



Lagardère

**COMPANY
PRESENTATION**

September 2014



TABLE OF CONTENT

- | | | |
|-----------|------------------------------|-----------------|
| 1) | Group profile | slide 3 |
| 2) | Group strategy | slide 6 |
| 3) | Group performance | slide 16 |
| 4) | Key credit highlights | slide 19 |



GROUP PROFILE

September 2014

Lagardère

A DIVERSIFIED MEDIA GROUP WITH LEADING GLOBAL BRANDS AND MARKET POSITIONS



World #3 trade book publisher
 #1 in France
 #2 in the UK, #3 in Spain
 #4 in the US

A multi-segment publisher
 Trade and Illustrated books, Education, Partworks

A leading digital player

A world leader in Travel Retail

More than 4,000 shops in 30 countries and 150 airports worldwide

Strong expertise in three business lines
 Duty Free & Luxury Food & Beverage, Travel Essentials

France #1 Internet & mobile media Group

French #1 TV Production Group

Leading magazine publisher
 27 French titles
 87 international editions under license

Major player in Radio

Leading global sports marketing, media and event management company

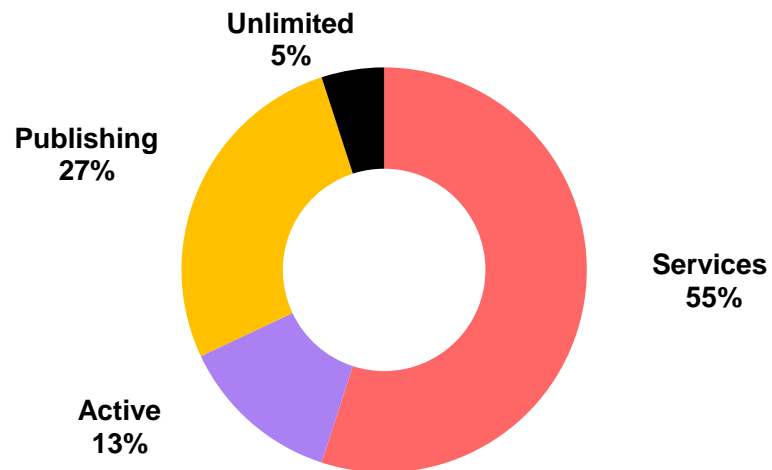
Preeminent in football globally, with leading positions in Europe, Asia and Africa

