



# *Lagardère*

## Credit investor presentation



*Lagardère*

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APRIL 2016

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CREDIT INVESTOR PRESENTATION  
APRIL 2016

This document presents the full-year 2015 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.

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- legal, regulatory, financial and governmental risks related to the businesses;
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*Lagardère*

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**Group profile**

# Lagardère

A diversified group with leading global brands and market positions

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**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

Trade & Illustrated books,  
Education, Partworks

A leading digital player

Stock

Astérix

headline

SALVAT

DUNOD  
EDITEUR DE 5 ANGES

L.B.

...

**Lagardère**  
TRAVEL RETAIL \*

World #3 in Travel Retail

More than 4,000 shops  
in 29 countries and  
150 airports worldwide

Strong expertise in  
three business lines

Duty Free & Luxury  
Food Services,  
Travel Essentials

To be divested :  
Press Wholesale  
Distribution

RELAY

aelia DUTYFREE  
the art of the gift

Discover

hubiz

TRIB'S

BUSTICHELLI  
MANGIONE

...

**Lagardère**  
ACTIVE

Leading magazine publisher

27 French titles  
84 international editions  
under license

French #1 TV  
Production Group

France #1 Internet &  
mobile media Group

Major player in Radio

MATCH

Lagardère  
STUDIOS

Europe 1

gulli

ELLE

Doctissimo  
Informar, Rassegna, Paragone

...

**Lagardère**  
SPORTS AND  
ENTERTAINMENT

Leading global sport  
rights management  
agency

Leading positions in  
soccer in Africa, Asia  
Germany and France

Marketing and media  
rights management,  
stadium businesses,  
event production

Lagardère  
SPORTS

Lagardère  
LIVE ENTERTAINMENT

UFA  
MEDIA

akzio

Casino  
de Paris

Lagardère  
Paris Racing

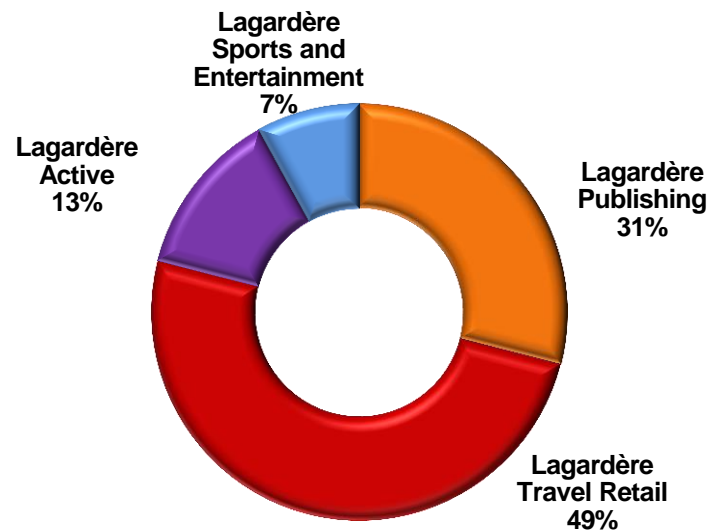
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\* Lagardère Services changed its name to Lagardère Travel Retail in July 2015. It still includes revenues from the Distribution division, to be sold.

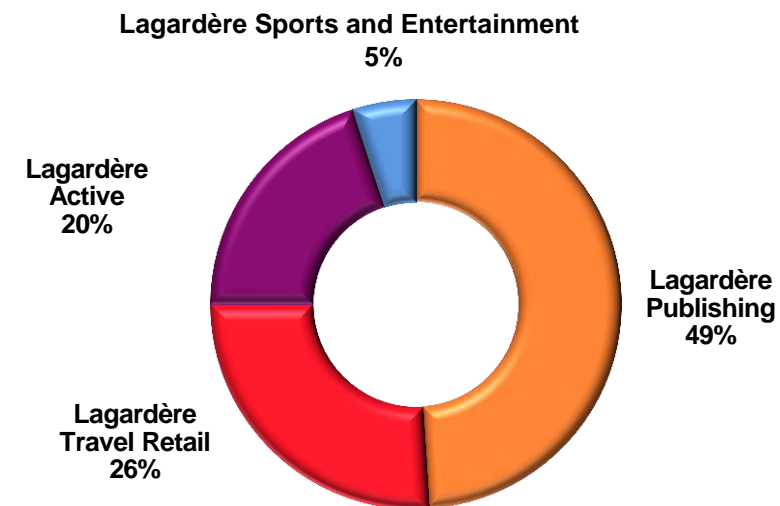
*Lagardère*

A balanced  
business mix  
and a worldwide  
presence

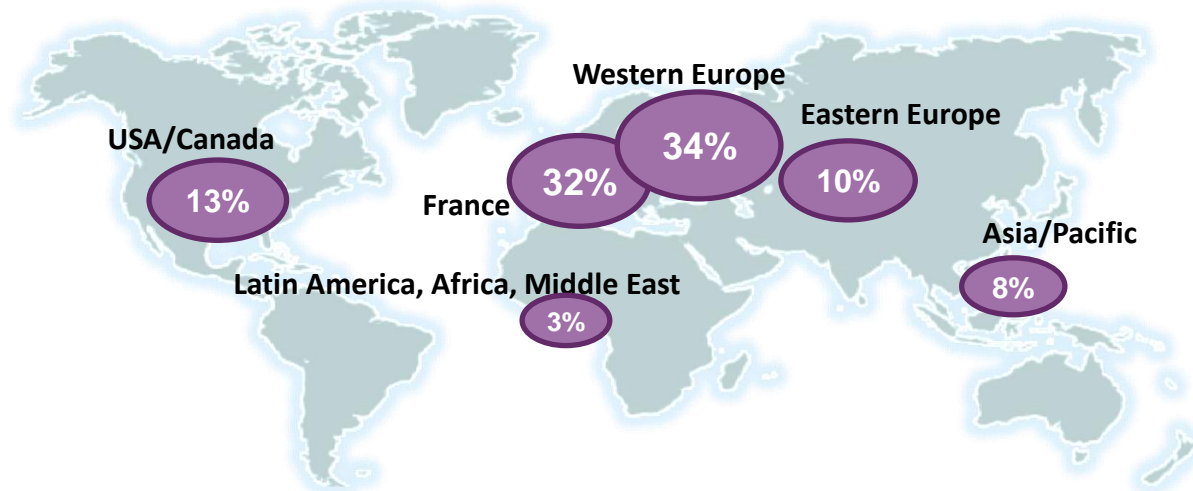
### Breakdown of sales by division in 2015



### Breakdown of recurring EBIT by division in 2015



### Breakdown of sales by geographic area in 2015







*Lagardère*

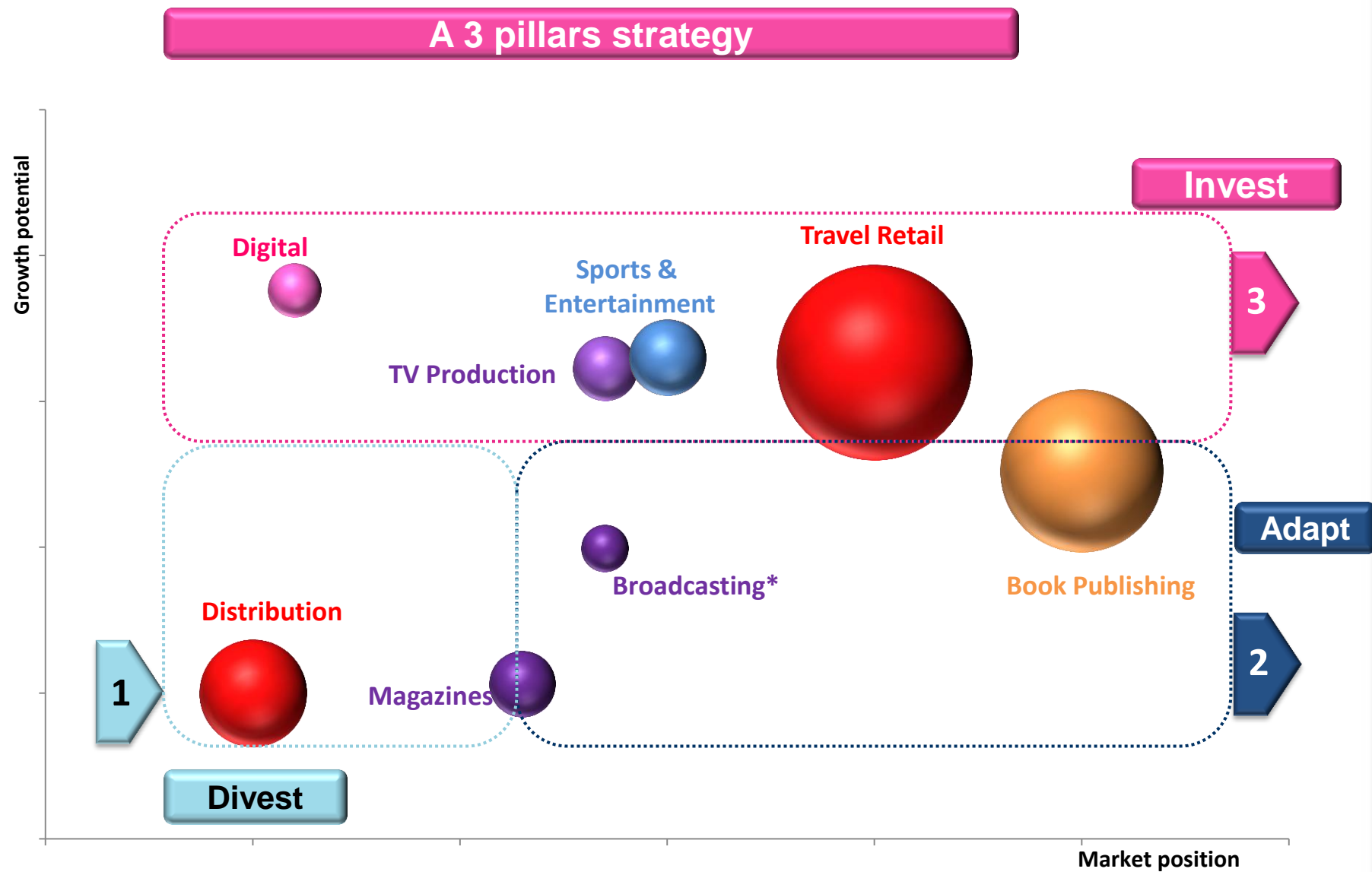
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**Group  
strategy**

Lagardère

## Businesses growth profile

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\*Radio + TV channels.



