Lagardère

FULL-YEAR 2017 RESULTS

8 March 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 measure, 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.

No representation or warranty, express or implied, is made as to, and no reliance should be placed upon, the fairness, accuracy, completeness or correctness of such forward-looking statements and Lagardère SCA, as well as its affiliates, directors, advisors, employees and representatives accept no responsibility in this respect.

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

HIGHLIGHTS

Full-year 2017 results
8 March 2018

HIGHLIGHTS

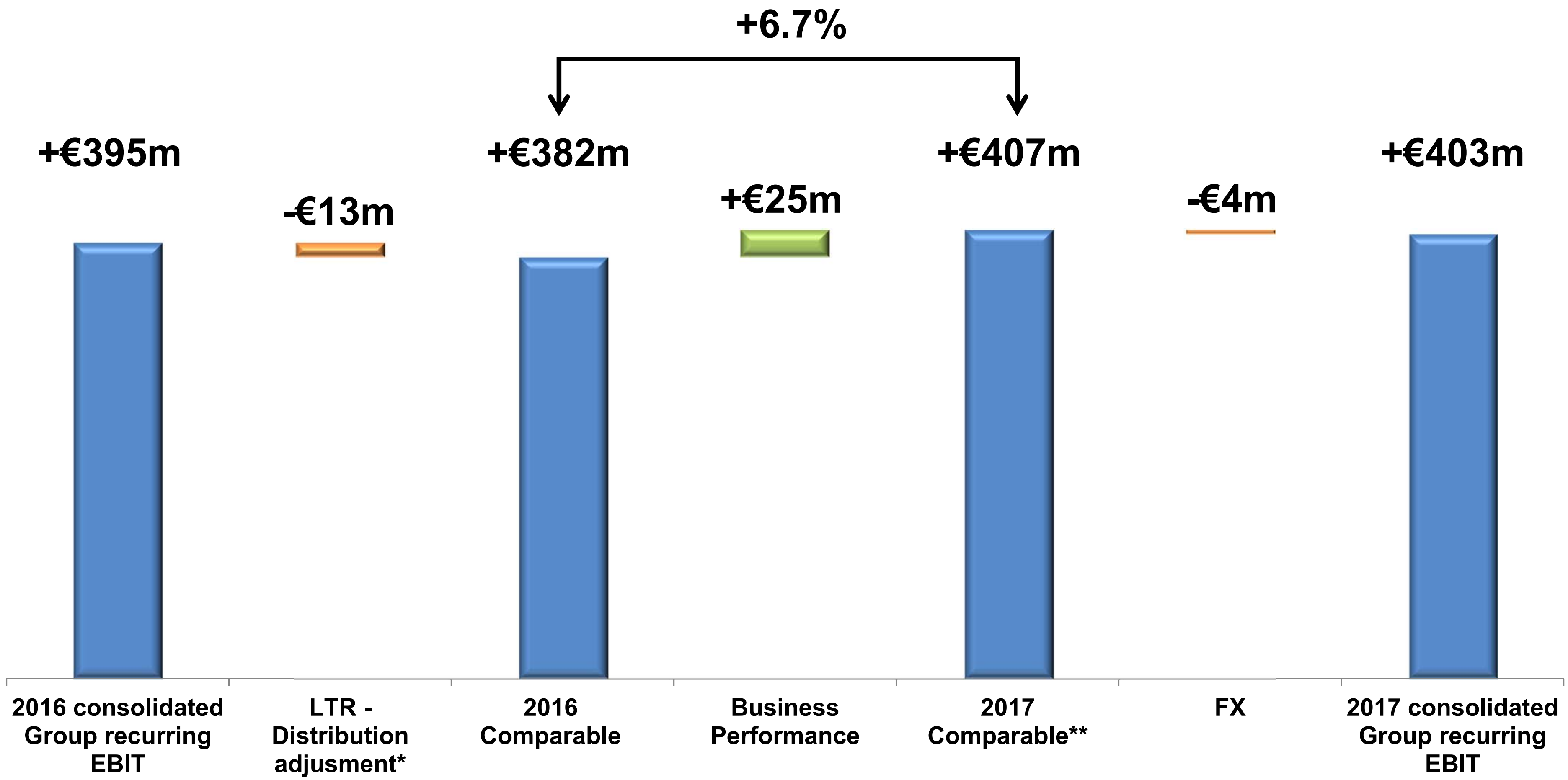
- *Very strong organic growth momentum in Travel Retail*
- *Solid performance from Publishing*
- *Improved Group recurring EBIT and operating margin*

