

ASSEMBLÉE GÉNÉRALE 2017



Lagardère

FIRST-HALF 2018 RESULTS

26 July 2018



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.

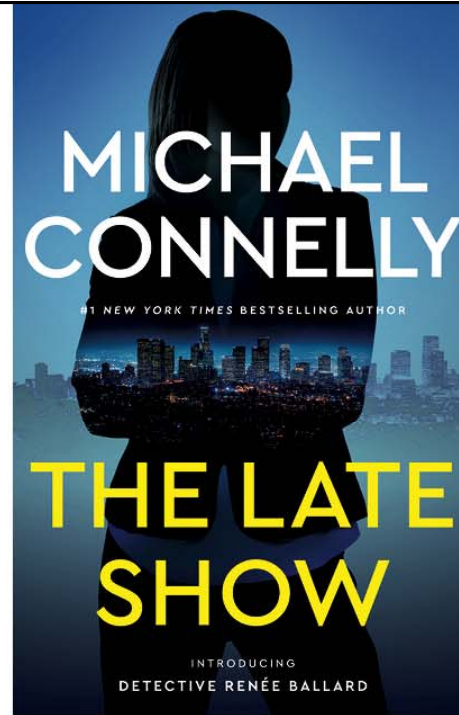
Please refer to the most recent Reference Document (*Document de référence*) filed by Lagardère SCA with the French *Autorité des marchés financiers* for additional information in relation to such factors, risks and uncertainties.

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Lagardère

HIGHLIGHTS



First-half 2018 results
26 July 2018

HIGHLIGHTS

- Solid performance from Travel Retail
- Sustained business levels across the other divisions
- Solid financial position with Free cash flow improving substantially

(€m)	H1 2017*	H1 2018
Revenue	3,308	3,366
Group recurring EBIT**	132	132
Group operating margin**	4.0%	3.9%
Profit – Group share	27	119
Adjusted profit – Group share**	58	60
Free cash flow**	(67)	149
Net debt** at end of period***	(1,368)	(1,453)

+1.8% consolidated
+4.4% like-for-like*

Leverage ratio
improvement to 2.3x
(vs 2.6x at 30 June 2018)

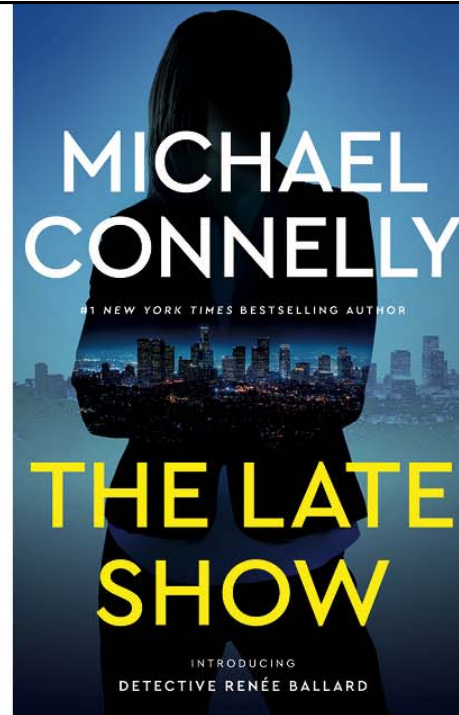
*Restated for IFRS 15 under the retrospective method.

**Alternative Performance Indicator (API) – See Glossary on slides 37/38.

***Net debt as of 31 December 2017.

Lagardère

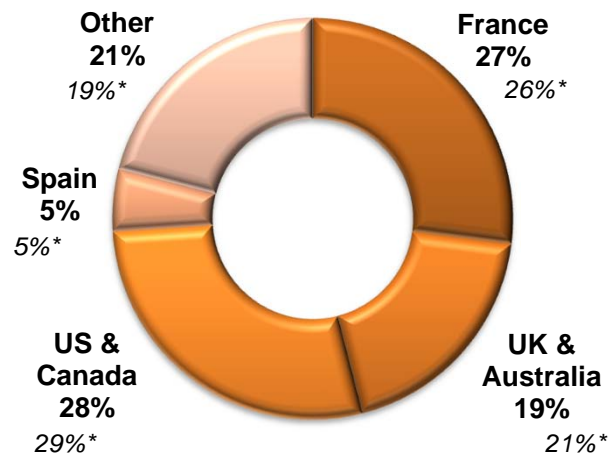
**PERFORMANCE
BY DIVISION**



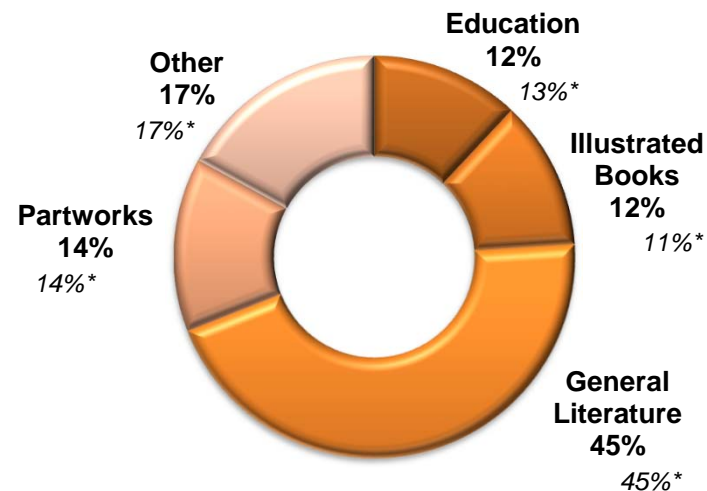
First-half 2018 results
26 July 2018

LAGARDÈRE PUBLISHING: ACTIVITY

H1 2018 revenue by geographic area



H1 2018 revenue by activity



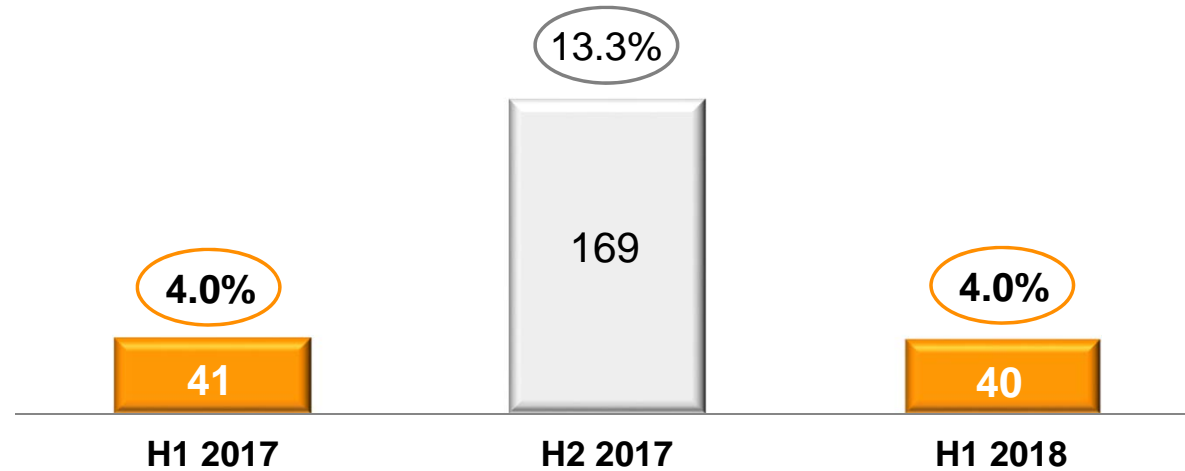
Revenue of €1,000m (down 1.9% on a consolidated basis and up 0.5% like-for-like).

- *Negative currency impact of €42m partially offset by a positive scope effect of €18m.*
- Business up slightly, buoyed chiefly by growth in General Literature in France and a good performance in Partworks, overcoming the unfavourable comparison basis resulting from Spain's curricular reform campaign in 2017.

*% of revenue in H1 2017.

LAGARDÈRE PUBLISHING: PROFITABILITY

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

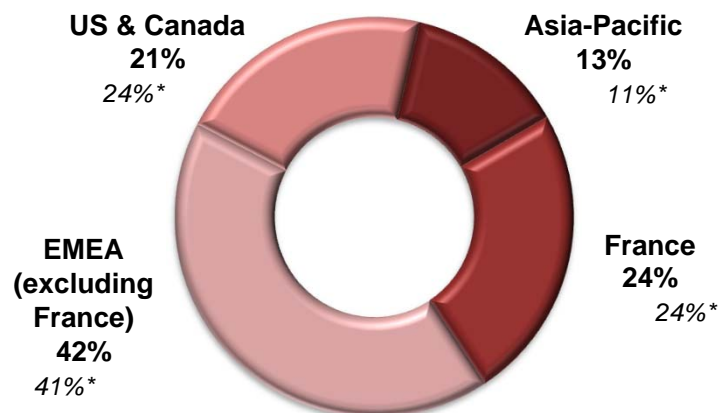


- **Profitability stable.**

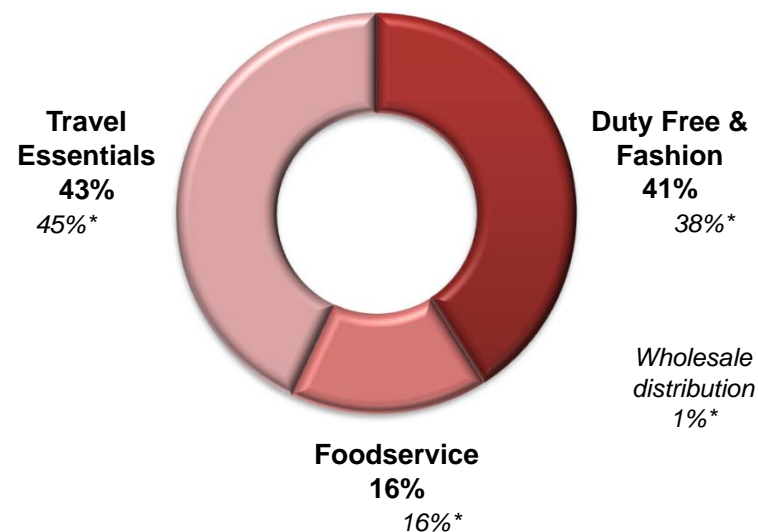
- Positive momentum in General Literature in France and improved profitability in the United States partly offset by the downturn in business in Spain and a slight decline in United Kingdom.