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1 **Reduce exposure to declining activities (1/2)**

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▪ **Successful deals in 2015 and 2016**

**Press distribution and integrated retail**

- February 2015* ● Disposal of Swiss Distribution business (ex Payot Naville Distribution)
- June 2015* ● Disposal of US Distribution business (Curtis)
- February 2016* ● Disposal of Spanish Distribution business (SGEL)
- February 2016* ● Announcement of Belgium Distribution business disposal

**Magazines**

- January 2016* ● “Parents” magazine disposal

- **The disposal of the remaining wholesale press distribution and Integrated Retail activities (in Hungary and Canada) is a major priority. The divestment process is on track.**

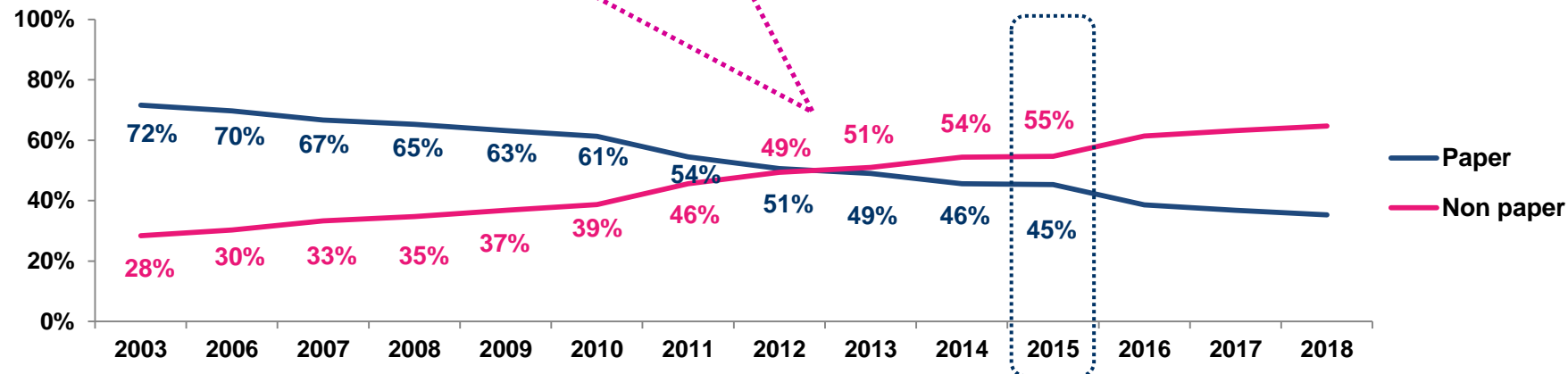
# Lagardère

## 1 Reduce exposure to declining activities (2/2)

### Group paper exposure

Paper activities represented less than 50% of total sales for the first time in 2013

As % of consolidated sales



	Paper	Non paper
Lagardère Publishing	Paper books, partworks, etc.	E-books, audiobooks
Lagardère Travel Retail	Books, press distribution	Other (tobacco, fashion & cosmetics, etc.)
Lagardère Active	Magazines	Broadcasting, TV production, licensing, digital
Lagardère Sports and Entertainment	-	100% non paper

# Lagardère

2 Adapt existing activities and enhance leadership position (1/4)

## Lagardère Publishing

- **Successful management of transition to e-book**
- **e-book market trends:**
  - No further transition to digital in 2015
  - Implementation of the pure agency model (retail price controlled by publishers) in the US and UK markets
- **Reinforcement by synergetic “boutique” acquisition** (Rising Star, primary school text books in the UK and more recently Perseus in the US)



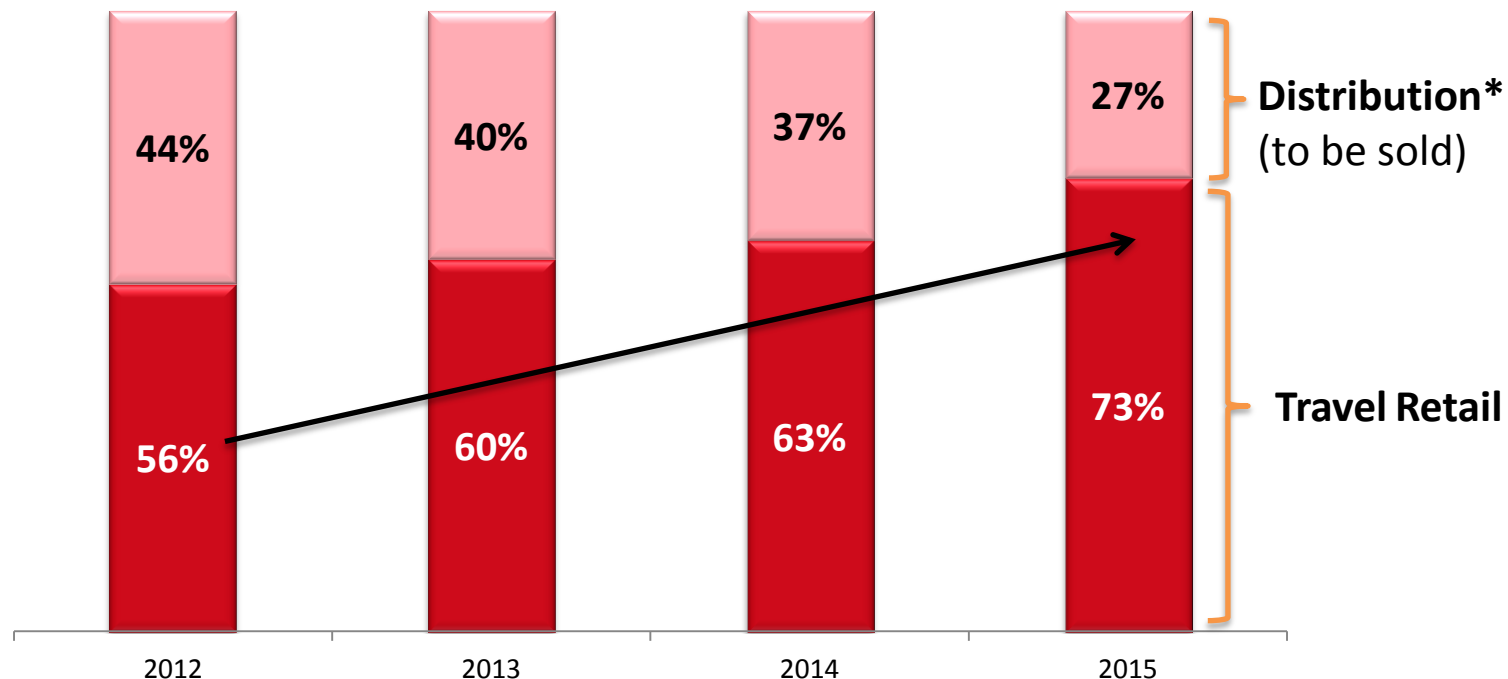
## Lagardère Active

- **Musical radios:** developments in French speaking Africa (Ivory Coast).
- **Digital:** Growth of digital revenues linked to French magazines websites and apps (Paris Match, ELLE, Public...): +25% in 2015



## Travel Retail (1/2)

### Lagardère Travel Retail: improvement of the business mix



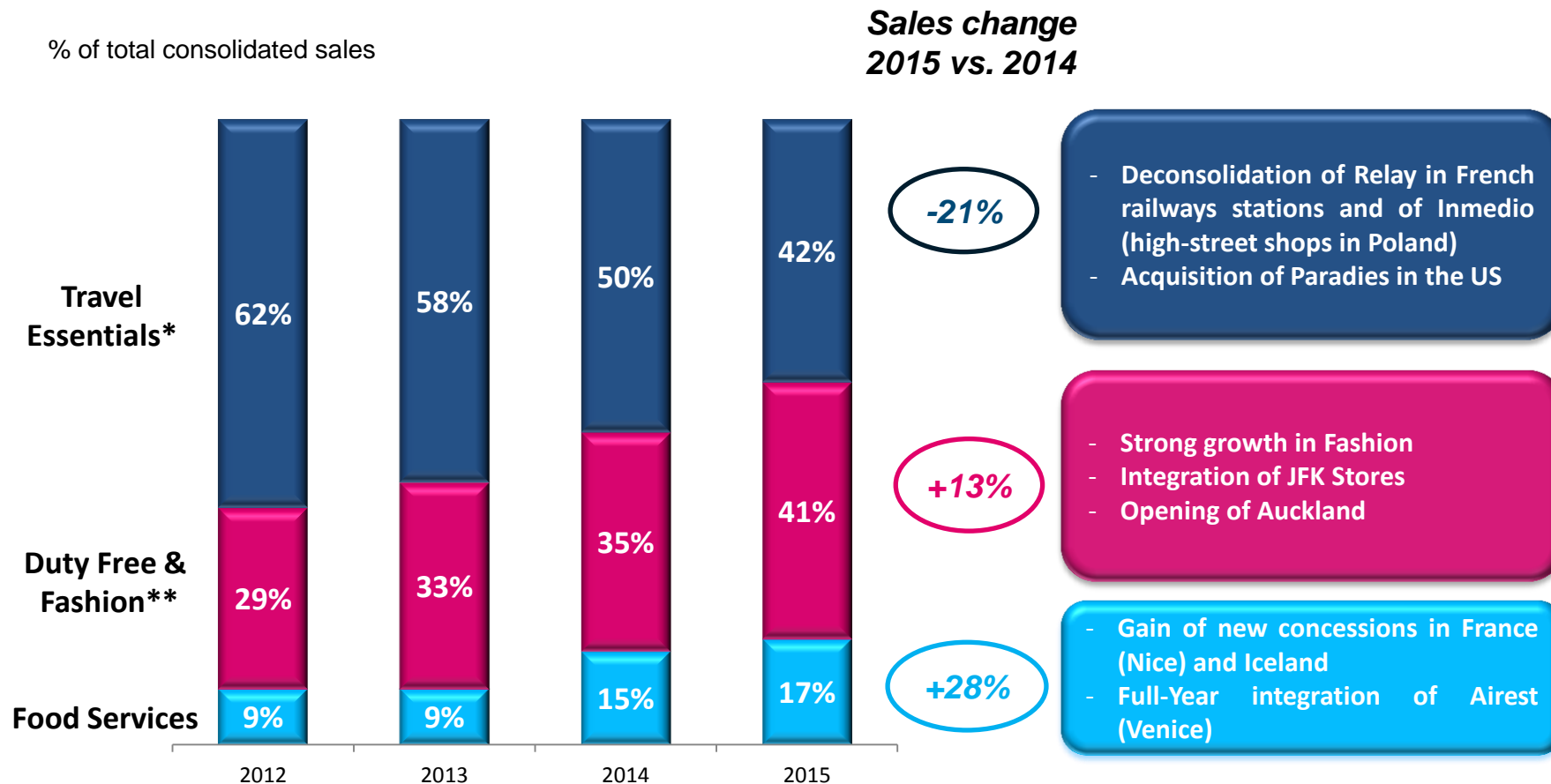
***The repositioning and development strategy of Lagardère Travel Retail is well on track, with the advanced disposal process of the Distribution activities and the accelerated organic growth in Travel Retail***