Major player in golf, tennis, olympic marketing and stadiums businesses

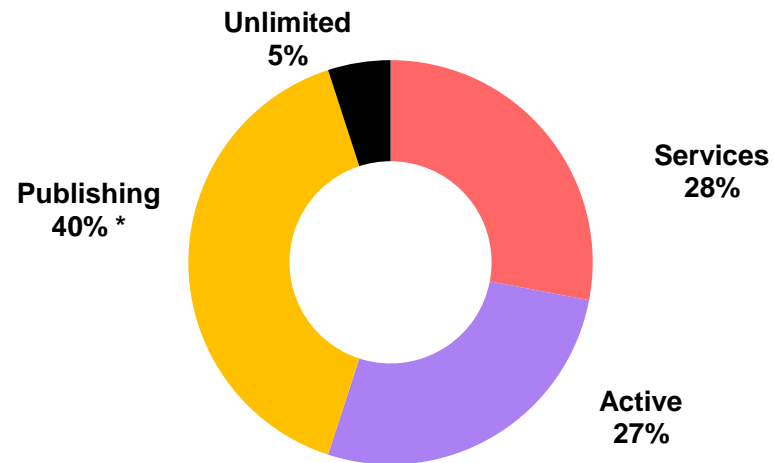


A BALANCED BUSINESS MIX AND A WORLDWIDE PRESENCE *Lagardère*

Breakdown of H1 2014 net sales by division

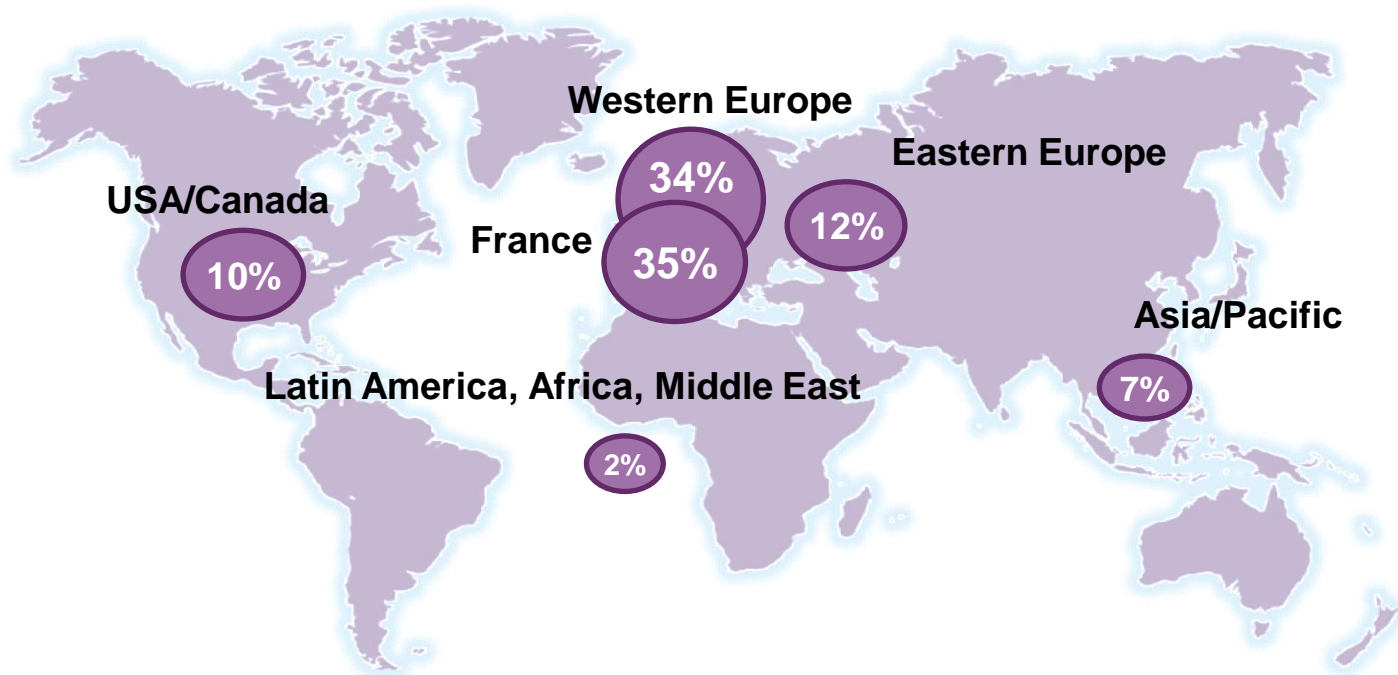


Breakdown of H1 2014 recurring EBIT by division



* H1 figures are lower than full-year (58% in 2013) due to seasonality

Breakdown of H1 2014 net sales by geographic area



Presence in more than 30 countries

Emerging markets*: 20%

* As % of total Lagardère net sales

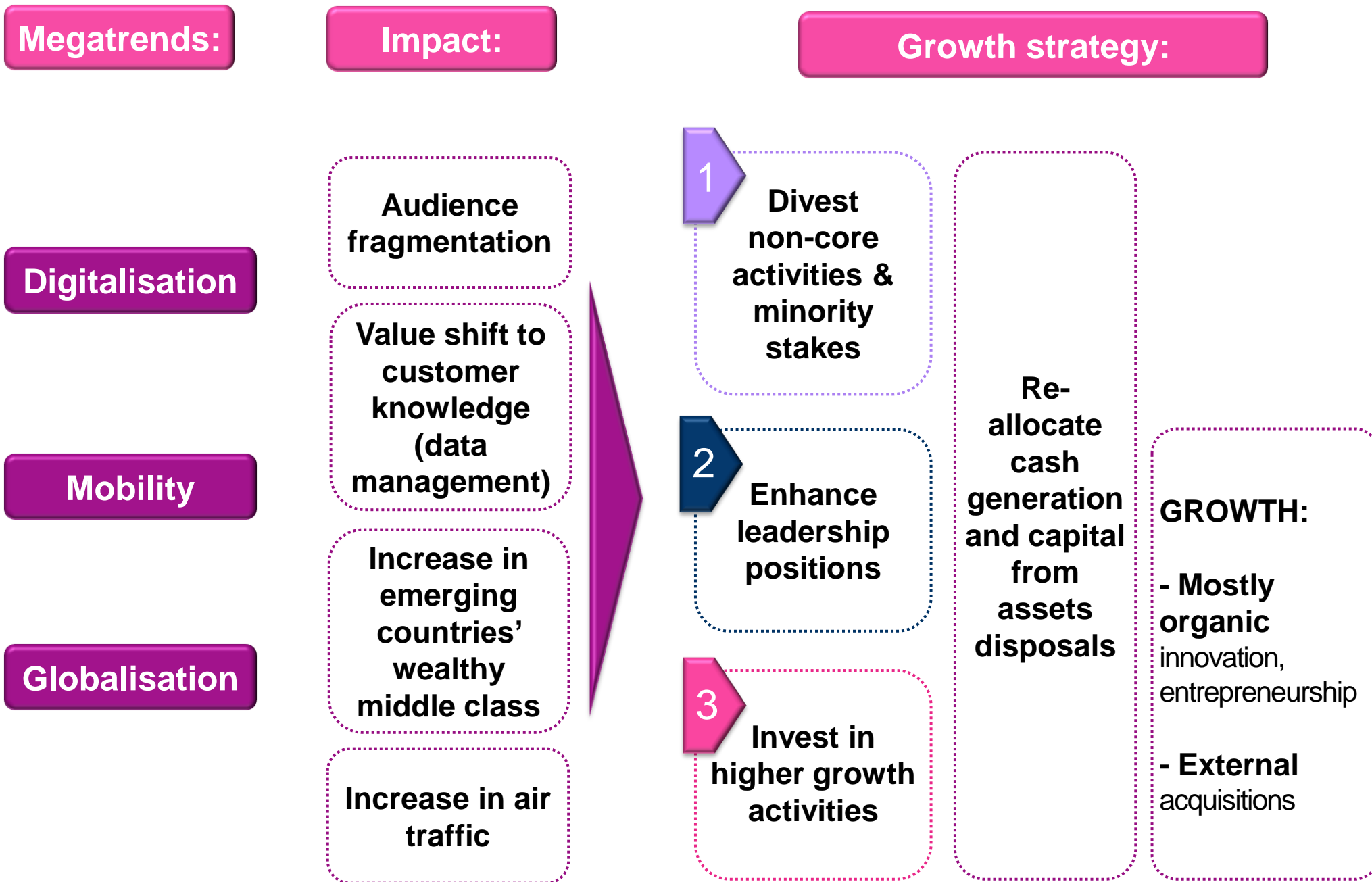


GROUP STRATEGY

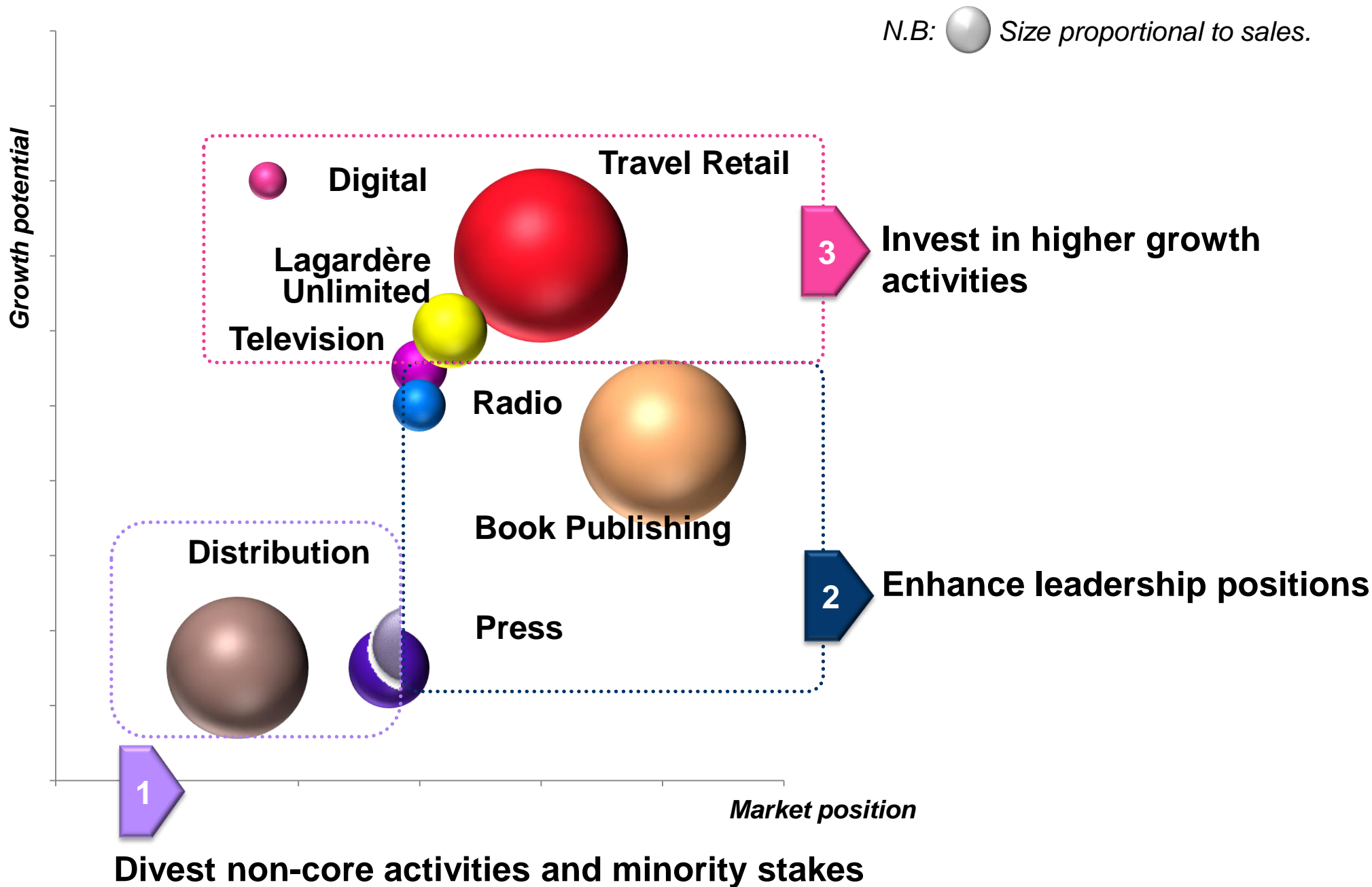
September 2014

Lagardère

3-PILLAR STRATEGY (1/2)



3-PILLAR STRATEGY (2/2)



1

DIVEST DECLINING ACTIVITIES & NON CORE ASSETS

- In 2013, successful disposal of the 3 main non core stakes at good conditions



7,4% of the share capital
€2,3bn
April, 9, 2013

CANAL+ France

20% of the share capital
€1bn
November, 5, 2013

AMAURY
GROUPE

25% of the share capital
€91m
April, 2, 2013

- **Magazines: announcement in April 2014 of the disposal of 10 French titles to a consortium of entrepreneurs and investors**
- **LS Distribution: disposal process currently underway**
 - Press wholesale distribution in Switzerland, Belgium, Hungary, Spain and Canada
 - Integrated retail in the same countries
 - Sales of €1.5bn in 2013
