



Lagardère

**GENERAL MEETING
3 MAY 2018**

Gérard Adsuar
Chief Financial Officer



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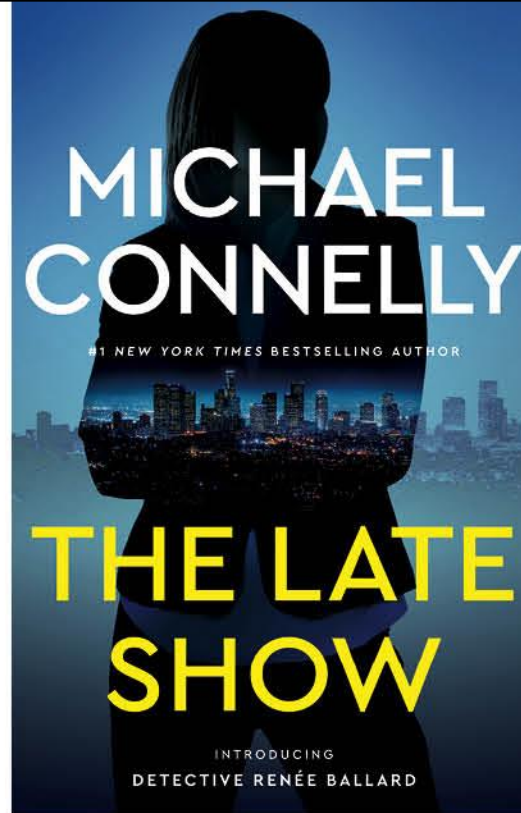
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Guidance

Lagardère

**KEY FIGURES
FOR THE GROUP**

Annual Ordinary and
Extraordinary General Meeting
3 May 2018



HIGHLIGHTS

- *Very strong organic growth momentum in Travel Retail*
- *Solid performance from Lagardère Publishing*
- *Improved Group recurring EBIT and operating margin*

<i>(€m)</i>	2016	2017
Revenue	7,391	7,069
Group recurring EBIT*	395	403
Group operating margin*	5.3%	5.7%
Profit – Group share	175	179
Adjusted profit – Group share*	238	217
Free cash flow*/**	464	283
Net debt* at end of year	(1,389)	(1,368)
Earnings per share (in €)	1.36	1.38
Ordinary dividend per share (in €)	1.30	1.30***

**-4.4% consolidated
+4.0% like-for-like***

+€8m

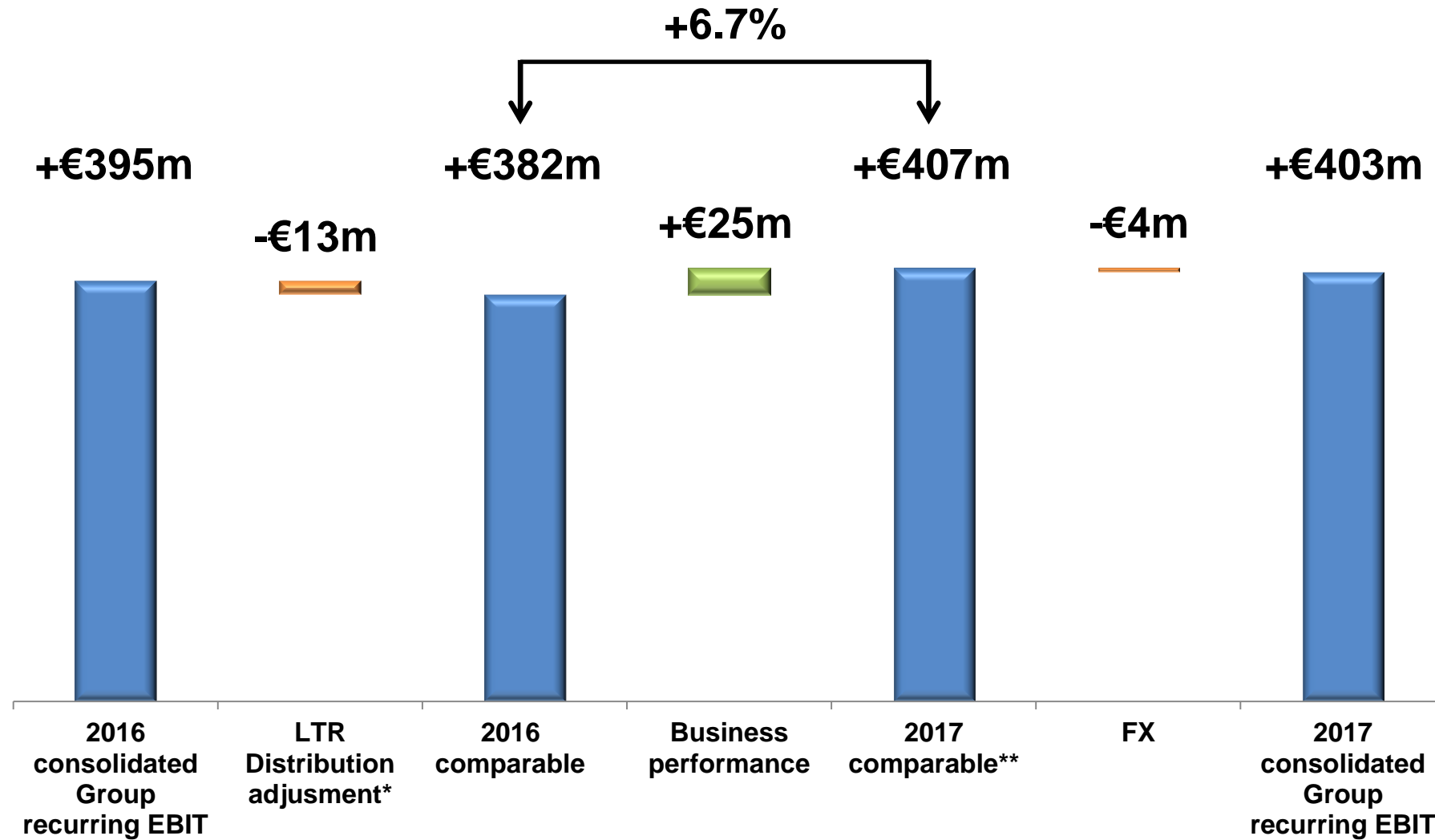
+0.4pts

*Alternative Performance Measure (APM) – See glossary on slides 23/24.

**Including positive impacts of €48m and €66m respectively in 2016 and 2017 attributable to interest paid/received following a change in presentation of the consolidated statement of cash flows (see note 1.1 to the consolidated financial statements for the year ended 31 December 2017).

