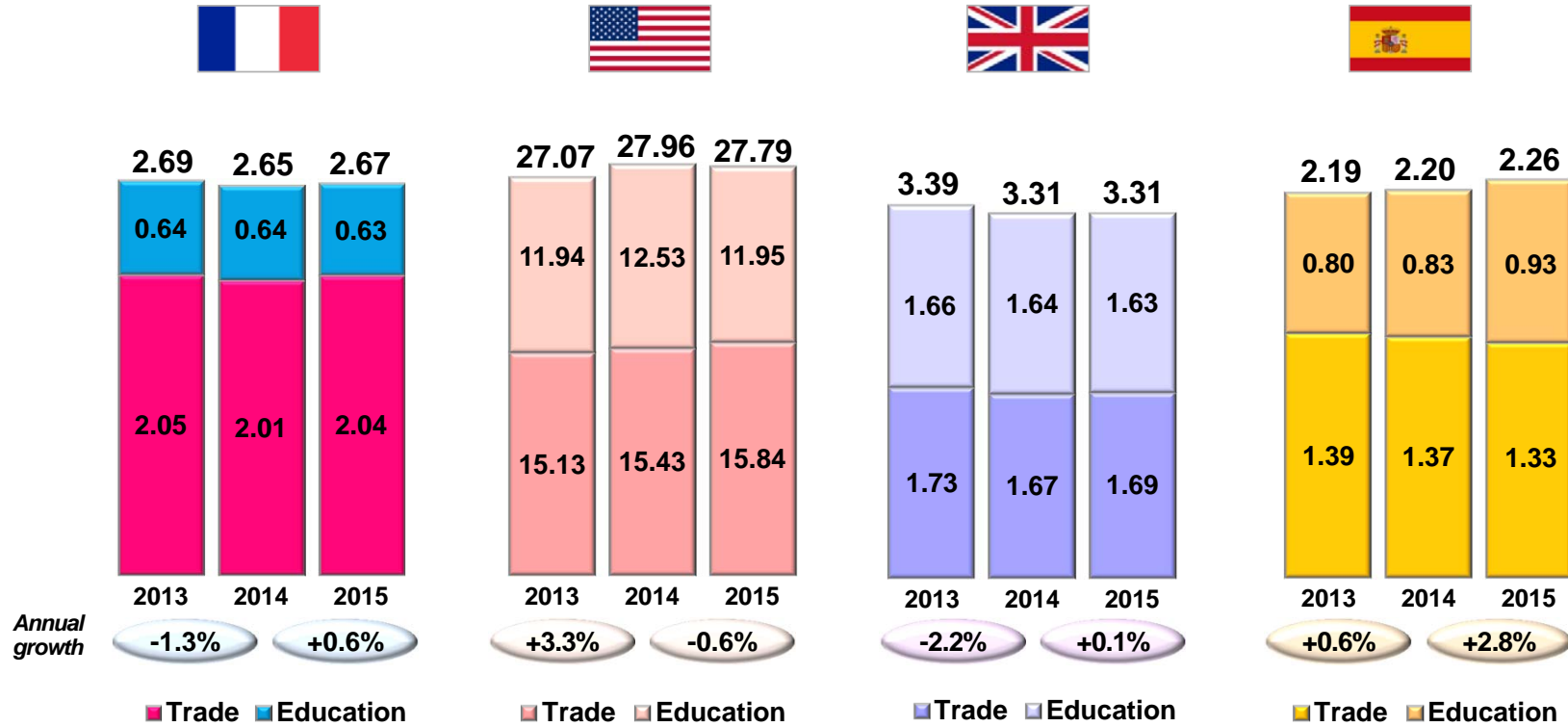
Acceleration of the globalisation of rights is driven by growth in emerging countries and regions as well as in football (the no. 1 sport)

AN EXTREMELY RESILIENT PUBLISHING MARKET



2013-2015 revenue trends in value terms across all formats (€bn)

Trends



- Revenue stable over the past few years.
- Young people are still reading.
- "Big readers" are primarily older people, a demographic category which is growing.
- The "best seller" phenomenon increases the number of casual readers.

Source: SNE, AAP, PA, FGEE.