- **Total disposal proceeds of €4.3bn in 2011-14 YTD of which €1.9bn distributed as exceptional dividends**

Sustained consolidation of positions since 2003

- **across 3 major languages** (French, English and Spanish)
- **across all market segments** (trade, education, illustrated, etc.)
- acquisition of Editis (France), Grupo Anaya (Spain), Hodder Headline (UK), Time Warner Book Group (US), Albert René (France), Galore Park (UK), Quercus (UK), Hyperion (US), etc.

Successful digital transition

- Digital accounted for **11.3%** of total sales in H1 2014

Footprint in emerging countries

- Argentina, Mexico, China, Russia, India, Lebanon

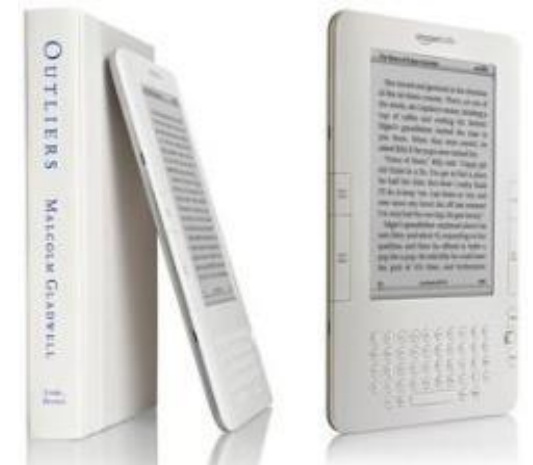
Continuous investment in innovation and talent sourcing

- Significant success of Partworks developed in house
- Major best seller authors in portfolio

Ranking evolution:**From world #11 in 2003 to #3 in 2013**

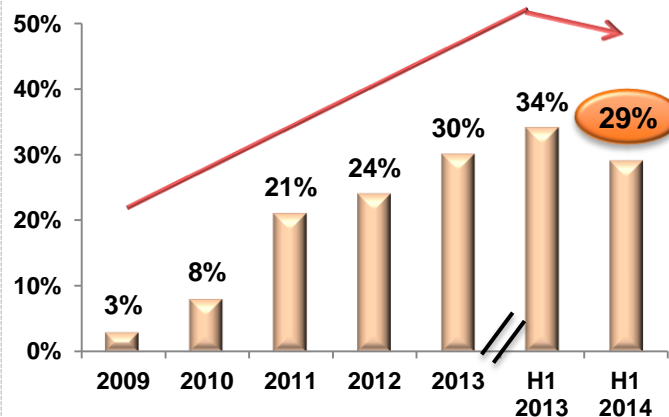
Successful transition to digital

- **For the time being, the ebook has developed only**
 - in anglo-saxon countries
 - in General Literature (fiction and non fiction)
- **The shift to digital is more an opportunity than a threat**
 - Position of the Publisher maintained on the value chain
 - Prices have stabilized at a satisfactory level
 - Positive impact on profitability and WCR
- **In H1 2014 the pace of digital transition has slowed in the US market**

