FIRST-HALF 2017 RESULTS

27 July 2017

DISCLAIMER

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 regarding Lagardère SCA's results or any other performance indicator, but rather trends or targets, as the case may be.

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;
- 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.

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HIGHLIGHTS

First-half 2017 results

27 July 2017

HIGHLIGHTS

- *Growth lifted by good momentum at Travel Retail and brisk activity at Lagardère Publishing*
- *Profitability fuelled by a favourable calendar at Lagardère Sports and Entertainment*
- *Cash flow from operations up by 8.3% reflecting the good operating performance*

Free cash flow negatively impacted by working capital seasonality

(€m)	H1 2016	H1 2017	
Revenue	**3,431**	**3,306**	**-3.6% consolidated +5.4% like-for-like***
Recurring EBIT*	**101**	**136**	**+€35m**
Group operating margin*	***2.9%***	***4.1%***	**+1.2pts**
Profit – Group share	**44**	**29**	
Adjusted profit – Group share*	**65**	**72**	**+10.8%**
Free cash flow*/**	**56**	**(67)**	
Net debt* at end of period***	**(1,389)*****	**(1,677)**	

*Alternative Performance Measure (APM) – See Glossary slides 38/39.

**Free cash flow impacted by +€9m in H1 2016 and +€23m in H1 2017 of interest paid/received following a change in accounting method related to the consolidated statement of cash flows (see note 1.1 to the interim consolidated financial statements).

***Net debt as of 31 December 2016.

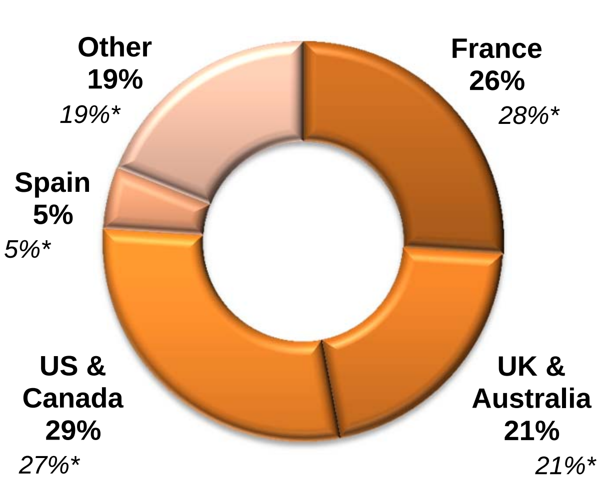
PERFORMANCE BY DIVISION

First-half 2017 results

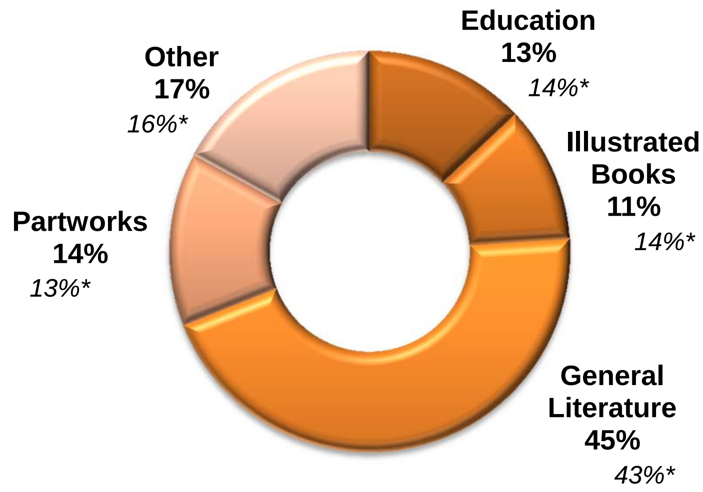
27 July 2017

LAGARDÈRE PUBLISHING: ACTIVITY

H1 2017 revenue by geographic area



H1 2017 revenue by activity



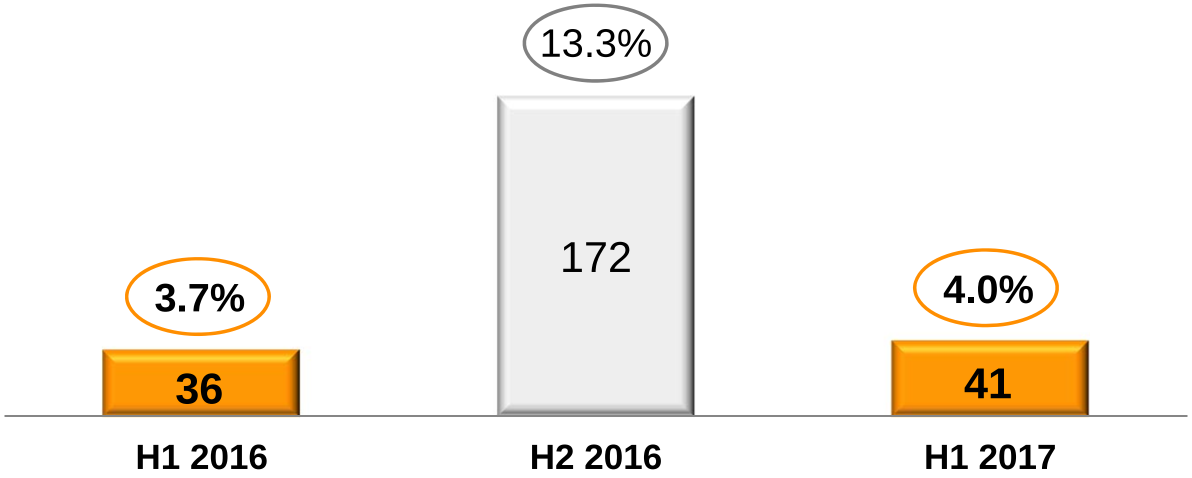
€1,019m (up 5.1% on a consolidated basis and up 4.0% like-for-like).

- *Negative currency impact of €14m offset by a positive scope effect of €24m.*
- Activity was up sharply in the first half of 2017, buoyed chiefly by good performances in the United Kingdom and United States.

*% of revenue in H1 2016.

LAGARDÈRE PUBLISHING: PROFITABILITY

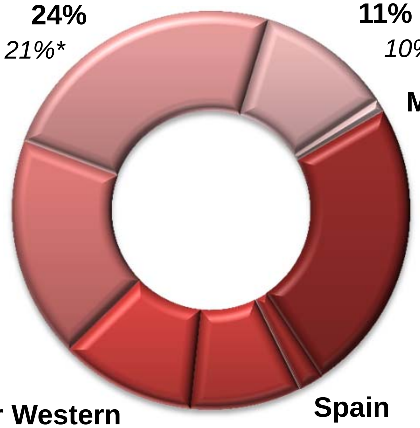
<u>**Change in recurring EBIT (€m) and operating margin (%)**</u>



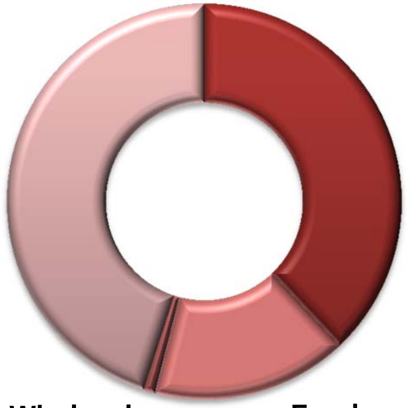
- **Profitability up by 0.3 points.**
  - Strong profitability gains in the United Kingdom spurred by the success of the catalogue more than offset the expected decline in France.

LAGARDÈRE TRAVEL RETAIL: ACTIVITY

H1 2017 revenue by geographic area



H1 2017 revenue by activity



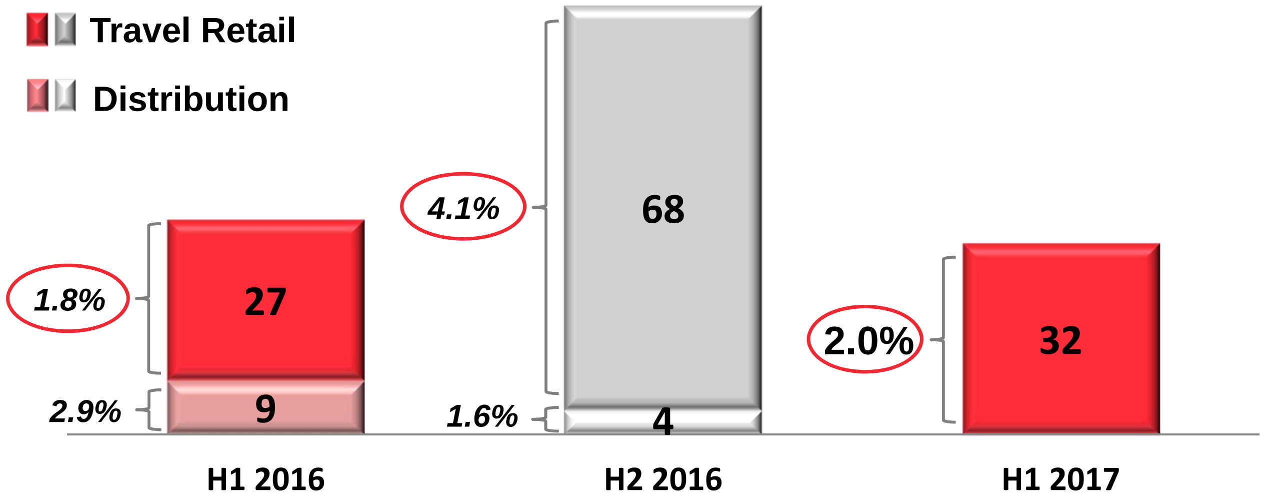
€1,628m (down 9.0% on a consolidated basis and up 9.0% like-for-like).