LAGARDÈRE TRAVEL RETAIL: ACTIVITY

H1 2018 revenue by geographic area



H1 2018 revenue by activity



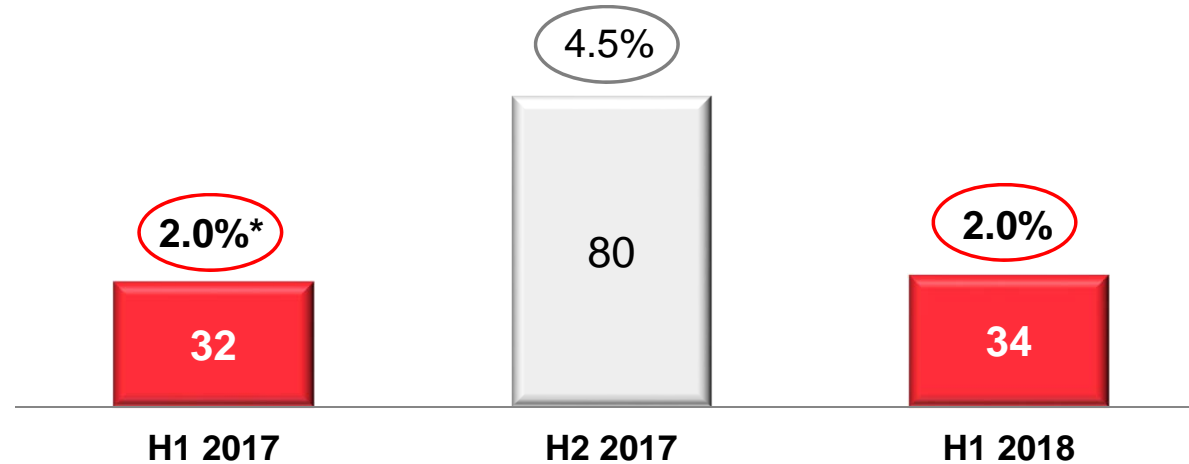
Revenue of €1,724m (up 5.9% on a consolidated basis and up 9.9% like-for-like).

- *Negative currency effect of €60m and negative scope effect of €4m.*
- Robust growth lifted by strong sales momentum, network expansion and store openings in the EMEA and Asia-Pacific regions.

*% of revenue in H1 2017.

LAGARDÈRE TRAVEL RETAIL: PROFITABILITY

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



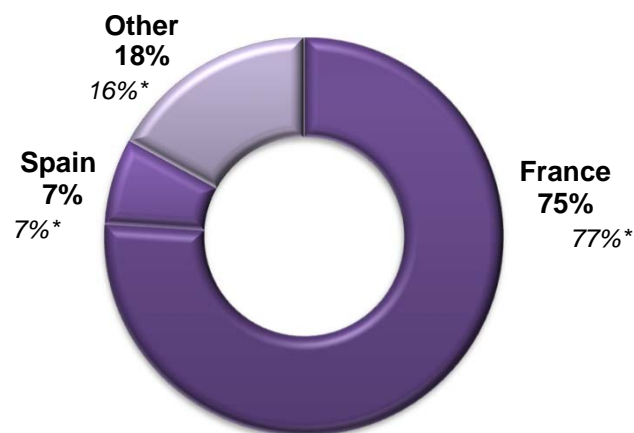
▪ Travel Retail profitability stable.

- Organic growth in the EMEA region and North America, as well as one-off cost reductions offset the adverse impact of transport strikes in France and start-up costs of new operations.

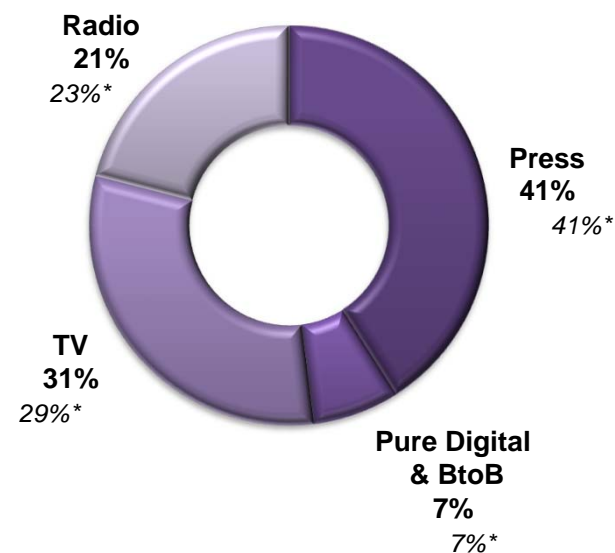
*Travel Retail only (excluding Distribution contribution).

LAGARDÈRE ACTIVE: ACTIVITY

H1 2018 revenue by geographic area



H1 2018 revenue by activity



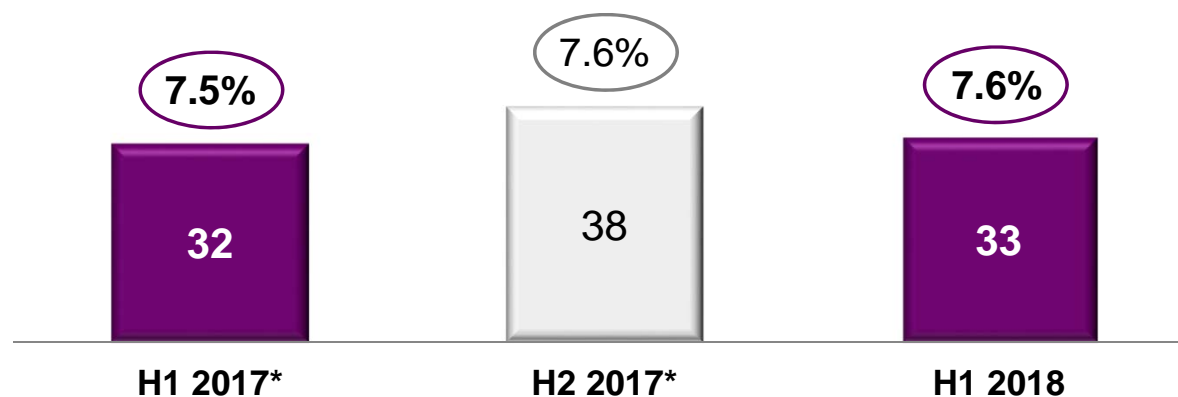
Revenue of €429m (up 0.5% on a consolidated basis and down 1.5% like-for-like).

- *Positive scope effect of €8m.*
- Resilient revenue thanks to good performances posted by International Radio and TV activities, as well as positive trends for Pure Digital and B2B; together offsetting limited contraction in Press revenue and lower audience figures at the Europe 1 radio station.

*% of revenue in H1 2017 restated for IFRS 15 under the retrospective method.

LAGARDÈRE ACTIVE: PROFITABILITY

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



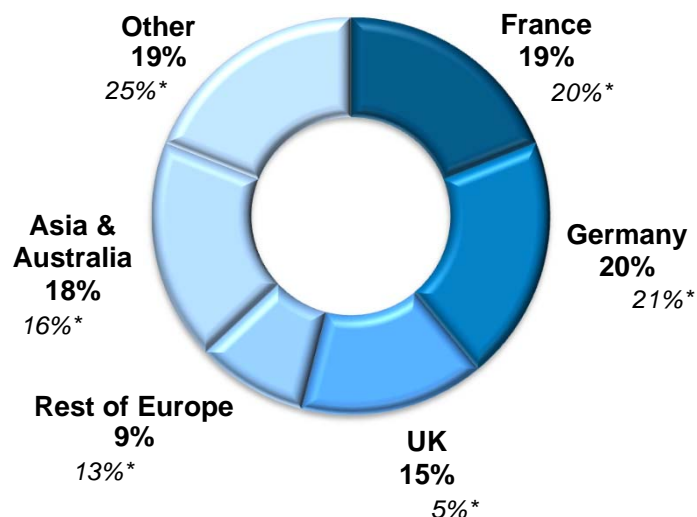
▪ Profitability up 0.1 pts.

- Ongoing cost reduction plans in the Press segment together with solid contribution from International Radio helped offset lacklustre performance at the Europe 1 radio station and an adverse mix effect at Lagardère Studios.

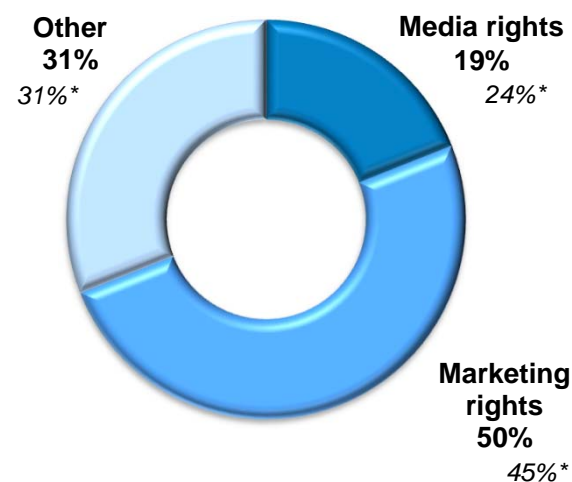
*Restated for IFRS 15 under the retrospective method.