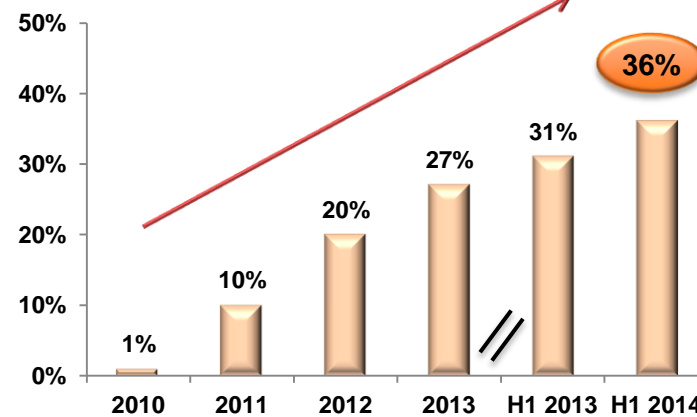


E-book share – as percentage of trade market sales

United States*

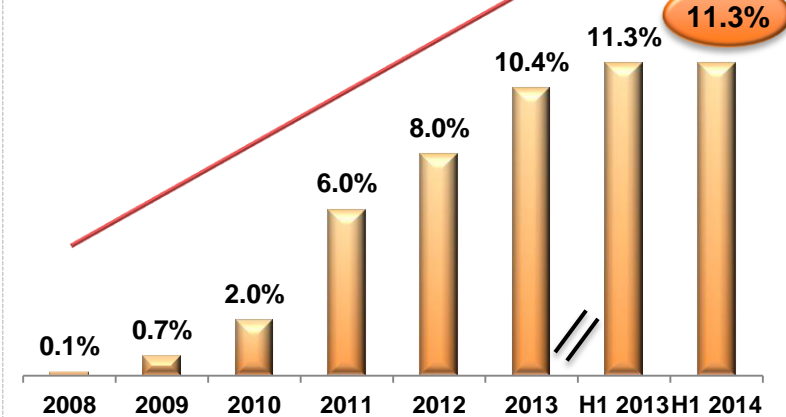


United Kingdom**



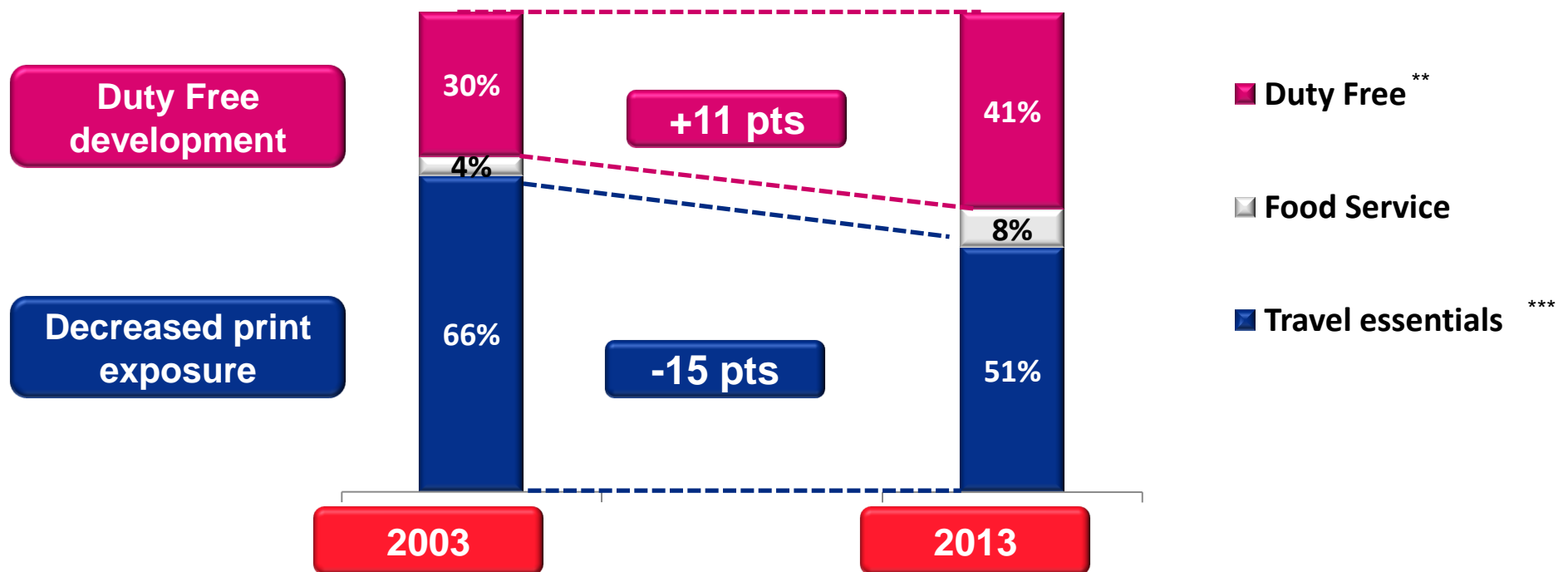
Lagardère Publishing e-book sales

% of total sales



- **Consolidation of major long term partnerships**
Joint ventures with ADP (Paris airport) and SNCF (French railway company)
- **Significant improvement of Travel Retail product mix**

Travel Retail sales@100%* breakdown:



* Consolidated sales + 100% of JV's sales

** Fashion, alcohol & liquors, perfumes & cosmetics, tobacco

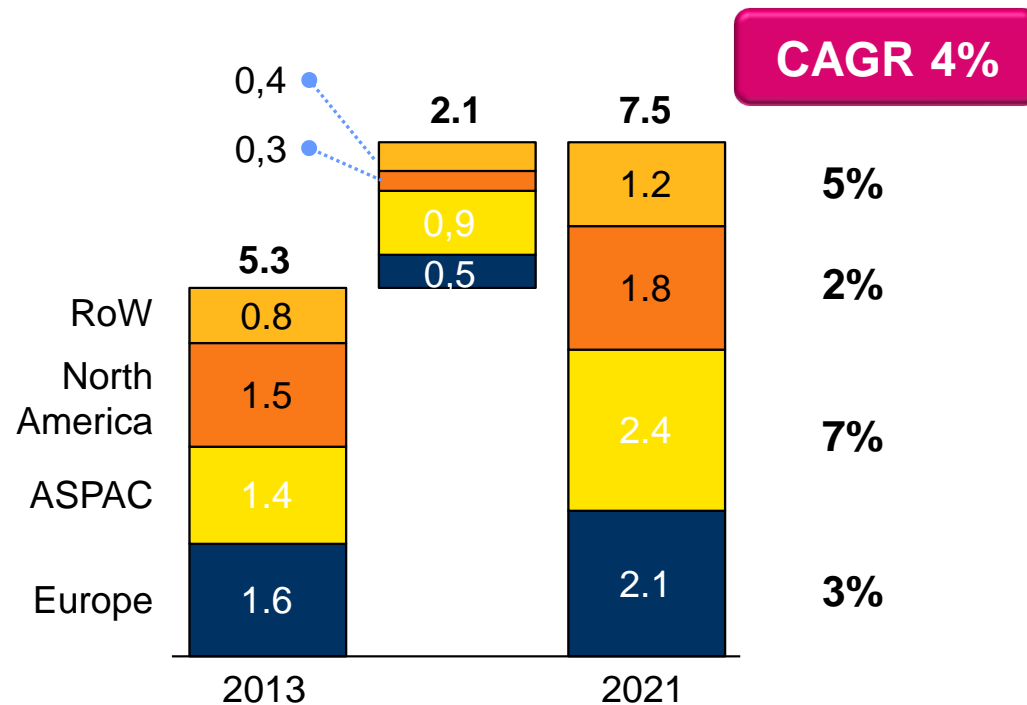
*** News & convenience, gifts & souvenirs, electronics & media

Organic growth drivers of travel retail

1. Strong and regular increase of **global air traffic**
2. Increase in sales from **emerging country passengers** travelling in mature countries
3. Increasing **externalization** of travel retail shops by landlords
4. **Increased surface** dedicated to travel retail in airports and train stations

Air traffic evolution

(billions of passengers, 2013 - 2021)