- *Positive currency effect of €21m offset by a negative scope effect of €316m, mainly due to the disposal of Distribution activities (Belgium, Hungary, Spain and Canada) completed in February 2017.*
- Network expansion continued apace and Travel Retail activities posted bullish 9.1% growth like-for-like, confirming the relevance of the current business strategy.

*% of revenue in H1 2016.

LAGARDÈRE TRAVEL RETAIL: PROFITABILITY

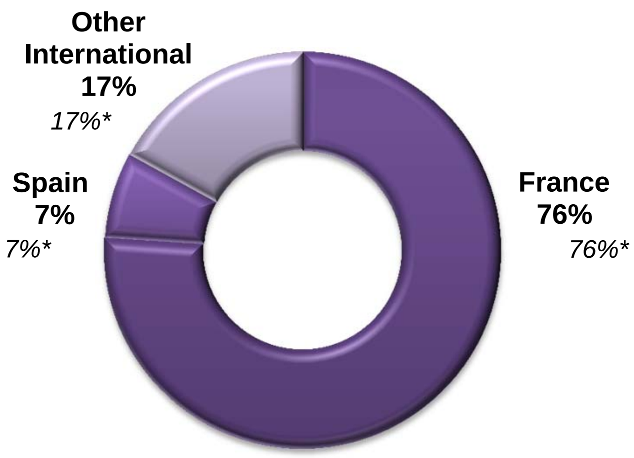
Change in recurring EBIT (€m) and operating margin (%)



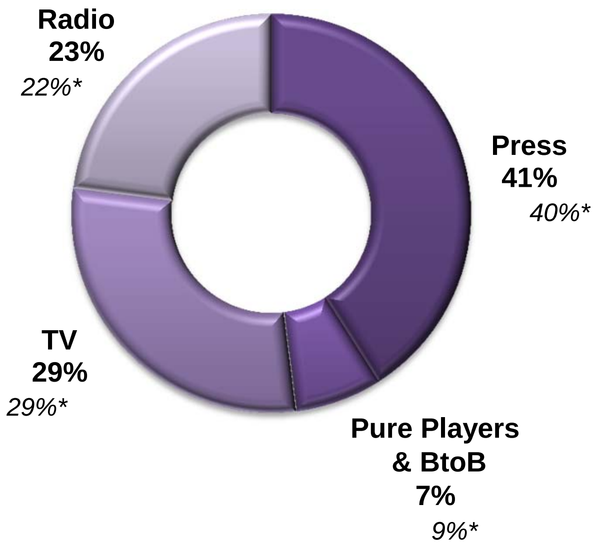
- **Travel Retail profitability up by 0.2 points.**
  - Travel Retail recurring EBIT was up by €5m, buoyed by organic revenue growth, especially in Europe and North America, partly offset by the start-up costs of new operations.

LAGARDÈRE ACTIVE: ACTIVITY

H1 2017 revenue by geographic area



H1 2017 revenue by activity



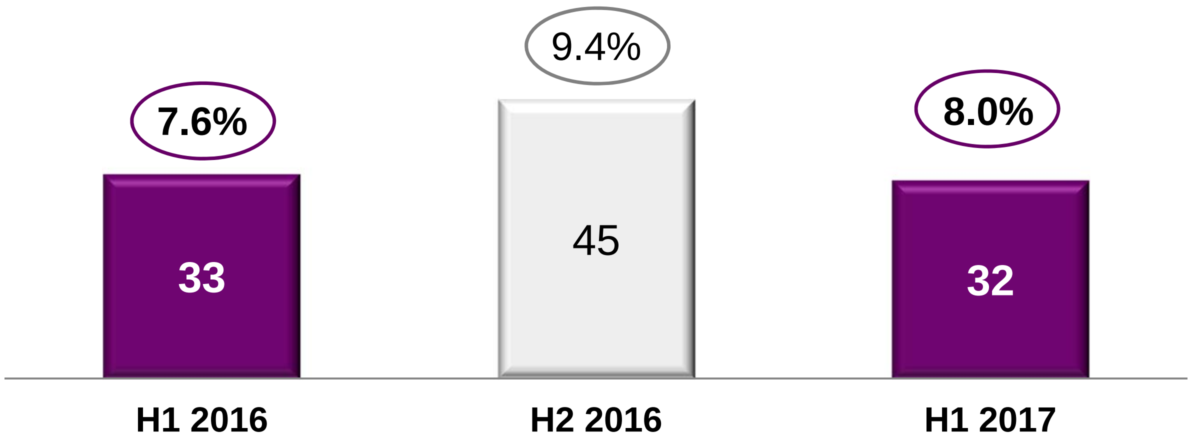
€402m (down 7.8% on a consolidated basis and down 5.8% like-for-like).

- *Positive currency effect of €1m. Negative scope effect of €10m.*
- Activity was down in first-half 2017, hit by a contraction in Press and Radio advertising revenues and by unfavourable program delivery scheduling for Lagardère Studios.

*% of revenue in H1 2016.

LAGARDÈRE ACTIVE: PROFITABILITY

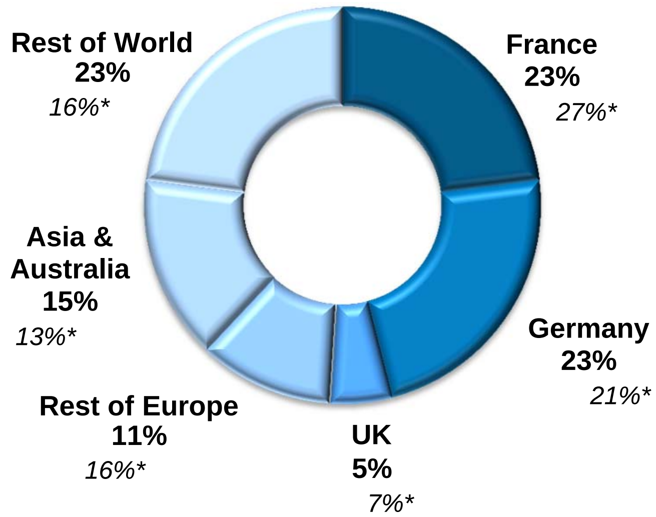
Change in recurring EBIT (€m) and operating margin (%)



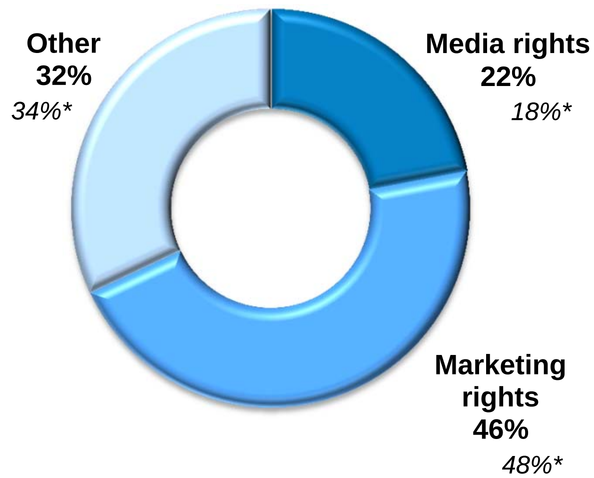
- **Profitability stable.**
  - The underperformance of Europe 1 on the back of a decline in its audience figures was offset by an improvement in the Press business, owing to the cost-cutting measures in place, and in Lagardère Studios thanks to a favourable business mix.

LAGARDÈRE SPORTS AND ENTERTAINMENT: ACTIVITY

H1 2017 revenue by geographic area



H1 2017 revenue by activity



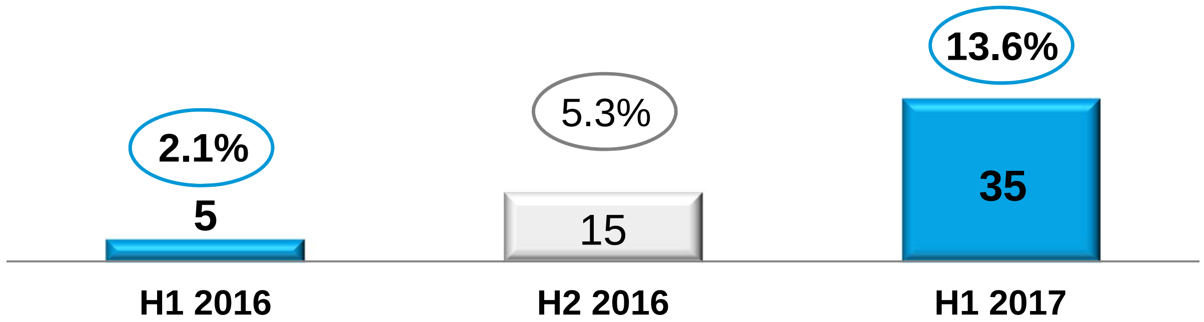
€257m (up 9.3% on a consolidated basis and up 9.0% like-for-like).

- *Slight positive scope effect of €1m*.
- The sharp increase in activity can be explained by a positive calendar effect.

*% of revenue in H1 2016.