A COMPETITIVE ENVIRONMENT IN CONSTANT FLUX



Incumbents

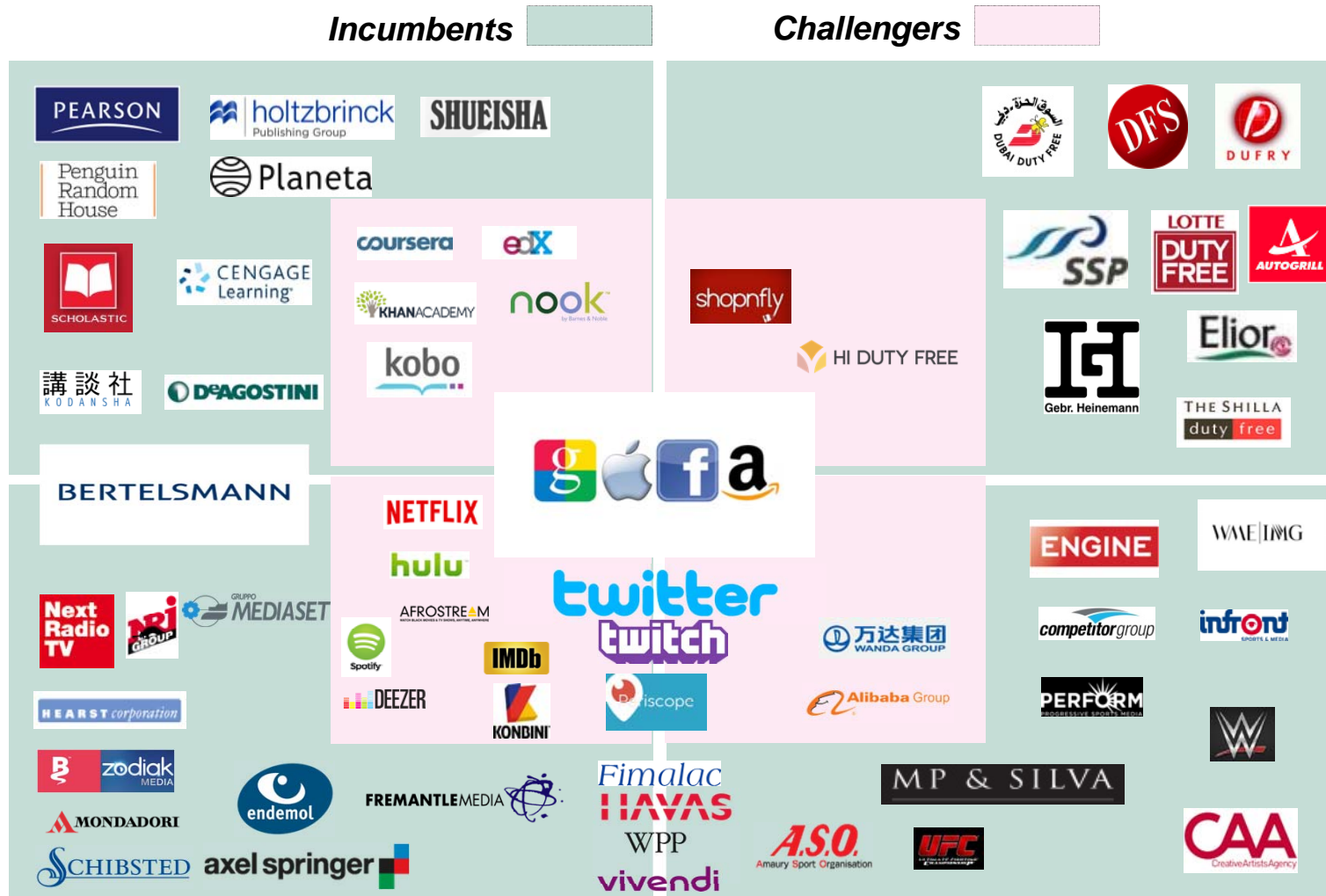
Challengers

Lagardère
PUBLISHING

Lagardère
TRAVEL RETAIL

Lagardère
ACTIVE

Lagardère
SPORTS AND ENTERTAINMENT



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OUR GROUP HAS GLOBAL PLAYERS WHICH ARE LEADERS IN THEIR SECTORS



Breakdown of 2016 revenue by division

No. 3 worldwide (Trade)

No. 1 in France, No. 2 in the UK, No. 3 in Spain, No. 4 in the US

A multi-segment publisher

Literature, Illustrated Books, Text Books, Partworks

A major player in the digital sector

Lagardère
PUBLISHING

31%

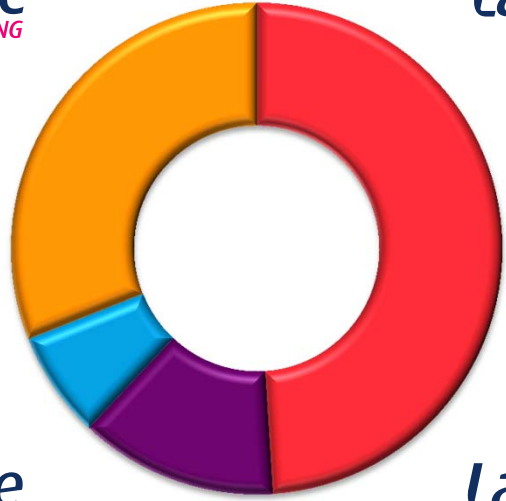
Leader in football in Africa, Asia and Europe