***Ordinary dividend submitted for approval for 2017.

GROUP RECURRING EBIT



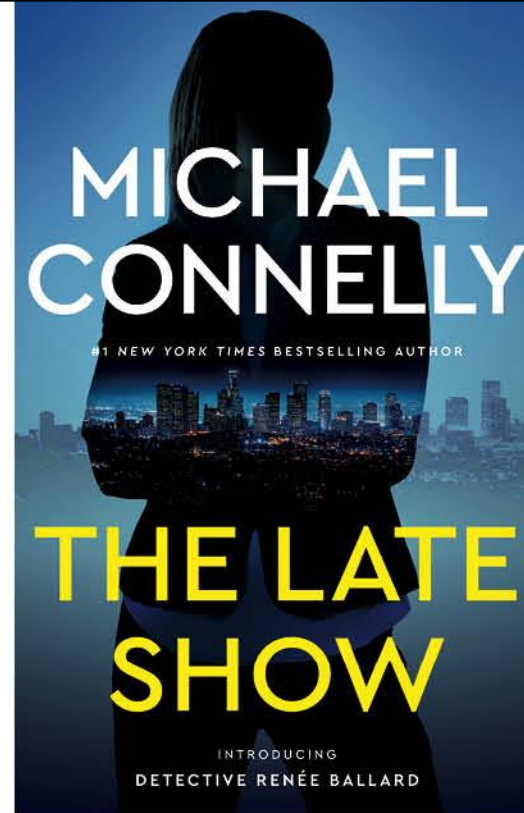
*Impact of the disposal of Distribution activities (Belgium, Hungary, Spain and Canada).

**Calculated using 2016 exchanges rates.

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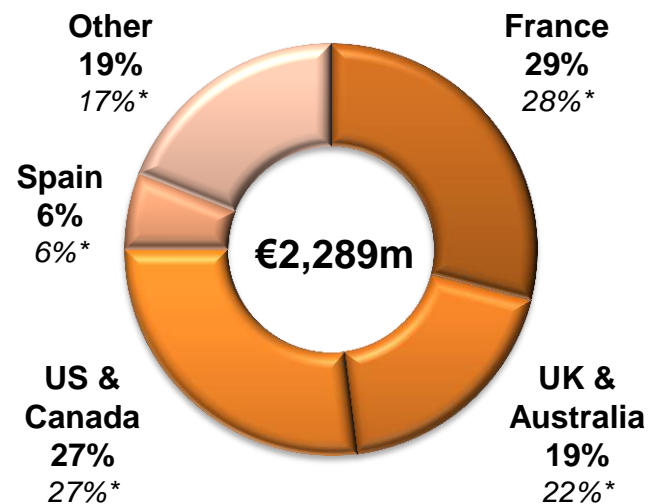
**2017 PERFORMANCE
BY DIVISION**

Annual Ordinary and
Extraordinary General Meeting
3 May 2018

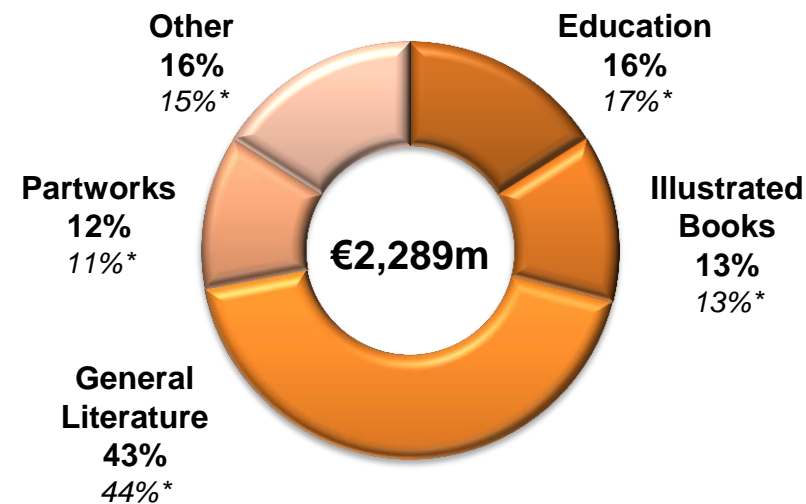


LAGARDÈRE PUBLISHING

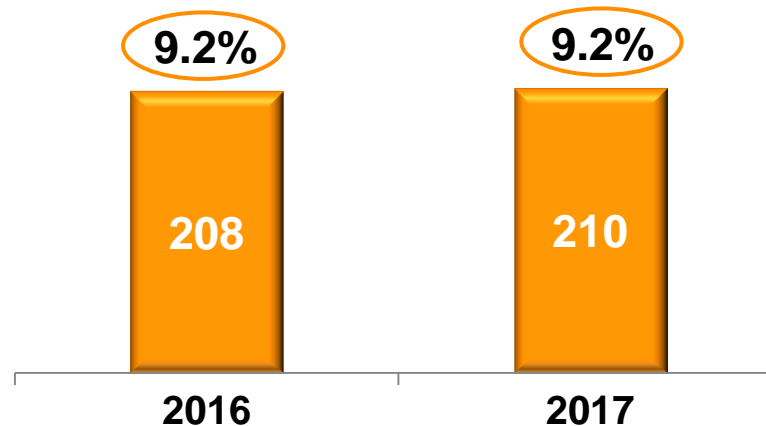
2017 revenue by geographic area



2017 revenue by activity



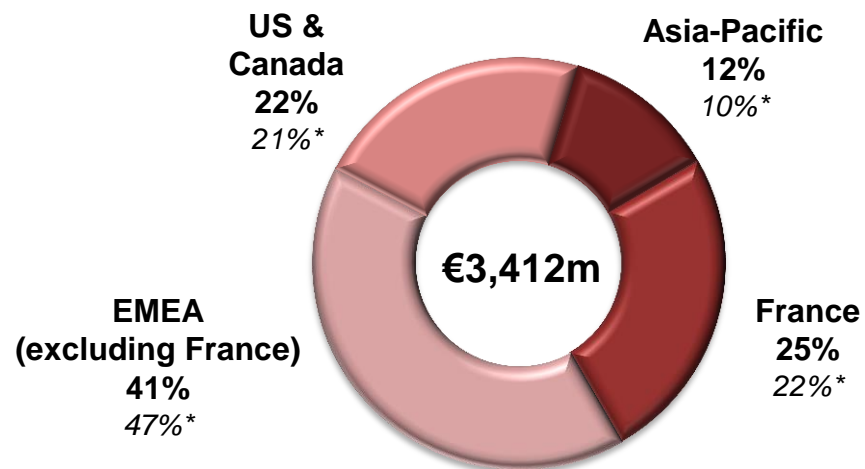
Change in recurring EBIT (€m) and operating margin (%)