LAGARDÈRE SPORTS AND ENTERTAINMENT: ACTIVITY

H1 2018 revenue by geographic area



H1 2018 revenue by activity



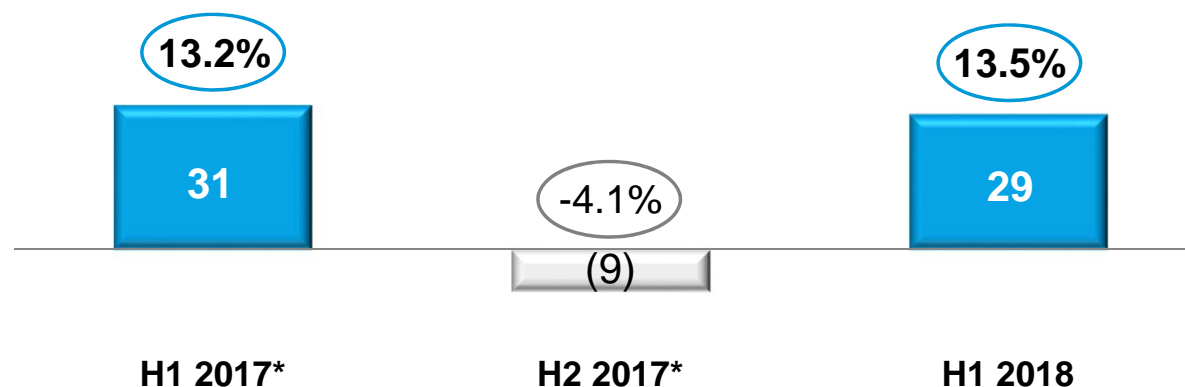
Revenue of €213m (down 8.6% on a consolidated basis and down 6.4% like-for-like).

- Negative currency effect of €8m and positive scope effect of €3m.
- Unfavourable sporting calendar in football business (Total Africa Cup of Nations and Asian qualifiers for the 2018 FIFA World Cup held in first-half 2017). Lagardère Live Entertainment also down (Phil Collins tour in France in 2017).
- Partially offset by the successful delivery of Gold Coast 2018 Commonwealth Games, the strong performance of sponsorship activities in Europe as well as Bordeaux Métropole Arena and Arena du Pays d'Aix openings.

*% of revenue in H1 2017 restated for IFRS 15 under the retrospective method.

LAGARDÈRE SPORTS AND ENTERTAINMENT: PROFITABILITY

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



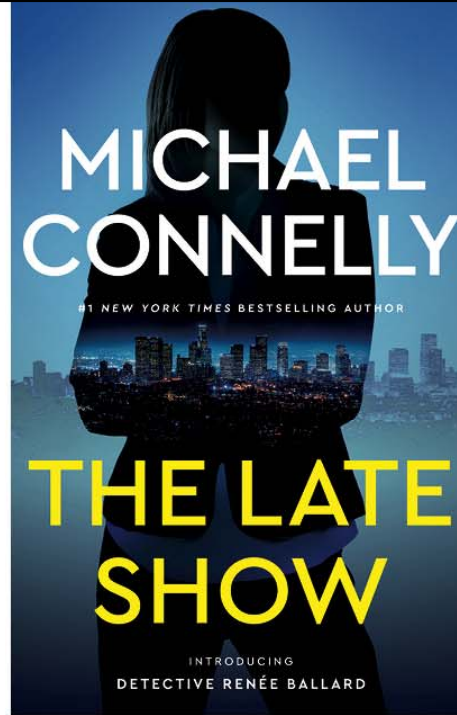
▪ Recurring EBIT down slightly.

- Adverse impact of unfavourable calendar mainly in Africa and Asia, partially offset by the successful delivery of Gold Coast 2018 Commonwealth Games and the good performance of sponsorship activities in Europe.

*Restated for IFRS 15 under the retrospective method.

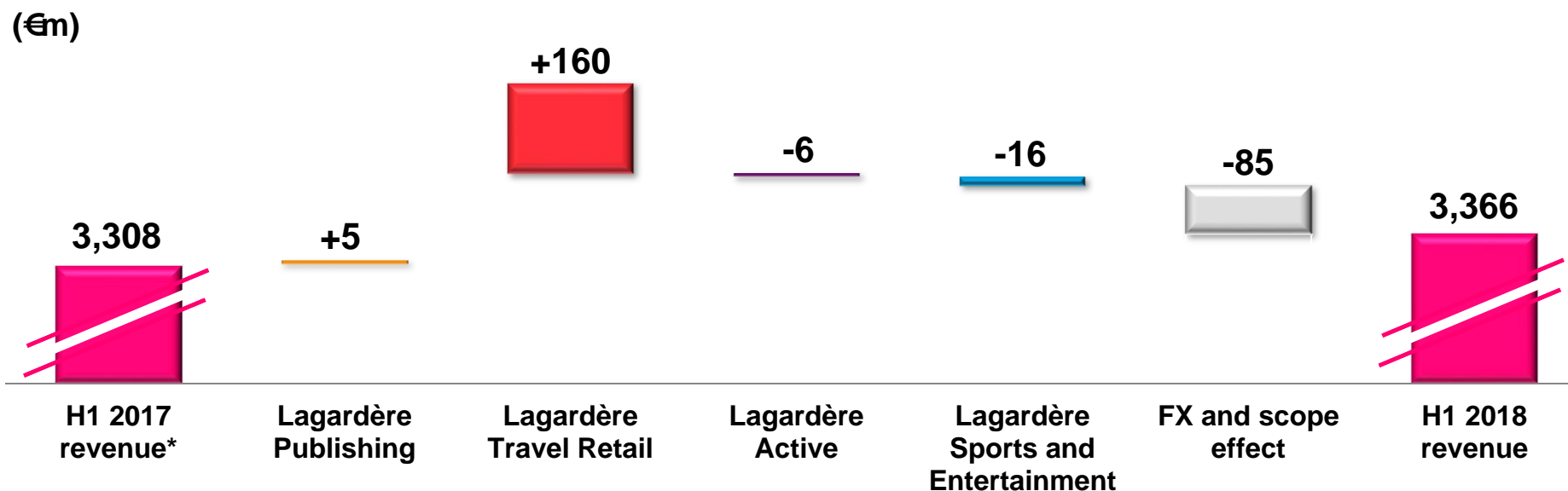
Lagardère

GROUP RESULTS



First-half 2018 results
26 July 2018

CHANGES IN REVENUE – H1 2018



Revenue up 1.8% on a consolidated basis, up 4.4% like-for-like.

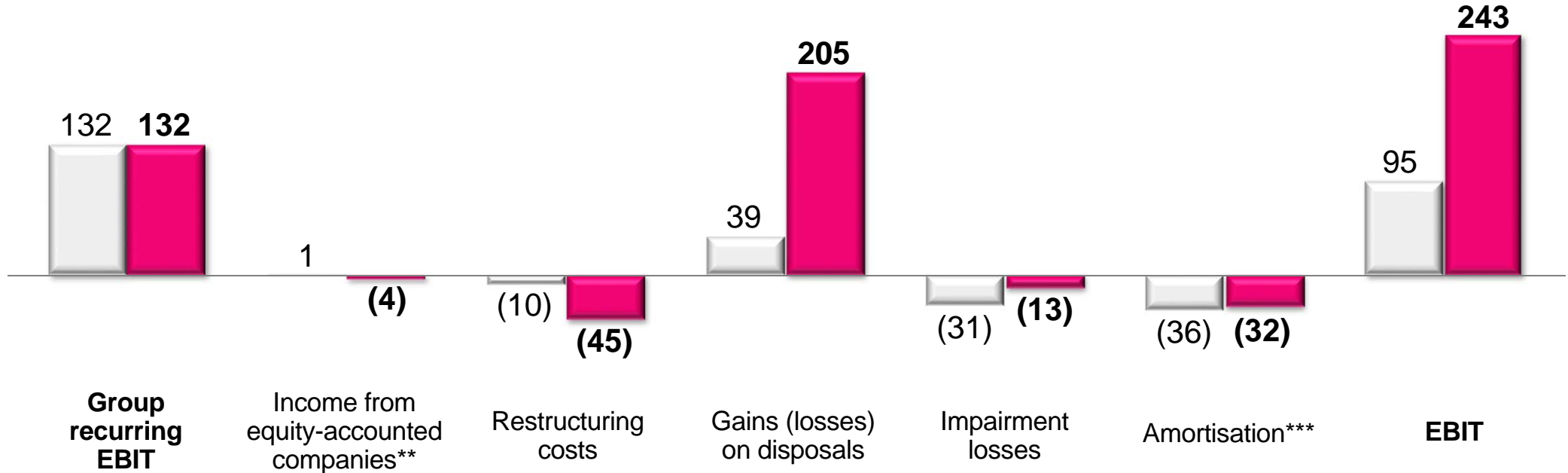
- *Positive scope effect of €25m and negative currency effect of €110m.*
- Positive momentum reflecting strong growth at Lagardère Travel Retail, as well as a solid contribution from Lagardère Publishing and Lagardère Active, despite unfavourable market environments.

*Restated for IFRS 15 under the retrospective method.

