Significant growth in revenue,
up 6.2 like-for-like[1] at €1,532 million

Confirmation of the Recurring EBIT growth target[2] for 2017

Paris, 11 May 2017

The Lagardère group posted a sharp increase in like-for-like revenue, buoyed by robust business at Lagardère Publishing, continued momentum at Lagardère Travel Retail and a rebound in business at Lagardère Sports and Entertainment.

Revenue for the first quarter came in at €1,532 million, up 6.2% on a like-for-like basis and down 3.4% on a consolidated basis. The difference between like-for-like and consolidated figures reflects a positive €6 million foreign exchange effect and a negative €147 million scope impact, breaking down as:

- the negative impact of disposals (€168 million), primarily relating to the divestment of Distribution activities by Lagardère Travel Retail in Belgium, Hungary, Spain and Canada, and the sale of LeGuide.com by Lagardère Active;
- the positive impact of acquisitions (€21 million), carried out mainly by Lagardère Publishing in connection with the consolidation of Perseus in the United States.

By division (like-for-like basis):

- **Lagardère Publishing**: a solid first quarter driven by vigourous performances in the United Kingdom and United States, although this is not necessarily representative of full-year trends.
- **Lagardère Travel Retail**: continued growth momentum in Travel Retail (up 8.4% like-for-like).
- **Lagardère Active**: the first quarter was down slightly on the prior year, held back in particular by the contraction in Press and Radio advertising revenue. The first quarter is generally weaker and not necessarily representative of full-year performance.
- **Lagardère Sports and Entertainment**: a strong first quarter attributable primarily to the Total Africa Cup of Nations.

I. REVENUE BY DIVISION

	Revenue (€m)		**Change**	
	Q1 2017	**Q1 2016**	**on a consolidated basis**	**on a like-for-like basis**
Lagardère Publishing	440	415	+6.1%	+3.3%
Lagardère Travel Retail	763	852	-10.5%	+8.2%
Travel Retail	*752*	*688*	*+9.3%*	*+8.4%*
Distribution	*11*	*164*	*-94%*	*-1.0%*
Lagardère Active	194	211	-8.0%	-4.8%
Lagardère Sports and Entertainment	135	108	+25.2%	+24.4%
LAGARDÈRE	**1,532**	**1,586**	**-3.4%**	**+6.2%**

[1]See “changes in consolidation scope and exchange rates” at the end of the press release.
[2]See definition at the end of the press release.

Lagardère Publishing

Revenue for the division totalled €440 million, up 6.1% on a consolidated basis and up 3.3% like-for-like. The difference between consolidated and like-for-like figures is attributable to (i) a negative €7 million foreign exchange impact resulting mainly from the depreciation in the pound sterling, and (ii) a positive €18 million scope effect, due chiefly to the acquisition of Perseus in the United States in April 2016.

As in previous years, we emphasise that the first quarter traditionally makes a relatively low contribution to the year as a whole.

On a like-for-like basis, the main changes in each geographic area can be explained as follows:

In France, business remained stable (down 0.5%) at the beginning of the year in a sharply downbeat market and against the backdrop of the French presidential election. The success of new Livre de Poche paperback releases partly offset the decline in Illustrated Books.
The United States turned in a good performance, with 4.1% revenue growth driven by the Nashville unit and the success of titles such as William P. Young's *The Shack* and *Trump's War* by Michael Savage.
Business surged 8.1% in the United Kingdom, led by both significant restocking of J.K. Rowling titles and by the success of Bruno Vincent's *Famous Five* series. Business also benefited from a positive calendar effect over the period.
The Spain/Latin America region declined as expected (down 13.9%), due mainly to the fall in Education and to a one-off export transaction in 2016 in Latin America that did not recur in the first quarter of 2017.
Partworks climbed 6.1%, lifted by the success of new collections launched in Spain and continued good momentum in Japan, particularly with the success of *Disney Tsum Tsum* titles.
E-books accounted for 10.0% of Lagardère Publishing revenue in first-quarter 2017 (including Perseus), compared to 10.4% for the first three months of 2016.

Lagardère Travel Retail

Revenue for the division totalled €763 million, up 8.2% like-for-like (down 10.5% on a consolidated basis) owing to a positive foreign exchange impact of €13 million, primarily linked to the appreciation of the US, Australian, New Zealand and Canadian dollars and a negative €159 million scope impact due mainly to the disposal of Distribution operations in Belgium, Hungary, Spain and Canada.

The figures below are presented on a like-for-like basis.

The first quarter saw ongoing robust like-for-like revenue growth in **Travel Retail** (up 8.4%), powered by continued network expansion, the success of sales initiatives (including modernised points of sale), synergies relating to the consolidation of Paradies and the growth in air traffic. Travel Retail was also boosted by the sharp rise in revenue relating to Russian passengers. This performance was achieved despite an unfavourable basis for comparison (one less trading day in the quarter) owing to the fact that 2016 was a leap year.