Leader in sponsorship and media rights globally

Leader in golf globally

Lagardère
SPORTS AND ENTERTAINMENT

7%



Lagardère
TRAVEL RETAIL

50%

No. 3 worldwide in Travel Retail

Over 4,100 stores in 32 countries and more than 220 international airports

Robust expertise in three business lines

Travel Essentials, Duty Free & Fashion, and Foodservice

Completion of the sale of Press Distribution operations

No. 1 in TV Production in France

One of France's leading Internet and mobile media groups

Major player in Radio in France

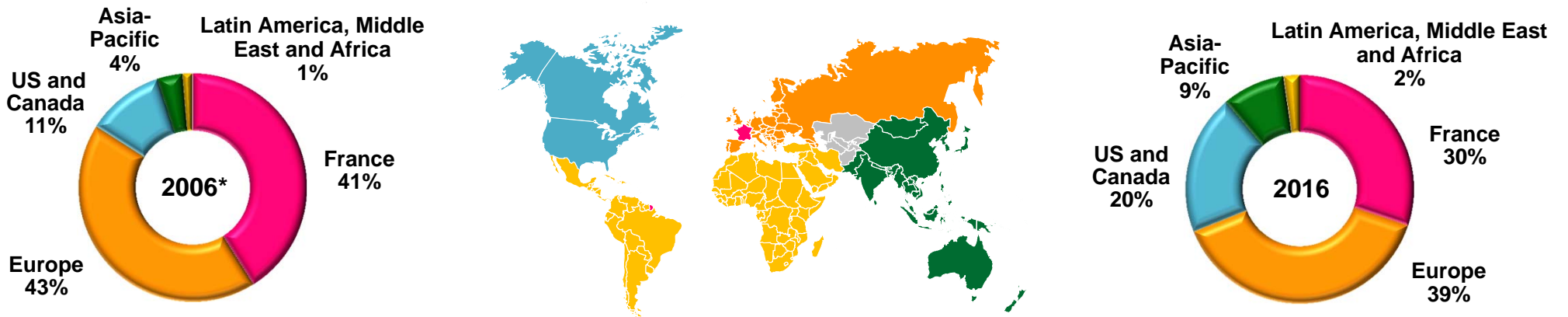
Lagardère
ACTIVE

12%

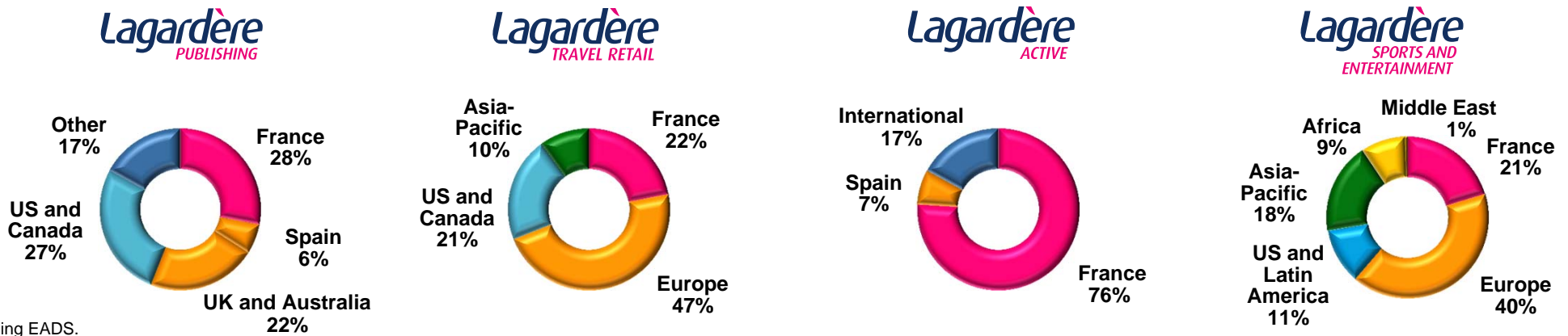
WE EXPANDED OUR BROAD GEOGRAPHIC FOOTPRINT IN THE US IN 2016



Breakdown of revenue by region between 2006 and 2016



Breakdown of 2016 revenue by division and region



*Excluding EADS.

DIVISIONAL CONTRIBUTION TO OUR STRATEGY



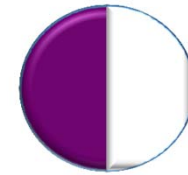
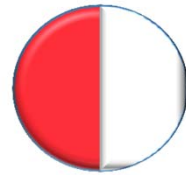
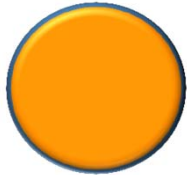
Lagardère
PUBLISHING

Lagardère
TRAVEL RETAIL

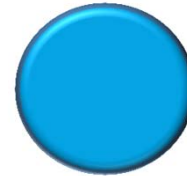
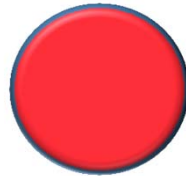
Lagardère
ACTIVE

Lagardère
SPORTS AND
ENTERTAINMENT

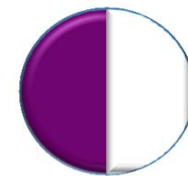
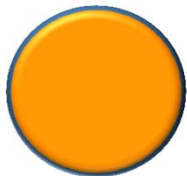
Power engine



Growth engine



Cash generation



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OUR STRATEGY IS FOCUSED ON LONG-TERM VALUE CREATION



1 Successful overhaul of our business portfolio

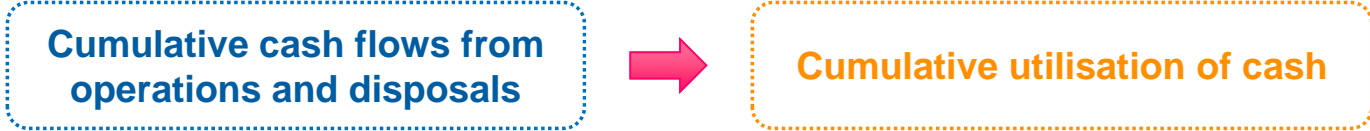
2 Strategic transformation plan focused on growth, profitability and cash generation

3 A prudent, well-balanced financial strategy

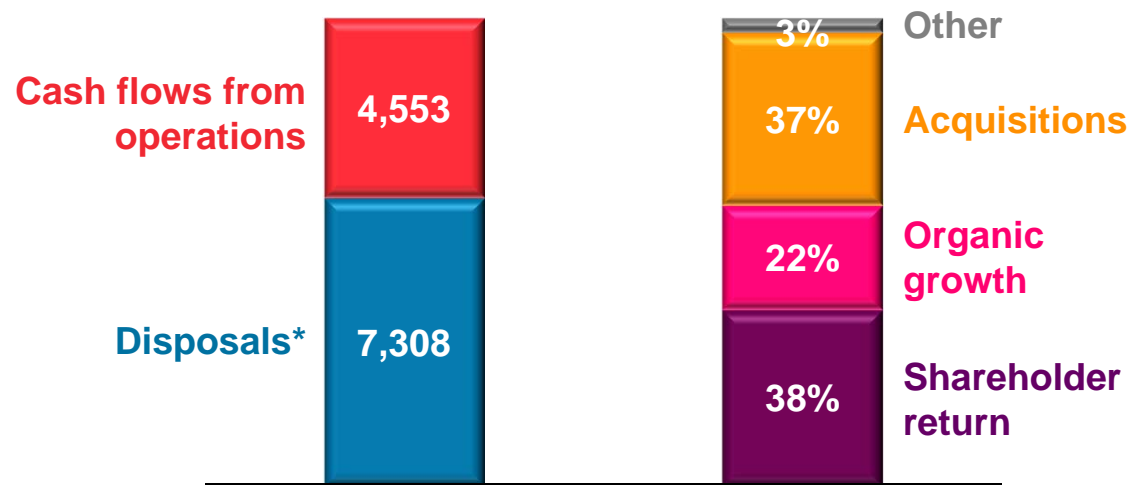
1 PROACTIVE, MEASURED MANAGEMENT OF OUR ASSETS...