GROUP RECURRING EBIT TO EBIT

(€m)

■ H1 2017* ■ H1 2018

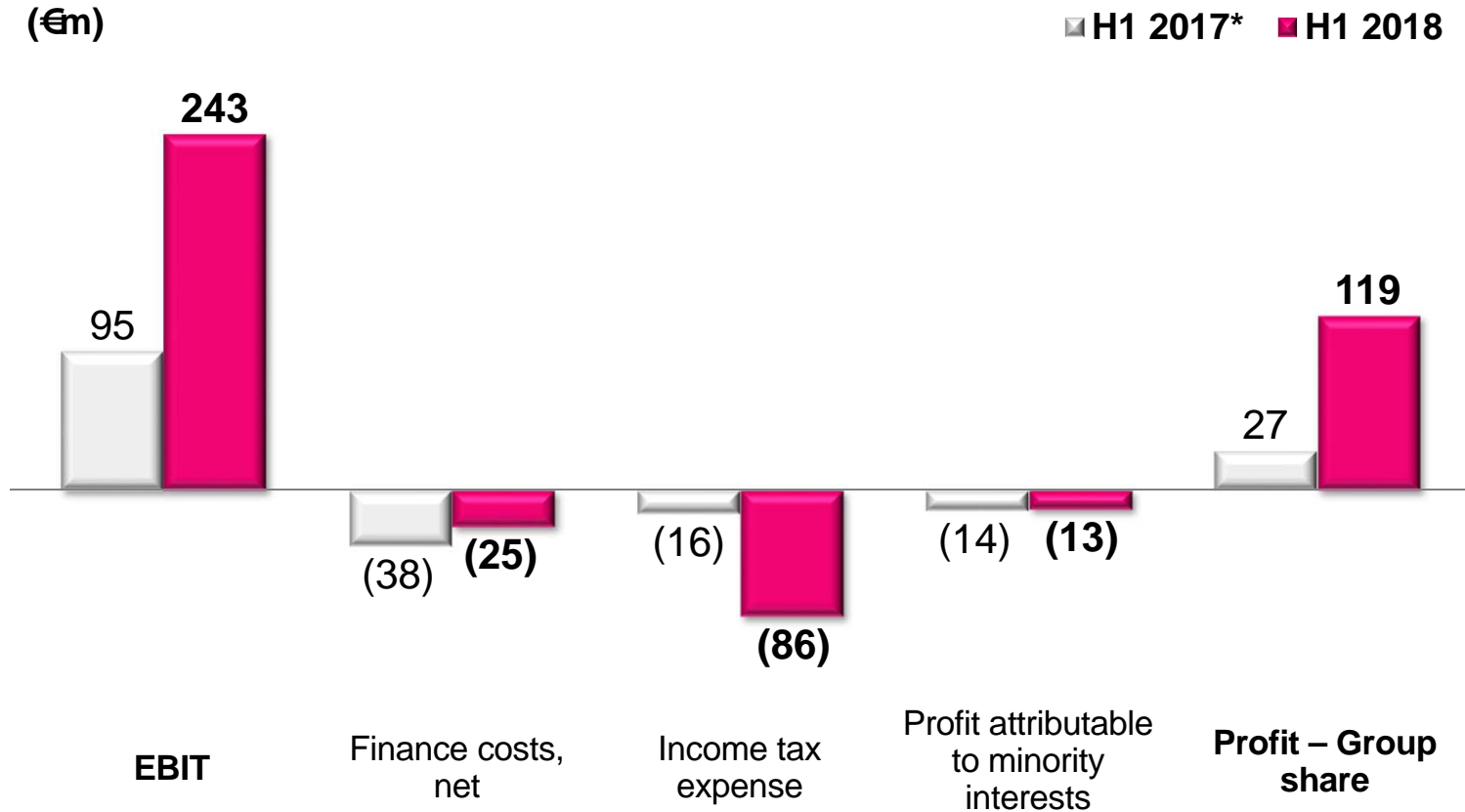


*Restated for IFRS 15 under the retrospective method.

**Before impairment losses.

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

EBIT TO PROFIT – GROUP SHARE



*Restated for IFRS 15 under the retrospective method.

ADJUSTED PROFIT – GROUP SHARE

(€m)	H1 2017*	H1 2018
Profit – Group share	27	119
Restructuring costs	+10	+45
Gains (losses) on disposals	(39)	(204)
Impairment losses on goodwill, PP&E, intangible assets and equity-accounted companies	+31	+12
Amortisation of acquisition-related intangible assets and expenses	+32	+28
Tax effects, including tax on dividends paid**	(3)	+60
Adjusted profit – Group share***	58	60

*Restated for IFRS 15 under the retrospective method.

**To facilitate comparison with H1 2018, data for H1 2017 have been restated for tax losses recognised in H1 2017 and utilised in H2 2017.

***Alternative Performance Indicator (API) – See Glossary on slides 38.

CONSOLIDATED STATEMENT OF CASH FLOWS

(€m)	H1 2017*	H1 2018
Cash flow from operations before changes in working capital	181	189
Changes in working capital	(222)	(112)
Income taxes paid	(50)	(11)
Net cash from (used in) operating activities	(91)	66
<i>Purchase of property, plant & equipment and intangible assets</i>	(125)	(119)
<i>Disposals of property, plant & equipment and intangible assets</i>	149	202
Free cash flow	(67)	149
<i>Purchase of investments</i>	(37)	(18)
<i>Disposals of investments</i>	3	23
Net cash from (used in) operating & investing activities	(101)	154
<i>Dividend paid and other</i>	(161)	(206)
<i>Interest paid</i>	(26)	(32)
Change in net debt	(288)	(85)

Up 4.4%

Substantial improvement attributable to optimisation drive at Lagardère Travel Retail and decrease in trade receivables at Lagardère Publishing

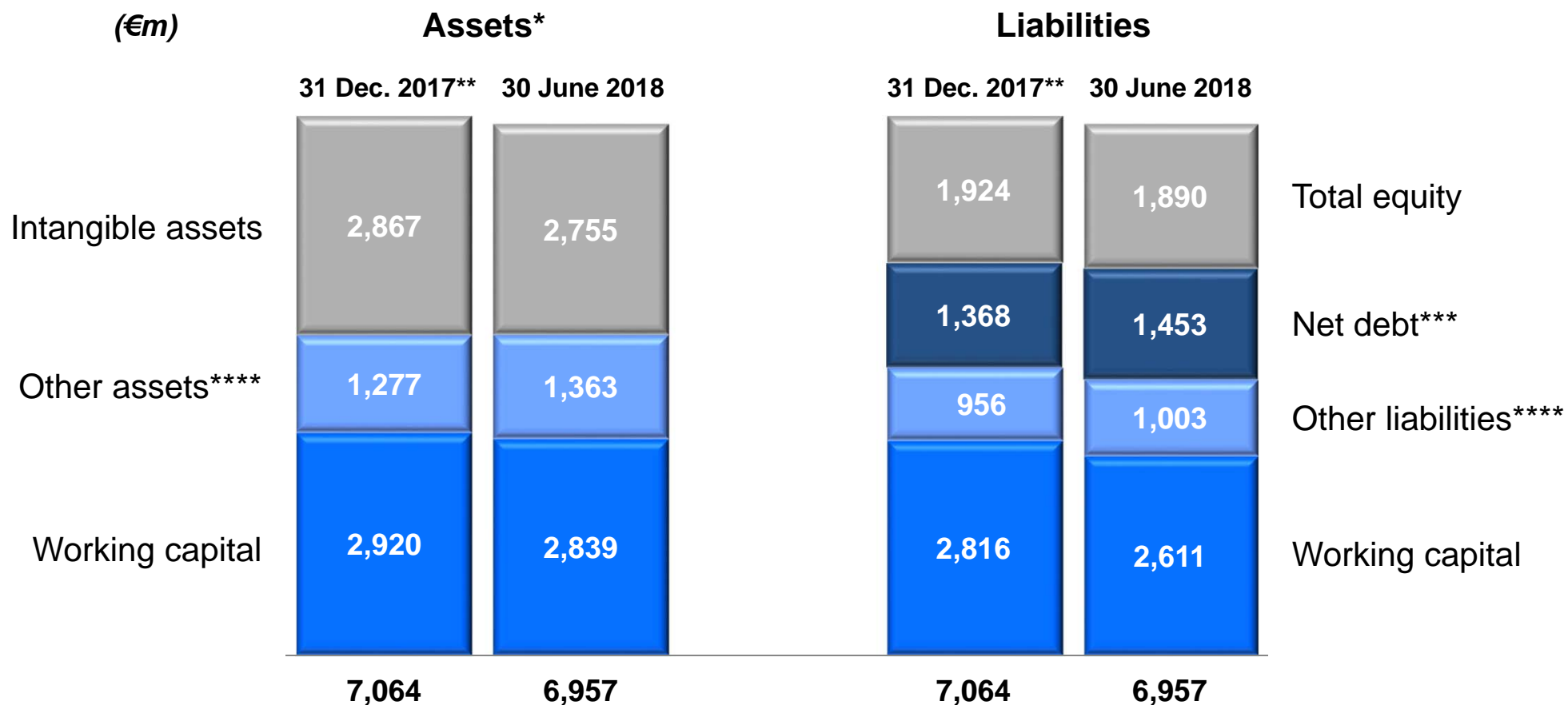
Sustained strong level of investment including growth capex at Travel Retail

Includes cash impact of real estate disposals of +€193m vs. +€143m in H1 2017**

*Restated for IFRS 15 under the retrospective method.

**Cash impact net of tax and relocation capex.

CONSOLIDATED BALANCE SHEET



*Excluding assets included in net debt.

**Restated for IFRS 15 under the retrospective method.

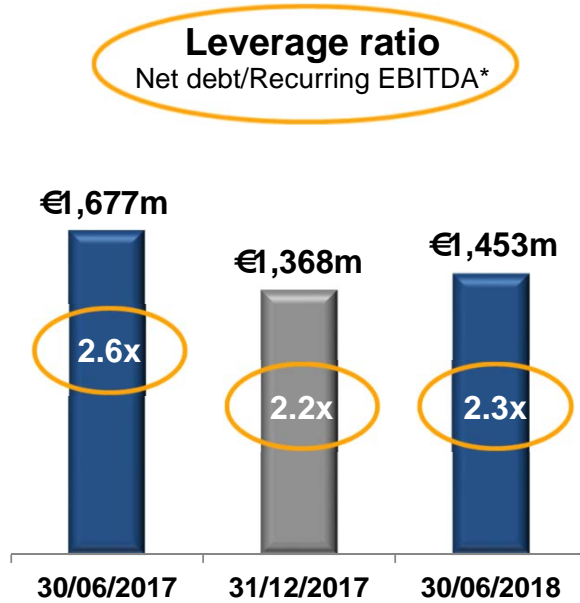
***Net of cash, cash equivalents, short-term investments and derivative instruments documented as hedges of debt.