LAGARDÈRE SPORTS AND ENTERTAINMENT: PROFITABILITY

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



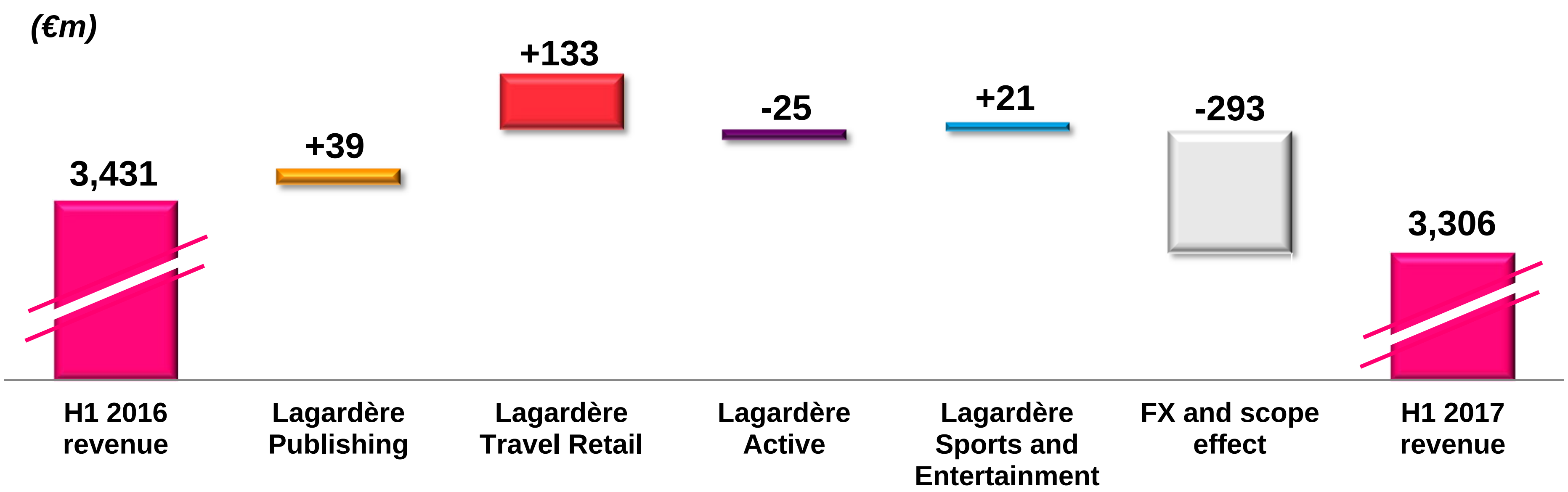
- **Recurring EBIT up as anticipated.**
  - As expected, H1 2017 was marked by a positive seasonal effect, given a very busy sporting calendar.

Lagardère

GROUP RESULTS

First-half 2017 results
27 July 2017

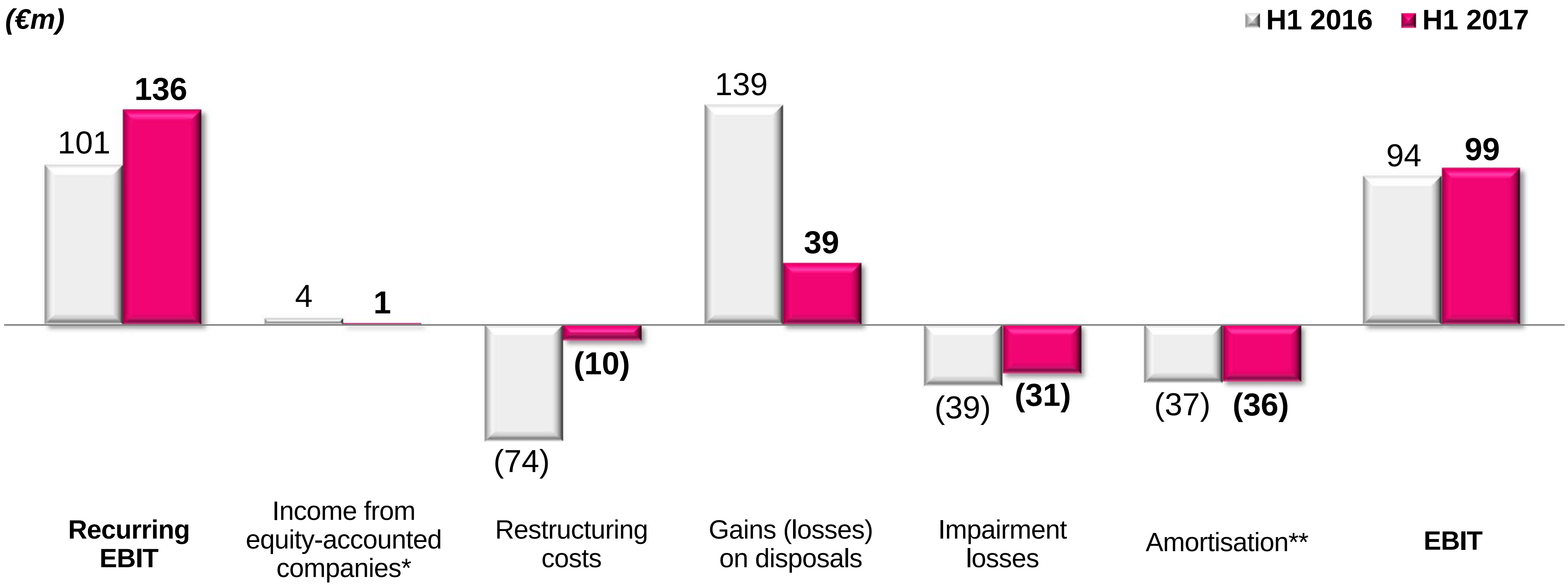
CHANGES IN REVENUE – H1 2017



Revenue down 3.6% on a consolidated basis, up 5.4% like-for-like.

- *Negative scope effect of €301m (disposal of Distribution) and positive currency effect of €8m.*
- The Group continue to deliver like-for-like growth, lifted by good momentum at Travel Retail, brisk activity at Lagardère Publishing and a favourable calendar impact at Lagardère Sports and Entertainment.

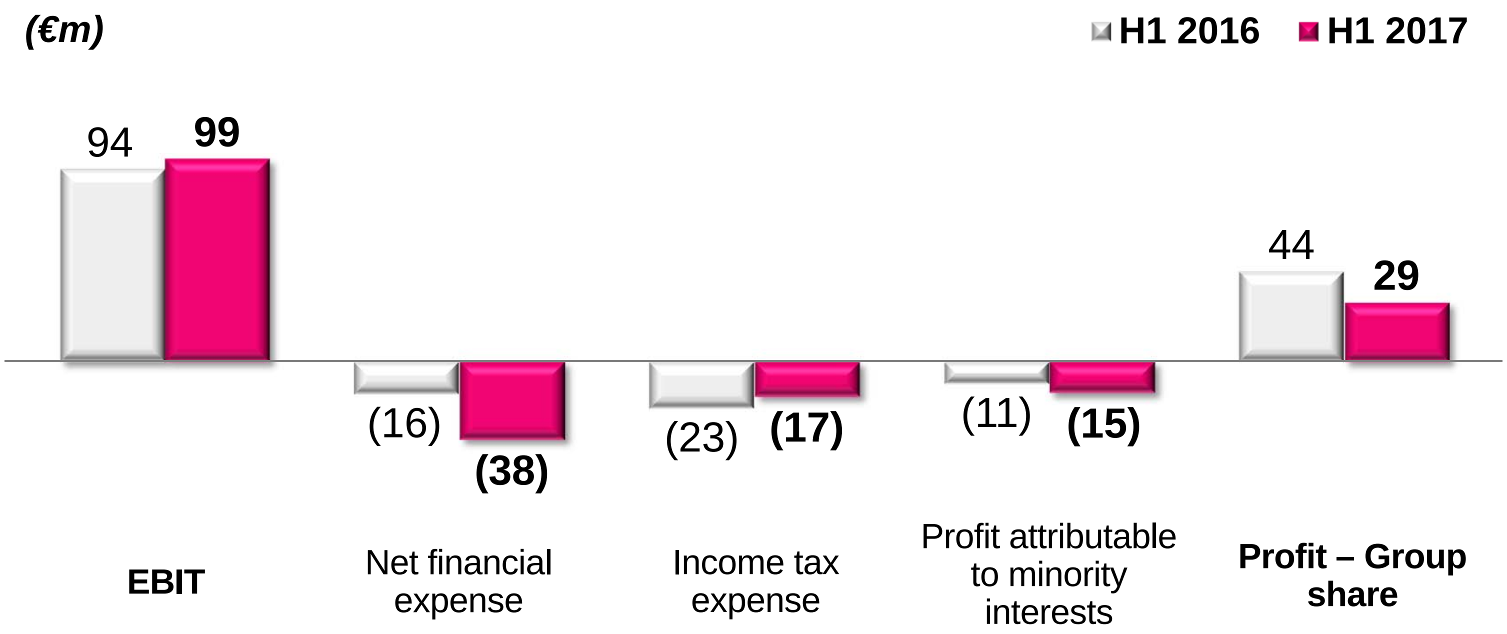
RECURRING EBIT TO EBIT



*Before impairment losses.