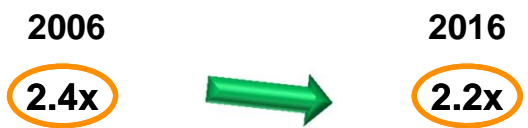
Cumulative cash flows from operations and disposals in 2006-2016 (€m)



2006-2016 cum. cash flows: €11.9bn



Leverage ratio:
Net debt/recurring EBITDA**



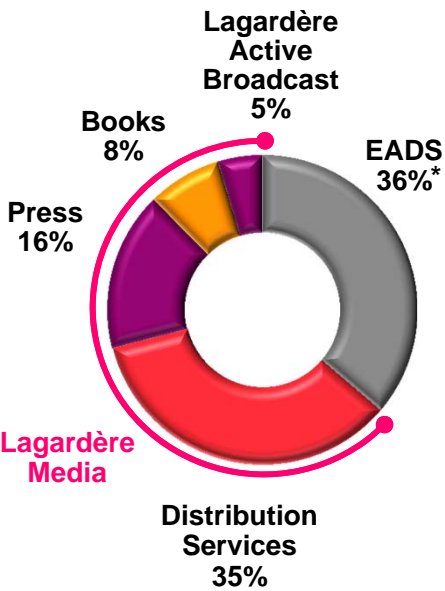
*Disposals include the sale of interests in EADS (€2,272m) and Canal+ France (€1,017m).

**Defined as the sum of (i) recurring EBIT, (ii) depreciation, amortisation and impairment, and (iii) dividends received from equity-accounted companies.

1 LEADING TO A PROFOUND CHANGE IN OUR PORTFOLIO



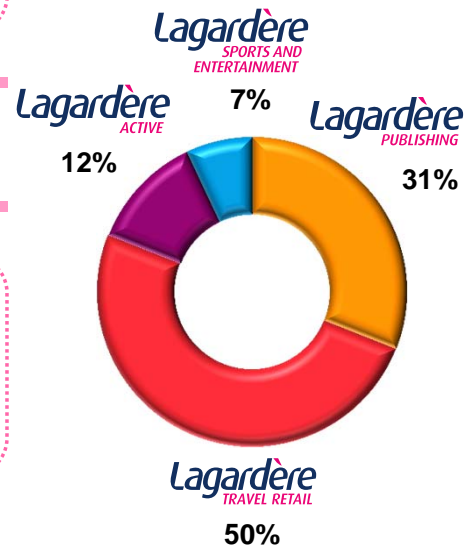
2003 revenue by division



Disposal of non-strategic businesses



2016 revenue by division



Disposal of minority stakes

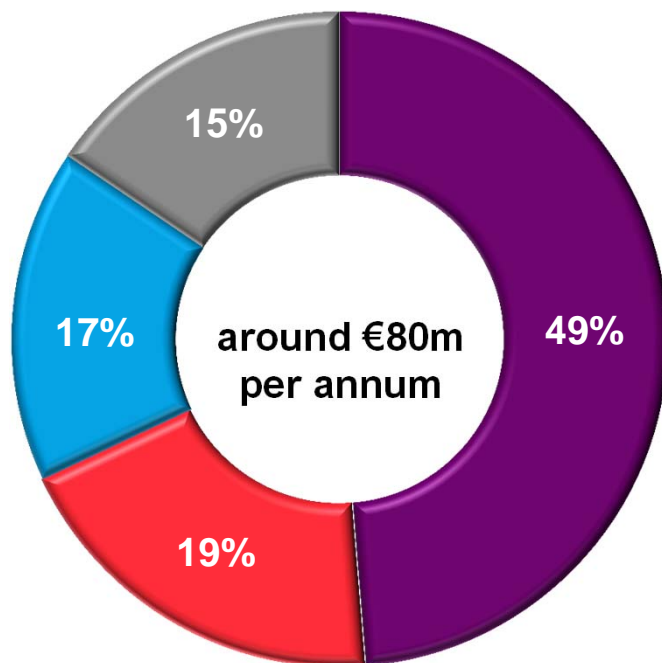


Major acquisitions

*Proportionate consolidation of EADS at 15.04%.

2 RESTRUCTURING STRATEGY WITH THREE MAIN PRIORITIES

Average annual restructuring costs since 2012 (€m)



■ Lagardère Active

■ Lagardère Travel Retail

■ Lagardère Sports and Entertainment

■ Other



Restructuring priorities

A

Restructuring of declining businesses:

- Efforts focused on Magazines (Lagardère Active) and Press Distribution (Lagardère Travel Retail).
- Main aim: reduce overheads to protect margins.

B

Costs of active portfolio management (loss-making businesses) and measures to improve productivity:

- Restructuring focused mainly on Lagardère Sports and Entertainment.

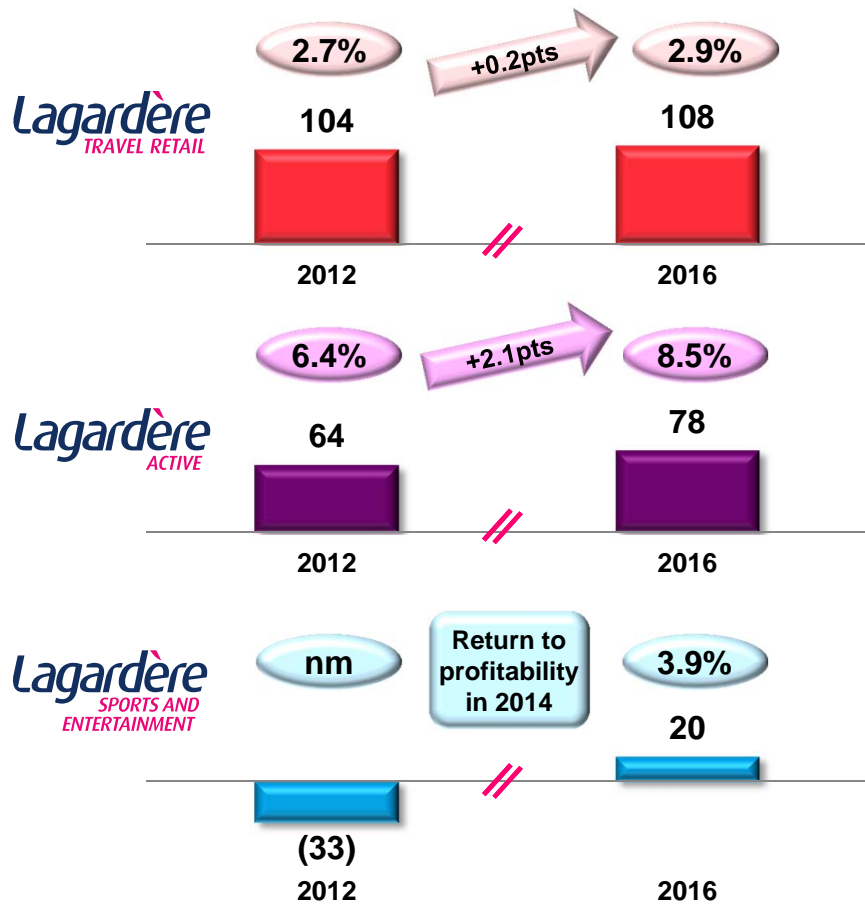
C

Integration costs related to acquisitions (e.g., Paradies and Perseus) and to the rollout of synergies.