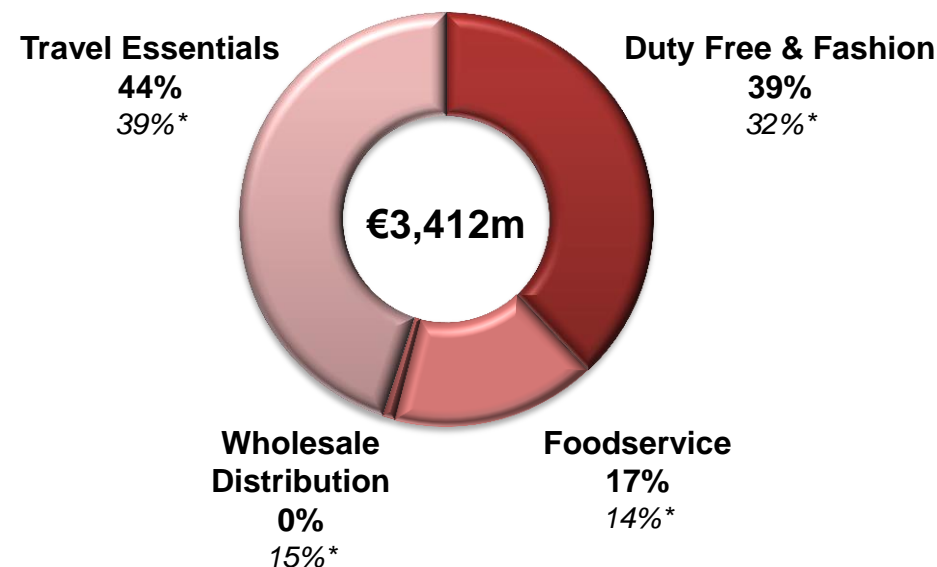
*% of revenue in 2016.

LAGARDÈRE TRAVEL RETAIL

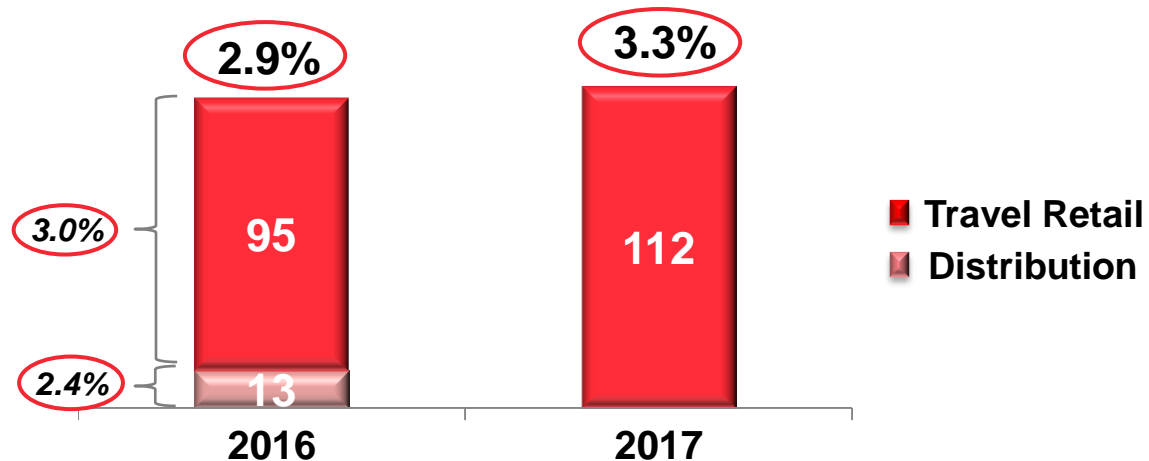
2017 revenue by geographic area



2017 revenue by activity



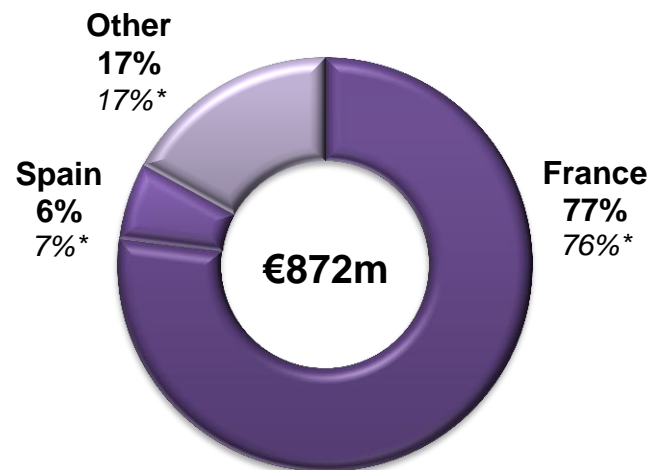
Change in recurring EBIT (€m) and operating margin (%)



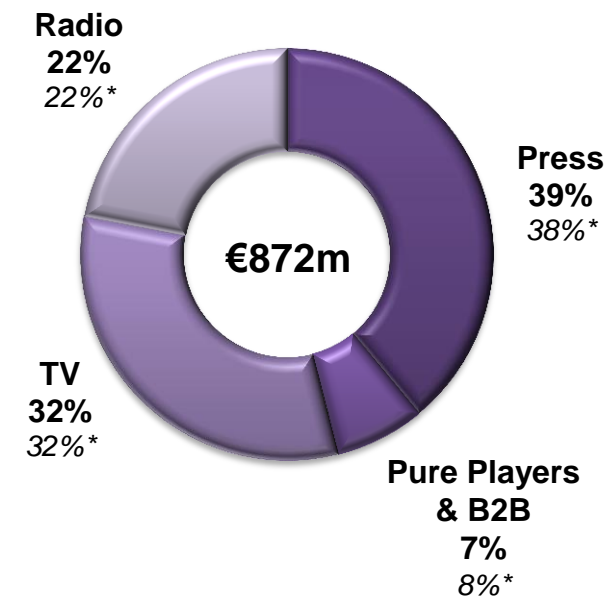
*% of revenue in 2016.