(€m)	2016	2017	
Revenue	7,391	7,069	-4.4% consolidated +4.0% like-for-like*
Group recurring EBIT*	395	403	+€8m
*Group operating margin**	*5.3%*	*5.7%*	+0.4pts
Profit – Group share	175	179	
Adjusted profit – Group share*	238	217	
Free cash flow*/**	464	283	
Net debt* at end of year	(1,389)	(1,368)	
Earnings per share (in €)	1.36	1.38	
Ordinary dividend per share (in €)	1.30	1.30***	

*Alternative Performance Measure (APM) – See Glossary on slides 41/42.
**Including positive impacts of €48m and €66m respectively in 2016 and 2017 attributable to interest paid/received following a change in presentation of the consolidated statement of cash flows (see note 1.1 to the consolidated financial statements for the six months ended 30 June 2017).
***Ordinary dividend that will be recommended at the General Meeting of Shareholders on 3 May 2018.

Full-year 2017 results / 8 March 2018

GROUP RECURRING EBIT



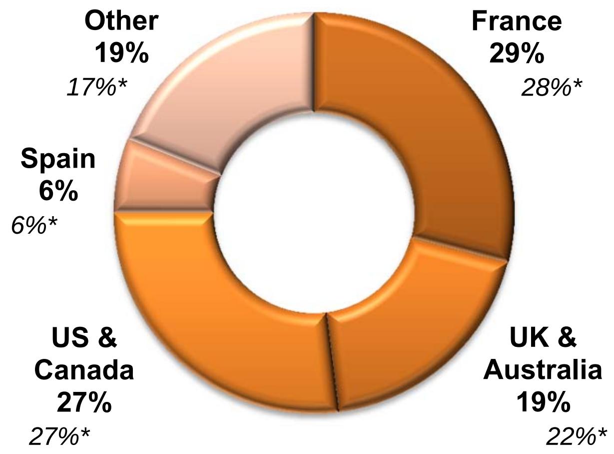
*Impact of the disposal of Distribution activities (Belgium, Hungary, Spain and Canada).
**Calculated using 2016 exchanges rates.