****Including €140m of Assets held for sale (Other assets) and €28m of Liabilities related to assets held for sale (Other liabilities) at 30 June 2018.

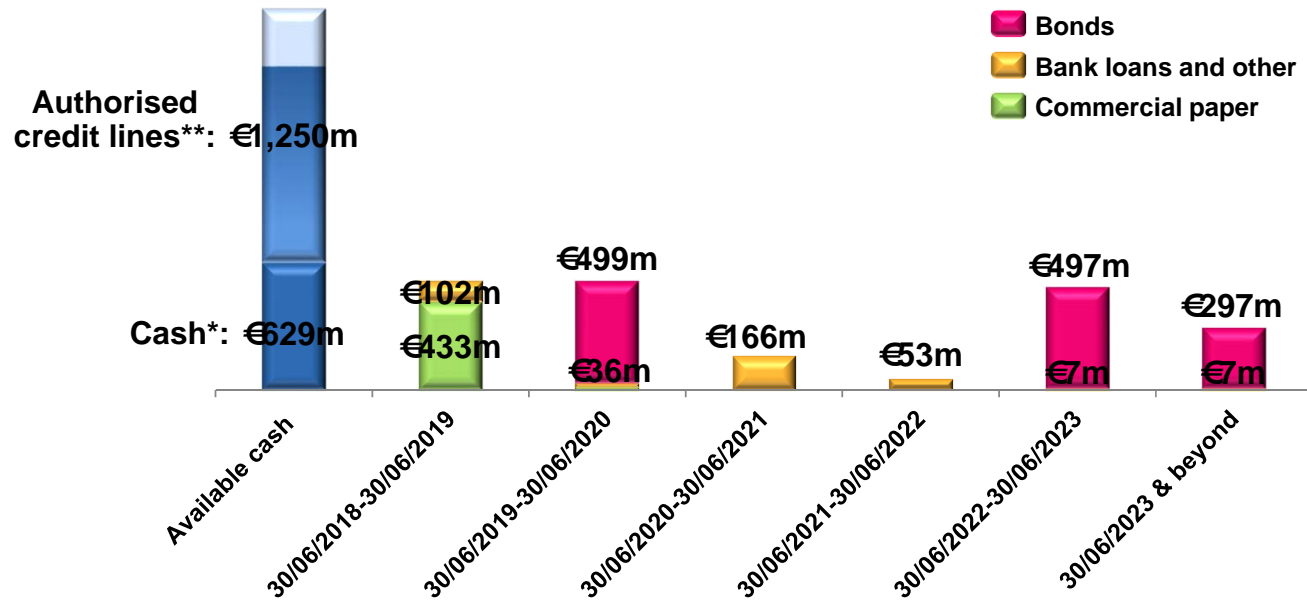
FINANCING POLICY

- Delivering a leverage ratio close to 2.3x thanks to a tight rein on debt due to favourable H1 cash flow generation.

- Strong liquidity maintained.
- Next €500m bond maturity not until September 2019.



*Alternative Performance Indicator (API) – See Glossary on slide 38.



*Short-term investments and cash.

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

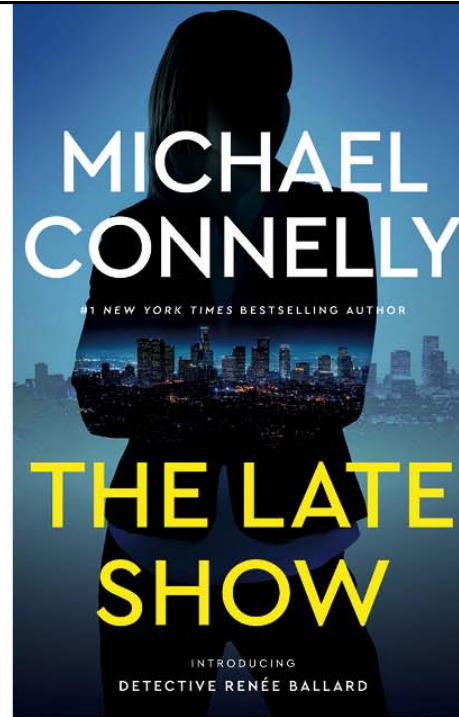
CONCLUSION

The Lagardère group is raising the 2018 recurring EBIT target announced last March.

Group recurring EBIT growth in 2018 is now expected to be between 1% and 3% versus 2017, restated for IFRS 15, at constant exchange rates and excluding the impact of disposals at Lagardère Active.

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**APPENDICES TO
CONSOLIDATED
ACCOUNTS**



First-half 2018 results
26 July 2018

CHANGES OF SCOPE: MAIN ITEMS

▪ Lagardère Active

- Acquisition of 52% of Skyhigh TV, a Dutch TV production company, in March 2018.
- Signing of Radio business disposals in the Czech Republic, Poland, Slovakia and Romania in April 2018 (closing scheduled in H2), classified as held for sale at end of June 2018.
- Disposal of the minority stake (42%) in Marie Claire group.

CONSOLIDATED INCOME STATEMENT

<i>(€m)</i>	H1 2017*	H1 2018
Revenue	3,308	3,366
Group recurring EBIT**	132	132
Income from equity-accounted companies***	1	(4)
Non-recurring/non-operating items	(38)	115
Total EBIT	95	243
Finance costs, net	(38)	(25)
Profit before tax	57	218
Income tax expense	(16)	(86)
Profit for the period	41	132
Attributable to minority interests	14	13
Profit – Group share	27	119

*Restated for IFRS 15 under the retrospective method.

**Recurring EBIT of fully consolidated companies of the four operating divisions + Other Activities.

***Before impairment losses.

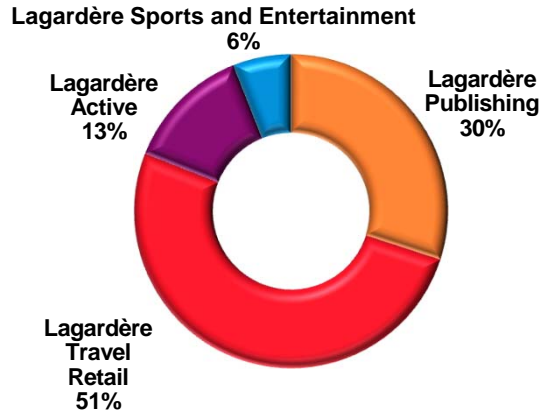
ANALYSIS OF NON-RECURRING/NON-OPERATING ITEMS IN H1 2018

<i>(€m)</i>	Lagardère Publishing	Lagardère Travel Retail	Lagardère Active	Lagardère Sports and Entertainment	Other Activities	Total H1 2018	Total H1 2017*
Group recurring EBIT	40	34	33	29	(4)	132	132
Income from equity-accounted companies		(4)				(4)	1
Restructuring costs	(6)	(1)	(37)	(1)		(45)	(10)
Gains (losses) on disposals			205			205	39
Fair value adjustment resulting from changes in control							
Impairment losses		(2)	(9)	(2)		(13)	(31)
Amortisation of acquisition-related intangible assets and expenses	(3)	(26)	(2)	(1)		(32)	(36)
EBIT	31	1	190	25	(4)	243	95

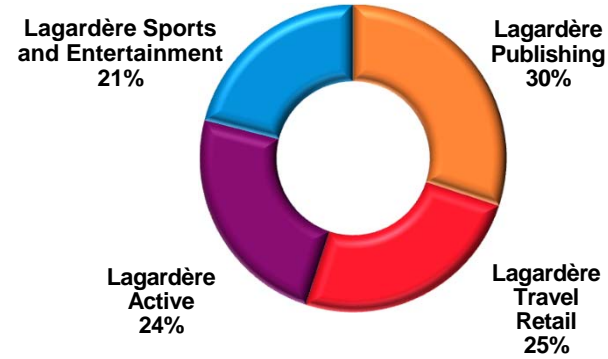
*Restated for IFRS 15 under the retrospective method.

GROUP PROFILE – H1 2018

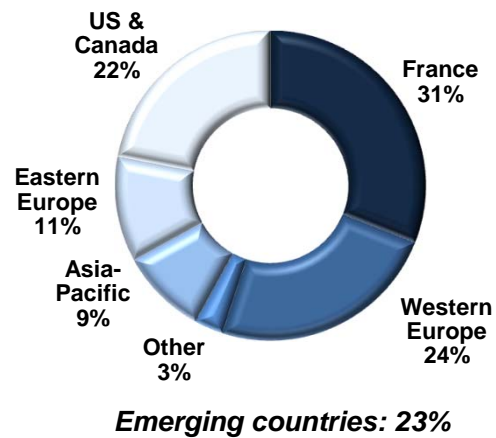
Revenue by division



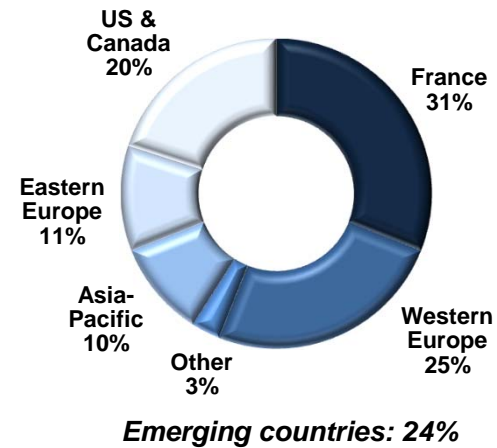
Group recurring EBIT by division



H1 2017 revenue by geographic area



H1 2018 revenue by geographic area



RECAP OF PERFORMANCE BY DIVISION – H1 2018

▪ Revenue

(€m)	H1 2018	Consolidated change	Consolidated change	Like-for-like change*
Lagardère Publishing	1,000	-€19m	-1.9%	+0.5%
Lagardère Travel Retail	1,724	+€96m	+5.9%**	+9.9%
Lagardère Active	429	+€2m	+0.5%	-1.5%
Lagardère Sports and Entertainment	213	-€21m	-8.6%	-6.4%
Total	3,366	+€58m	+1.8%	+4.4%

▪ Group recurring EBIT

(€m)	H1 2018	Consolidated change	Consolidated change	Change at constant exchange rates
Lagardère Publishing	40	-€1m	-2.9%	+2.9%
Lagardère Travel Retail	34	+€2m	+7.3%	+11.0%
Lagardère Active	33	+€1m	+1.7%	+1.8%
Lagardère Sports and Entertainment	29	-€2m	-6.6%	-1.5%
Other Activities	(4)	-	-0.1%	+1.6%
Total	132	-	-0.3%	+3.6%

*At constant scope and exchange rates.