2 INCREASING PROFITABILITY IS A PRIORITY



Recurring EBIT (€m) and operating margin (%) by division since 2012



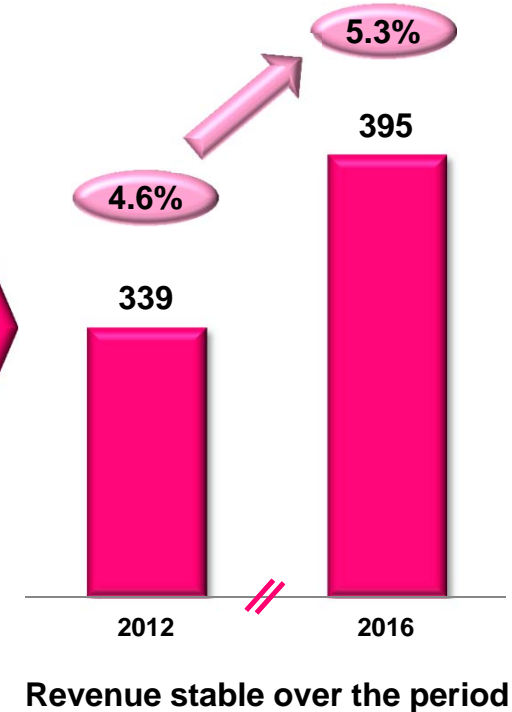
Main factors/measures

- Restructuring and sale of the Distribution business.
- Improved product mix and purchase conditions.
- Positive impact of synergies resulting from acquisitions.

- Cost cutting plan.
- Shift in business portfolio to focus on TV Production.
- Revenue diversification.

- Restructuring of the premium media rights business in Europe.
- Overhaul of the business portfolio.
- Operating efficiency drive.

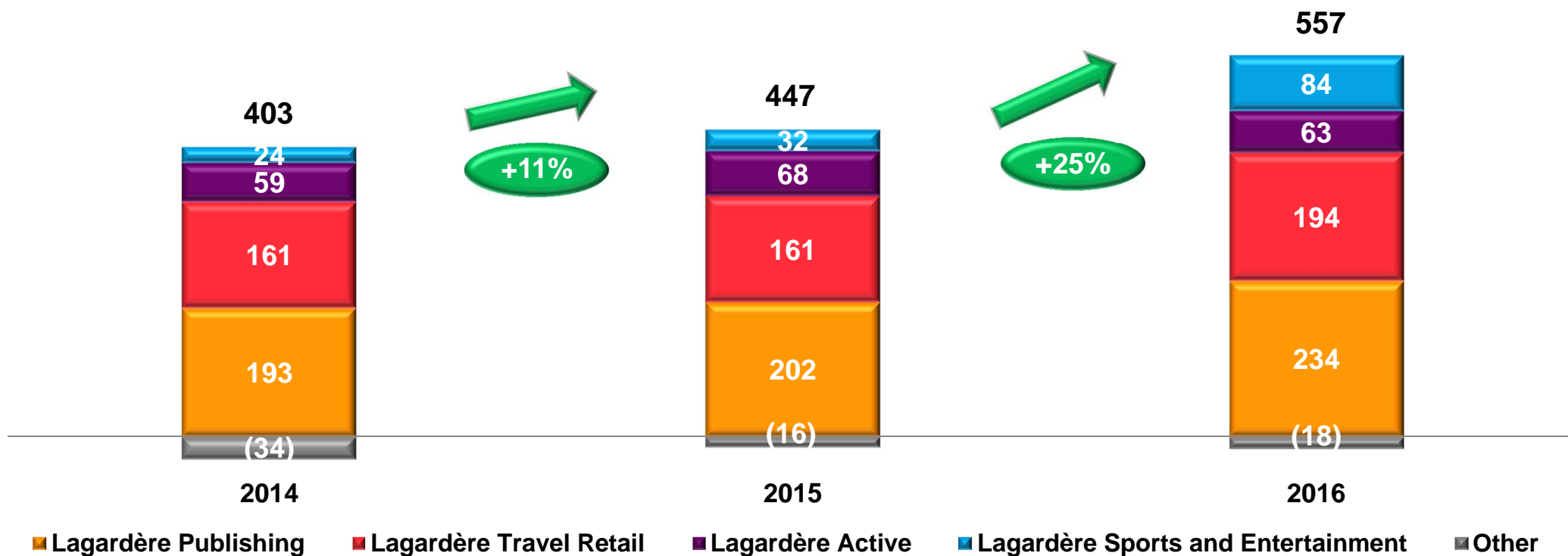
Consolidated recurring EBIT (€m) and operating margin (%)