## Travel Retail (2/2)

2 Adapt existing activities and enhance leadership position (3/4)

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- A significant improvement of the product-mix thanks to the strategy aimed at strengthening the footprint in airports



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

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

# Lagardère

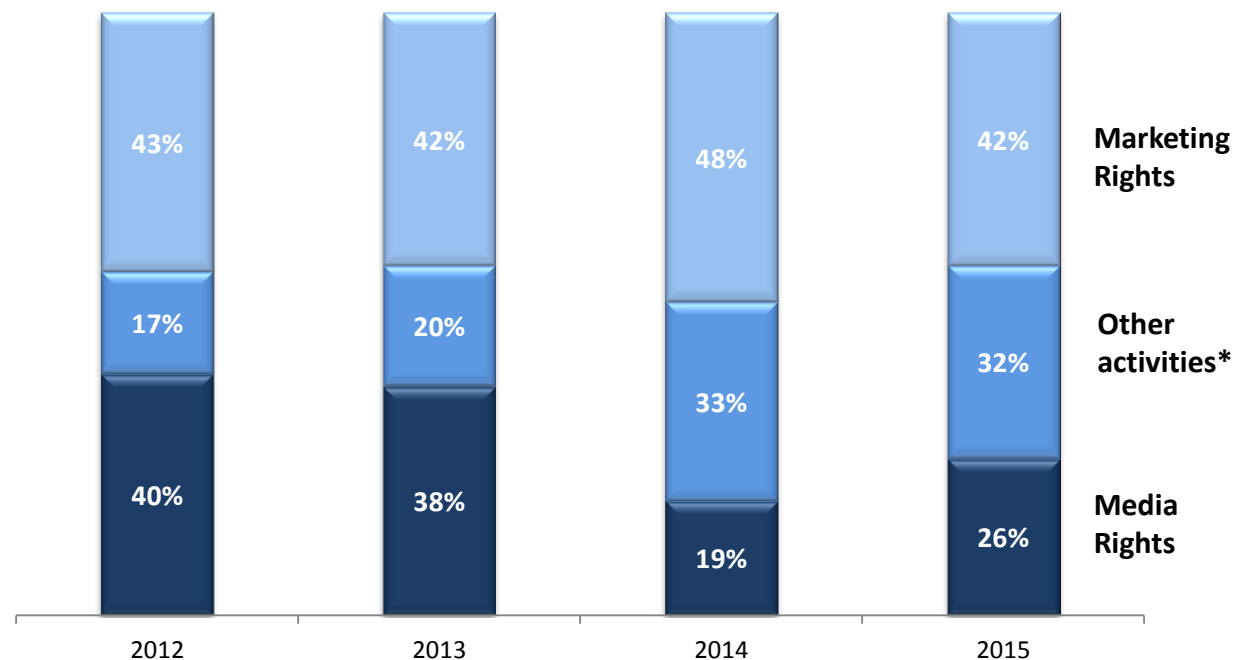
## 2 Adapt existing activities and enhance leadership position (4/4)

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### Lagardère Sports and Entertainment

- The recovery plan is well on track
- A significant change of the business mix, aimed at delivering a more regular performance
  - ⇒ *Diversification of the revenue streams*

#### Lagardère Sports and Entertainment: business mix



Arena Castelão in Brazil

\*Stadium management, brand consulting, entertainment, athlete representation...



### Recent deals in 2015

#### Travel Retail

- April 2015** ● **Acquisition of 17 stores at JFK Airport (New York)**  
17 fashion and candy sales outlets spread over 1,700 m<sup>2</sup> in Terminal T4
- October 2015** ● **Acquisition of Paradies**, an airport travel retail leader in North America operating in more than 75 airports (Canada and US airports)  
**Creation of the 3<sup>rd</sup> largest player in the North American airport travel retail industry**  
*See slide 16*

#### TV Production

- May 2015** ● **Acquisition of 82% of Grupo Boomerang TV**  
Leading independent TV Producer in Spain

#### Sports

- H2 2015** ● **Acquisition of several marketing agencies: UFA** (soccer marketing in Europe, especially in Germany), **akzio! Ajoint.** (sponsoring agency in Germany)...

## 3 Invest in higher growth activities(2/2) Acquisition of Paradies

### Transaction overview

Transaction summary	<ul style="list-style-type: none"> <li>■ Acquisition of Paradies, an airport travel retail leader in North America                     <ul style="list-style-type: none"> <li>✓ 100% of the equity of Paradies holding company,</li> <li>✓ Representing c. 80% of Paradies activities in aggregate <sup>1</sup></li> </ul> </li> <li>■ Purchase price: \$530m<sup>2</sup> i.e. €485m</li> <li>■ Creation of 3<sup>rd</sup> largest player in the North American airport travel retail industry</li> </ul>
EBITDA, synergies and implied multiple	<ul style="list-style-type: none"> <li>■ Key figures in 2015<sup>3</sup>:                     <ul style="list-style-type: none"> <li>✓ sales of \$515m (€471m),</li> <li>✓ EBITDA of \$62m (12% margin) i.e. €57m</li> </ul> </li> <li>■ Attractive synergy potential: run rate of c. \$15m<sup>4</sup> p. a. the 4<sup>th</sup> year following the acquisition</li> <li>■ Transaction proportional EBITDA multiple around 7.5x, based on Fiscal Year 2016<sup>3</sup> estimated EBITDA, pro forma for the run rate synergies</li> </ul>
Financing	<ul style="list-style-type: none"> <li>■ \$530m underwritten acquisition bridge financing with a 2-year maturity</li> </ul>

<sup>1</sup> In accordance with US regulation Paradies activities are operated in each airport with dedicated legal entities including minority partners, which represent c. 20% of the Enterprise Value of the Paradies Group

<sup>2</sup> On a cash and debt free basis, subject to final adjustment. All figures in USD are converted in euros at 6 August 2015 exchange rate: 1.0929 USD for 1 euro

<sup>3</sup> Fiscal year ending on 28 June, US GAAP consolidated figures

<sup>4</sup> Pre-tax synergies



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**Group  
performance  
and outlook**



## Group FY 2015 key figures

(€m)	2014*	2015	Reported change	Like-for-like change**
Sales	7,170	7,193	+0.3%	+3.0%
Recurring EBIT of fully consolidated companies***	342	378	+10.5%	/
<b>Group operating margin</b>	<b>4.8%</b>	<b>5.3%</b>	<b>+0.5 pt</b>	<b>/</b>
Profit – Group share	41	74	+€33m	/
Adjusted profit – Group share	185	240	+€55m	/
Free cash flow	(23)	274	+€297m	/
Net debt at end of the period	(954)	(1,551)	-€597m	/
Earnings per share (in €)	0.32	0.58	+81.3%	/
Ordinary dividend per share (in €)	1.30	1.30****	=	/

**\*The retrospective application of IFRIC 21 “Levies” has no significant impact on 2014 P&L figures:**

the new interpretation IFRIC 21 modifies the obligating event that gives rise to the recognition of a liability to pay a levy or contribution. The obligating event for the recognition of the liability is now the activity that triggers the payment of the levy, as defined by the tax authorities.

\*\*At constant perimeter and exchange rates. / \*\*\*See definition slide 40.

\*\*\*\*Ordinary dividend that will be recommended at the General Shareholders’ Meeting on 3 May 2016.

## Consolidated statement of cash flows

(€m)	2014	2015
Cash flow from operations before interest, taxes	403	447
Changes in working capital	(49)	180
<b>Cash flow from operations</b>	<b>354</b>	<b>627</b>
Interest paid & received, income taxes paid	(144)	(103)
<b>Cash generated by/(used in) operating activities</b>	<b>210</b>	<b>524</b>
<i>Acquisition/Disposal of property, plant &amp; equipment and intangible assets</i>	(233)	(250)
<b>Free cash flow</b>	<b>(23)</b>	<b>274</b>
<i>Acquisition of financial assets</i>	(282)	(568)
<i>Disposal of financial assets</i>	34	(59)
<b>Net cash from operating &amp; investing activities</b>	<b>(271)</b>	<b>(353)</b>

**FY 2016  
Guidance  
&  
Dividend**

■ **2016 guidance**

- **In 2016, the recurring EBIT of fully consolidated companies is expected to grow slightly above 10%:**
  - At constant exchange rates
  - Excluding the effect of the potential disposal of Distribution activities

■ **Dividend**

- **Ordinary dividend maintained: €1.30 per share\***
- **Calendar:**
  - the ex-dividend date is 6 May 2016
  - the ordinary dividend will be paid as of 10 May 2016

\*Ordinary dividend that will be recommended at the General Shareholders' Meeting on 3 May 2016.





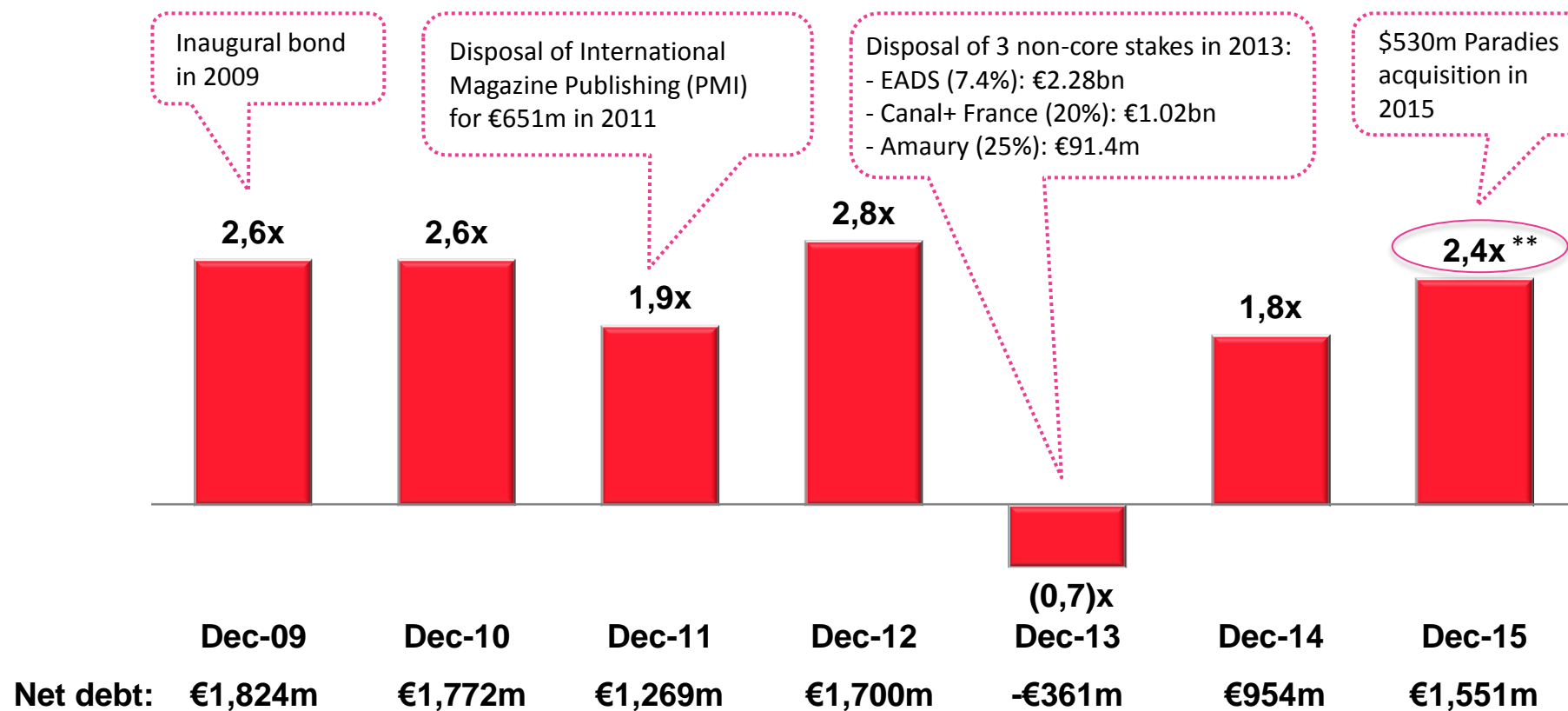
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**Key credit  
highlights and  
transaction  
rationale**