LAGARDÈRE ACTIVE

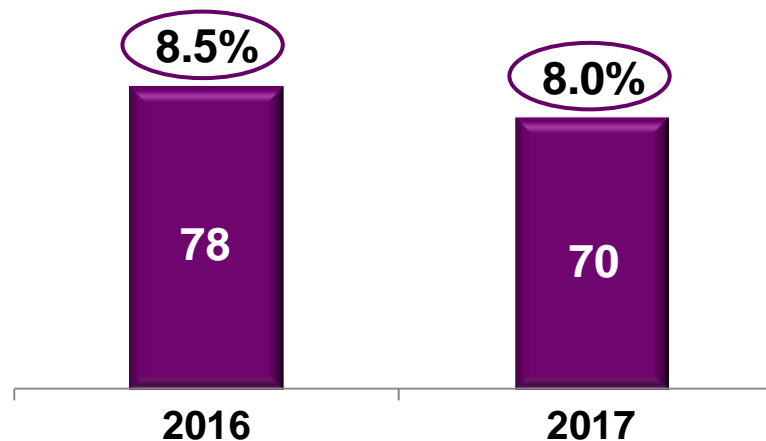
2017 revenue by geographic area



2017 revenue by activity



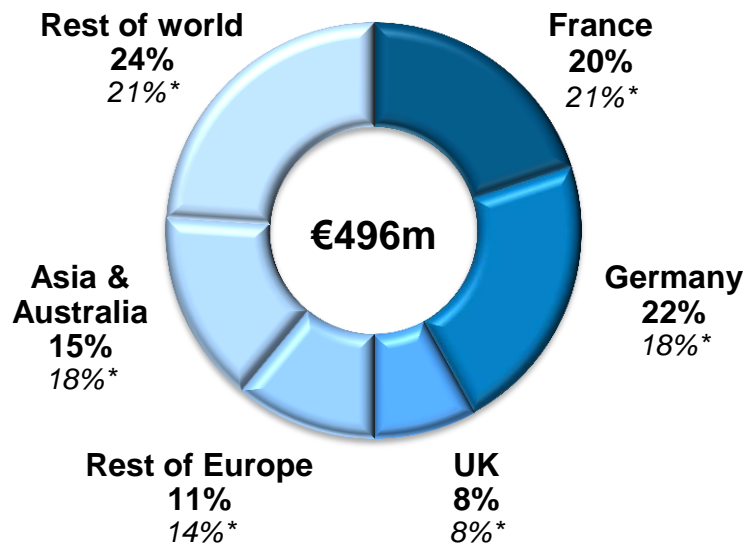
Change in recurring EBIT (€m) and operating margin (%)



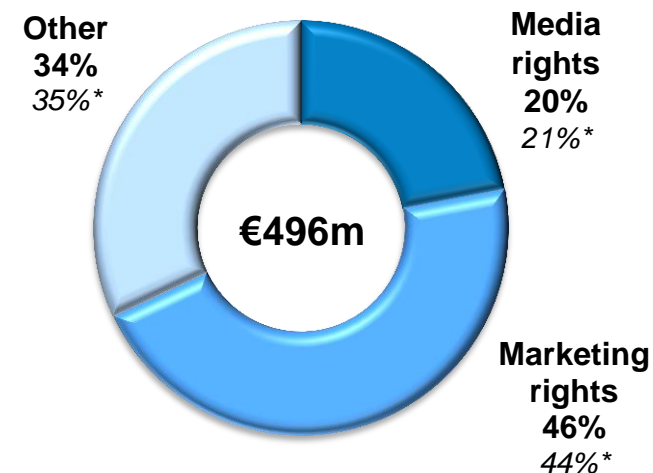
*% of revenue in 2016.

LAGARDÈRE SPORTS AND ENTERTAINMENT

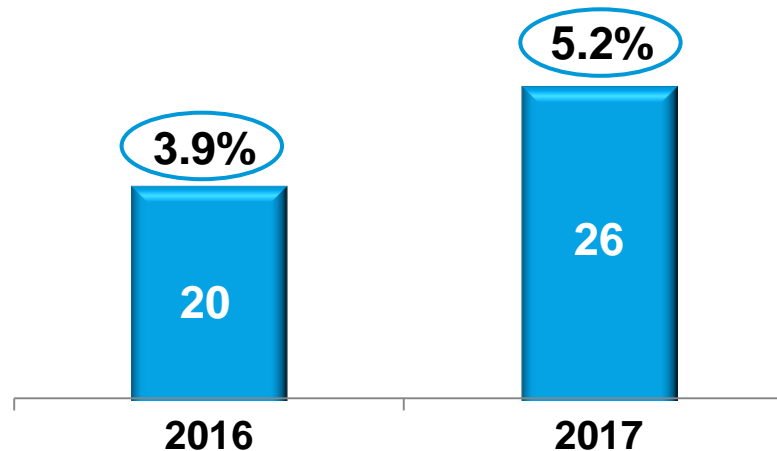
2017 revenue by geographic area



2017 revenue by activity



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

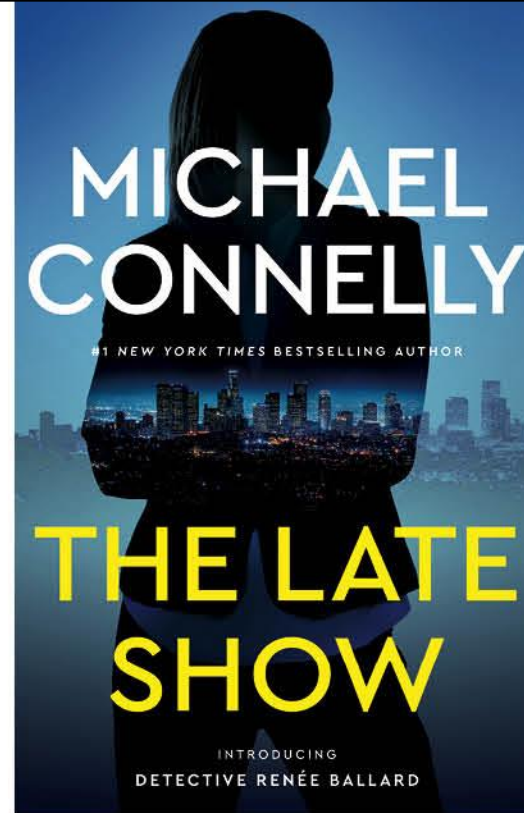


*% of revenue in 2016.

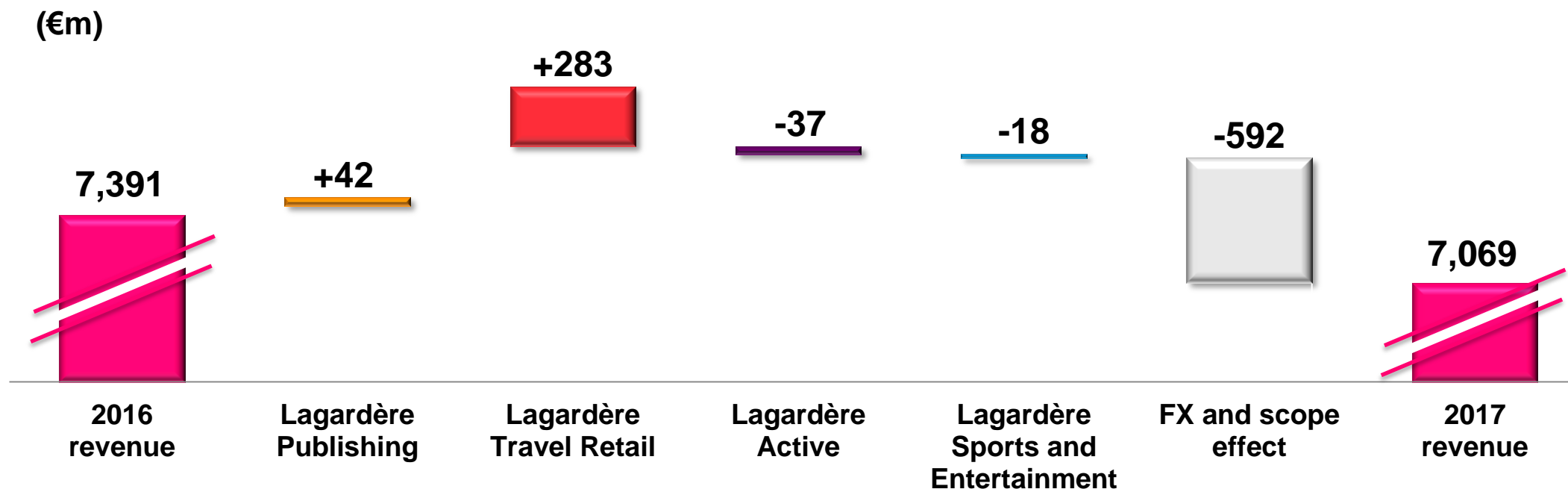
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**2017 GROUP
FINANCIAL
RESULTS**