2 SHARP RISE IN CASH FLOW GENERATION



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



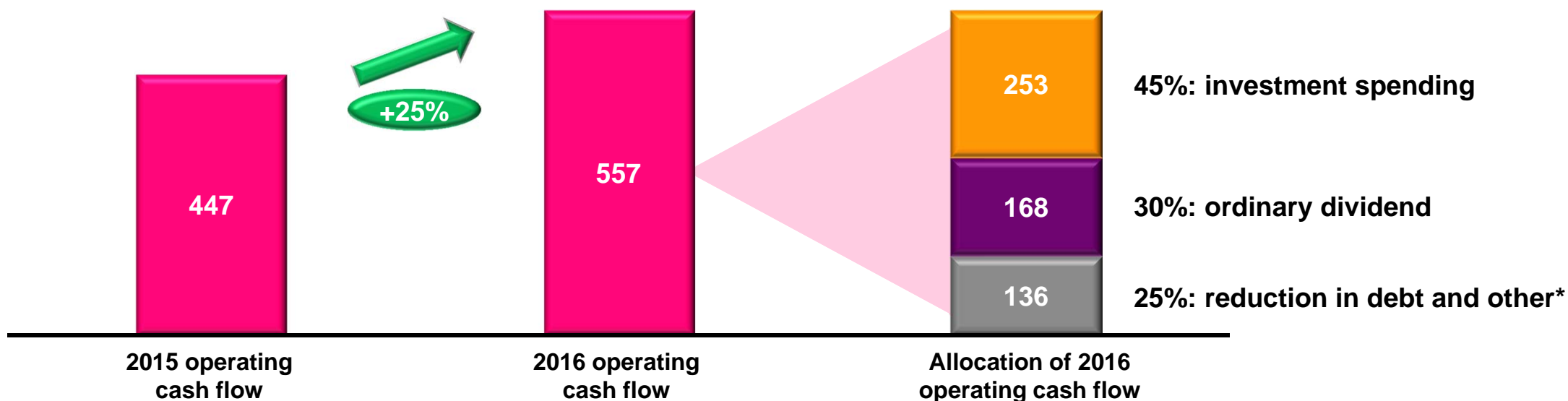
Cash flows from operations before changes in working capital enabled the Group to fund its investment spending, representing an annual average amount of €240m* over the period.

*Net investment spending, excluding one-off sales of buildings in 2016.

2 HIGH LEVEL OF INVESTMENT SPENDING CONFIRMED IN 2016



Allocation of cash flows from operations before changes in working capital in 2016 (€m)



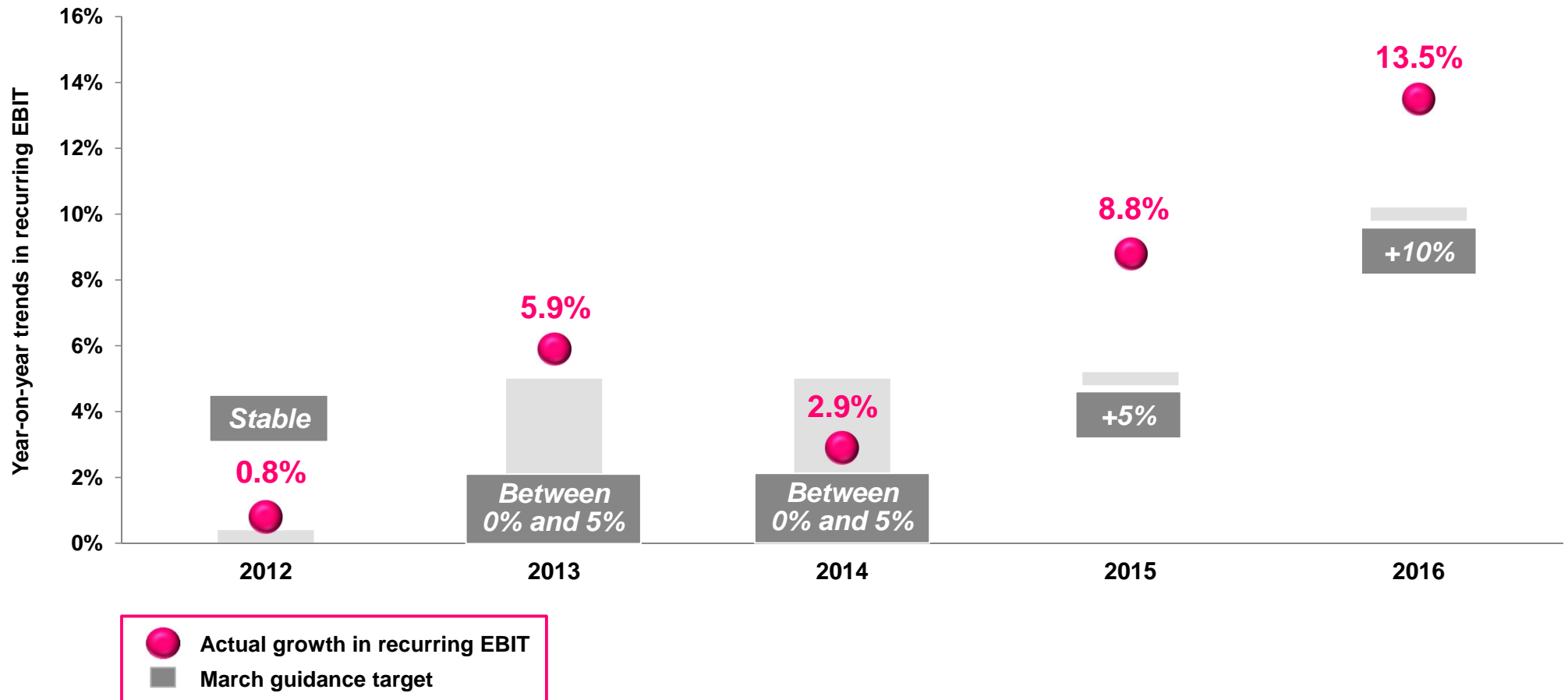
- Cash flows from operations before changes in working capital up 25% in 2016.
- 45% of cash flows from operations before changes in working capital used to fund investment spending in 2016.
- Decrease in net debt.

*Includes mainly translation adjustments and payments of taxes and interest.