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

EBIT TO PROFIT – GROUP SHARE



ADJUSTED PROFIT – GROUP SHARE

(€m)	H1 2016	H1 2017
Profit – Group share	**44**	**29**
Net restructuring costs	+74	+10
Gains (losses) on disposals	(139)	(39)
Impairment losses on goodwill, PP&E and intangible assets and equity-accounted companies	+39	+31
Amortisation of acquisition-related intangible assets and expenses	+35	+32
Tax effects, including tax on dividends paid	+12	+9
Adjusted profit – Group share*	**65**	**72**

*Alternative Performance Measure (APM) – See Glossary slides 39.

CONSOLIDATED STATEMENT OF CASH FLOWS

(€m)	H1 2016	H1 2017
Cash flow from operations before changes in working capital	**181**	**196**
Changes in working capital	(153)	(231)
Income taxes paid	(27)	(50)
Net cash from (used in) operating activities*	**1**	**(85)**
Purchase of property, plant & equipment and intangible assets	*(133)*	*(131)*
Disposals of property, plant & equipment and intangible assets	*188*	*149*
Free cash flow*	**56**	**(67)**
Purchase of investments	*(89)*	*(37)*
*Disposals of investments***	*100*	*3*
Net cash from (used in) operating & investing activities	**67**	**(101)**
Dividend paid and other	*(244)*	*(161)*
Interest paid	*(11)*	*(26)*
Change in net debt	**(188)**	**(288)**

Up 8.3%

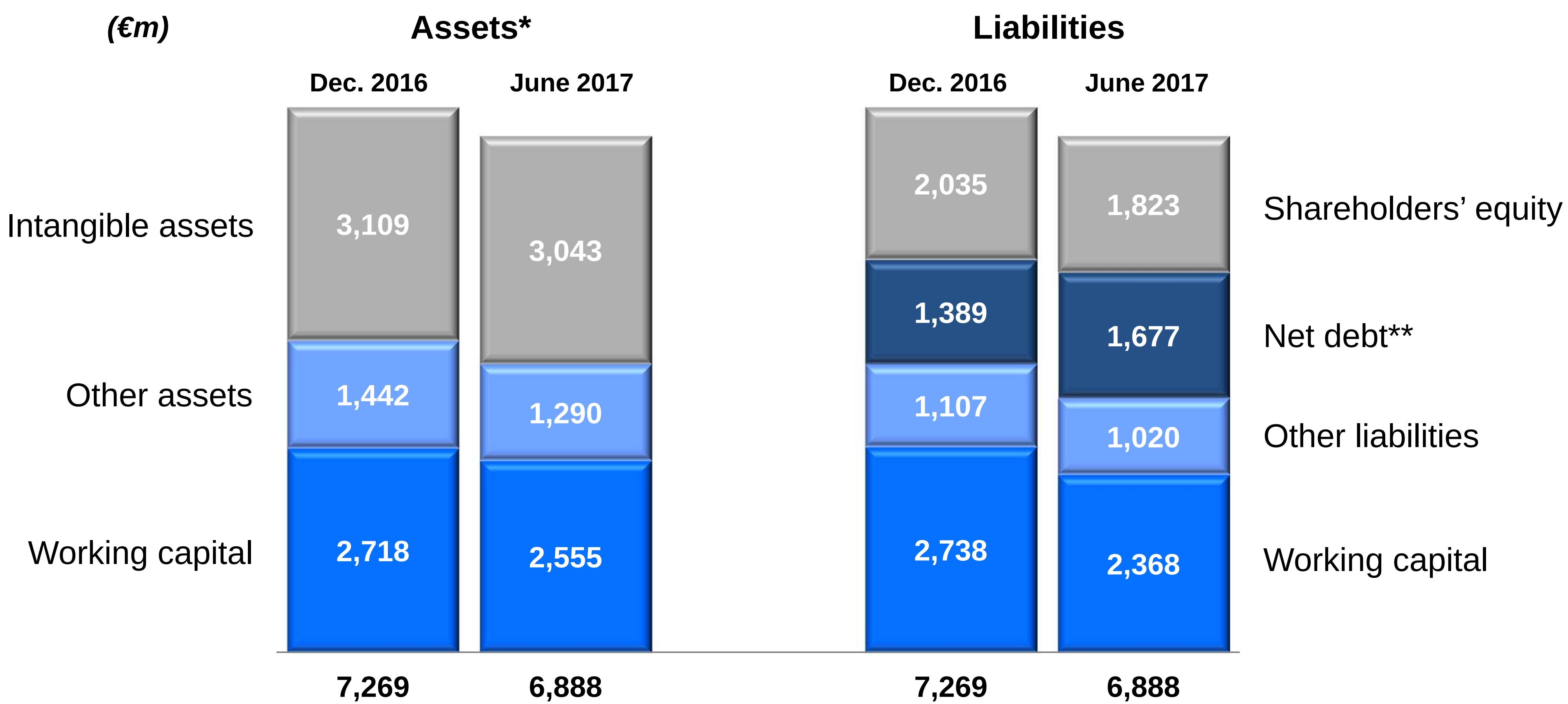
Traditional working capital seasonality impacted by expected reversal from 2016 (Lagardère Publishing)

Sustained strong level of investment

Disposal of real estate properties

*Impacted by +€9m in H1 2016 and +€23m in H1 2017 of interest paid/received following a change in accounting policy related to the consolidated statement of cash flows (see note 1.1 to the interim consolidated financial statements).
**Including €2m of interest received in H1 2016 and €3m in H1 2017.

CONSOLIDATED BALANCE SHEET

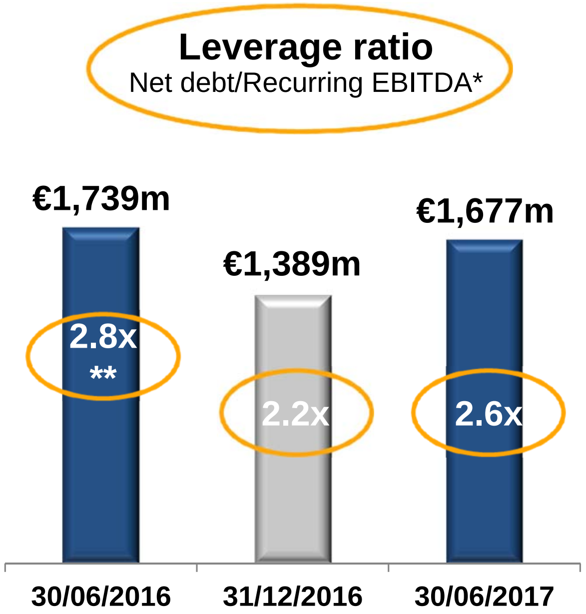


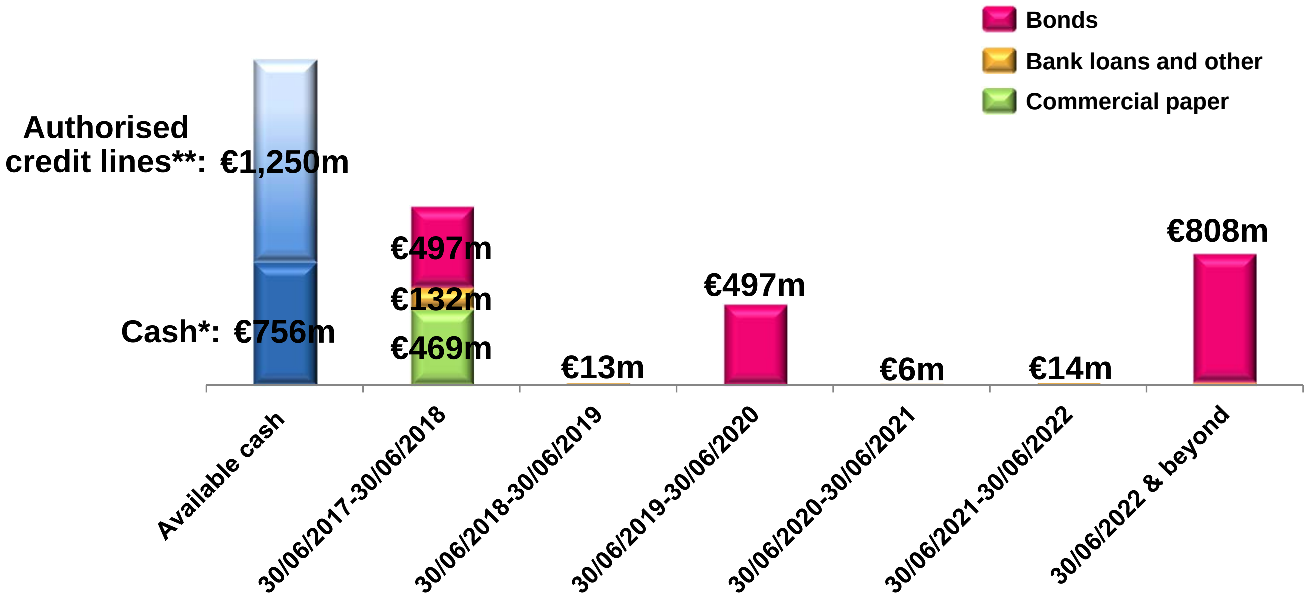
*Excluding assets included in net debt.

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

FINANCING POLICY

- **Delivering a leverage ratio of close to 2.5x thanks to tight rein on debt and the favourable impact of recurring EBITDA.**
- **Bond maturing in October 2017 refinanced ahead of term at attractive conditions with the €300m June issue, while extending the debt maturity.**





*Alternative Performance Measure (APM) – See Glossary slide 39.
**On a proforma basis (as per credit facility covenant), including 12 months of Paradies' recurring EBITDA.