PERFORMANCE BY DIVISION

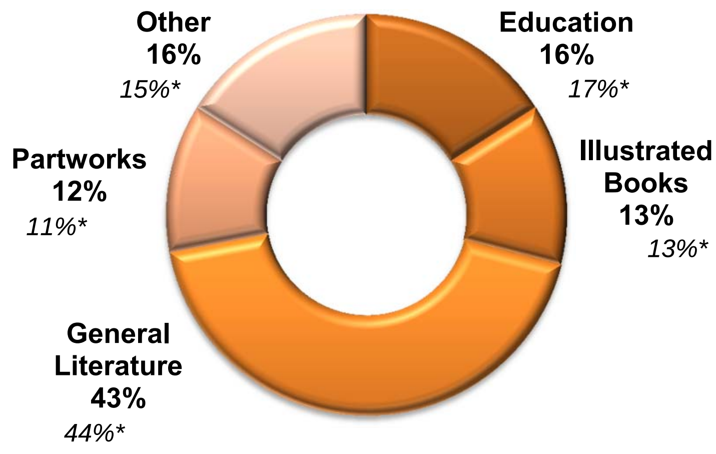
Full-year 2017 results
8 March 2018

LAGARDÈRE PUBLISHING: ACTIVITY

2017 revenue by geographic area



2017 revenue by activity



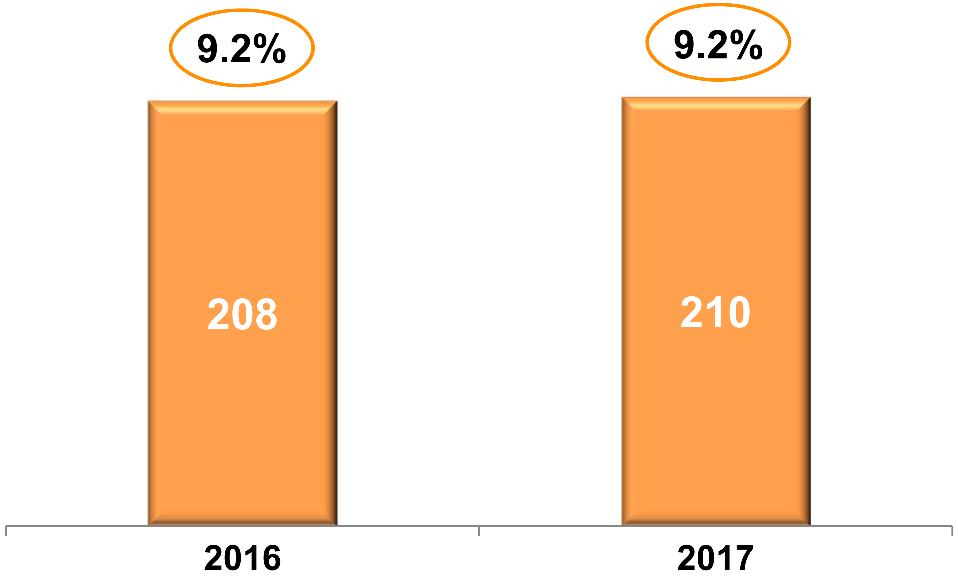
€2,289m (up 1.1% on a consolidated basis and up 1.9% like-for-like).

- *Negative currency impact of €50m partially offset by a positive scope effect of €33m.*
- Revenue was up, buoyed mainly by a good performance from Partworks and by gains in France, in particular in General Literature and Education amid curricular reform.

*% of revenue in 2016.

LAGARDÈRE PUBLISHING: PROFITABILITY

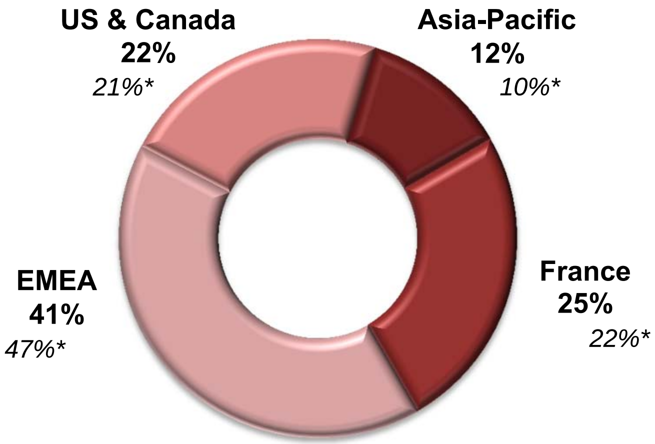
Change in recurring EBIT (€m) and operating margin (%)