2 GROWTH IN RECURRING EBIT REFLECTS ONGOING INVESTMENT AND THE PERFORMANCE OF THE BUSINESSES



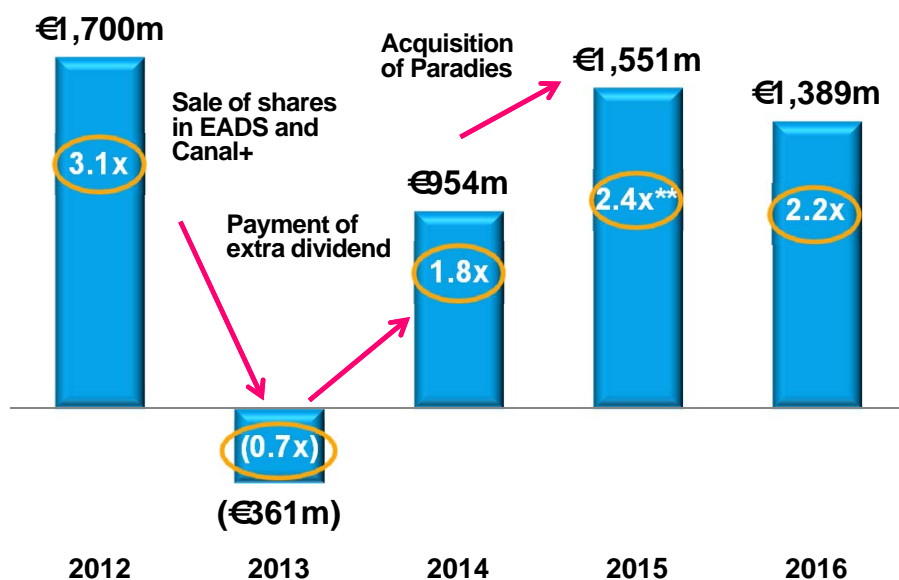
Growth in recurring EBIT (as calculated under the method used for the guidance)



3 A MEASURED, WELL-BALANCED FINANCIAL STRATEGY



A tight rein on net debt...

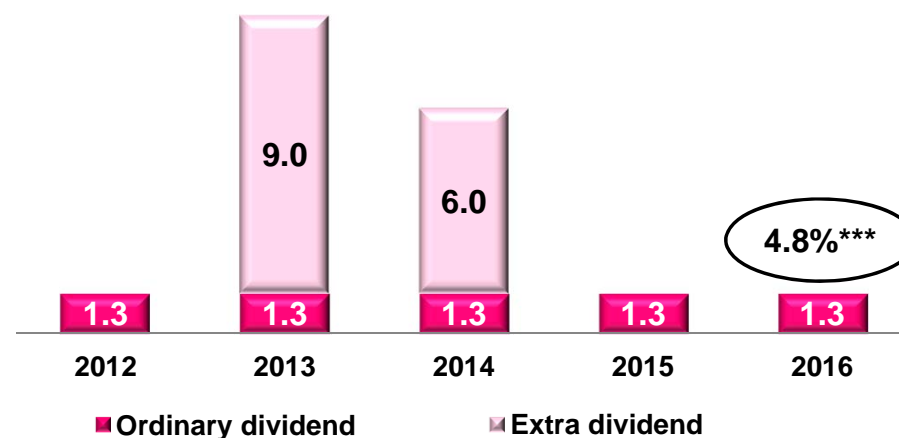


Leverage ratio
Net debt/recurring EBITDA**

- Headroom of over €500m assuming a leverage ratio of 3x.

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

Historical dividends (€/share)



***Yield based on the closing share price of €27.31 at 20 April 2017.

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

*Defined as the sum of (i) recurring EBIT, (ii) depreciation, amortisation and impairment, and (iii) dividends received from equity-accounted companies.

**On a pro forma basis (as used to determine syndicated loan covenants), i.e., taking into account 12 months' recurring EBITDA for Paradies.

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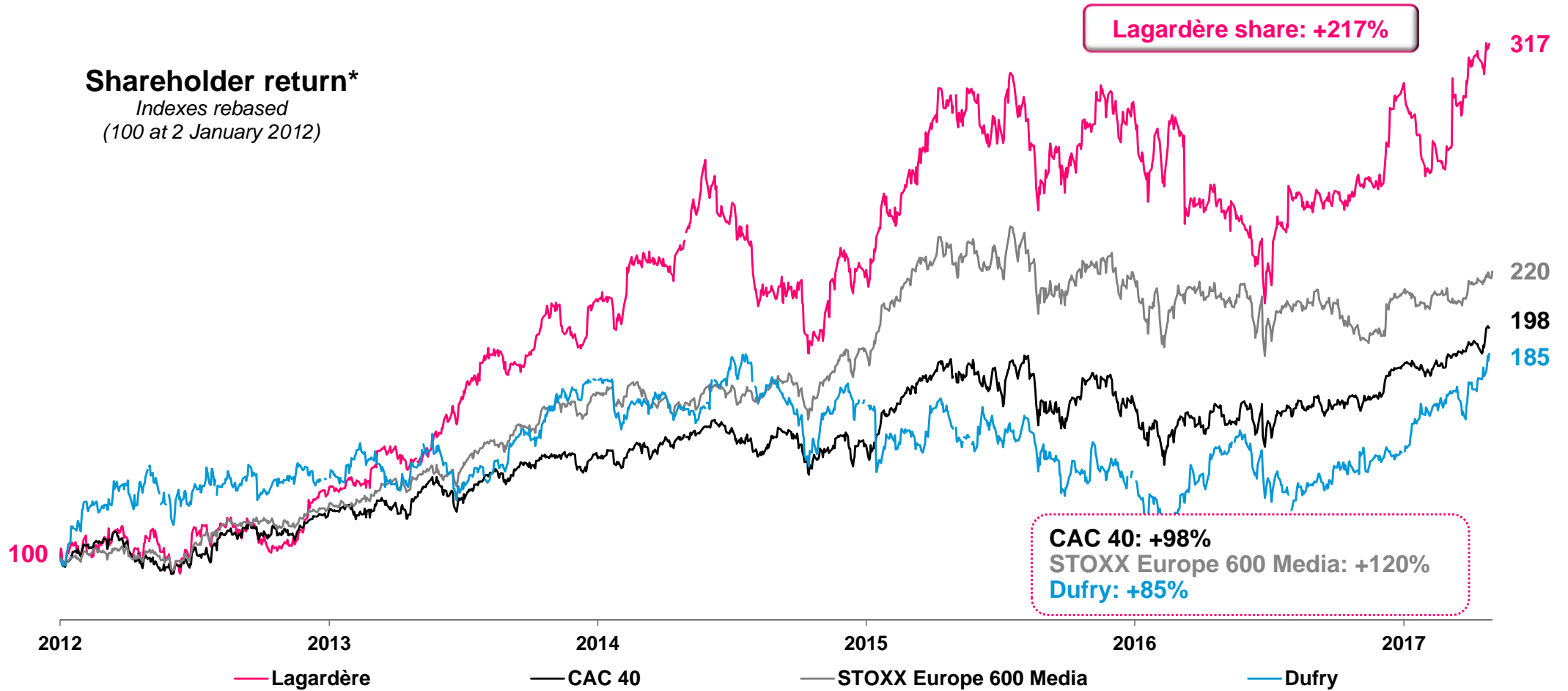
OUR OUTLOOK