**Of which 6.6% for Travel Retail only.

CASH FLOW STATEMENT DATA – LAGARDÈRE PUBLISHING

<i>(€m)</i>	H1 2017	H1 2018
Cash flow from operations before changes in working capital	45	48
Changes in working capital	(151)	(117)
Income taxes paid	(24)	(18)
Net cash used in operating activities	(130)	(87)
<i>Purchase of property, plant & equipment and intangible assets</i>	(21)	(21)
<i>Disposals of property, plant & equipment and intangible assets</i>	0	0
Free cash flow	(151)	(108)
<i>Purchase of investments</i>	(17)	0
<i>Disposals of investments</i>	6	2
Net cash used in operating & investing activities	(162)	(106)

CASH FLOW STATEMENT DATA – LAGARDÈRE TRAVEL RETAIL

<i>(€m)</i>	H1 2017	H1 2018
Cash flow from operations before changes in working capital	82	84
Changes in working capital	(17)	41
Income taxes paid	(14)	(7)
Net cash from operating activities	51	118
<i>Purchase of property, plant & equipment and intangible assets</i>	<i>(70)</i>	<i>(64)</i>
<i>Disposals of property, plant & equipment and intangible assets</i>	<i>1</i>	<i>2</i>
Free cash flow	(18)	56
<i>Purchase of investments</i>	<i>(10)</i>	<i>(6)</i>
<i>Disposals of investments</i>	<i>(2)</i>	<i>2</i>
Net cash from (used in) operating & investing activities	(30)	52

CASH FLOW STATEMENT DATA – LAGARDÈRE ACTIVE

<i>(€m)</i>	H1 2017	H1 2018
Cash flow from operations before changes in working capital	17	24
Changes in working capital	(20)	(27)
Income taxes paid	(16)	(17)
Net cash used in operating activities	(19)	(20)
<i>Purchase of property, plant & equipment and intangible assets</i>	<i>(4)</i>	<i>(10)</i>
<i>Disposals of property, plant & equipment and intangible assets</i>	<i>0</i>	<i>200</i>
Free cash flow	(23)	170
<i>Purchase of investments</i>	<i>(6)</i>	<i>(11)</i>
<i>Disposals of investments</i>	<i>2</i>	<i>17</i>
Net cash from (used in) operating & investing activities	(27)	176

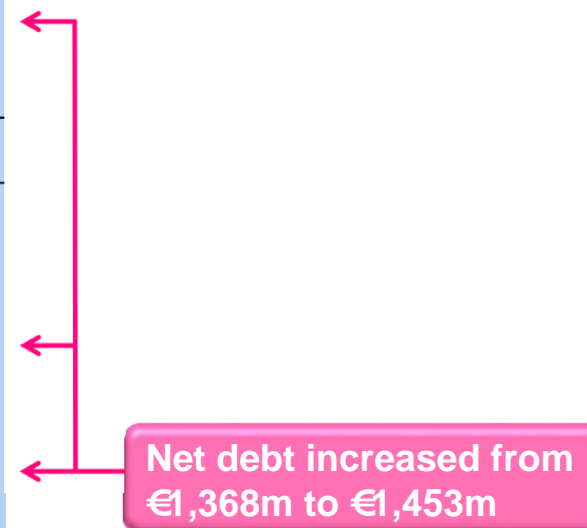
CASH FLOW STATEMENT DATA – LAGARDÈRE SPORTS AND ENTERTAINMENT

(€m)	H1 2017*	H1 2018
Cash flow from operations before changes in working capital	43	40
Changes in working capital	(31)	(7)
Income taxes paid	(2)	(1)
Net cash from operating activities	10	32
<i>Purchase of property, plant & equipment and intangible assets</i>	(29)	(23)
<i>Disposals of property, plant & equipment and intangible assets</i>	0	0
Free cash flow	(19)	9
<i>Purchase of investments</i>	(3)	0
<i>Disposals of investments</i>	(4)	1
Net cash from (used in) operating & investing activities	(26)	10

*Restated for IFRS 15 under the retrospective method.

CONSOLIDATED BALANCE SHEET

(€m)	31 Dec. 2017*	30 June 2018
Non-current assets	4,007	3,884
Investments in equity-accounted companies	123	68
Current assets	2,928	2,865
Short-term investments and cash	546	629
Assets held for sale	6	140
TOTAL ASSETS	7,610	7,586
Total equity	1,924	1,890
Non-current liabilities	737	723
Non-current debt**	1,542	1,547
Current liabilities	3,035	2,863
Current debt***	372	535
Liabilities associated with assets held for sale	0	28
TOTAL EQUITY AND LIABILITIES	7,610	7,586



*Restated for IFRS 15 under the retrospective method.

**Including €18m of long-term derivative assets at 31 December 2017 and €15m at 30 June 2018.

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

LAGARDÈRE TRAVEL RETAIL GUARANTEED MINIMUM PAYMENTS

- At 30 June 2018 entities forming part of Lagardère Travel Retail had guaranteed minimum future payments amounting to €1,952m under concession agreements. These payments break down as follows by maturity:

<i>Maturity</i> (€m)	30/06/2018	30/06/2019	30/06/2020	30/06/2021	30/06/2022	30/06/2023	2024 & beyond	Total	2017
	-	-	-	-	-	-			
	30/06/2019	30/06/2020	30/06/2021	30/06/2022	30/06/2023	30/06/2024			
Guaranteed minimum payments under concession agreements	187	326	304	276	245	222	392	1,952	1,876

LAGARDÈRE SPORTS AND ENTERTAINMENT GUARANTEED MINIMUM PAYMENTS

- At 30 June 2018 entities forming part of Lagardère Sports and Entertainment had guaranteed minimum future payments amounting to €1,025m under long-term contracts for the sale of TV and marketing rights. These payments break down as follows by maturity:

Maturity (€m)	30/06/2018	30/06/2019	30/06/2020	30/06/2021	30/06/2022	30/06/2023	2024 & beyond	Total	2017
	30/06/2019	30/06/2020	30/06/2021	30/06/2022	30/06/2023	30/06/2024			
Guaranteed minimum payments under sports rights marketing contracts	199	137	130	63	94	63	339	1,025	1,064

- At 30 June 2018 the amounts due under marketing contracts signed by these same entities with broadcasters and partners amounted to €1,555m, breaking down as follows by maturity:

Maturity (€m)	30/06/2018	30/06/2019	30/06/2020	30/06/2021	30/06/2022	30/06/2023	2024 & beyond	Total	2017
	30/06/2019	30/06/2020	30/06/2021	30/06/2022	30/06/2023	30/06/2024			
Sports rights marketing contracts signed with broadcasters and partners	564	379	181	114	84	74	159	1,555	1,550

RECURRING EBITDA – OVER 12 ROLLING MONTHS

(€m)	H1 2017*	2017*	H1 2018
Group recurring EBIT**	426	399	399
<i>Depreciation & amortisation of intangible assets and property, plant and equipment</i>	+222	+217	+219
<i>Dividends received from equity-accounted companies</i>	+5	+6	+2
Recurring EBITDA**	653	622	620

*Restated for IFRS 15 under the retrospective method.

**Alternative Performance Indicator (API) – See Glossary on slides 37/38.

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 2018 revenue to exclude companies consolidated for the first time during the period, and H1 2017 revenue to exclude companies divested in H1 2018;
- H1 2018 and H1 2017 revenue based on H1 2017 exchange rates.