Annual Ordinary and
Extraordinary General Meeting
3 May 2018



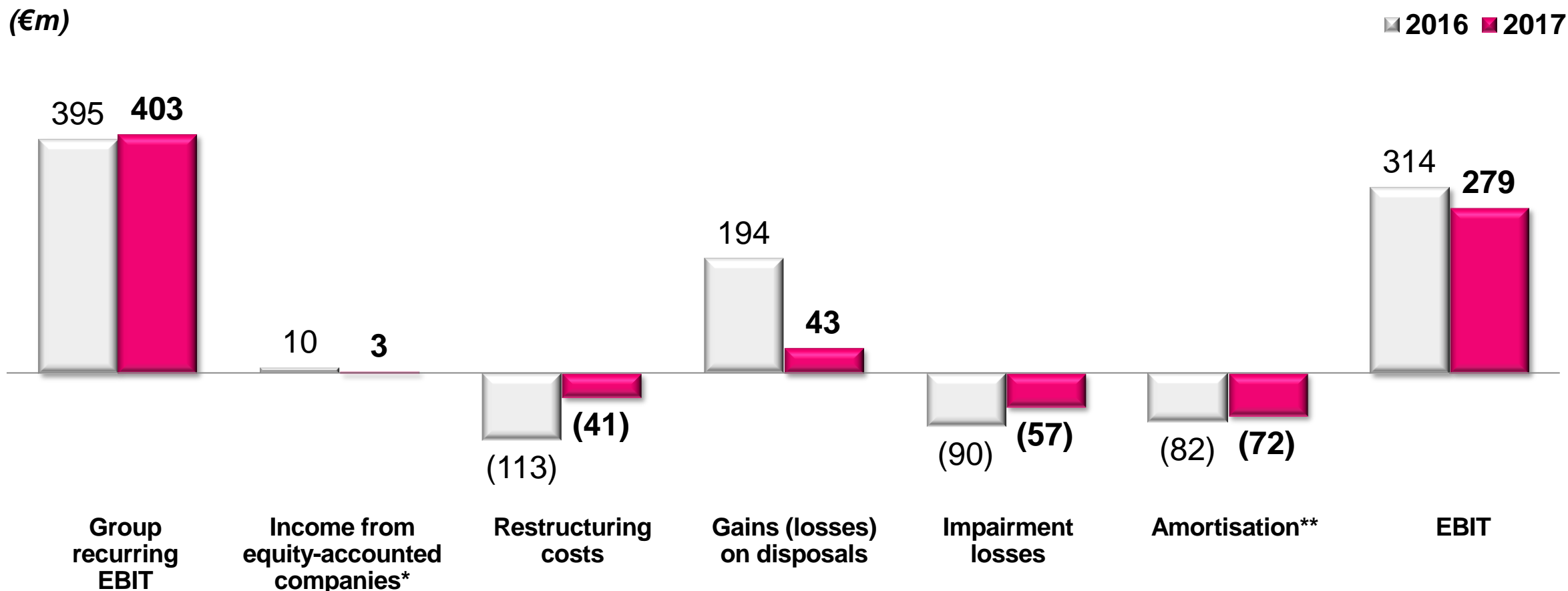
CHANGES IN REVENUE – 2017



Revenue down 4.4% on a consolidated basis, up 4.0% like-for-like.

- *Negative scope effect of €528m (disposal of the Distribution activities) and negative currency effect of €64m.*
- The Lagardère group continued to deliver robust growth like-for-like, fuelled mainly by organic growth at Lagardère Travel Retail (+€283m) and a strong performance from Lagardère Publishing(+€42m).