*Short-term investments and cash.
**Group credit facility excluding authorised credit lines at divisional level.

CONCLUSION

In light of business trends at end of June 2017, the Group confirms its target for the full year:

"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."

APPENDICES TO CONSOLIDATED ACCOUNTS

First-half 2017 results
27 July 2017

CHANGES OF SCOPE: MAIN ITEMS

- **Lagardère Publishing**
  - Six months of Brainbow Limited activity following the 75.06% acquisition in December 2016 by Hachette UK.
- **Lagardère Travel Retail**
  - Disposal of the Hungarian press distribution business in February 2017.
- **Lagardère Active**
  - Acquisition of 55% of Shopvolution Ltd in January 2017.
  - Acquisition of 82% of Animal Box in May 2017.
- **Lagardère Sports and Entertainment**
  - Disposal of Lagardère Sports Arena Sweden AB in May 2017.

CONSOLIDATED INCOME STATEMENT

(€m)	H1 2016	H1 2017
Revenue	**3,431**	**3,306**
Recurring EBIT*	**101**	**136**
Income from equity-accounted companies**	4	1
Non-recurring/non-operating items	(11)	(38)
Total EBIT	**94**	**99**
Net financial expense	(16)	(38)
Profit before tax	**78**	**61**
Income tax expense	(23)	(17)
Profit for the period	**55**	**44**
Attributable to minority interests	11	15
Profit – Group share	**44**	**29**

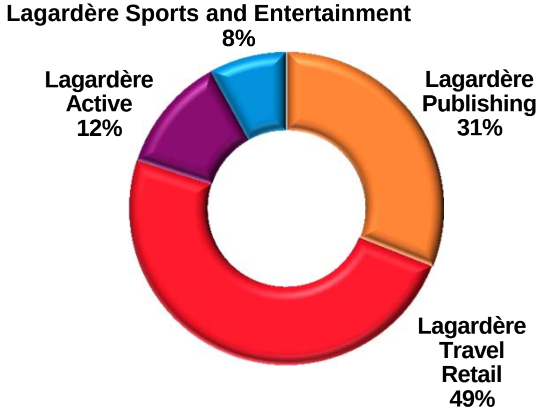
*Recurring EBIT of fully consolidated companies of the four operating divisions + other activities.
**Before impairment losses.

ANALYSIS OF NON-RECURRING/NON-OPERATING ITEMS IN H1 2017

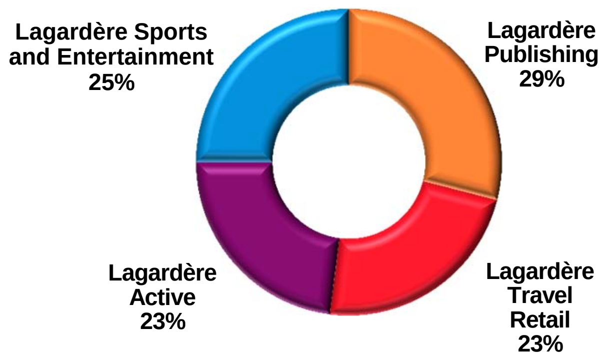
(€m)	Lagardère Publishing	Lagardère Travel Retail	Lagardère Active	Lagardère Sports and Entertainment	Other Activities	Total H1 2017	Total H1 2016
Recurring EBIT	41	32	32	35	(4)	136	101
Income from equity-accounted companies			1			1	4
Restructuring costs	(1)	(6)	(4)	(2)	3	(10)	(74)
Gains (losses) on disposals	(1)	2	(2)		40	39	129
Fair value adjustment resulting from changes in control							10
Impairment losses		(3)	(27)		(1)	(31)	(39)
Amortisation of acquisition-related intangible assets and expenses	(3)	(31)		(2)		(36)	(37)
EBIT	36	(6)	0	31	38	99	94

GROUP PROFILE – H1 2017

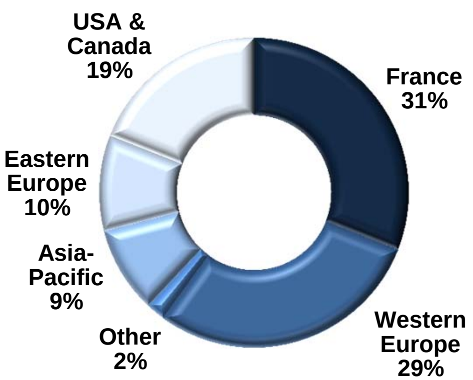
Revenue by division



Recurring EBIT by division

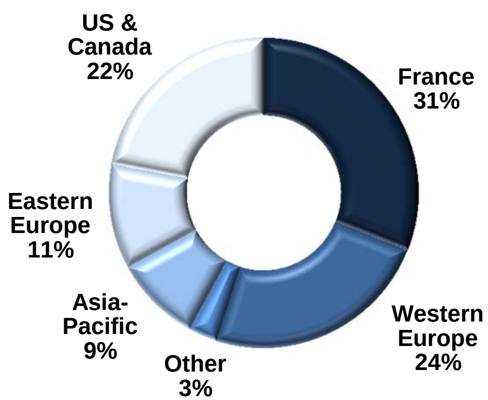


H1 2016 revenue by geographic area



Emerging countries: 21%

H1 2017 revenue by geographic area



Emerging countries: 23%

RECAP OF PERFORMANCE BY DIVISION – H1 2017

- **Revenue**

(€m)	H1 2017	Consolidated change	Consolidated change	Like-for-like change*
Lagardère Publishing	**1,019**	+€49m	+5.1%	+4.0%
Lagardère Travel Retail	**1,628**	-€162m	-9.0%	+9.0%
Lagardère Active	**402**	-€34m	-7.8%	-5.8%
Lagardère Sports and Entertainment	**257**	+€22m	+9.3%	+9.0%
Total	**3,306**	-€125m	-3.6%	+5.4%

- **Recurring EBIT**

(€m)	H1 2017	Consolidated change	Consolidated change	Change at constant exchange rates**
Lagardère Publishing	**41**	+€5m	+11.5%	+12.8%
Lagardère Travel Retail	**32**	-€4m	-11.7%	+14.8%
Lagardère Active	**32**	-€1m	-2.7%	-3.9%
Lagardère Sports and Entertainment	**35**	+€30m	n.a.	n.a.
Other Activities	**(4)**	+€5m	+62.7%	+62.8%
Total	**136**	+€35m	+34.4%	+46.2%

*At constant scope and exchange rates. / **At constant exchange rates, excluding disposal of LTR Distribution.

MAIN EQUITY-ACCOUNTED COMPANIES

	Balance sheet		Income statement*	
(€m)	31 Dec. 2016	30 June 2017	H1 2016	H1 2017
Marie Claire group (42%)	77	53	3	(24)
Édition J'ai Lu (35%)	17	17	-	-
Société de Distribution Aéroportuaire (50%)	10	10	1	2
Inmedio (49%)	12	12	-	-
Yen Press (49%)**	10	9	-	-
Société des Commerces en Gares (50%)	2	2	-	-
Relay@ADP (50%)	3	3	-	1
Other associates	14	13	(5)	(2)
TOTAL including impairment losses	145	119	(1)	(23)
Impairment losses*			(5)	(24)
TOTAL excluding impairment losses			4	1

*Including impairment losses: €24m (Marie Claire group) in 2017, €5m (other associates) in 2016.
**Equity-accounted since June 2016 (previously fully consolidated in Hachette Book Group).

CASH FLOW STATEMENT DATA – LAGARDÈRE PUBLISHING

(€m)	H1 2016	H1 2017
Cash flow from operations before changes in working capital	43	45
Changes in working capital	(93)	(151)
Income taxes paid	(29)	(24)
Net cash used in operating activities*	**(79)**	**(130)**
Purchase of property, plant & equipment and intangible assets	*(13)*	*(21)*
Disposals of property, plant & equipment and intangible assets	*12*	*0*
Free cash flow*	**(80)**	**(151)**
Purchase of investments	*(76)*	*(17)*
*Disposals of investments***	*23*	*6*
Net cash used in operating & investing activities	**(133)**	**(162)**

*Impacted by +€1m in H1 2016 and +€1m in H1 2017 of interest paid/received following a change in accounting method related to the consolidated statement of cash flows (see note 1.1 to the interim consolidated financial statements).

**The impact of the reclassification of interest received is nil.

CASH FLOW STATEMENT DATA – LAGARDÈRE TRAVEL RETAIL

(€m)	**H1 2016**	**H1 2017**
Cash flow from operations before changes in working capital	88	82
Changes in working capital	(15)	(17)
Income taxes paid	(6)	(14)
Net cash from operating activities*	**67**	**51**
Purchase of property, plant & equipment and intangible assets	*(78)*	*(70)*
Disposals of property, plant & equipment and intangible assets	*2*	*1*
Free cash flow*	**(9)**	**(18)**
Purchase of investments	*(1)*	*(10)*
*Disposals of investments***	*9*	*(2)*
Net cash used in operating & investing activities	**(1)**	**(30)**

*Impacted by +€4m in H1 2016 and +€16m in H1 2017 of interest paid/received following a change in accounting method related to the consolidated statement of cash flows (see note 1.1 to the interim consolidated financial statements).
**Including €1m of interest received in H1 2016 and €1m in H1 2017.