Roissy Charles De Gaulle airport, Paris

3 DEVELOP HIGHER GROWTH ACTIVITIES (1/2)

● Acquisitions and gain of concessions in Travel Retail

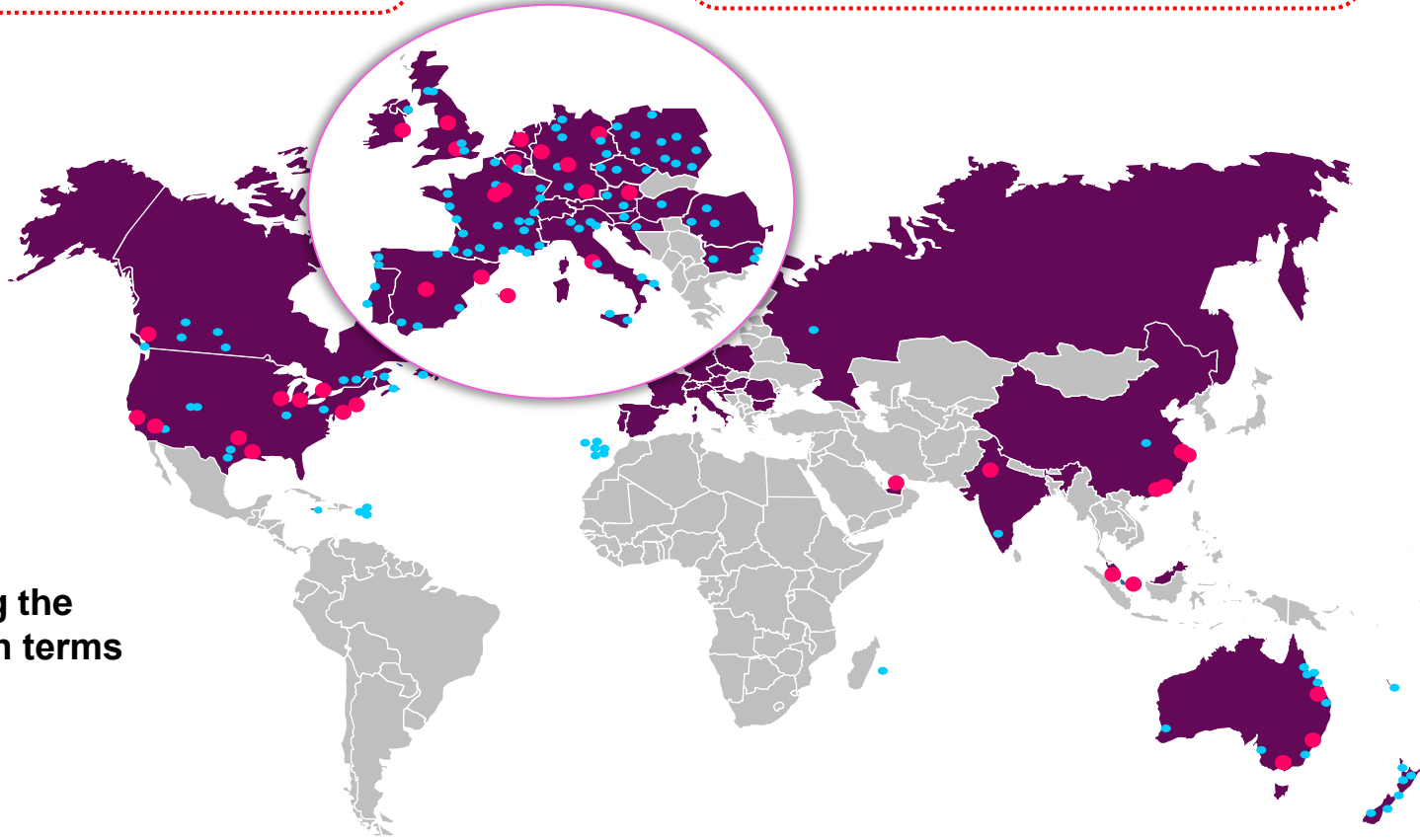
2003

**8 countries
28% International*
#5 Worldwide**



Today

**30 countries, 150 airports
52% International*
#3 Worldwide**



- Airports classified among the world's top 100 airports in terms of passenger volume
- Other airports

3

DEVELOP HIGHER GROWTH ACTIVITIES (2/2)



Digital

- Development and acquisition of websites and apps

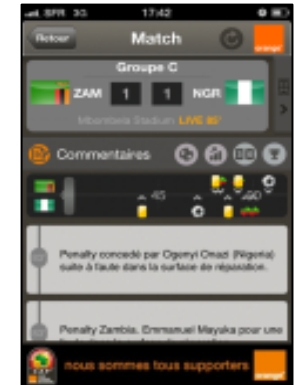


Educational apps and e-learning platforms



Digital innovation

- Sportfive: launch of the first official application for the Orange Africa Cup of Nations and creation of the Media Center (already adopted by five German soccer clubs)



Rights & content

Sports

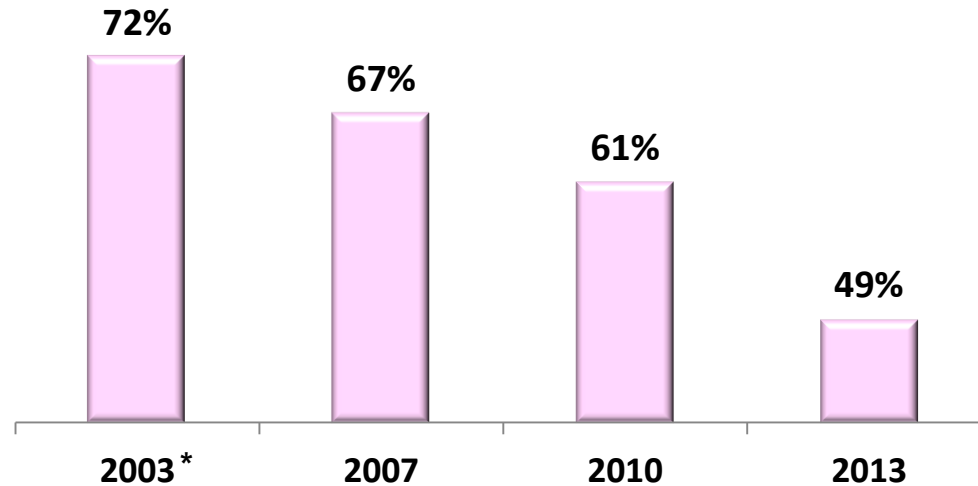
- Built a leadership position in sports rights with the creation of Lagardère Unlimited
- Branch out in new business models: consulting, stadium solutions, agent

TV Production development

- Continuous content creation, with scripted vs. non scripted content rebalancing
- Acquisitions (Les Productions 22, B3Com, Réservoir Prod, etc.)