AN EXCELLENT SHAREHOLDER RETURN OVER THE LAST 5 YEARS



Shareholder return*
*Indexes rebased
 (100 at 2 January 2012)*



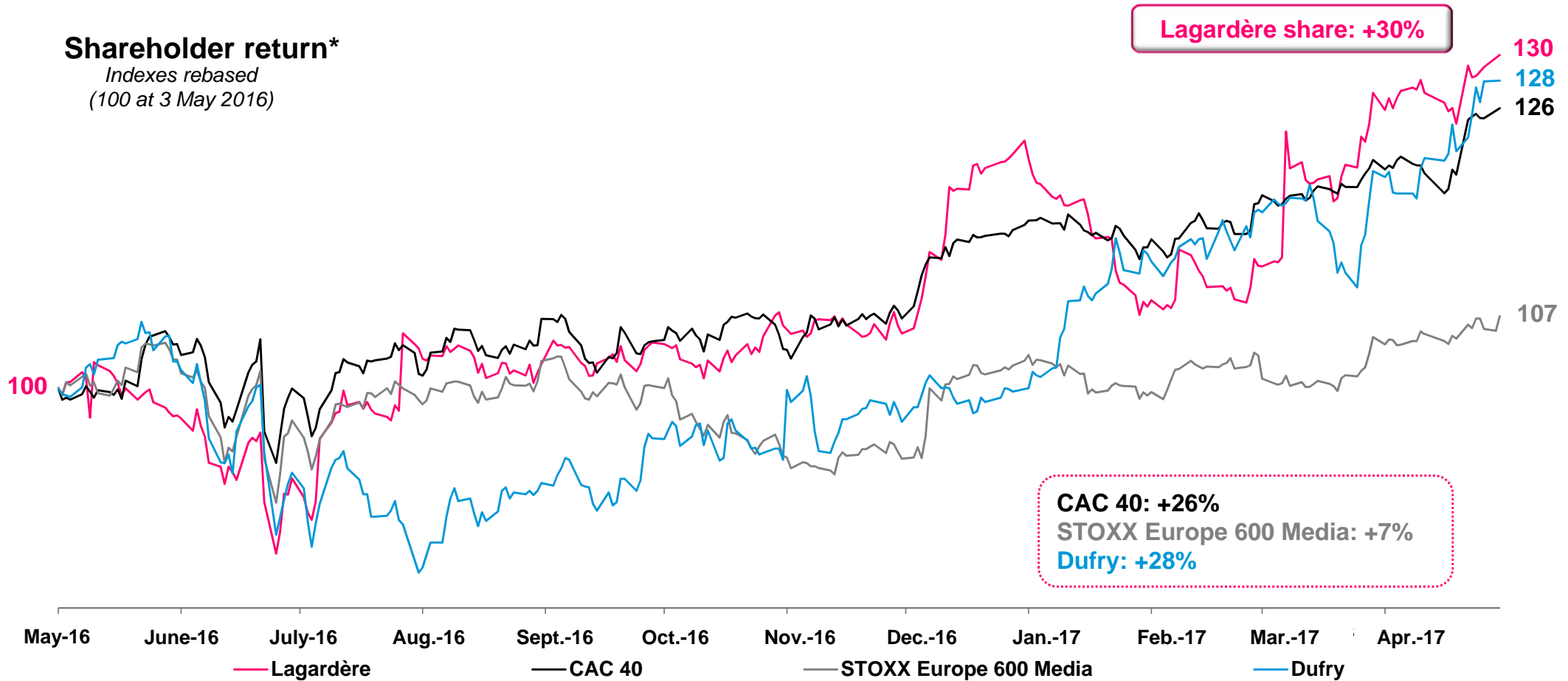
*Source: Bloomberg (Total Return Index [gross dividend]).

SHAREHOLDER RETURN OUTPERFORMING THE MARKET AND THE GROUP'S PEERS SINCE THE LAST GENERAL MEETING



Shareholder return*

Indexes rebased
(100 at 3 May 2016)



*Source: Bloomberg (Total Return Index [gross dividend]).

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LONG-TERM VALUE CREATION BASED ON STRONG FUNDAMENTALS



Lagardère
PUBLISHING

A front-line player in publishing:

- Among the leaders in its main markets.
- Regular launch of bestsellers.
- A major player in the digital sector.
- Significant cash flow generation over the long term.

Lagardère
TRAVEL RETAIL

World leader in Travel Retail:

- Robust positions in its three business lines.
- All growth drivers covered.
- An attractive, growing market.
- A stable business model providing long-term visibility.

Lagardère
ACTIVE

One of the leaders of the media industry in France, boasting:

- An attractive portfolio of brands.
- High-quality audiences.
- Production of premium content.

Lagardère
SPORTS AND ENTERTAINMENT

A worldwide leader in the sports sector:

- A global network combined with local expertise.
- Unique talent management expertise.
- Successful and comprehensive overhaul of the business portfolio.
- A growing global market.

An integrated value creation model

2017 target

Group recurring EBIT growth in 2017 expected to be between 5% and 8% versus 2016, based on constant exchange rates and excluding the impact of disposals of Distribution activities.