(See reconciliation in note 4 to the consolidated financial statements for the six months ended 30 June 2018)

▪ **Recurring EBIT (Group recurring EBIT). The Group's main performance indicator is recurring operating profit of fully consolidated companies, 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 2018)

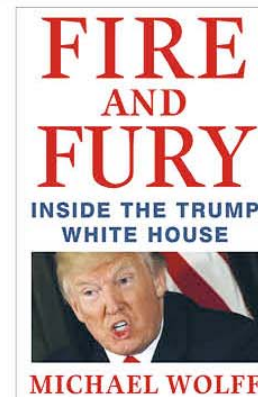
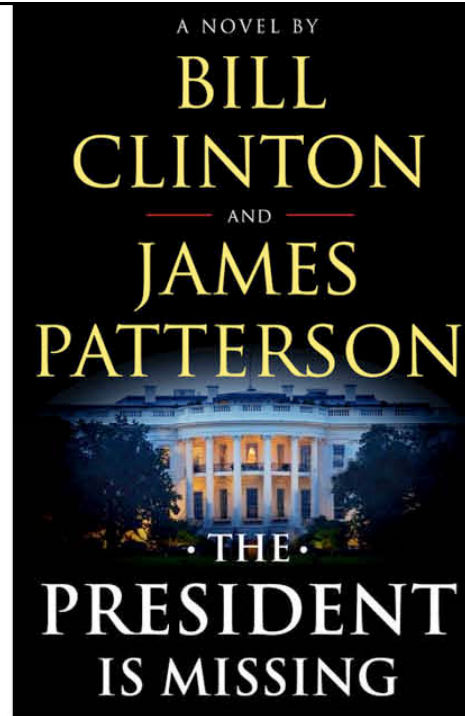
GLOSSARY (2/2)

- **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 (Covenant Ratio defined in the syndicated credit facility).
(See slide 36 for reconciliation with Recurring EBIT of fully consolidated companies)
- **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.
 - Non-recurring changes in deferred taxes.
(See slide 18 for reconciliation with Profit – Group share)
- **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 2018)
- **Net debt** is calculated as the sum of the following items: Short-term investments and cash and cash equivalents, Financial instruments designated 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 2018)



SIGNIFICANT EVENTS

First-half 2018 results
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BACKGROUND AND OVERALL PERFORMANCE

- **Worldwide revenue down -1.9% vs. H1 2017, up +0.45% like-for-like, as expected.**
 - Organic growth and €17.8m contribution of 2017 and 2018 acquisitions offset by -€41.8m negative forex effect (especially US\$ vs. €).
 - Recurring EBIT +€40m down by €1m vs. H1 2017.
 - Soft H2 expected due to French and Spanish education divisions being hampered by lack of curriculum changes, and to strong performance in trade in H2 2017 (Asterix, Dan Brown).
 - Reminder: due to seasonality, the bulk of profits is generated in H2.

FRANCE

- **France ahead of H1 2017 (+2.5%).**
 - Major success of *La Jeune fille et la nuit* by Guillaume Musso.
 - Le Livre de Poche reclaims its #1 rank in paperback mass market.
 - Distribution up with healthy contribution of third-party publishers.
 - H2 expected to be soft as result of lack of curriculum reform and 2017 Asterix / Dan Brown effect.

INTERNATIONAL MARKETS

- **Hachette UK down -2.5% vs. H1 2017 like-for-like, with acquisitions more than compensating drop.**
 - Outstanding performance of *Fire and Fury* by Michael Wolff in UK and Commonwealth.
 - Solid H2 expected due to release of a new book by J.K. Rowling.

- **Solid performance (+1.4%) of Hachette Book Group.**
 - Impressive rollout of *The President is Missing* by Bill Clinton and James Patterson in May.
 - Substantial contribution of Perseus and Hachette Audio to overall growth.
 - EBIT ahead of H1 2017.
 - *Less* by Andrew Sean Greer, wins Pulitzer Prize for fiction.

- **Spain and Latin America down -5.1% because of delayed start of educational season. Expected to stay flat in H2 owing to lack of curriculum changes.**

- **Hachette Collections up +2.7%, rises to #1 in partworks market worldwide.**

DIGITAL

- **e-Books accounting for 8.4% of overall worldwide revenue for the division.**
 - Continued growth of downloadable audio offsets decline of e-Books (-8.6% in the US) for the division.
- **Hachette Innovation Program, based in Silicon Valley, now fully operational with teams in New York, Madrid, London and Paris dedicated to detecting innovative trends and inventions.**

Lagardère
TRAVEL RETAIL

**SIGNIFICANT
EVENTS**



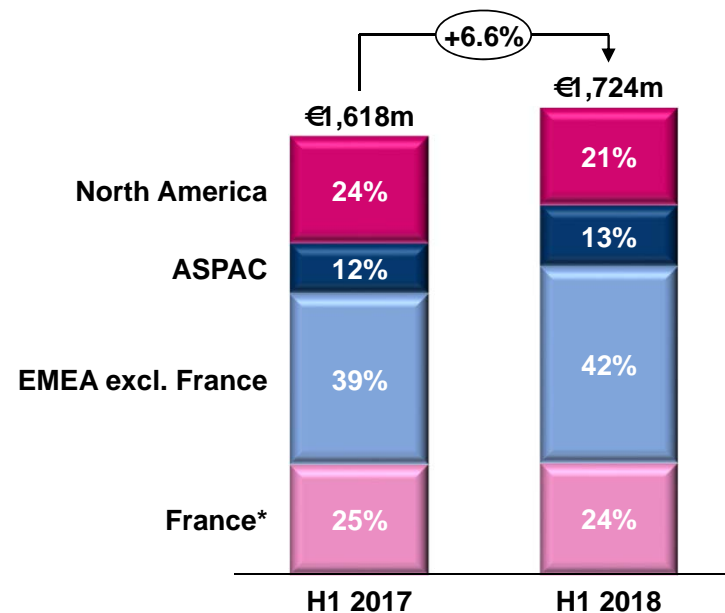
First-half 2018 results
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BACKGROUND AND OVERALL PERFORMANCE

- **Solid like-for-like revenue growth (up 9.9%)** driven by a combination of traffic growth, new contract wins and success of new concepts & commercial initiatives, despite strikes on French railways and airlines.
- **Favourable impacts of the new concessions in Dakar (Senegal), Geneva (Switzerland) and Hong Kong.**
- **Positive dynamic in terms of business development:**
 - North America: opening of several stores at Austin, Charlotte, San Francisco and Philadelphia;
 - Italy: new concession wins in Rome, Trieste, Brindisi and Bari;
 - Spain: new concession win in Malaga;
 - The Netherlands: opening of new souvenir shops in Schiphol;
 - China: very strong network development notably in Shanghai and Wuhan;
 - Pacific: opening of new concession in Perth and renovated shops in Auckland.
- **Buoyant traffic growth driven mainly by low cost carriers.**
- **Negative impacts of foreign exchanges.**

KEY ACTIVITIES

IFRS consolidated revenue H1 2017-2018, in €m at current rates, Travel Retail only



- At constant scope and exchange rates, **traffic increase** combined with **network development**, **concept modernisation** and **successful commercial initiatives**, generated sustained growth in Travel Retail revenue, up 9.9% like-for-like and up 6.6% on a consolidated basis. The difference can be explained by (i) the impact of deconsolidating the Los Angeles shops now accounted for under the equity method in the joint venture with a local partner, and (ii) a challenging FX effect on currencies against euro.
- The **growth in passenger traffic**** (up 6.8%) remains solid. Strong growth in **Europe** (up 8.8%) with the development of the low cost carriers, in particular in Central Europe, **North America** (up 4.0%) and **Asia-Pacific** (up 7.8%).

*France includes Duty Free Global activity. / **Source: Lagardère Travel Retail internal data and ACI data 12 rolling months up to March 2018.

FRANCE REVENUE @100%: +2.6% (+6.1% EXCLUDING STRIKES AND PARIS AIRPORT CONSTRUCTIONS)

▪ **Travel Essentials**

- 100% revenue down **0.5%** (**+4.7% excluding railways and Air France strikes**):
 - due to unfavourable impact of 36 days of strikes in France during April, May and June as well as closures in RATP network and highways offset by strong performances of Relay shops in Paris airports and Marks & Spencer network.

▪ **Foodservice**

- 100% revenue up **10.3%**:
 - strong growth of the comparable network and new concessions in Nice T2, Lille Flandres, Châtelet commute, Montpellier and Lyon hospitals.

▪ **Duty Free & Fashion**

- 100% revenue up **3.1%** (**+6.0% excluding Air France strikes and Paris airport construction disruption**):
 - positive traffic trend in Paris (+3.0%) despite Air France strikes;
 - dynamic regional platforms with opening in Nice T2 (April 2017) and roll-out of new concepts in La Réunion and Lyon (September and October 2017).

EMEA

▪ Italy

- Strong revenue growth driven by the good performances of (i) Duty Free & Fashion mainly thanks to Palermo, Treviso and Bari notwithstanding heavy works at Venice airport for the opening of the new walkthrough; (ii) Foodservice with the expected withdrawal from a number of mall locations that was more than offset by the strong performances of the airport network; (iii) Travel Essentials, mainly explained by the success of the new Relay stores in Palermo, Treviso and Rome.

▪ Poland

- Strong growth in all business lines fuelled by new regional platform developments (Krakow, Gdansk, etc.) along with strong traffic in all Polish airports.

▪ Czech Republic

- Revenue up with strong performances in (i) Foodservice mainly driven by strong revenue growth from Paul & Costa concepts as well as Prague airport restaurants; (ii) Travel Essentials driven by like-for-like airports and station long haul networks as well as the integration of the recently acquired Citi Tabak stores in metro stations. Duty free sales evolution remains positive, thanks to opening of the new walkthrough store, despite the decline in like-for-like sales per passenger (FX impact).

- **Other EMEA countries also posted strong revenue growth globally**, benefitting from the Geneva Duty Free contract win and the opening of Senegal in Q4 2017.

NORTH AMERICA, ASIA AND PACIFIC

▪ **North America**

- Revenue grew thanks to:
 - resilient traffic growth and strong like-for-like performance;
 - new contract wins (San Francisco) and network development.
- Short term negative network impact to be offset by upcoming new openings (San Francisco).

▪ **Asia**

- Revenue growth was driven by:
 - **Hong Kong** airport, with the strong performance of the supply activity of liquor & tobacco Duty Free operations in partnership with China Duty Free Group;
 - **Singapore**, thanks to new Fashion stores and Souvenirs business;
 - **China**, very dynamic thanks to the good performance from Fashion stores at Shenzhen and the success of the new developments in Fashion and Foodservice (Shanghai and Wuhan).

▪ **Pacific**

- New Zealand revenue up driven by Auckland following the renovation of the Duty Free shops;
- Australia revenue up thanks to new concessions in Cairns, Perth and the modernisation of the Gold Coast stores.

Lagardère
ACTIVE

SIGNIFICANT EVENTS



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STRATEGIC REFOCUSING AND REORGANISATION

▪ Reorganisation into five autonomous business units.