ONGOING STRATEGY IS BEARING FRUIT: REDUCED EXPOSURE TO PRINT AND ADVERTISING

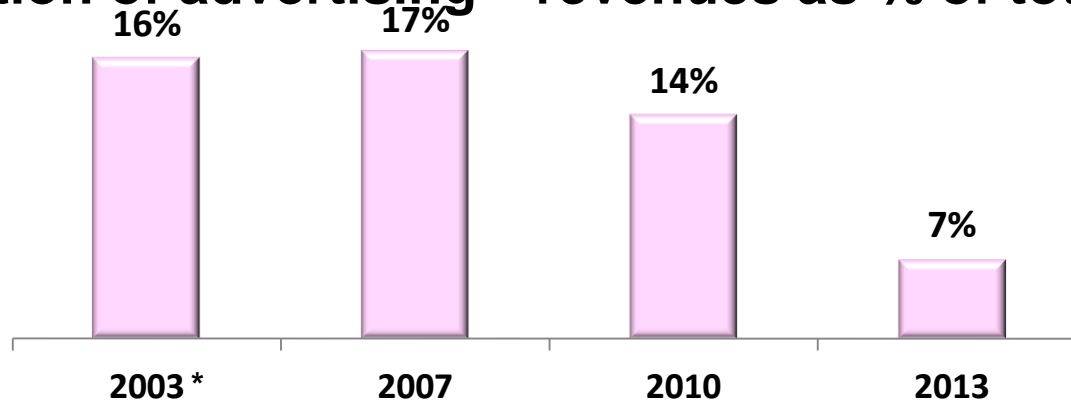
■ Evolution of print revenues as % of total sales



Total reduction in
print exposure:

-23 pts

■ Evolution of advertising** revenues as % of total sales



Total reduction in
advertising
exposure:

-9 pts

* Excluding EADS proportionate consolidation

** Advertising sales at Lagardère Active and marketing sales at Lagardère Unlimited

KEY GROWTH CATALYSTS

Over the next years, the Group's growth is likely to be:

- **Mostly organic:**

- After LS Distribution disposal, most of the portfolio adjustment would be achieved
- Portfolio streamlining gives us the opportunity to build a stronger growth
- Small to medium size complementary acquisitions are considered

- **Coming from new geographies:**

- Achieve a more balanced geographic mix (less European centric)
- Capture worldwide economic growth

- **Based on evolving businesses models:**

- Travel retail : duty free development
 - Sport: consulting, representation, stadium solutions
 - Publishing: switch to digital, especially in education
 - Social medias & big data: new usages, new value, new business models
- Innovation is a key component of these evolving business models



GROUP PERFORMANCE

FULL-YEAR 2013 AND H1 2014

September 2014

Lagardère

2013 KEY FIGURES – GROUP

Lagardère

(€m)	2012	2013	Change
Net sales	7,370	7,216	-2.1%
Media Recurring EBIT before associates	358	372	+4.0%
Net income – Group share	89	1,307	+€1,218m
Adjusted net income – Group share*	207	172	-€35m
Cash flow from operations	531	570	+€39m
Net cash (debt) end of year	(1,700)	361	+€2,061m
Earnings per share (in €)	0.70	10.22	ns
Ordinary dividend per share (in €)	1.30	1.30	=

* Excluding the contribution of EADS and non-recurring/non-operating items

H1 2014 KEY FIGURES – GROUP

(€m)	H1 2013	H1 2014	Reported change	Like-for-like change*
Net sales	3,406	3,364	-1.2%	-2.6%
Recurring EBIT before associates	105	113	+7.6%	/
Profit (loss) – Group share	1,483	(33)	-€1,516m	/
Adjusted net profit – Group share	33	33	=	/
Net cash (debt)	361**	(1,091)	-€1,452m	/

- 1st half in line with forecasts, which allows to confirm the guidance on Recurring Media EBIT for 2014
- 2nd quarter 2014 net sales at €1,838 million, up +3,3%***
- A solid financial position: net debt of €1,091 million with very good liquidity (€2,2 billion in available liquidity****)

*At constant perimeter and exchange rates / ** Net cash 31/12/2013 / *** Reported

**** Treasury, short term investments and authorized undrawn credit lines

H1 AND Q2 2014 HIGHLIGHTS BY DIVISION

- H1 in line with forecasts, guidance on Recurring Media EBIT for 2014 confirmed
- Net sales for H1 2014 at €3,364m (-2.6% on a like-for-like basis)
 - Net sales evolution was expected and essentially comes from three items:
 - Negative comparison effect with an atypical 1st half of 2013 - particularly solid at Lagardère Publishing (publication of several best-sellers) and Audiovisual Production (atypical delivery schedule in 2013)
 - The **non-occurrence in H1 2014 of two soccer competitions** at Lagardère Unlimited: Africa Cup of Nations and qualifying matches (European federations) for the Football World Cup
 - The end of tobacco sales in Hungary at Lagardère Services
 - These items overshadow two positive factors:
 - A marked slowdown of the print press products decline
 - Growth in the Services division excluding the end of tobacco sales in Hungary

Net sales (€m)	2013/14 Change				2013/14 Change			
	H1 2013	H1 2014	Reported basis	Like-for-like	Q2 2013	Q2 2014	Reported basis	Like-for-like
Lagardère Publishing	917	903	-1.5%	-1.0%	498	510	+2.7%	+2.5%
Lagardère Services	1,814	1,852	+2.1%	-0.1%	938	994	+6.0%	+0.6%*
Lagardère Active	471	435	-7.7%	-10.0%	249	233	-6.7%	-9.4%
Lagardère Unlimited	204	174	-14.6%	-14.8%	94	101	+6.8%	+6.4%
Total LAGARDERE	3,406	3,364	-1.2%	-2.6%	1,779	1,838	+3.3%	+0.1%**

* +3.3%, excluding the end of tobacco sales in Hungary

** +1.4%, excluding the end of tobacco sales in Hungary

Sharp improvement in trends for all divisions

GUIDANCE

- **2014 guidance on recurring media EBIT before associates:**
 - In 2014, the Media recurring EBIT before associates is expected to increase again by 0% to 5% compared to 2013,
 - at constant exchange rates
 - excluding the impact of the potential disposal of LS Distribution activities

- **Next 5 years objectives (2013-2018):**
 - 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**

* Recurring Media EBIT before associates of the 4 divisions + of other activities (i.e. €327m in 2013)
See definition at the end of the presentation

** This target, based on 2013 figures published for the Group as a whole, is to be adjusted once the Distribution and Integrated Retail businesses will be sold.