CASH FLOW STATEMENT DATA – LAGARDÈRE ACTIVE

(€m)	H1 2016	H1 2017
Cash flow from operations before changes in working capital	35	17
Changes in working capital	(13)	(20)
Income taxes paid	(23)	(16)
Net cash used in operating activities*	**(1)**	**(19)**
Purchase of property, plant & equipment and intangible assets	*(9)*	*(4)*
Disposals of property, plant & equipment and intangible assets	*1*	*0*
Free cash flow*	**(9)**	**(23)**
Purchase of investments	*(2)*	*(6)*
*Disposals of investments***	*13*	*2*
Net cash from (used in) operating & investing activities	**2**	**(27)**

*Impacted by +€2m in H1 2016 and +€1m in H1 2017 of interest paid/received following a change in accounting method related to the consolidated statement of cash flows (see note 1.1 to the interim consolidated financial statements).

**Including €1m of interest received in H1 2016 and €1m in H1 2017.

CASH FLOW STATEMENT DATA – LAGARDÈRE SPORTS AND ENTERTAINMENT

Lagardère SPORTS AND ENTERTAINMENT

(€m)	H1 2016	H1 2017
Cash flow from operations before changes in working capital	26	57
Changes in working capital	(42)	(39)
Income taxes paid	(13)	(2)
Net cash used in operating activities*	**(29)**	**16**
Purchase of property, plant & equipment and intangible assets	*(31)*	*(35)*
Disposals of property, plant & equipment and intangible assets	*0*	*0*
Free cash flow*	**(60)**	**(19)**
Purchase of investments	*(8)*	*(3)*
*Disposals of investments***	*9*	*(4)*
Net cash used in operating & investing activities	**(59)**	**(26)**

*Impacted by +€3m in H1 2016 and +€2m in H1 2017 of interest paid/received following a change in accounting method related to the consolidated statement of cash flows (see note 1.1 to the interim consolidated financial statements).
**The impact of the reclassification of interest received is nil.

CONSOLIDATED BALANCE SHEET

(€m)	31 Dec. 2016	30 June 2017
Non-current assets	**4,183**	**4,106**
Investments in equity-accounted companies	**145**	**119**
Current assets	**2,779**	**2,663**
Short-term investments and cash	**481**	**756**
Assets held for sale	**162**	**0**
TOTAL ASSETS	**7,750**	**7,644**
Stockholders' equity	**2,035**	**1,823**
Non-current liabilities	**794**	**786**
Non-current debt*	**1,041**	**1,335**
Current liabilities	**3,022**	**2,602**
Current debt**	**829**	**1,098**
Liabilities associated with assets held for sale	**29**	**0**
TOTAL LIABILITIES AND EQUITY	**7,750**	**7,644**

Net debt increased from €1,389m to €1,677m

*Including €3m of long-term derivative assets at 30 June 2017.
**Including €3m of short-term derivative assets at 31 December 2016.

Lagardère

LAGARDÈRE TRAVEL RETAIL GUARANTEED MINIMUM PAYMENTS

- **At 30 June 2017 entities forming part of Lagardère Travel Retail had guaranteed minimum future payments amounting to €1,845m under concession agreements. These payments break down as follows by maturity:**

Maturity (€m)	30/06/2017 - 30/06/2018	30/06/2018 - 30/06/2019	30/06/2019 - 30/06/2020	30/06/2020 - 30/06/2021	30/06/2021 - 30/06/2022	30/06/2022 - 30/06/2023	2023 & beyond	Total	2016
Guaranteed minimum payments under concession agreements	165	305	278	242	218	178	459	1,845	1,859

LAGARDÈRE SPORTS AND ENTERTAINMENT GUARANTEED MINIMUM PAYMENTS

- **At 30 June 2017 entities forming part of Lagardère Sports and Entertainment had guaranteed minimum future payments amounting to €1,146m under long-term contracts for the sale of TV and marketing rights. These payments break down as follows by maturity:**

Maturity (€m)	30/06/2017 - 30/06/2018	30/06/2018 - 30/06/2019	30/06/2019 - 30/06/2020	30/06/2020 - 30/06/2021	30/06/2021 - 30/06/2022	30/06/2022 - 30/06/2023	2023 & beyond	Total	2016
Guaranteed minimum payments under sports rights marketing contracts	**151**	**175**	**119**	**143**	**49**	**108**	**401**	**1,146**	**1,326**

- **At 30 June 2017 the amounts due under marketing contracts signed by these same entities with broadcasters and partners amounted to €1,751m, breaking down as follows by maturity:**

Maturity (€m)	30/06/2017 - 30/06/2018	30/06/2018 - 30/06/2019	30/06/2019 - 30/06/2020	30/06/2020 - 30/06/2021	30/06/2021 - 30/06/2022	30/06/2022 - 30/06/2023	2023 & beyond	Total	2016
Sports rights marketing contracts signed with broadcasters and partners	**569**	**411**	**289**	**120**	**68**	**83**	**211**	**1,751**	**1,780**

RECURRING EBITDA – OVER 12 ROLLING MONTHS

(€m)	H1 2016**	2016	H1 2017
Total recurring EBIT*	**357**	**395**	**430**
Depreciation & amortisation of intangible assets and property, plant and equipment	*+219*	*+225*	*+222*
Dividends received from equity-accounted companies	*+21*	*+19*	*+5*
Total recurring EBITDA*	**597**	**639**	**657**
Paradies adjustment	23	-	-
Total recurring EBITDA on a proforma basis*	**620**	**639**	**657**

*Alternative Performance Measure (APM) – See Glossary slides 39.

**On a proforma basis in H1 2016 (as per credit facility covenant), including 12 months of Paradies' recurring EBITDA.

GLOSSARY (1/2)

Lagardère uses alternative performance indicators 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 notes to the consolidated financial statements.

- **The like-for-like change in revenue is calculated by comparing:**
  - H1 2017 revenue to exclude companies consolidated for the first time during the period, and H1 2016 revenue to exclude companies divested in H1 2017;
  - H1 2017 and H1 2016 revenue based on H1 2016 exchange rates.

(See reconciliation in note 1.2 to the consolidated financial statements for the six months ended 30 June 2017)

- **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:
  - Income (loss) from equity-accounted companies before impairment losses;
  - 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.

(See reconciliation in note 3 to the consolidated financial statements for the six months ended 30 June 2017)

GLOSSARY (2/2)

- **Operating Margin** is calculated by dividing Recurring EBIT of fully consolidated companies (Group recurring EBIT) by Revenue.
- **Recurring EBITDA over a rolling 12-month period** is calculated as recurring EBIT 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.

(See reconciliation with Recurring EBIT of fully consolidated companies on slide 37)

- **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 of the above items, including the tax on dividends paid in France.

(See reconciliation with Profit - Group share on slide 18)

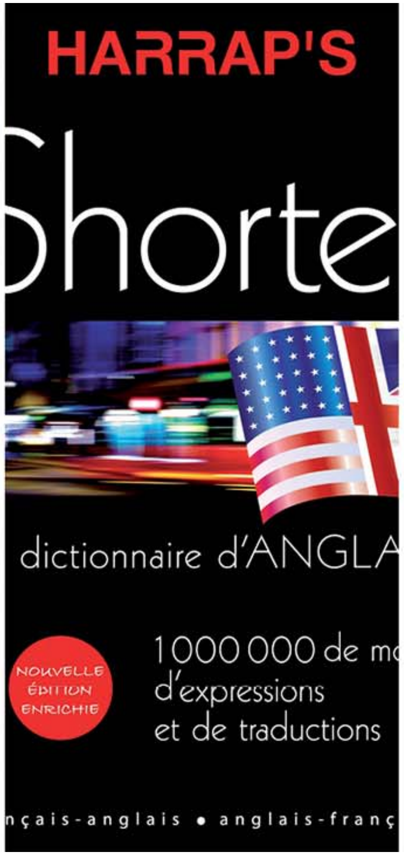
- **Free cash flow** is calculating as cash flow from operations plus net cash flow relating to acquisitions and disposals of intangible assets and property, plant and equipment.

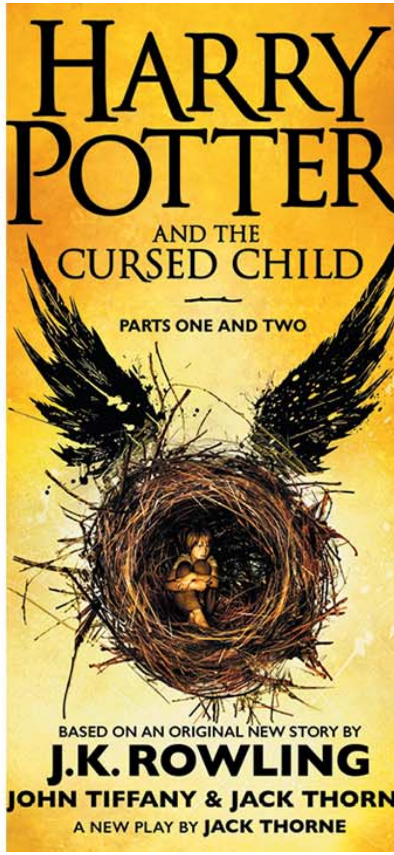
(See reconciliation in note 3 to the consolidated financial statements for the six months ended 30 June 2017)

- **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

(See reconciliation in note 15 to the consolidated financial statements for the six months ended 30 June 2017)

SIGNIFICANT EVENTS





First-half 2017 results
27 July 2017

BACKGROUND AND OVERALL PERFORMANCE

- **Strong Q2 made up for soft Q1.**
- **2015 and 2016 acquisitions (Perseus, Kero, Neon Play) now contributing fully to revenue and EBIT.**
- **Negative (-€14m) forex effect due to weak Pound.**
- **Reminder: due to seasonality, the bulk of profits is generated in H2.**

FRANCE

- **Market in 6% to 7% decline as is the case every major election year.**
- **Lagardère Publishing revenue down -3.1% like for like — better than market — with heavy returns and weak reorders as bookstores seek cash flow relief in sluggish market.**
- **Market expected to pick up in H2 when hoarded high potential titles are released.**

INTERNATIONAL MARKETS

- **United Kingdom**
  - Hachette UK successful with:
    - *I See You* by Clare Mackintosh;
    - *The Wrong Side of Goodbye* by Michael Connelly;
    - *Camino Island* by John Grisham;
    - children and education.
- **United States**
  - Perseus a significant contributor.
  - Growth fuelled by solid success:
    - *The Shack* by William Paul Young (movie tie-in);
    - *16th Seduction* by James Patterson;
    - *The Black Book* by James Patterson;
    - *The Fix* by David Baldacci.
- **Partworks**
  - Performance driven mainly by Japan (New Crochet, Subaru), Spain and Argentina (Ford Falcon).