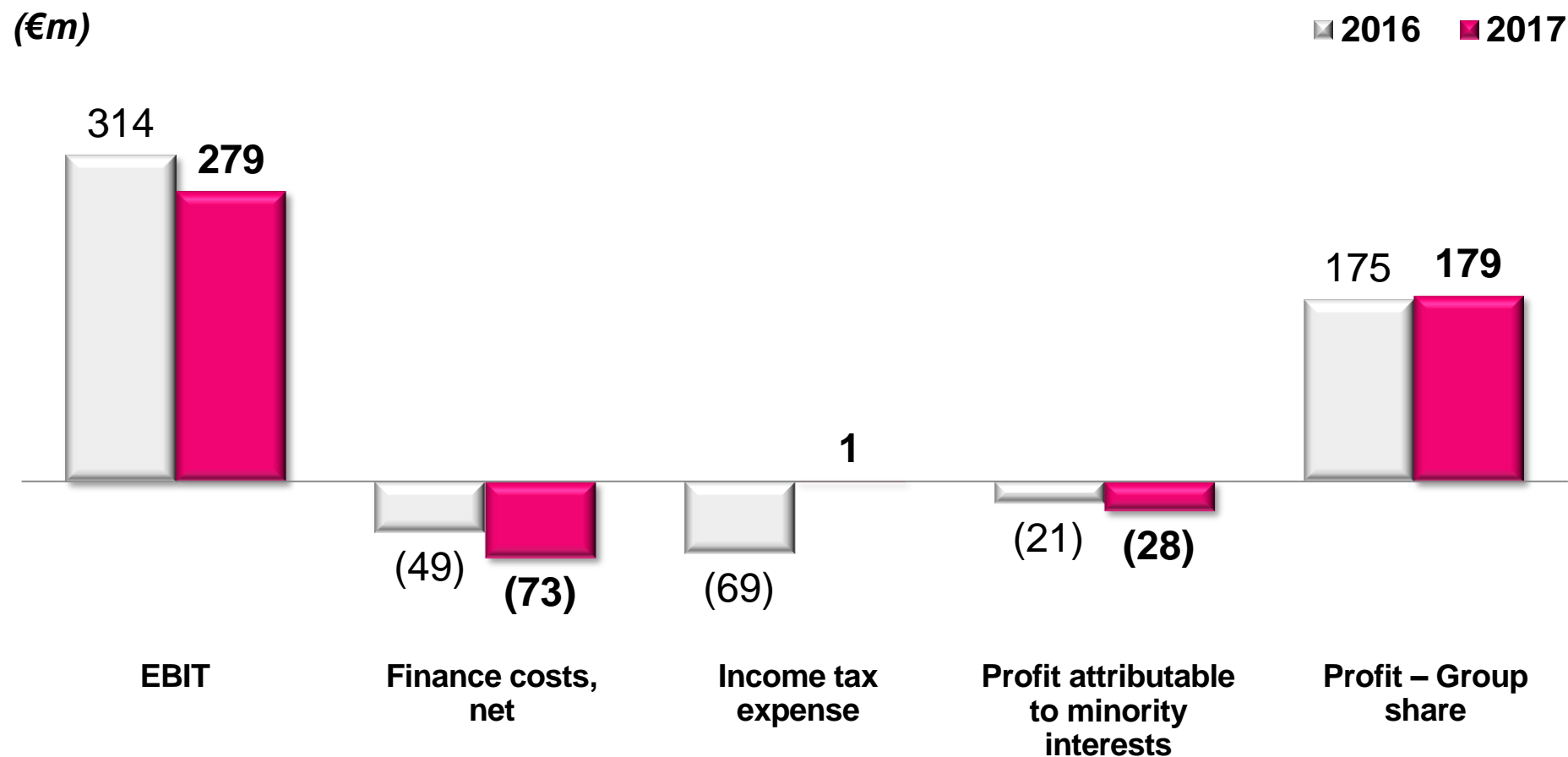
GROUP RECURRING EBIT TO EBIT



*Before impairment losses.

**Amortisation of acquisition-related intangible assets and expenses.

EBIT TO PROFIT – GROUP SHARE



ADJUSTED PROFIT – GROUP SHARE

(€m)	2016	2017
Profit – Group share	175	179
Restructuring costs	+113	+41
Gains (losses) on disposals	-193	-43
Impairment losses on goodwill, PP&E, intangible assets and equity-accounted companies	+88	+56
Amortisation of acquisition-related intangible assets and expenses	+71	+63
Tax effects on the above items	-21	-14
Tax on dividends, reimbursements and exceptional tax contribution in France	5	-6
Recognition of tax loss carryforwards in France*	-	-40
Remeasurement of deferred taxes in the United States (new federal tax rates)	-	-19
Adjusted profit – Group share**	238	217
<i>Of which disposal of Deutsche Telekom shares</i>	22	-

*Due to the planned disposal of a real estate complex.

**Alternative Performance Measure (APM) – See glossary on slides 23/24.

CONSOLIDATED STATEMENT OF CASH FLOWS

(€m)	2016	2017
Cash flow from operations before changes in working capital	557	563
Changes in working capital	26	(90)
Income taxes paid	(77)	(89)
Net cash from operating activities*	506	384
<i>Purchases of property, plant & equipment and intangible assets</i>	(253)	(261)
<i>Disposals of property, plant & equipment and intangible assets</i>	211	160
Free cash flow^{*/**}	464	283
<i>Purchases of investments</i>	(108)	(68)
<i>Disposals of investments^{***}</i>	139	19
Net cash from operating and investing activities	495	234
<i>Dividend paid and other</i>	(279)	(143)
<i>Interest paid</i>	(54)	(70)
Change in net debt	162	21
Net debt^{**}	(1,389)	(1,368)

Negative change in working capital attributable to Lagardère Publishing

Continued investments especially in Travel Retail

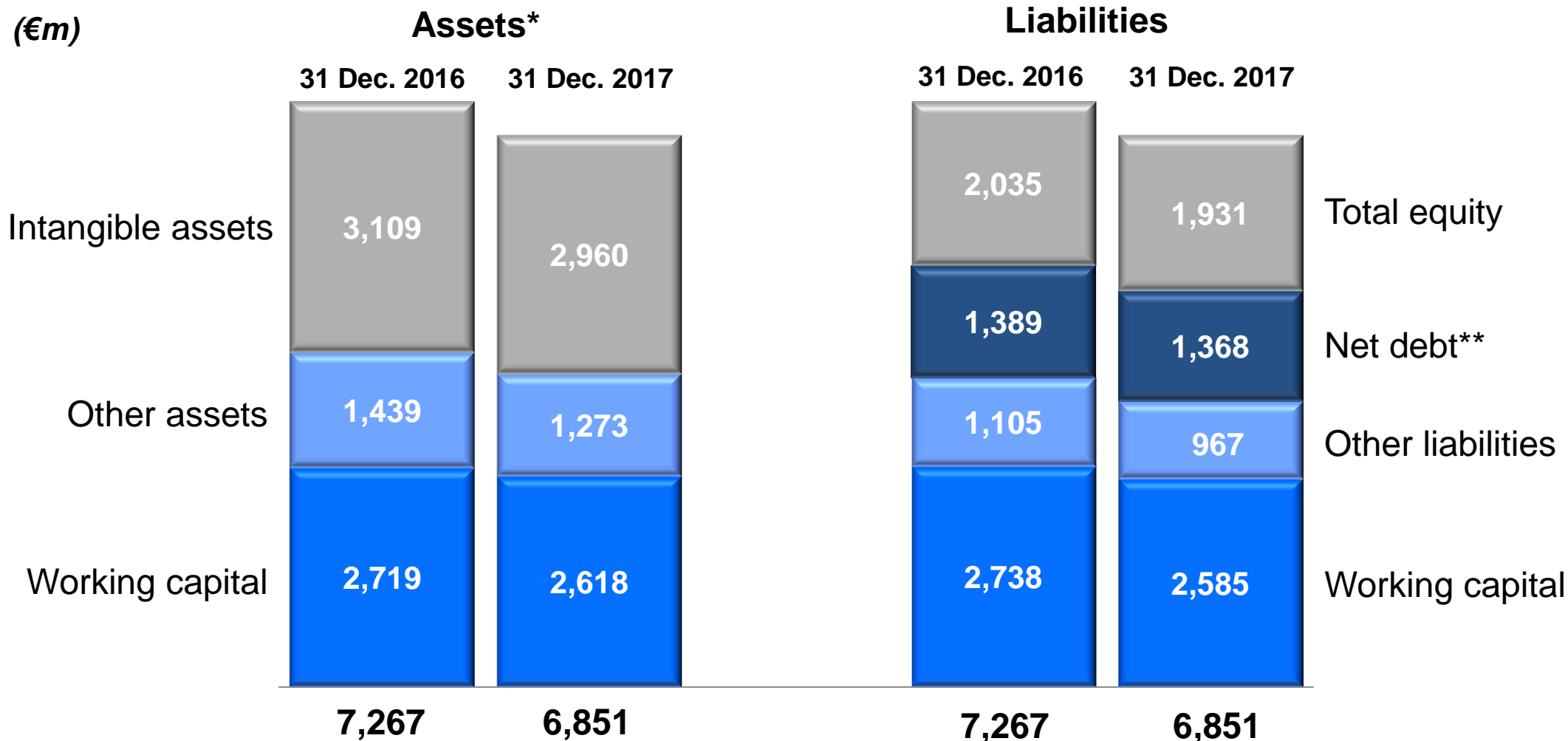
Disposal of a property asset

*Including positive impacts of €48m and €66m respectively in 2016 and 2017 attributable to interest paid/received following a change in presentation of the consolidated statement of cash flows (see note 1.1 to the consolidated financial statements for the year ended 31 December 2017).