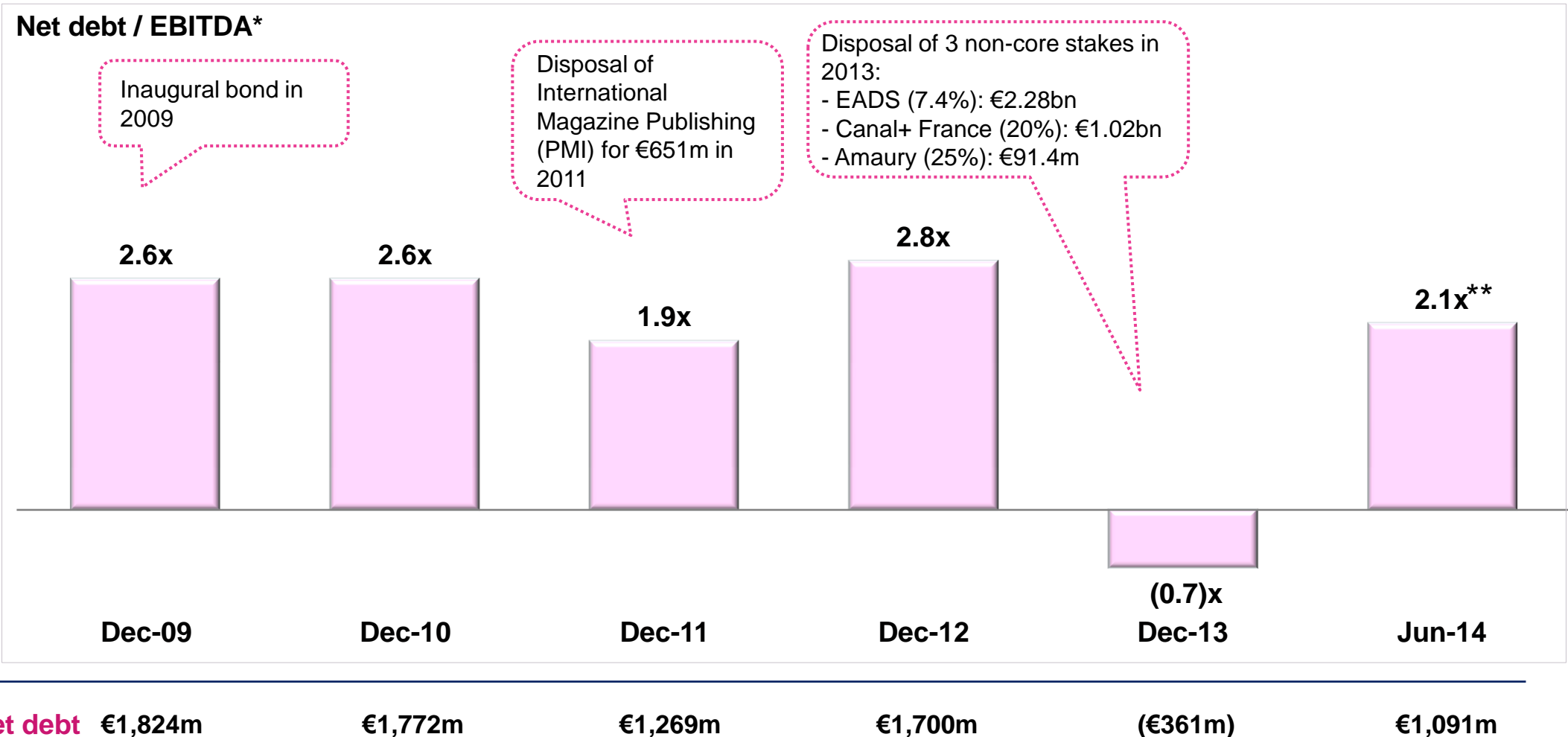
KEY CREDIT HIGHLIGHTS

September 2014

Lagardère

CONSERVATIVE FINANCIAL POLICY

- Disciplined financial policy supported by selective non-core assets disposals

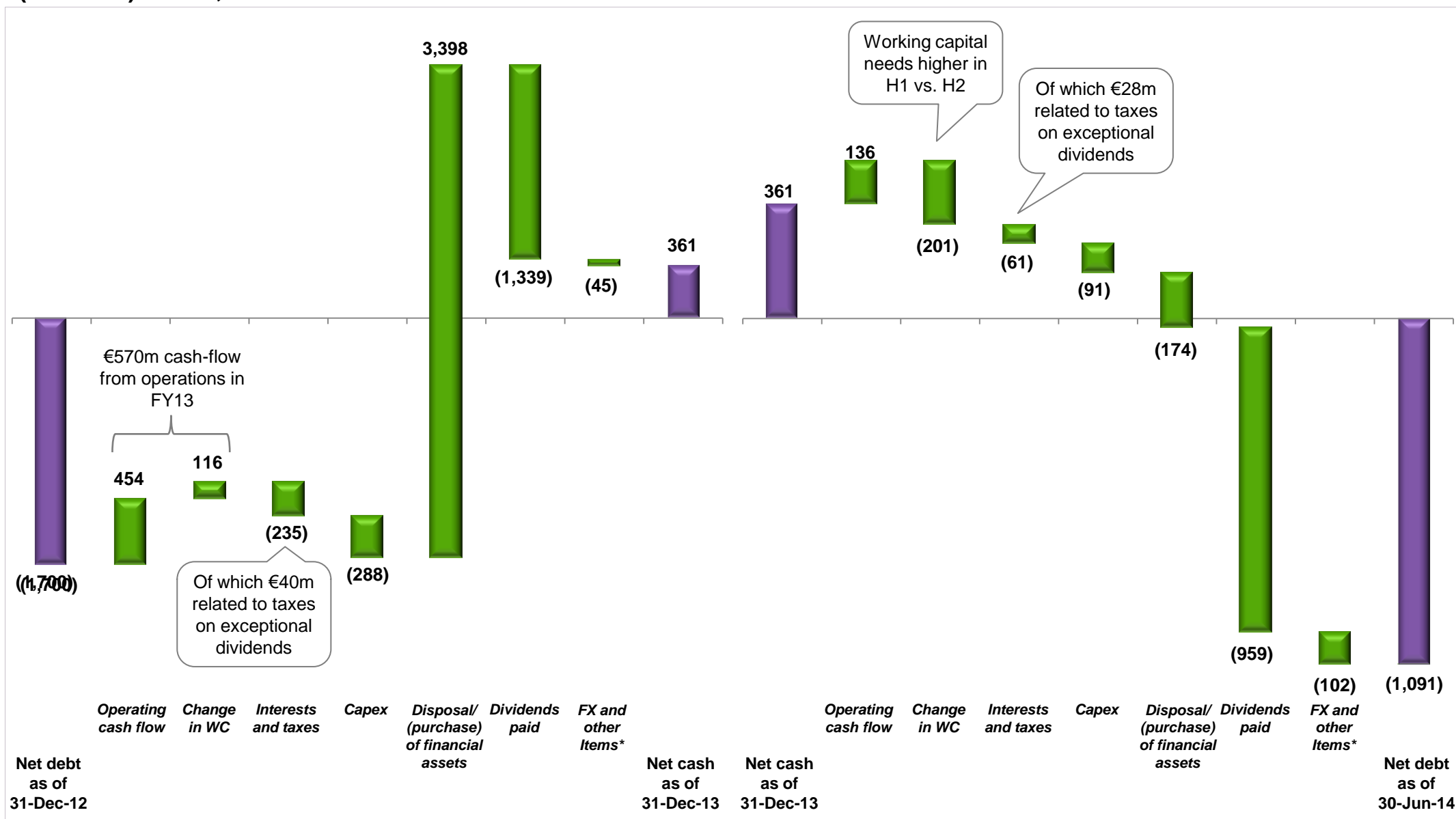


* Defined as Recurring operating profit before associates + D&A other than on acquisition-related intangible assets + Dividends received from Associates