DIGITAL

- **E-books market plateauing.**
- **In the US: Hachette Book Group revenue slightly up (+ 1.0%)**
  - accounting for 21% of revenue.
- **In the UK, Australia and New Zealand: Hachette UK revenue at £27.2m (+5%),**
  - with the acquisition of Bookouture bringing digital to 18% of revenue.
- **Sales still embryonic in France and Spain.**
- **Downloadable audio books growing in the UK and the US.**

SIGNIFICANT EVENTS

First-half 2017 results
27 July 2017

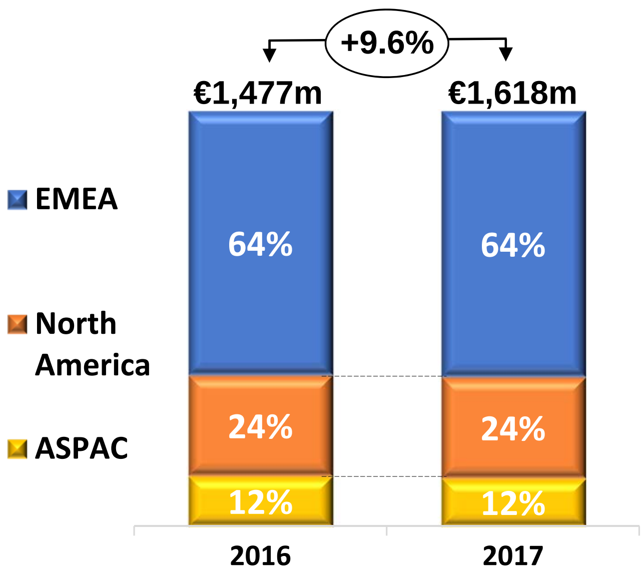
KEY HIGHLIGHTS

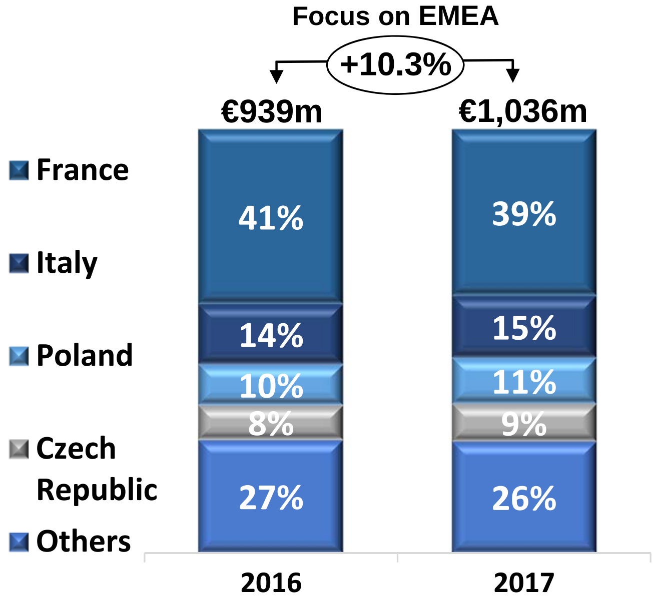
- **Successful integration and good performances of the recent acquisitions,** mainly Paradies in North America.
- **Good performance of the new concessions,** mainly:
  - Czech Republic: take over of 9 additional Duty Free stores at Prague airport (April 2017);
  - France: New Relay flagship at Gare du Nord (September 2016), l'Étoile du Nord restaurant (mid-November 2016) and Nice T2 Duty Free (February 2017);
  - Poland: Gdansk (late 2016 / April 2017);
  - Saudi Arabia: Riyadh late January 2017 and Dammam mid-April 2017;
  - North America: beginning of 2017: 3 Duty Free & Fashion stores at JFK T4, 4 stores in Vancouver, 1 restaurant (Abacus) in Dallas airport.
- **Gain of new contracts**, mainly:
  - **EMEA**: Switzerland: Geneva Duty Free tender won – take-over Q4 2017;
  - **North America**: gain of Food & Beverage / Retail packages at Denver airport – take-over Q4 2017;
  - **ASPAC**: Hong Kong: Duty Free tender won for liquor & tobacco through a JV with China Duty Free Group – take-over Q4 2017.
- **Success of the new concepts** (Rome Avancorpo, Luton, Nice, etc.) **and of the marketing and commercial initiatives** (including digital).
- **Higher spend of the Russian and American passengers** (favourable FX rate).
- **Lower traffic and spend from UK passengers in European airports since the Brexit announcement.**
- **Negative impacts of the neutral cigarettes pack and of the strong delays at the passport controls in France.**

KEY ACTIVITIES

IFRS consolidated revenue 2016-2017, €m at current rate

Source: Lagardère Travel Retail internal data.





- **Pure player in Travel Retail, with Distribution divestment process completed**: sale of Spain, Canada, and Belgium activities in 2016 and sale, on 7 February 2017, of the Distribution holding: LS Distribution (including the operating activities in Hungary).
- At constant rate and perimeter, the **traffic evolution** combined with the **development of the network**, the **modernisation of the concepts** and **successful commercial initiatives**, generated a sustained growth of **Travel Retail revenue (up 9.6%)**, like-for-like up 9.1% due to the deconsolidation impacts of (i) certain Fnac stores now consolidated under the equity method in the joint venture with Group ADP and (ii) the shift of the Travel Essentials business in China from direct operating to Franchisee model since mid-2016.
- The **growth in passenger traffic** (up 5.6%)* remains solid at same level versus last year. Strong recovery in **Europe** (up 7.1%) after the negative impacts of terrorist attacks at year-end 2015 and along year 2016, **North America** (up 2.8%) and **Asia-Pacific** (up 8.4%).

*Source: ACI data: Europe: +7.1% vs. +4.7%, Asia-Pacific: +8.4% vs. +9.0%, and North America: +2.8% vs. +4.9% (at 31 March 2017 vs. 30 June 2016).

FRANCE

- **Travel Essentials**
  - 100% revenue up **2.5%**:
    - higher revenue of the Eiffel Tower souvenirs stores (affected in 2016 by terrorist attacks) and in the Relay network thanks notably to the new concept that delivers strong sales performance and favorable mix evolution.
- **Foodservice**
  - 100% revenue up **14.3%**:
    - strong growth of the comparable network along with dynamic network expansion with openings in railway stations (Étoile du Nord), airports and hospitals.
- **Duty Free & Fashion**
  - 100% revenue up **2.4%** driven by:
    - positive traffic impact in Paris;
    - negative impacts of neutral cigarettes pack (tobacco sales down 15% vs. last year), the Brexit and the reinforcement of security checks in most French airports;
    - positive momentum on Chinese travelers spending;
    - favorable Euro exchange rate against USD, Ruble and Brazilian Real;
    - the modernisation of concepts (e.g. new walkthrough in Nice Terminal 1 and Terminal 2) and the positive impacts of commercial initiatives.

EMEA

- **Italy**
  - Revenue up **13.9%** with strong performances in Duty Free & Fashion thanks to Avancorpo Terminal openings at the end of December 2016.
- **Poland**
  - Revenue up **18.4%** supported by strong growth in all business lines fuelled by new developments (Krakow, Gdansk, etc.) along with strong traffic in all Polish airports (Warsaw: up 25% in 2017).
- **Czech Republic**
  - Revenue up **19.7%** thanks to increase in spend per passenger (notably Russian) and additional expansion in Duty Free at Prague airport (9 stores), the continuing development of the Foodservice network along with a dynamic Travel Essentials performance.
- **Other EMEA countries posted a vigorous growth with a 7.1% rise in revenue** (UK: up 22%, Iceland: up 37%, Netherlands: up 13%, Romania: up 13%, Luxembourg: up 13%, Germany: down 6% mainly due to loss of Dusseldorf concessions).