In France, business continued to enjoy strong momentum (up 8.5%), led primarily by the Duty Free segment boosted by both a favourable basis for comparison and network expansion, despite the adverse impact of the introduction of plain packaging in the tobacco segment.
The EMEA region (excluding France) reported robust 11.5% revenue growth, buoyed by points of sale opened at Rome airport's new Avancorpo terminal in Italy (up 13.0%), modernised points of sale at Amsterdam's Schipol airport in the Netherlands (up 26.3%), the growth in traffic and network expansion in Poland (up 16.8%) and the takeover of Duty Free stores in the Czech Republic (up 16.5%).
The United Kingdom also delivered strong 22.9% growth, powered by the positive impact of the revamped Luton airport and the depreciation of the pound sterling in the wake of the Brexit vote.
North America reported further growth, up 7.4% owing mainly to the impact of sales synergies and new points of sale opened in Tampa and Phoenix.
Business was mixed in Asia-Pacific (up 1.2%): the Asia region was up 8.6% powered by 19.2% growth in China, while, in the Pacific region, traffic growth in New Zealand partly offset an unfavourable network impact in Australia.

Distribution operations (including Hungary up to end-January only) slipped 1.0%. The divestment of the Distribution business was completed in the first quarter with the sale of the holding company LS Distribution SAS on 7 February 2017, including operating activities in Hungary. This concluded the process of withdrawing from the Distribution business initiated back in 2014.

Lagardère Active

Revenue for the division totalled €194 million, down by 8.0% on a consolidated basis and by 4.8% like-for-like. The difference between consolidated and like-for-like revenue is mainly due to a negative scope effect of €7 million, primarily linked to the sale of LeGuide.com in September 2016.

The figures below are presented on a like-for-like basis.

The decline in revenue was primarily driven by the 8.1% fall in advertising sales. The first quarter represents a fairly low proportion of annual advertising revenue and the pre-election environment is not traditionally conducive to the advertising market.

The 5.6% decline in **Magazine Publishing** was directly affected by downbeat trends in the market.
Radio revenue contracted 5.5%, as the good performance of music radio did not offset the decline in revenue generated by the Europe 1 station, which saw its audience fall.
TV revenue was down 4.3%, hit mainly by the decrease in Lagardère Studios production flows, partly offset by Distribution.
Pure-play digital revenue rose 13.1% led by expanding e-Health operations in particular.

Lagardère Sports and Entertainment

In the first quarter, revenue totalled €135 million, up 25.2% on a consolidated basis and up 24.4% like-for-like. The increase in activity is mainly due to a positive calendar effect, with the Total Africa Cup of Nations held in Gabon, the good performance of football activities in Europe (Germany, the United Kingdom and France), and the Asian qualifiers for the 2018 FIFA World Cup.

II. KEY EVENTS SINCE 8 MARCH 2017

- **Lagardère Travel Retail won two significant tenders:**
  - the Duty Free concession at Geneva airport;
  - the Liquor & Tobacco concession at Hong Kong airport in partnership with China Duty Free Group (this business will be equity-accounted).

  Lagardère Travel Retail will begin operating the two concessions during fourth-quarter 2017.

III. OUTLOOK - FINANCIAL POSITION

Guidance

- **Lagardère confirms its target for Group Recurring EBIT growth announced on 8 March.**
  Group Recurring EBIT growth in 2017 is expected to be between 5% and 8% versus 2016, at constant exchange rates and excluding the impact from disposals of Distribution activities.

Financial position

- **The Group's financial position remains solid**, with healthy liquidity and a balanced repayment schedule. The Group's €1,250 million syndicated credit facility was extended until May 2022.

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IV. INVESTOR CALENDAR

- **Lagardère Publishing Investor Day**
  Lagardère Publishing will be holding an Investor Day in Vanves, (92), on 12 June 2017 from 2:30 p.m. to 6:00 p.m.

- **First-half 2017 results**
  The first-half results will be released on 27 July 2017 at 5:35 p.m. A conference call will be held at 6:00 p.m.

- **Third-quarter 2017 revenue**
  Third-quarter revenue will be released on 9 November 2017 at 8:00 a.m. A conference call will be held at 10:00 a.m. on the same day.

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V. APPENDICES

CHANGES IN CONSOLIDATION SCOPE AND EXCHANGE RATES

First-quarter 2017

The difference between consolidated and like-for-like figures reflects a positive €6 million foreign exchange impact relating mainly to the appreciation in the US, Australian, New Zealand and Canadian dollars and a negative €147 million scope effect, breaking down as:

- the negative impact of disposals (€168 million), primarily relating to the divestment of Distribution activities in Belgium (negative €107 million), Hungary (negative €23 million), Spain (negative €17 million), and Canada (negative €6 million) by Lagardère Travel Retail, and to the sale of LeGuide.com by Lagardère Active (negative €6 million);

- the positive impact of acquisitions (€21 million), carried out mainly by Lagardère Publishing in connection with the consolidation of Perseus in the United States (€18 million).

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DEFINITION

Recurring EBIT of fully consolidated companies

Recurring EBIT of fully consolidated companies is defined as earnings before interest and tax excluding the following income statement items:

- income (loss) from equity-accounted companies;
- gains (losses) on disposals of assets;
- impairment losses on goodwill, property, plant and equipment and intangible assets;
- restructuring costs;
- specific major litigations unrelated to operating performance;
- items related to business combinations:
  - acquisition-related expenses,
  - gains and losses resulting from acquisition price adjustments and fair value adjustments due to changes in control,
  - amortisation of acquisition-related intangible assets.

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The Lagardère group is a global leader in content publishing, production, broadcasting and distribution, whose powerful brands leverage its virtual and physical networks to attract and enjoy qualified audiences.
It is structured around four business lines: Books and e-Books; Travel Retail; Press, Audiovisual, Digital and Advertising Sales Brokerage; Sports and Entertainment.
Lagardère shares are listed on Euronext Paris.
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