## Conservative financial policy

### Net debt / EBITDA\* ratio



\* Defined as recurring operating profit before associates + Depreciation & Amortization (D&A) other than on acquisition-related intangible assets + Dividends received from associates

\*\* pro forma including 12 months of Paradies recurring EBITDA

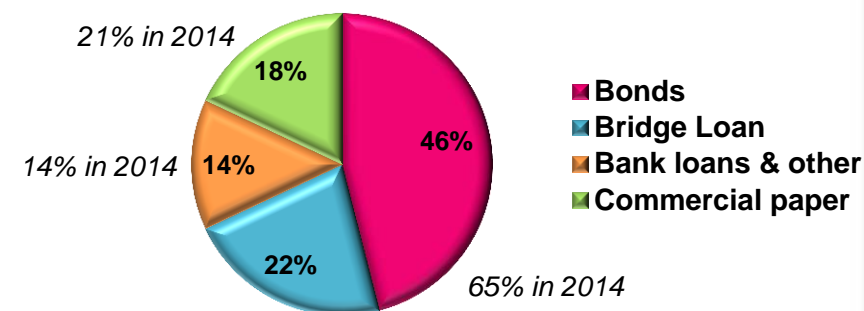
## Diversified funding structure supported by strong liquidity position

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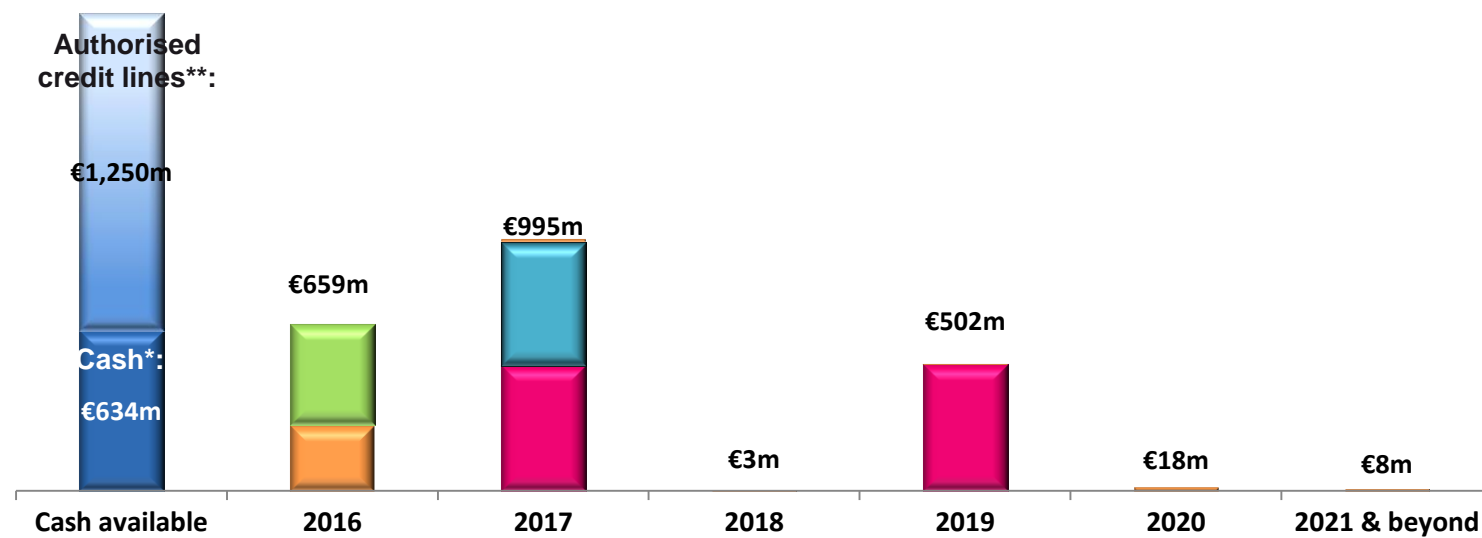
### 2015

- Revolving Credit Facility refinanced in May 2015 for €1.25bn, 5 years + up to 2 years extension options
- Strong liquidity, with €1,884m covering up to end of 2018
- Gross debt centered on bond market & commercial paper
- Paradies funded through \$530m USD bridge loan available until October 2017

### Gross debt breakdown: well-balanced funding sources



### Preservation of liquidity and balanced debt repayment schedule



\*Short-term investments and cash.

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

## Transaction rationale

- **Positive developments since the credit roadshow of October 2015 :**
  - Completion of the Paradies acquisition on 22 October 2015 allowing a start of the integration process with the objective of generating commercial and financial synergies in the North American travel retail market
  - Asset portfolio optimization active end 2015 and in 2016, including the Spanish press distribution divested on 26 February 2016 and the announcement of Belgium Press distribution disposal on 5 February 2016.
  - Above guidance 2015 in term of growth of recurring EBIT and Free cash Flow of € 274 M in 2015.
- **Those developments allow the group to achieve a debt to recurring EBITDA ratio below 2.5x at the end of 2015 (pro forma including 12 months of Paradies recurring EBITDA)**
- **As such, the Group expects to remain within the leverage “comfort zone” of 2.0-3.0x (i) in line with an Investment Grade credit profile (ii) with sufficient headroom vs. bank covenant (3.5x, tested semi-annually)**
- **As a result, the group is contemplating a senior bond offering, aiming at :**
  - Taking advantage of the current low rate environment to further extend the group’s average debt maturity; and
  - Diversifying Lagardère’s sources of funding
- **The proceeds of the contemplated senior offering will be used:**
  - (i) to refinance or replace in part the bridge loan entered into for the purpose of financing the payment of the purchase price of the Paradies acquisition by Lagardère Travel Retail; and
  - (ii) for general corporate purposes



## Contemplated bond structure

<b>Issuer</b>	▪ Lagardère SCA
<b>Issuer Rating</b>	▪ Not Rated
<b>Size</b>	▪ Benchmark
<b>Ranking</b>	▪ Senior
<b>Maturity</b>	▪ TBD
<b>Governing Law</b>	▪ French Law
<b>Listing / Denomination</b>	▪ Luxembourg Stock Exchange / EUR 100k

Note: The terms are outlined in their entirety in the full terms and conditions of the Bonds. In case of any discrepancy, the Prospectus prevails.



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**Appendix**

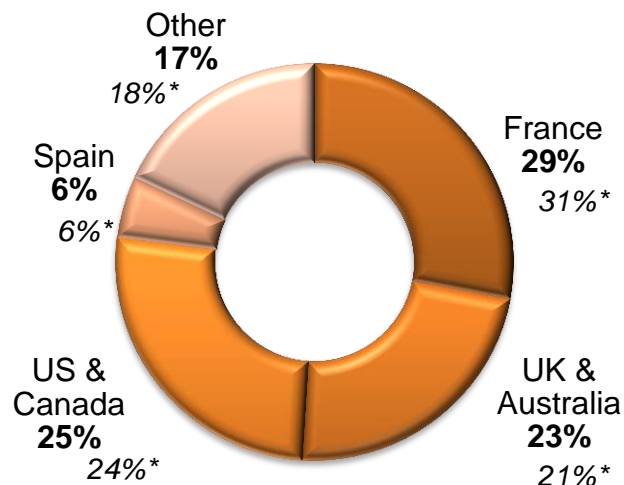
## FY 2015 activity highlights

- **Group sales totalled €7,193 million**
  - **+3.0% on a like-for-like basis** (+0,3 on a reported basis).
  - a negative perimeter of -€393m, and a positive currency effect of €222m.
- **Activity by division:**
  - **Lagardère Publishing:** sales up sharply, driven by the good performance of Illustrated Books in France with Asterix, as well as General Literature which benefited from many literary prizes. The United States, Partworks and Spain also posted growth.
  - **Lagardère Travel Retail:** continued momentum in Travel Retail (+8.2% lfl) despite the impact in France of the November attacks. A sustained increase in all other geographic areas.
  - **Lagardère Active:** sales down due to an unfavourable comparison effect at Lagardère Studios. However, this trend was partially offset by an improved end of the year in advertising revenue (+1.3%) and the good performance of radio.
  - **Lagardère Sports and Entertainment:** sales up sharply with the development of stadium management activities and the good performance of football competitions in Asia.

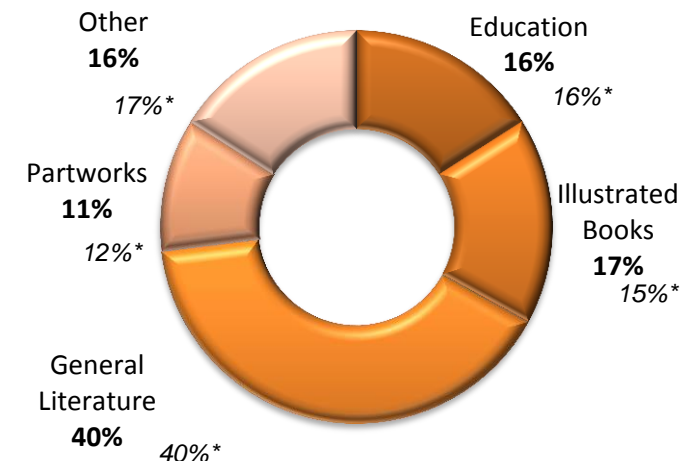
(€m)	2015 sales	Reported change	Like-for-like change
Lagardère Publishing	2,206	+10.1%	+1.7%
Lagardère Travel Retail	3,510	-8.0%	+4.3%
Lagardère Active	962	+0.5%	-5.8%
Lagardère Sports and Entertainment	515	+30.9%	+19.6%
<b>Total</b>	<b>7,193</b>	<b>+0.3%</b>	<b>+3.0%</b>

## Activity and profitability

### 2015 sales by geographical area



### 2015 sales by activity



\*% of sales in 2014.