NORTH AMERICA, ASIA AND PACIFIC

- **North America**
  - Revenue grew by **6.9%** thanks to positive impacts of the commercial initiatives and synergies as well as the new openings notably in Foodservice (Dallas and Austin).
  - The Paradies integration process is almost completed and synergies targets are well on track.
- **Asia**
  - Revenue grew by **11.1%** driven by:
    - **China** with sales up **21.8%** thanks to the success of the new developments in Fashion and Foodservice (Shenzhen, Xi’an, Kunming) despite shift of Travel Essentials business in China from direct operating to Franchisee model (deconsolidation);
    - **Singapore** with sales up 9.8% thanks to new Fashion stores but affected by unfavorable traffic flows on the Confectionary business.
- **Pacific**
  - Total revenue in the Pacific grew by **1.2%**:
    - growth driven by Duty Free (up 10%) in Auckland (up 8%) and new concession in Cairns;
    - Travel Essentials revenue down 6%, following the closing of the Sydney T1 concessions and the continuous decline in print products.

SIGNIFICANT EVENTS

First-half 2017 results
27 July 2017

BACKGROUND AND OVERALL PERFORMANCE

- **Ongoing digital development strategy with two acquisitions in 2017:**
  - Shopcade, a start-up aiming at developing a marketplace around our strongest press brands for fashion and beauty products;
  - Animal Box, a start-up in the subscription based e-commerce for pets, which will allow to diversify the brand digital revenues, with a new source of monetisation of our audiences.

- **Initiation of the “Gravity” alliance around data with Les Échos**. Gathering almost 15 French groups (Solocal, SFR, Prisma Media, M6, Fnac-Darty, Conde Nast, NextRadio TV, le groupe Perdriel, Marie Claire, Amaury, etc.) “Gravity” aims at developing revenue through an innovative platform. This platform will allow omnichannel programmatic advertising within a premium, secured and transparent environment.

- **Completion of the sale of historical headquarter** in Levallois-Perret in June 2017. Lagardère Active will stay in the current building until end of 2018 and then move on to a new building, Octant-Sextant, also located in Levallois-Perret.

MAGAZINE PUBLISHING

- In a depressed **print advertising market** (around -9%)*, *Elle* remains leader in high-end women's magazines (26%** market share high above its main competitors) and *Télé 7 Jours* (17.6%)** remains leader on its competitive segment. Other publications such as *Elle Décoration* (23.5%)** and *Version Femina* (23.5%)** are n°2 on their competitive segments with increasing market shares.

- In a declining **circulation market**, revenue went down by -3.4%. The subscription revenue trend partially offsets the newsstand decline as well as the magazines selling price increases. In addition, our digital circulation doubled thanks to the launch of SFR digital newsstands.

- **Global audiences trend** (i.e. on all devices : print, computer, smartphones and tablets) are particularly growing for our news & people weeklies: *Paris Match* (+10.7%***), *Le Journal du Dimanche* (+18%) and *Public* (+7.9%***).

- **Digital revenue** are still growing, driven by the good performances of Elle.fr and ParisMatch.com.

- **Licensing:** creation of the Elle International Fashion and Luxury Management Program, the result of an innovative collaboration between *Elle*, MIT Sloan Executive Education, and Universidad Complutense de Madrid (UCM). The program is designed to provide participants with exclusive insight and a global perspective of the fashion and luxury industry.

*IREP T1 2017 Presse Magazine.
**Kantar; January-June 2017 vs. January-June 2016 market share in volume.
***One Global 2017 T2 vs. One Global 2016 T2.

RADIO

- **Europe 1**
  - Audience suffered over the period. Following Médiamétrie the latest radio audience measurement from 20 April 2017, Arnaud Lagardère decided to cover the head of Europe 1 and empowered new management with Frédéric Schlesinger.
- **Solid position of musical radios in France**
  - Virgin Radio now reaches 2,641,000 listeners and a cumulative audience of 4.9%*.
  - RFM now reaches 2,269,000 listeners and achieves 3.2%* audience share.
- **Lagardère Active Radio International (LARI)**
  - Virgin Radio launched in Romania in January 2017, replacing Radio 21.
  - Elle.ci website launched in Ivory Coast in March 2017, making the best use of LARI's digital expertise, presence and strong knowledge of the African continent.

*Médiamétrie; April-June 2017.

TELEVISION ACTIVITIES

- **TV channels**
  - Gulli remains the leader in audiences on the 4/10 years' old target on the **French television market**, ahead of TF1 and France 4 (the state-owned kids channel), and increases its audience shares compared with 2016.
  - Launching of the new kids TV channel Gulli Bil Arabi in 18 countries of the Arab world, in Middle East and North Africa. Over six years, Lagardère Active widely extended the international reach of its TV channels: 40 countries for Mezzo and 45 territories for Gulli.

- **TV production and distribution: Lagardère Studios**
  - In France, **Lagardère Studios** remains the **no.1 producer of scripted contents and the no.2 of non-scripted programs*:**
    - *On va s'aimer, un peu, beaucoup…,* a new TV series in coproduction with France 2 was delivered in May and will be aired on next autumn;
    - the airing of the new prime time TV series *Tandem* on France 3 was a success with very good ratings;
    - after more than 15 years of existence, daily show *C dans l'air* achieves one of its best year with excellent ratings;
    - **Réservoir Prod** will produce a new daily show *Ça commence aujourd'hui* as of September 2017. It will replace *Mille et une vies* which ends in June 2017.
  - In Spain, **Boomerang TV**'s recurrent programs perform well:
    - daily TV series *Acacias 38*'s ratings improve in H1 2017;
    - *The Voice Kids* (*La Voz Kids*) remains leader with an average of more than 3.1 million viewers.
  - In Africa, Keewu is developping an African detective show and several other programs for various broadcasters.

**Écran Total* – 2016 fiction production ranking and 2016 flow producer ranking.

DIGITAL PURE PLAYERS

- An ambitious ongoing strategy in the **digital health segment**, including both organic developments and acquisitions. Position strengthened by creating a unique ecosystem:
  - **Doctissimo.fr**: leading website on e-health and wellbeing with nearly 9.6 million of unique visitors*:
    - as part of its revenue diversification strategy, in May 2017, Doctissimo acquired AnimalBox, a start-up in the pet subscription e-commerce;
    - over the first semester, Doctissimo successfully developed the BeautyLab, a cosmetics and hygiene products testing platform.
  - **MonDocteur.fr**: one of the leading French online booking website for medical consultations is expanding at a fast pace, managing more than 1.5 million appointments and gathering more than 2 million monthly visits. Its subscriber base (health care professionals and institutions) has increased significantly (x2.2) over the last 12 months:
    - continuous development of new functions and services to fully meet health care professionals needs.
  - **Doctipharma.fr**: a software publisher and service provider allowing French pharmacies to sell their products online and increase their digital presence.
- **BilletRéduc.com**, leader in France for online booking at cut prices, continues its growth both on website and on the app launched in 2016.
- **Newsweb,** first French editorial agency on financial and sports information, keeps on developing its portfolio through a monetisation activity for third-party websites (Moneytag).

*Global Médiamétrie measure (landline+mobile+applications); April 2017.

Lagardère SPORTS AND ENTERTAINMENT

SIGNIFICANT EVENTS

First-half 2017 results
27 July 2017



BUSINESS UNITS (1/2)

- **Football Europe**
  - Lagardère Sports secured a partnership between Juventus Football Club and insurance company Allianz Italy for acquisition of the naming and sponsorship rights of the stadium. The stadium will take the name of Allianz Stadium across six football seasons from 1 July 2017 until 30 June 2023.
- **Football Africa**
  - Successfully delivered the Total Africa Cup of Nations held in Gabon.
- **Football Asia**
  - Announcement by the ASEAN Football Federation (AFF) that it has agreed terms with Lagardère Sports to manage the commercial rights of the prestigious ASEAN Football Championship. Contested by the national teams of Southeast Asia, the biennial tournament boasts unrivalled TV ratings, sold-out stadiums, and the most passionate fans in the region.
- **Media**
  - Deal signed with the Central America and Caribbean Association Football (CONCACAF) to market their media rights for all international territories.
  - Lagardère Sports have partnered with Plan B Media to distribute FA Thailand's media properties worldwide.
  - Renewal of the deal with the Kontinental Hockey League (KHL) until 2021.
  - Portuguese Primeira Liga international rights in selected territories in Latin America (seasons 2017/2018 to 2019/2020).

BUSINESS UNITS (2/2)

- **Motorsports**
  - Formula 1® has appointed Lagardère Sports to help secure strategic partnerships in China from 2018 onwards. Lagardère Sports will use its vast network, expertise and market knowledge in the country to identify and secure strategic partners for Formula 1 in areas including event promotion, media rights, digital and brand partnerships, merchandising, talent development and racing team development.
- **Consulting and Digital**
  - Sponsorship 360 reaffirmed its expertise in the world of cycling by partnering with five brands during Tour de France: AG2R La Mondiale, FDJ, Fortuneo, Ibis and Orange, in the implementation of their activations along the road and on the social networks during the Grande Boucle 2017.
- **Athlete Management**
  - Eleven of our clients were selected during a very successful NFL draft 2017.
  - Simona Halep, the fifth-ranked women's tennis player in the world, signed a new multiyear partnership with Mercedes-Benz Romania.
  - Lagardère Sports signed rising women's tennis star Ana Konjuh for management and marketing representation. The 19-year-old Croatian is currently the No. 33 ranked women's player in the world.
- **Live Entertainment**
  - Promotion of the Phil Collins tour in France. Lagardère Live Entertainment team promoted five of the shows taking place at the AccorHotels Arena in Paris.
- **Corporate**
  - David Pearce has joined us as Chief Finance and Administration Officer (CFAO) and Ugo Valensi has been promoted to Chief Operating Officer (COO).