**Alternative Performance Measure (APM) – See glossary on slides 23/24.

***Including €6m of interest received in 2016 and €4m in 2017 (see note 1.1 to the consolidated financial statements for the year ended 31 December 2017).

CONSOLIDATED BALANCE SHEET



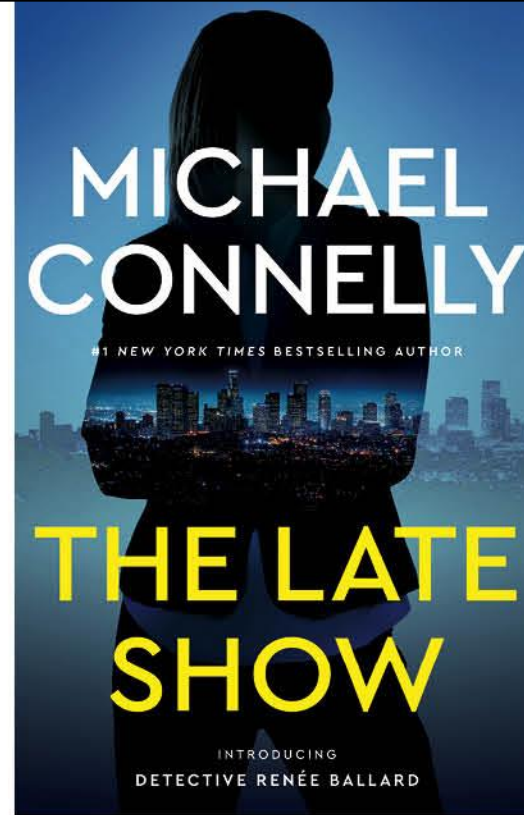
*Excluding assets included in net debt.

**Net of cash, cash equivalents, short-term investments and derivative instruments documented as hedges of debt.

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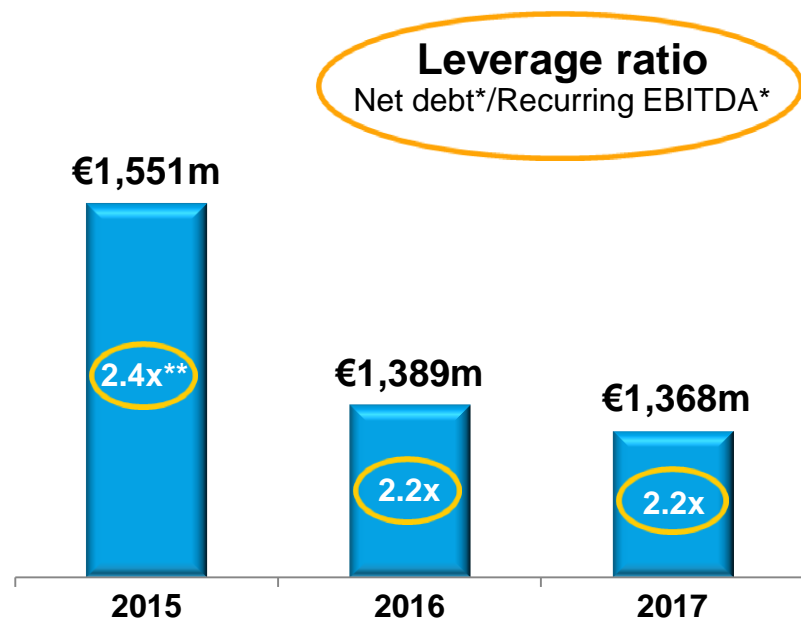
**FINANCIAL
POSITION**