(€m)	2014	2015	Change
Sales (a)	2,004	2,206	+10.1%
Recurring EBIT of fully consolidated companies (b)	197	198	+€1m
<i>Operating margin (b)/(a)</i>	9.8%	9.0%	-0.8 pt
Income (loss) from equity-accounted companies	2	1	-€1m
Non-recurring/non-operating items	(30)	(16)	+€14m
<b>EBIT</b>	<b>169</b>	<b>183</b>	<b>+€14m</b>



## Lagardère Publishing: successful transition to digital

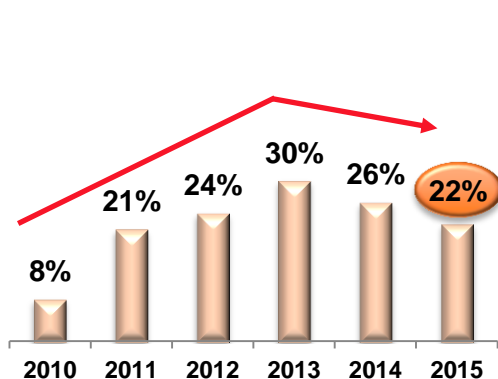
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- **As expected, the weight of e-books has decreased: e-books accounted for 9% of total sales of the division in 2015 vs. 10.3% in 2014.**
- Digital for the time being remains essentially limited to the traditional fiction/non-fiction segment, and only in the US and in the UK, where in 2015 market trends have been reversed, with a rebound in volumes of printed books to the detriment of e-books:
  - in the **US**, Lagardère Publishing digital sales accounted for 22% of Trade sales in 2015. It reflects market trend and the impact of the agreement with e-retailers;
  - in the **UK**, e-book sales decreased due to a less intensive new release schedule and to a change in VAT rate. E-books accounted for 26% of Adult trade sales;
  - **French** and **Spanish** markets still at an early stage.

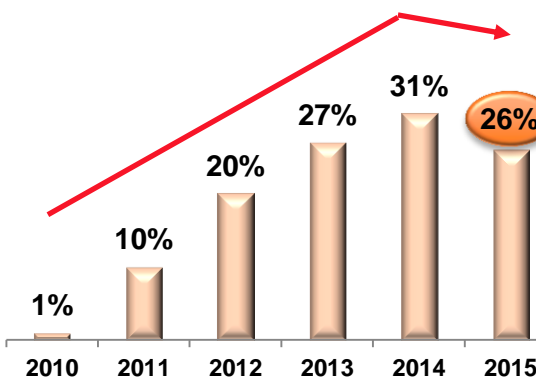


### E-book share – as percentage of trade sales

#### United States\*



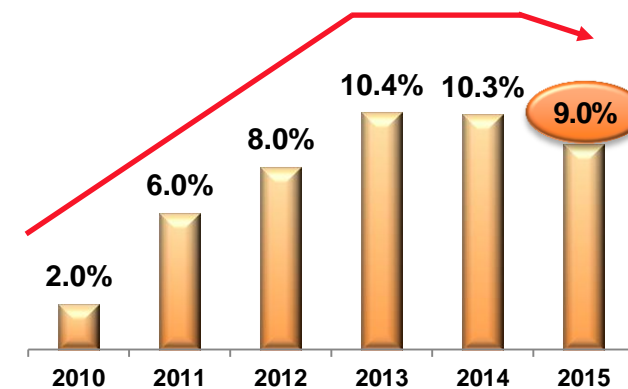
#### United Kingdom\*\*



\*Trade. / \*\*Adult trade.

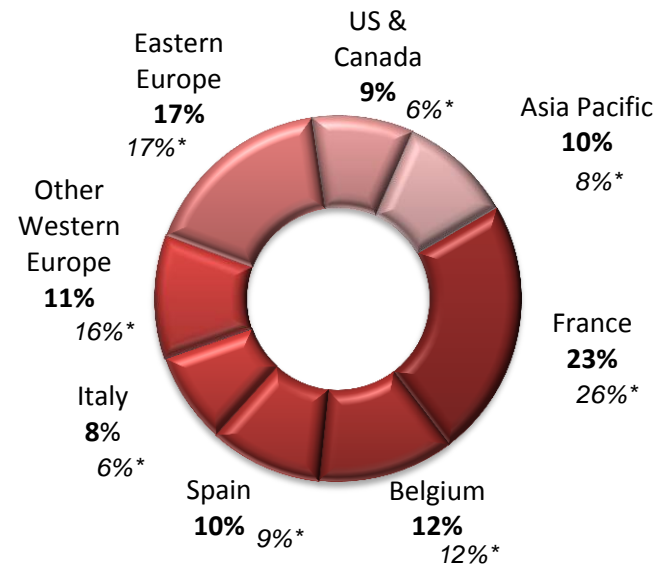
### Lagardère Publishing e-book sales

#### % of total sales

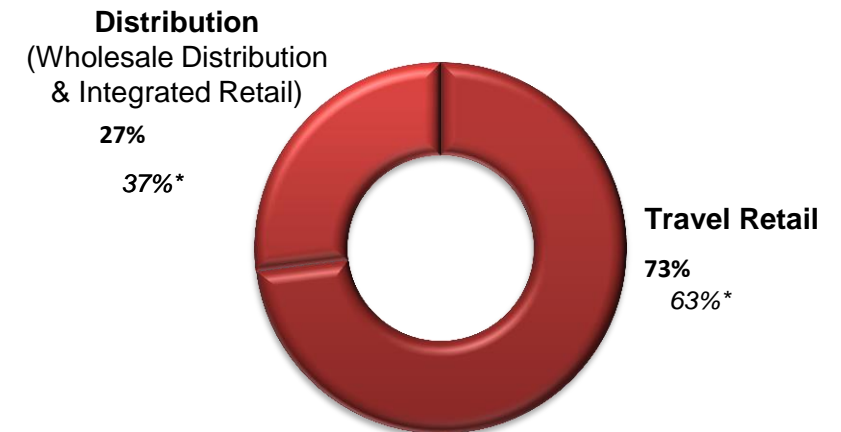


## Activity and profitability

### 2015 sales by geographical area



### 2015 sales by activity

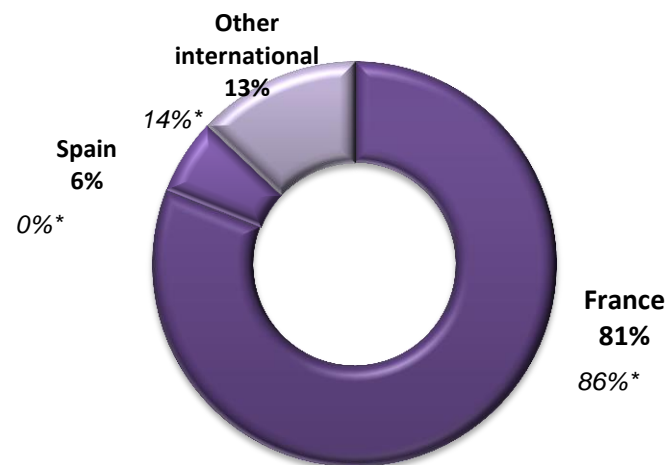


\*% of sales in FY 2014.

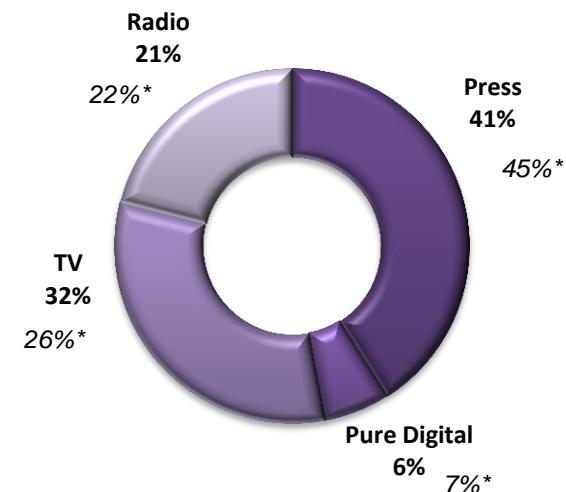
(€m)	2014	2015	Change
Sales (a)	3,814	3,510	-8.0%
Recurring EBIT of fully consolidated companies (b)	105	102	-€3m
<i>Operating margin (b)/(a)</i>	2.7%	2.9%	+0.2 pt
Income (loss) from equity-accounted companies	6	10	+€4m
Non-recurring/non-operating items	(64)	(74)	-€10m
EBIT	47	38	-€9m

## Activity and profitability

### 2015 sales by geographical area



### 2015 sales by activity



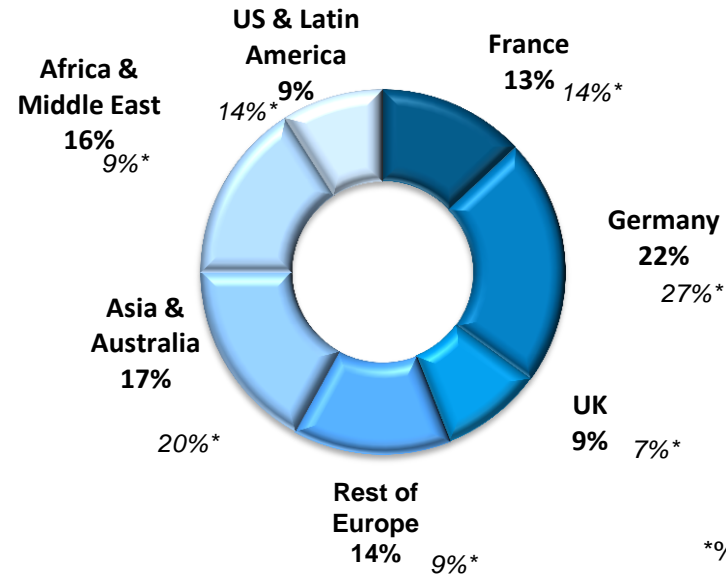
\*% of sales in FY 2014.