** Based on Last Twelve Months EBITDA

CHANGE IN NET DEBT IN 2013 AND 1H 2014

(Net debt) / cash, in €m



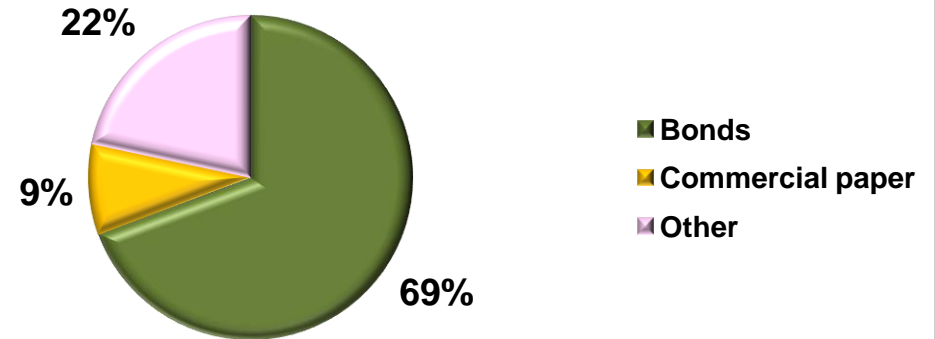
* Including change of scope

DIVERSIFIED FUNDING STRUCTURE SUPPORTED BY A STRONG LIQUIDITY POSITION

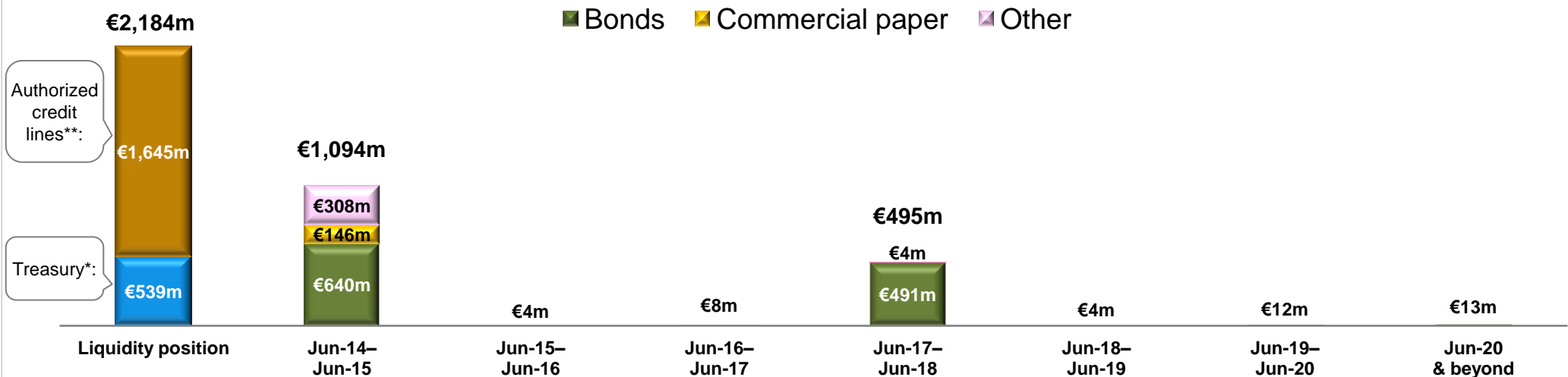
H1 2014

- Strong liquidity position
- Gross debt centered on bond market
- Financial ratio covenants of 3.5x (net debt/ adjusted EBITDA) included in Group's existing bank loan agreements

Gross debt breakdown: well-balanced funding sources



Preservation of liquidity and balanced debt repayment schedule @ H1 2014



* Short-term investments and cash

** Group credit facility excluding authorised credit lines at divisions level

CONSERVATIVE FINANCIAL POLICY WITH A STRONG LIQUIDITY PROFILE (EUR 1.6BN LIQUIDITY AVAILABLE), AND DIVERSIFIED FUNDING SOURCES

- ✓ **Leading market positions in Publishing (#3 worldwide publisher) & Services (world leader in Travel Retail)**
- ✓ **A diversified, balanced complementary business mix within the media and travel retail industry**
 - A geographically diversified group with c.2/3 of revenues generated out of France
 - Resilient base of Lagardère Publishing & lower exposure of Lagardère Active to cyclical advertising spend
 - Growth opportunities in Travel Retail, digital & TV production
- ✓ **Sound financial profile with a strong liquidity position and diversified funding sources**
- ✓ **Stable management and shareholder base thanks to the legal structure of the company (SCA)**

DISCLAIMER

This document presents the first-half 2014 and full-year 2013 results from the consolidated financial statements of Lagardère SCA. This document does not constitute the Annual Financial Report (Rapport Financier Annuel) within the meaning of article L. 451-1-2 of the French monetary and financial Code (Code monétaire et financier).

Certain statements contained in this document are forward-looking statements (including objectives and trends), which address our vision of the financial condition, results of operations, strategy, expected future business and financial performance of Lagardère SCA. These data do not represent forecasts within the meaning of European Regulation No. 809/2004.

When used in this document, words such as “anticipate”, “believe”, “estimate”, “expect”, “may”, “intend”, “predict,” “hope,” “can,” “will,” “should,” “is designed to,” “with the intent,” “potential”, “plan” and other words of similar import are intended to identify forward-looking statements. Such statements include, without limitation, projections for improvements in process and operations, revenues and operating margin growth, cash flow, performance, new products and services, current and future markets for products and services and other trend projections as well as new business opportunities.

Although Lagardère SCA believes that the expectation reflected in such forward-looking statements are reasonable, such statements are not guarantees of future performance. Actual results may differ materially from the forward-looking statements as a result of a number of risks and uncertainties, many of which are outside our control, including without limitations:

- general economic conditions, including in particular growth in Europe and North America;
- legal, regulatory, financial and governmental risks related to the businesses;
- certain risks related to the media industry (including, without limitation, technological risks);
- the cyclical nature of some of the businesses.

Please refer to the most recent Reference Document (Document de référence) filed by Lagardère SCA with the French Autorité des marchés financiers for additional information in relation to such factors, risks and uncertainties.

Accordingly, we caution you against relying on forward-looking statements. The forward-looking statements abovementioned are made as of the date of this document and neither Lagardère SCA nor any of its subsidiaries undertake any obligation to update or review such forward-looking statements whether as a result of new information, future events or otherwise. Consequently neither Lagardère SCA nor any of its subsidiaries are liable for any consequences that could result from the use of any of the above statements.

LAGARDÈRE IR TEAM AND CALENDAR



IR team details

Anthony MELLOR

Head of Investor Relations

Tel: 33 1 40 69 18 02

amellor@lagardere.fr

Sophie BARBOSA

Investor Relations Deputy Head

Tel: 33 1 40 69 67 88

sbarbosa@lagardere.fr

Josefin GUSTAVSEN

Assistant

Tel: 33 1 40 69 19 22

Fax: 33 1 40 69 22 72

jgustavsen@lagardere.fr

Calendar

(all time is CET)

Announcement of Q3 / 9 months 2014 sales

November 13, 2014 at 5:35 p.m.

A conference call will be held at 5:45 p.m. on the same day.

Address: 4 rue de Presbourg 75116 Paris - FRANCE

Tickers: Bloomberg (MMB FP), Reuters (LAGA.PA)