Annual Ordinary and
Extraordinary General Meeting
3 May 2018



FINANCING POLICY

- A tight rein on debt

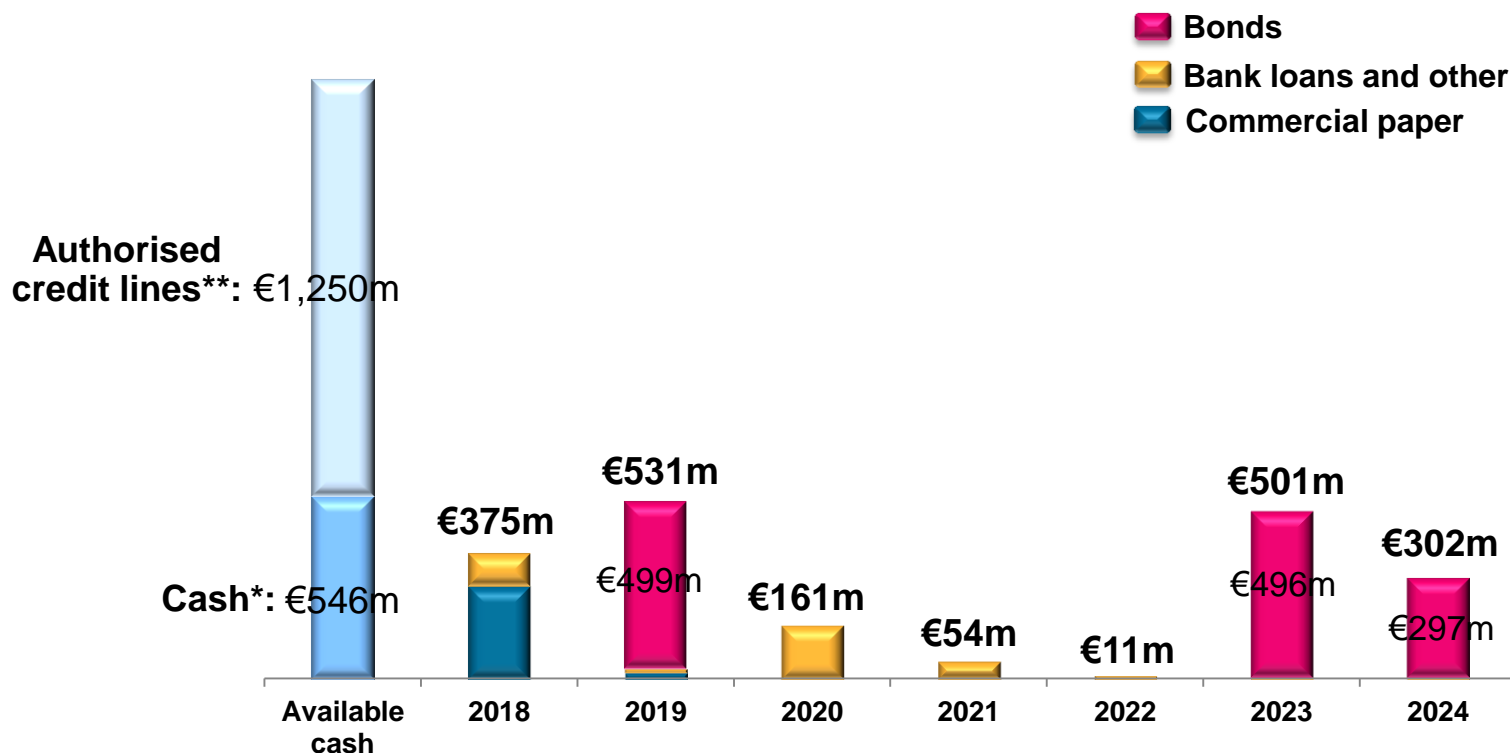


- Investment capacity of €500 million, assuming a leverage ratio of 3x.

*Alternative Performance Measure (APM) – See glossary p.23/24.

**On a pro forma basis (as per credit facility covenant), including 12 months of Paradies recurring EBITDA.

- A liquidity position which broadly covers upcoming maturities



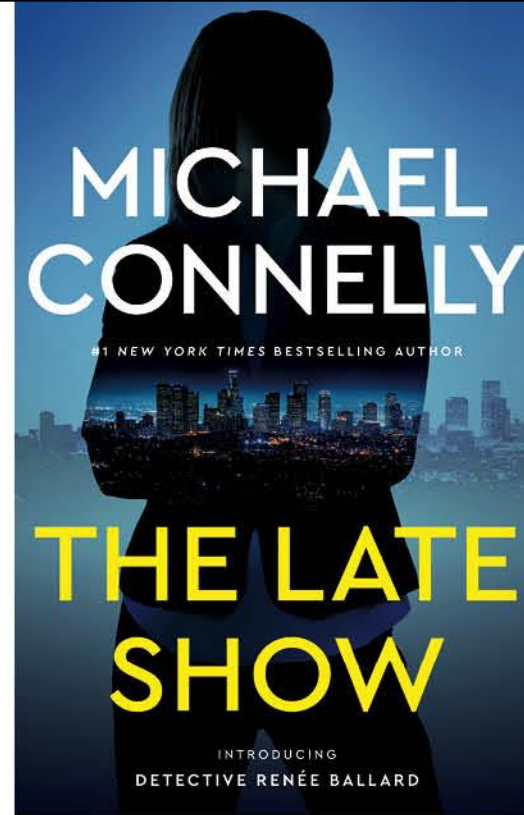
*Short-term investments and cash, excluding €21m of derivative assets.

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

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GUIDANCE

Annual Ordinary and
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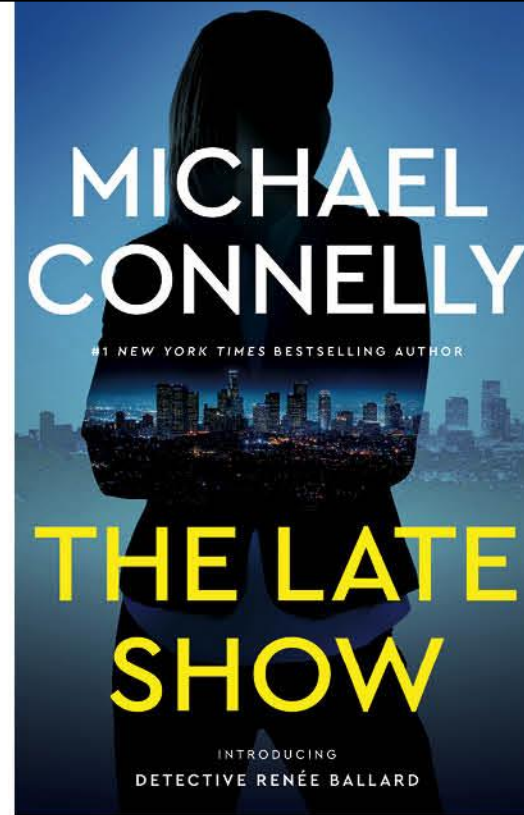
GUIDANCE

■ 2018 guidance

- **The Lagardère group expects Group recurring EBIT in 2018 to remain stable versus 2017*, at constant exchange rates.**

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GLOSSARY



Annual Ordinary and
Extraordinary General Meeting
3 May 2018



GLOSSARY (1/2)

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 and a reconciliation with those accounting items is provided either in this presentation or in the consolidated financial statements.

- **The like-for-like change in revenue is calculated by comparing:**

- 2017 revenue to exclude companies consolidated for the first time during the year, and 2016 revenue to exclude companies divested in 2017;
- 2017 and 2016 revenue based on 2016 exchange rates

(See reconciliation in section VII – Appendices of the full-year 2017 results press release).

- **Recurring EBIT (Group 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 investment in equity-accounted companies
- net restructuring costs
- items related to business combinations:
 - acquisition-related expenses
 - gains and losses resulting from acquisition price adjustments and fair value adjustment due to changes in control
 - amortisation of acquisition-related intangible assets
- specific major disputes unrelated to the Group's operating performance

= recurring operating profit

Less:

- income (loss) from equity-accounted companies before impairment losses
- = recurring operating profit of fully consolidated companies (Group recurring EBIT)**

(See reconciliation on slide 13)

- **Operating margin**

Operating margin is calculated by dividing recurring operating profit of fully consolidated companies (Group recurring EBIT) by revenue.

GLOSSARY (2/2)

▪ Recurring EBITDA over a rolling 12-month period

Recurring EBITDA over a rolling 12-month period is calculated as recurring operating profit 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. The reconciliation between recurring EBITDA and recurring operating profit of fully consolidated companies (Group recurring EBIT) is set out in the presentation of the 2017 full-year results.

▪ Adjusted profit – Group share

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 on the above items, including the tax on dividends paid in France;
- non recurring movements on deferred taxes.

(See reconciliation on slide 15)

▪ Free cash flow

Free cash flow is calculated as cash flow from operations plus net cash flow relating to acquisitions and disposals of intangible assets and property, plant and equipment.

(See reconciliation on slide 16)

▪ Net debt

Net debt is calculated as the sum of the following items: **short-term investments and cash and cash equivalents, financial instruments allocated as hedges of debt, non-current debt and current debt**. The reconciliation between balance sheet items and net debt is set out in the presentation of the 2017 full-year results.