(€m)

	2014	2015	Change
Sales (a)	958	962	+0.5%
Recurring EBIT of fully consolidated companies (b)	73	79	+€6m
<i>Operating margin (b)/(a)</i>	7.6%	8.2%	+0.6 pt
Income (loss) from equity-accounted companies	4	2	-€2m
Non-recurring/non-operating items	(21)	(63)	-€42m
EBIT	56	18	-€38m

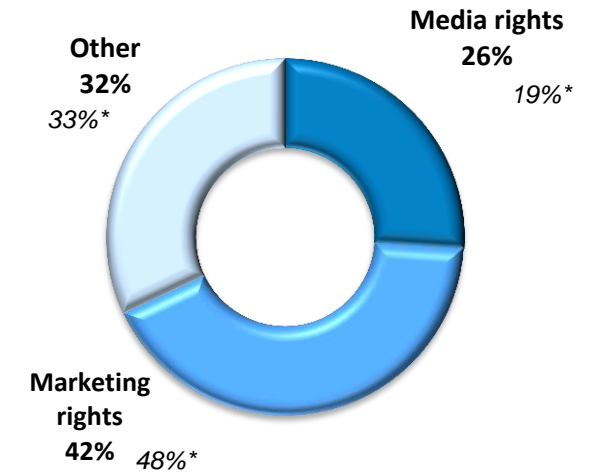
## Activity and profitability

### 2015 sales by geographical area



\*% of sales in FY 2014.

### 2015 sales by activity



(€m)	2014	2015	Change
Sales (a)	394	515	+30.9%
Recurring EBIT of fully consolidated companies (b)	4	20	+€16m
<i>Operating margin (b)/(a)</i>	1.0%	3.9%	+2.9 pts
Income (loss) from equity-accounted companies	(3)	(2)	+€1m
Non-recurring/non-operating items	(19)	(62)	-€43m
EBIT	(18)	(44)	-€26m

## Consolidated income statement (1/2)

(€m)	2014*	2015
<b>Sales</b>	<b>7,170</b>	<b>7,193</b>
<b>Recurring EBIT of fully consolidated companies**</b>	<b>342</b>	<b>378</b>
<i>Operating activities</i>	379	399
<i>Other activities</i>	(37)	(21)
<b>Income (loss) from equity-accounted companies***</b>	<b>9</b>	<b>11</b>
<b>Non-recurring/non-operating items</b>	<b>(142)</b>	<b>(215)</b>
<i>Restructuring costs</i>	(66)	(77)
<i>Gains (losses) on disposals</i>	(5)	20
<i>Fair value adjustment resulting from changes in control</i>	25	
<i>Impairment losses</i>	(41)	(62)
<i>Amortisation of acquisition-related intangible assets and other acquisition-related expenses</i>	(55)	(69)
<i>Cricket litigation in India (WSG)</i>		(27)
<b>EBIT</b>	<b>209</b>	<b>174</b>

**\*The retrospective application of IFRIC 21 “Levies” has no significant impact on 2014 P&L figures:**

the new interpretation IFRIC 21 modifies the obligating event that gives rise to the recognition of a liability to pay a levy or contribution. The obligating event for the recognition of the liability is now the activity that triggers the payment of the levy, as defined by the tax authorities.

\*\*See definition slide 40. / \*\*\*Before impairment losses.



**Consolidated  
income  
statement  
(2/2)**

Net interest expense	(73)	(66)
<b>Profit before tax</b>	<b>136</b>	<b>108</b>
Income tax expense	(87)	(37)
<b>Total profit</b>	<b>49</b>	<b>71</b>
<i>Attributable to minority interests</i>	(8)	3
<b>Profit – Group share</b>	<b>41</b>	<b>74</b>

*Lagardère*

**Adjusted profit  
—  
Group share**

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(€m)	2014	2015
<b>Profit – Group share</b>	<b>41</b>	<b>74</b>
Restructuring costs*	+53	+56
Gains (losses) on disposals*	+5	-24
Fair value adjustment resulting from changes in control*	-25	-
Impairment losses on goodwill, tangible and intangible fixed assets*	+41	+62
Amortisation of acquisition-related intangible assets and other acquisition-related expenses*	+42	+48
Cricket litigation in India (WSG)*	-	+19
Tax contribution on dividends paid to shareholders	+28	+5
<b>Adjusted profit - Group share</b>	<b>185</b>	<b>240</b>

\*Net of taxes.

## Consolidated balance sheet

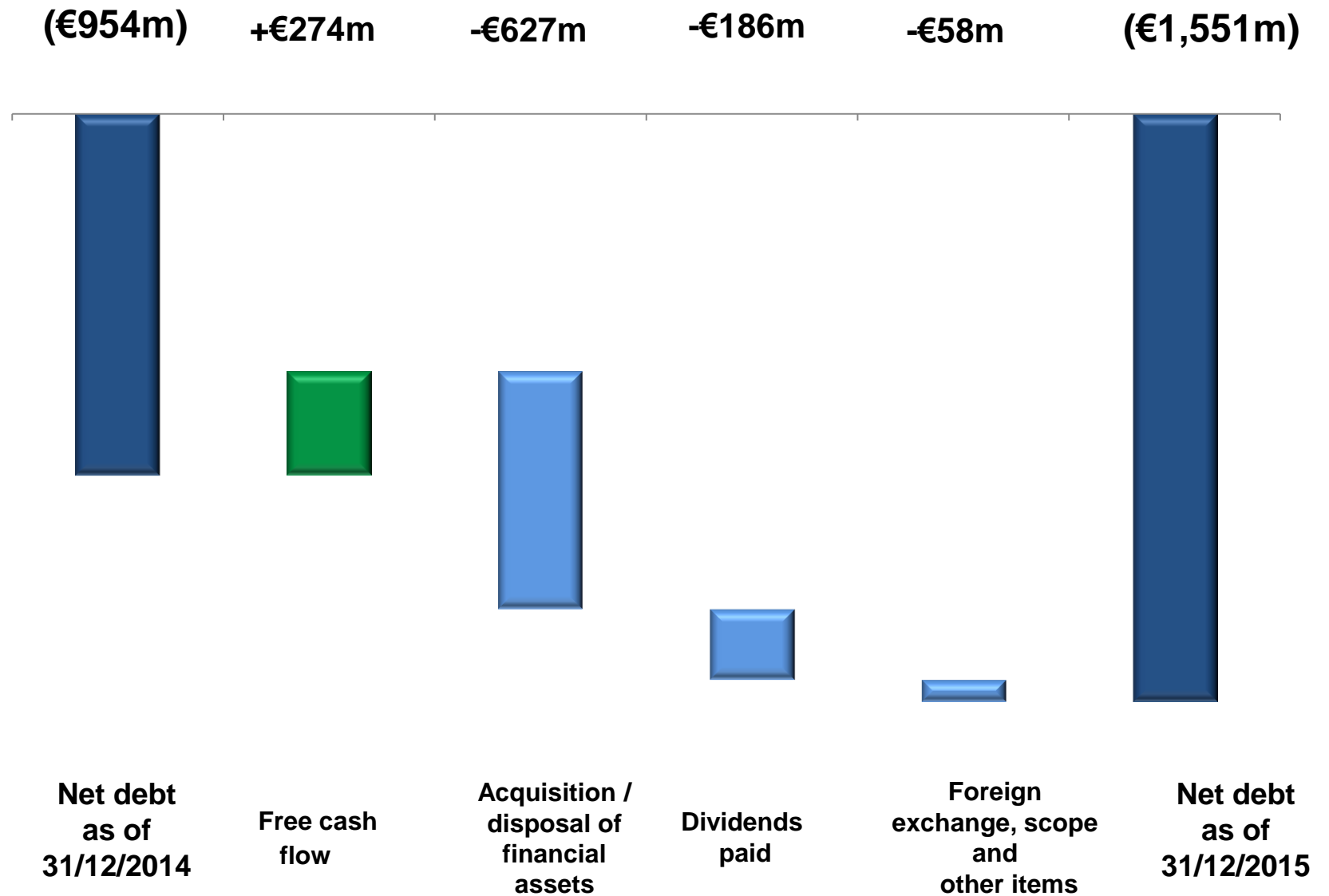
(€m)	31 Dec. 2014 restated*	31 Dec. 2015
<b>Non-current assets</b> (excl. investments in associates and joint ventures)	3,948	4,672
<b>Investments in associates and joint ventures</b>	159	155
<b>Current assets</b> (other than short-term investments and cash)	2,834	2,846
<b>Short-term investments and cash</b>	566	634
<b>TOTAL ASSETS</b>	<b>7,507</b>	<b>8,307</b>
<b>Stockholders' equity</b>	2,084	2,135
<b>Non-current liabilities</b> (excl. debt)	714	800
<b>Non-current debt</b>	1,030	1,526
<b>Current liabilities</b> (excl. debt)	3,189	3,187
<b>Current debt</b>	490	659
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>7,507</b>	<b>8,307</b>

\*Includes impact of IFRIC 21: -€1m on non-current assets, -€4m on non-current liabilities and +€3m on stockholders' equity

*Lagardère*

## Change in net debt in FY 2015

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## Non-recurring/ non-operating items in FY 2015

(€m)	Lagardère Publishing	Lagardère Travel Retail	Lagardère Active	Lagardère Sports and Entertainment	Total operating activities	Other activities	Total Lagardère
Restructuring costs	(8)	(19)	(20)	(30)	(77)	/	(77)
Gains (losses) on disposals	(1)	17	3	1	20	/	20
Impairment losses	(2)	(16)	(44)	/	(62)	/	(62)
Amortisation of acquisition-related intangible assets and acquisition-related expenses	(5)	(56)	(2)	(6)	(69)	/	(69)
Cricket litigation in India (WSG)	/	/	/	(27)	(27)	/	(27)
<b>TOTAL</b>	<b>(16)</b>	<b>(74)</b>	<b>(63)</b>	<b>(62)</b>	<b>(215)</b>	<b>/</b>	<b>(215)</b>



*Lagardère*

**Main associates  
and  
joint ventures**

<i>(€m)</i>	Balance sheet		Income statement*	
	2014	2015	2014	2015
Marie Claire (42%)	90	90	4	-
Édition J'ai Lu (35%)	17	17	1	0
Société de Distribution Aéroportuaire (45%)	15	16	6	7
Société d'Édition de Télévision par Câble (49%)	10	8	-	-
Inmedio Poland (49%)	9	11	-	2
Société des Commerces en Gares (50%)	4	3	(1)	(1)
Gulli (66%)	-	-	(1)	-
Other associates	14	10	(2)	1
<b>TOTAL</b>	<b>159</b>	<b>155</b>	<b>7</b>	<b>9</b>

\*Including impairment losses: €2m in 2015 (other associates), €2m in 2014 (other associates).