- Announcement on 20 March 2018 of a planned reorganisation aiming at creating five autonomous business units (Lagardère Studios, News, Press, Television, Pure players and B2B) with dedicated operational and functional teams.
- These business units will be able to seize the best development opportunities available.
- Following the clearance given by Lagardère Active's employee representative bodies for the reorganisation at the end of June 2018, the implementation of the new business units has started.

▪ As part of the strategic refocusing plan, three transactions have been announced.

- **The sale of the Radio businesses in the Czech Republic, Poland, Slovakia and Romania to Czech Media Invest** was announced on 17 April 2018, for a selling price of €73 million. The closing of the transaction is mainly subject to clearance from the local regulatory authorities in the countries concerned.
- **Exclusive negotiations with Czech Media Invest for the sale of magazine titles announced on 18 April 2018.**
 - Exclusive negotiations with Czech Media Invest for the sale of French magazine titles (*Elle* and its various extensions, including the online presence of *Elle France*, *Version Femina*, *Art & Décoration*, *Télé 7 Jours* and its various extensions, *France Dimanche*, *Ici Paris* and *Public*). The News unit (including Europe 1, *Paris Match*, and *Le Journal du Dimanche*), as well as the *Elle* brand together with all of its international licenses, are outside the scope of this transaction.
- **Lagardère announced on 12 July 2018 that it was preparing to sell its e-Health business at an enterprise value of €60 million (based on a 100% equity interest).**
 - MonDocteur, the online medical appointment platform, was sold to Doctolib, which thereby consolidated its position as the leading e-Health business in Europe.
 - Doctissimo, a leader in health and wellness information, is subject to exclusive negotiations with the TF1 group aimed at concluding an agreement by 30 September 2018. In accordance with the law, this agreement will be submitted for review by the relevant employee-representative bodies.

▪ Real estate

- The final deed of sale of the property located at rue François 1^{er} in central Paris was signed on 23 May 2018 for a sale price of €253 million.

MAGAZINE PUBLISHING

- **Global audiences*** for our most powerful brands exceed 10 million readers (i.e., on all devices: print, computer, smartphones and tablets): *Paris Match* (15.3 million), *Télé 7 Jours* (12.8 million), *Elle* (10.5 million).
- **In a depressed print advertising market (-10.0%)****, our main titles outperformed their markets. *Elle* remained the leader in high-end women's Magazines with 30%*** market share, high above its main competitors. Flagship publications (*Version Femina*, *Elle à Table*, *Télé 7 Jours*) are leaders on their competitive segments. *Paris Match* saw an 1.3 pt*** increase of its market share boosted by particularly attractive news output during the year. Lagardère Active's Ad sales have registered a decrease of -6.7%.
- **In a declining market (-5.0% for the newsstand)******, circulation revenue dipped by -1.2%. The subscription revenue trend partially offset the newsstand decline as well as the increase in the selling price of some of our magazines. The digital newsstands continue to be a good opportunity for our magazines.
- **Digital revenues are still growing:** *Public****** is the leader in women's mobile apps by audience. *Elle****** is the first high-end digital women's brand.
- **Licensing:**
 - success of the 1st edition of the Elle International Fashion and Luxury Management Program with MIT University, designed to provide participants with exclusive insight and a global perspective of the fashion and luxury industry;
 - launch of Elle website in Argentina;
 - development of international events and strategic projects (Elle Women in Green, Elle Deco International Design Awards, Elle Bridal Awards, Elle Active Japan...).

*ACPM One Global 2018 T1.

**IREP 1st quarter 2018 vs. 1st quarter 2017; Magazine Publishing.

***Kantar Media; January-May 2018; total pages except inserts, except various advertisements and infomedia.

****Presstalis data as of 31/05/2018 (magazine's market in sales value).

*****Médiamétrie - NetRatings Internet Global; March 2018.

RADIO IN FRANCE

▪ **Europe 1**

- Audience suffered during 1st half 2018.
- New management team appointed in May 2018.

▪ **Music radio in France**

- Solid position:
 - Virgin Radio now reaches 2,464,000 listeners and a cumulative audience of 4.5%*;
 - RFM now reaches 2,242,000 listeners and achieves 3.3%* audience share.

TELEVISION ACTIVITIES

■ TV channels

- Gulli remains the **leader in terms of audiences*** on the **4/10-year old target on the French television market**, ahead of TF1 and France 4 and recorded its best-ever audience share in March with 20.1%**.
- Lagardère Active's TV hub is the #1 kids group in France including Gulli but also Canal J and TiJi***.

■ TV production and distribution: Lagardère Studios

- With the acquisition of the Dutch company Skyhigh TV in March 2018, Lagardère Studios extended its business footprint to a fourth European country after France, Spain and Finland. Skyhigh TV is an independent company producing non-scripted and factual entertainment in The Netherlands.
- In France, **Lagardère Studios** remains **no. 1 producer of scripted content and no. 2 of non-scripted programs******:
 - renewal for another season of Réservoir Prod's daily show for France 2: *Ça commence aujourd'hui*;
 - beginning of shooting by Atlantique Productions of two binational co-productions with Spain and Germany;
 - first production by Imagissime of a documentary series for Netflix about the Gregory murder case;
 - excellent ratings for the *Tandem* series, produced by DEMD for France 3, and for *Clem*, produced by Merlin for TF1. New seasons commissioned;
 - *Ad Vitam*, a series for Arte produced by Kelija, won the Best French Series award at the Series Mania Festival.
- In Spain, **Boomerang TV** delivered a new prime time series for TVE titled *La Otra Mirada*. A second prime time series will be delivered in H2 to Antena 3 titled *Presunto Culpable*.
- In Finland, Aito Media had its first scripted program commissioned.

*Médiamétrie measure; national Médiamat measure; consolidated audience from 6 am to 8 pm and from 3 am to 27 pm; 2018 Youth Barometer.

**Médiamétrie measure, national Médiamat measure; consolidated audience 4/10 y.o. from 6 am to 8 pm; 2018 Youth Barometer.

***Médiamétrie - Médiamat Thématik; consolidated audience 4/10 y.o. from 3 am to 27 pm – from 1/1/2018 until 03/06/2018.

*****Écran Total*; 2017 fiction production ranking and 2017 flow producer ranking.

DIGITAL PURE PLAYERS

- Main developments of the **digital health segment** over the 1st half:
 - **Doctissimo.fr remains the leading e-health and wellbeing website with more than 11 million unique visitors (Uvs)*.**
 - Doctissimo launched “Gethealthy”, a media platform dedicated to wellbeing, 100% social with the collaboration of renowned influencers, featuring content regarding nutrition, well-being, sports, etc.
 - AnimalBox, a subscription service that sends users monthly boxes acquired in 2017 by Doctissimo, continued on its growth path, and was renamed “LabelBox” to reflect its expansion in new areas (lifestyle, pregnancy, diet, etc.).
 - **MonDocteur.fr:** one of the leading French online booking websites for medical consultations is expanding at a fast pace, with more than 2.5 million monthly appointments, and reached 4.2 million monthly visits*. The subscriber base (health care professionals and institutions) increased by 30%* over the first half. Launch of the MDHospis offering, targeting hospitals and other medical institutions.
 - **Doctipharma.fr:** a software publisher and service provider enabling French pharmacies to sell their products online and increase their digital presence continued its growth over the 1st half.
- **BilletReduc.com**, leader in France for online booking at cut prices, is growing both on the website and on the app launched in 2016.
- **Newsweb**, first French editorial agency on financial and sports information, is developing its portfolio through a monetisation activity for third-party websites (Moneytag).

Lagardère

SPORTS AND
ENTERTAINMENT

SIGNIFICANT EVENTS



First-half 2018 results
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BUSINESS UNITS (1/2)

▪ **Football**

• **Europe**

- Successful collaboration between Borussia Dortmund and Lagardère Sports extended until 30 June 2026.
- Hospitality marketing cooperation agreement extended between German Football Federation (DFB) and Lagardère Sports until the end of 2020.
- Virtual advertising solution joined offer approved by the German Football League (DFL). Lagardère Sports' innovative virtual advertising technology was awarded the first prize in the category "Sports Tech of the Year – for Sport and in Sport" at the Sport Business Award 2018 in London.
- Multiyear management and commercial representation agreement outside Poland with football star Robert Lewandowski, extending the 15-year partnership with this athlete.
- Extension of marketing partnership between FC Augsburg and Lagardère Sports until 30 June 2024.

• **Africa**

- Successful delivery of the Total African Nations Championship 2018 in Morocco.

▪ **Olympic sports and major events**

- Successful delivery of the Gold Coast 2018 Commonwealth Games providing a number of services including sponsorship, hospitality and broadcast rights sales, sponsor servicing and outfitting the Australian Commonwealth Games team.

▪ **Handball**

- Extension for four years to 2024 of the current partnership between German Handball Federation (DHB) and Lagardère Sports.

BUSINESS UNITS (2/2)

▪ **e-Sports**

- Appointment of Lagardère Sports as the commercial sales representative for e-Sports organisation Team Flash, whose Singapore FIFA team recently clinched Singapore's first ever e-Sports gold medal to qualify for the FIFA eWorld Cup in June.
- A partnership facilitated by Lagardère Sports and Build a Rocket GmbH sees SAP become the official sponsor and innovation partner of Team Liquid, one of the biggest and most successful e-Sports companies across the globe.

▪ **Consulting and Digital**

- Appointment of Lagardère Plus by Orange as its global sponsorship agency covering Europe, Africa and the Middle East.
- Variety of activities (roadshow, social media content campaign, activation of a global conference event and management of commercial display areas) delivered for world-leading consumer electronics and home appliances company Hisense around its sponsorship of the 2018 FIFA World Cup™ that will bring fans closer to the action in Russia.

▪ **Live Entertainment**

- Opening of Bordeaux Métropole Arena in January 2018.