**For the records:  
definitions of  
Recurring EBIT  
of fully consolidated  
companies,  
Like-for-like  
sales and Free cash  
flow**

- **Recurring EBIT of fully consolidated companies is defined as the difference between profit before finance costs and tax and the following items of the profit and loss statement:**
  - 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
  - items related to business combinations:
    - expenses on acquisitions
    - gains and losses resulting from acquisition price adjustments and fair value adjustment resulting from changes in control
    - amortization of acquisition-related intangible assets
- **Like-for-like sales were calculated by adjusting:**
  - 2015 sales to exclude companies consolidated for the first time during the year, and 2014 sales to exclude companies divested in 2015
  - 2015 and 2014 sales based on 2014 exchange rates
- **Free cash flow is defined as:** net cash generated by operating and investing activities, excluding acquisitions/disposals of financial assets and short-term investments

## Organic growth drivers of Travel Retail

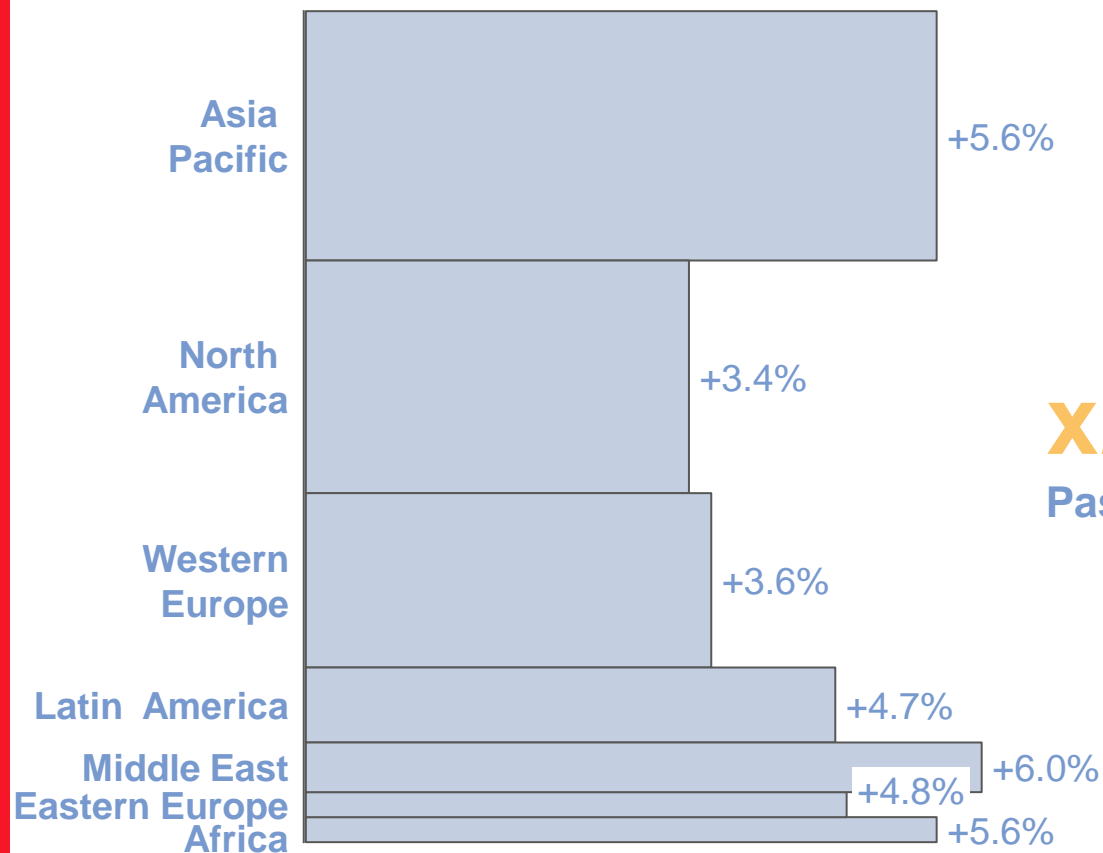
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- Strong and regular growth of **global air traffic**
- Increase of **emerging country passengers** travelling in mature countries
- Increasing **externalization** of travel retail shops by landlords
- **Increased surface** dedicated to travel retail in airports and train stations



### 4.6% global PAX growth in the next 20 years...

Air traffic growth<sup>1)</sup> by region (% CAGR, 2014-2034)



Box height reflects regional share of 2014 traffic

<sup>1)</sup> Traffic measured by revenue passenger-kilometres  
Source: 2015-2034 Airbus Global Market Forecast

x2

Passenger aircraft fleet (2034 vs 2014)



Abu Dhabi Midfield Terminal

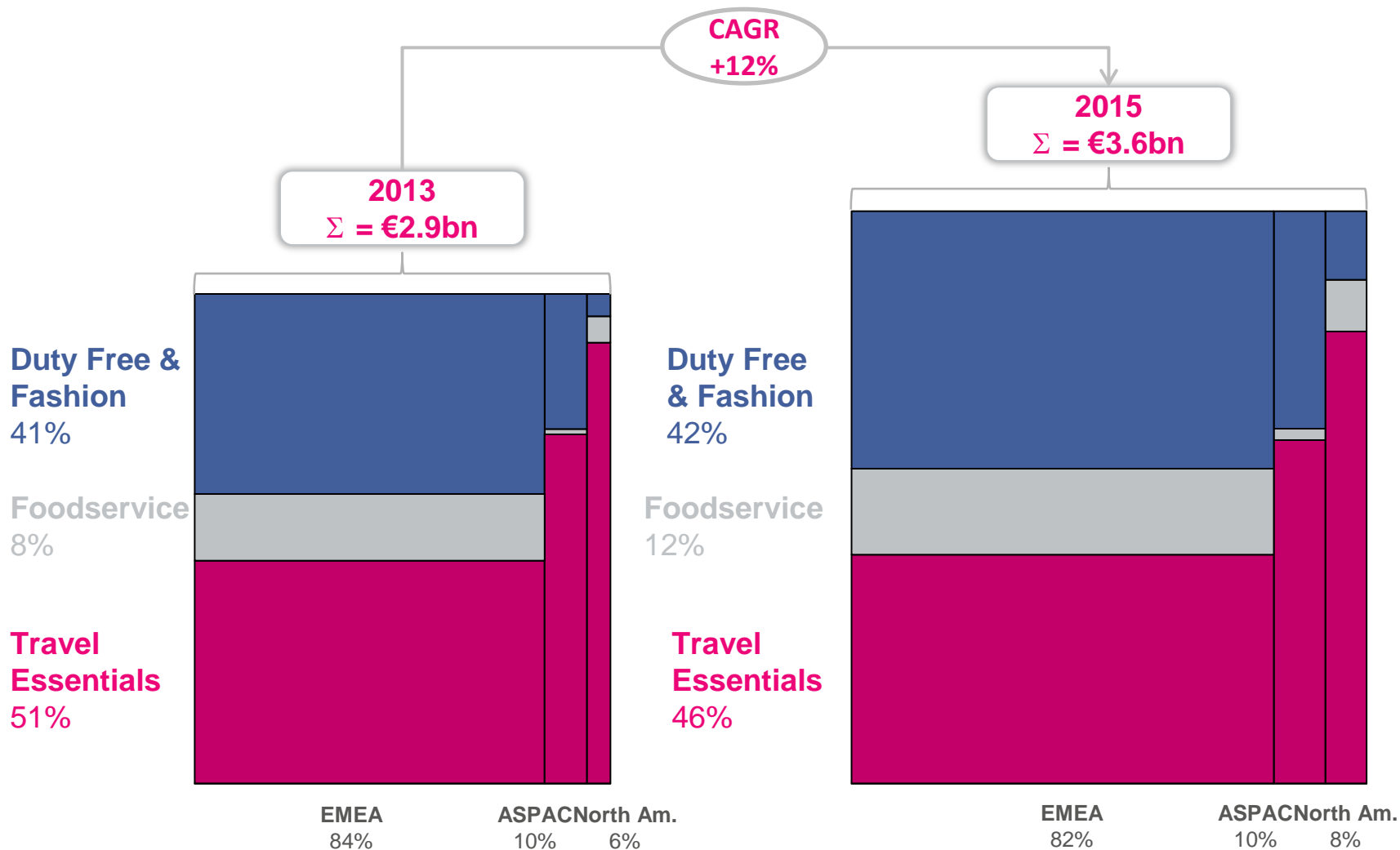


Beijing Daxing International  
Airport T1

A pure travel  
retail player  
experiencing  
sales growth  
with a more  
balanced sales  
mix

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## Sales evolution by business line and region between 2013 and 2015 (€m, sales @100%)



Source: Lagardère Travel Retail

Overview of main rent payment schemes

Iso-IRR

THE IM FAVORS HIGH RENTS SPREAD OVER CONTRACT DURATION		THE IM FAVORS CASH NOW AGAINST LOWER RENTS IN THE FUTURE
<b>A</b> Travel retailer key financials		<b>B</b> Travel retailer key financials
Cumulated rent (in €)		
Capex & downpayment (in €)		
EBITDA (in percent of sales)		
ROCE (in %)		

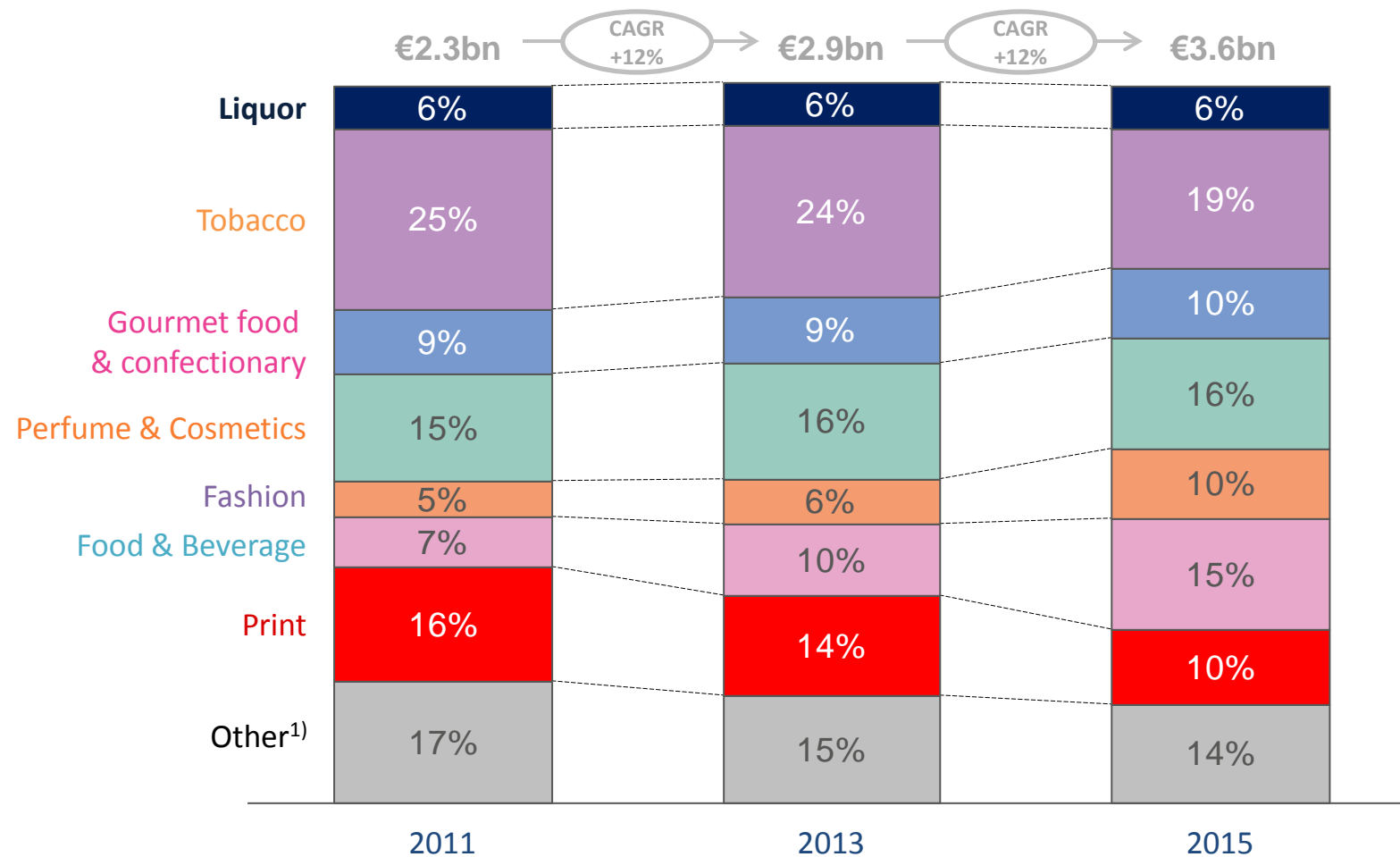


Attractive industry triggering high return, yet with very different P&L profiles



**Growth was in particular spectacular on high-margin categories**

**Breakdown sales by product**  
(€m, sales @100%, 2011-2015)

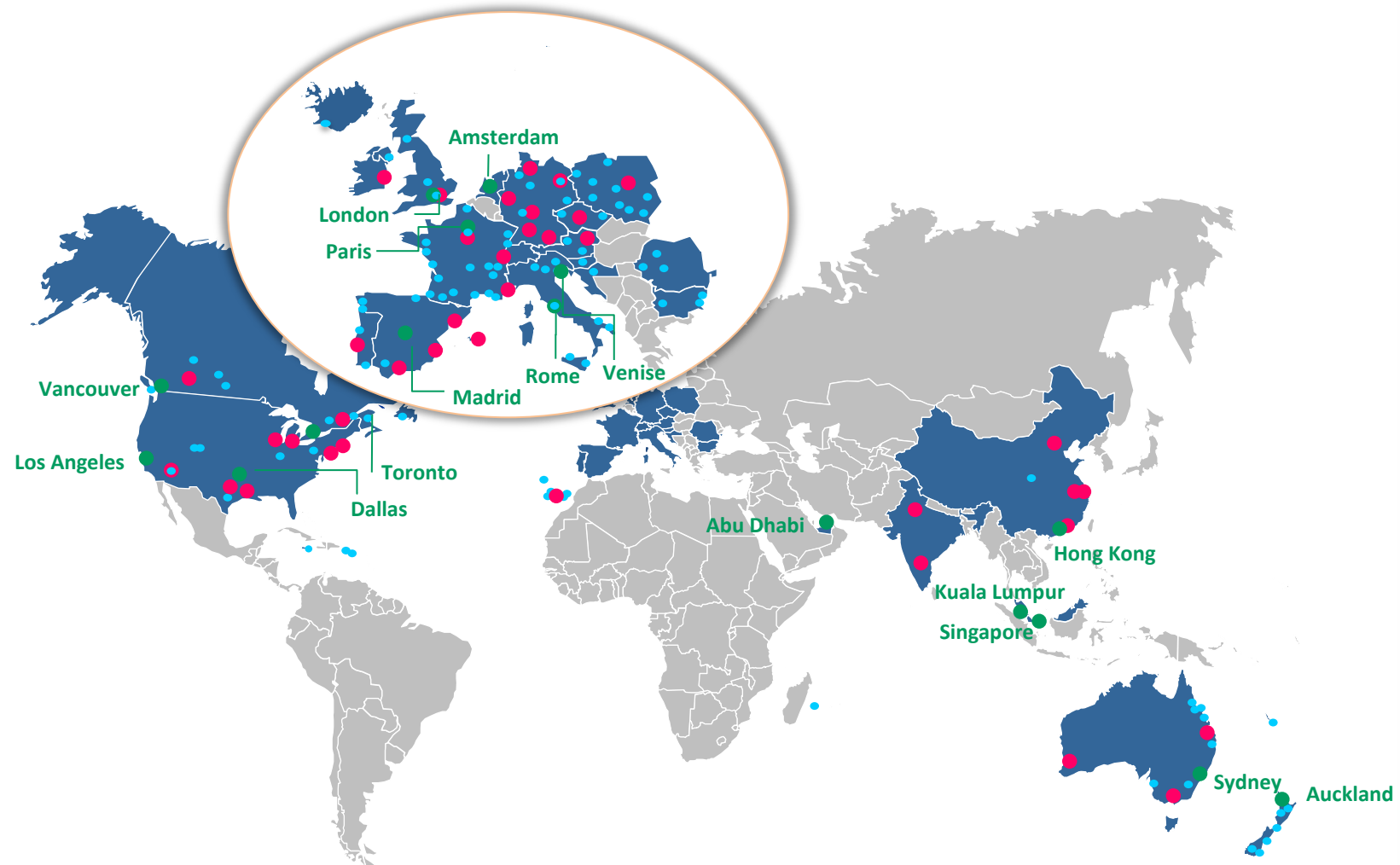


1) Other mainly includes: travel accessories, gifts & souvenirs and convenience products (phone cards, lottery, ...)  
Source: Lagardère Travel Retail

**Lagardère  
Travel Retail,  
a global player**

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**28 countries, 150 airports at end 2014\***



● Flagship airports

● Top 150 airports in terms of PAX volume

● Other airports

\*Before Paradies acquisition

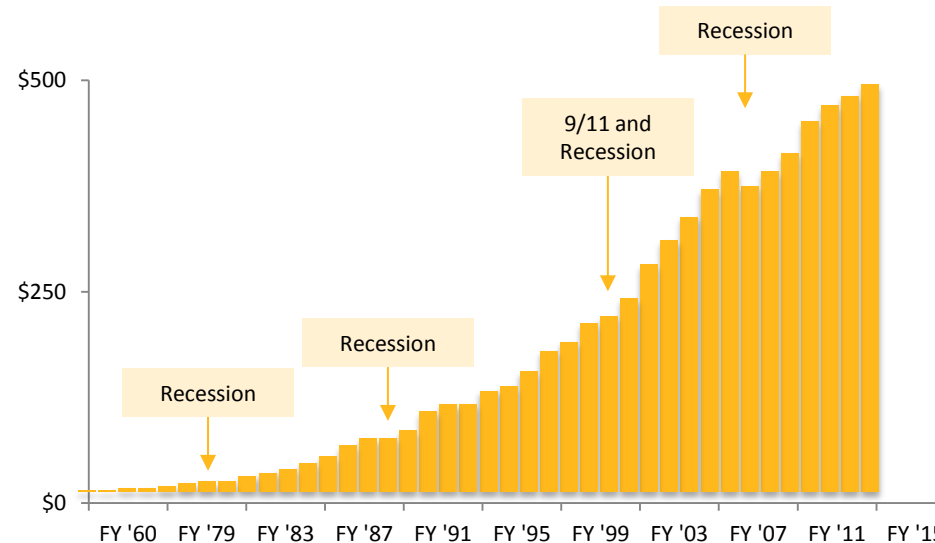
Source: Lagardère Travel Retail, ACI, The Moodie Report

## Reminder of Paradies profile

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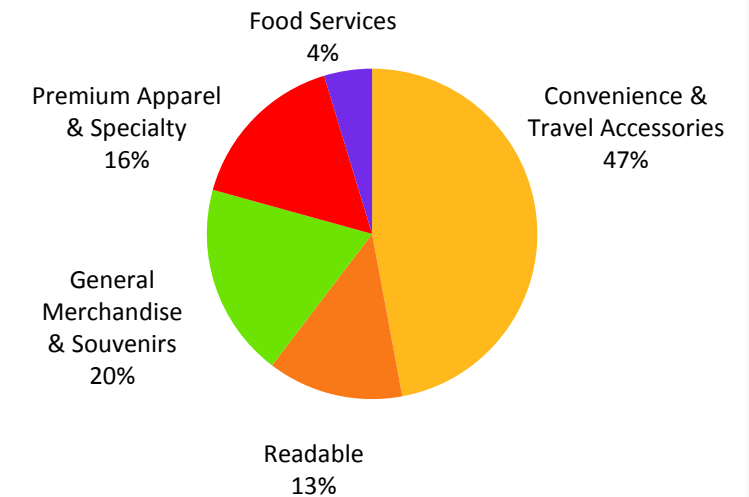
### Historical Revenue Growth show resilience

[in \$ million; end June FY]



### 2015E Breakdown of sales by category

[in \$ million]



- **Created as a family business in 1960**, Paradies is a **leading operator** in airport travel retail in North America with operations in **more than 76 airports** with a portfolio of long-term concessions,
- **A strong renewal rate** (due to reputation + landlord relationship + recognized quality of operation)
- **Paradies is renowned in the US for the quality of its operations and management**, having won the industry's "Best Airport Retailer" award in 20 successive years
- Paradies is a **leading operator in convenience and travel essentials**, having initiated a **strong diversification strategy** in gift & souvenirs, fashion, accessories and specialty (primarily with strong brands such as Brooks Brothers, PGA, CNBC etc.), and recently started developing its Food & Beverage business



## Lagardère IR Team and calendar

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### IR team details

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### Calendar

*(all time is CET)*

- **2016 General shareholders' Meeting**

The General Meeting of Shareholders will be held on 3 May 2016 at 10:00 a.m. at the Carrousel du Louvre in Paris.

- **Ordinary dividend**

The ex-dividend date for the ordinary dividend (proposed at €1.30 per share) for 2015 will be 6 May 2016, with the payment date set for 10 May 2016.

- **Announcement of Q1 2016 sales**

Quarterly results will be released on 12 May 2016 at 8:00 a.m. A conference call will be held at 11:00 a.m.

- **Announcement of H1 2016 results**

Half-year results will be released on 28 July 2016 at 5:35 p.m. A conference call will be held at 5:45 p.m.

**Address:** 4 rue de Presbourg 75116 Paris - FRANCE

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