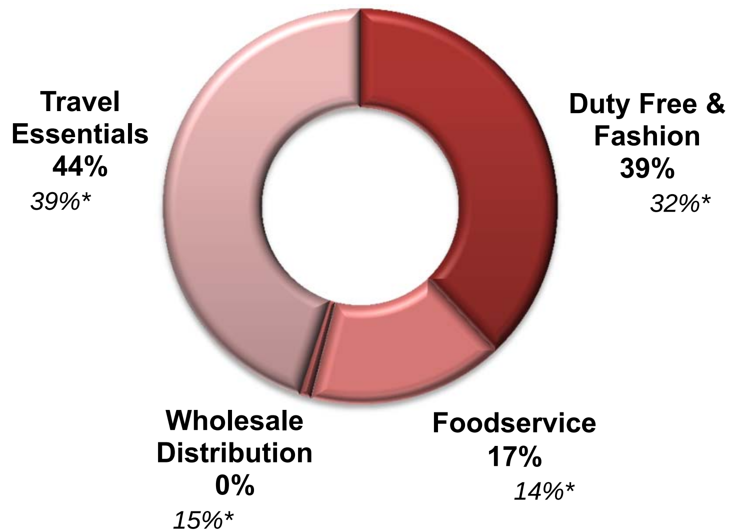
- **Profitability stable.**
  - Strong performance in the United States underpinned by successful releases and continued profitability gains.
  - Partworks profitability impacted by a richer launch programme, especially in Japan.
  - Unfavourable comparison basis in the United Kingdom (successes of *Harry Potter* and *Fantastic Beasts* in 2016).

LAGARDÈRE TRAVEL RETAIL: ACTIVITY

2017 revenue by geographic area



2017 revenue by activity



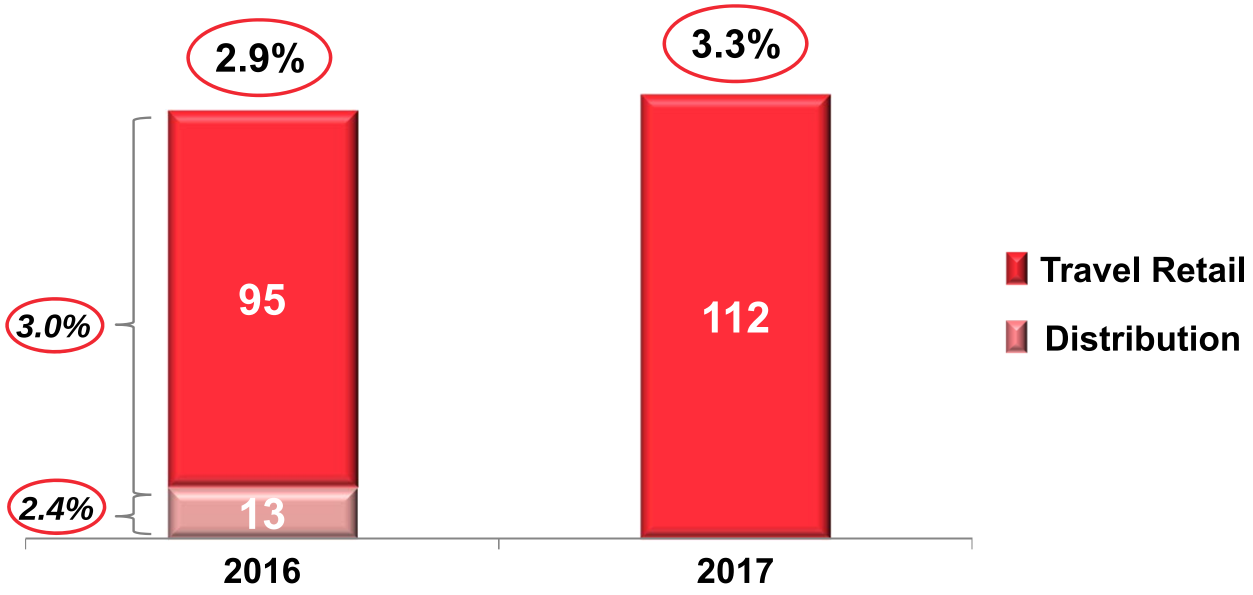
€3,412m (down 7.7% on a consolidated basis and up 9.1% like-for-like).

- *Negative currency effect of €9m. Negative scope effect of €556m, mainly due to the disposal of Distribution activities (Belgium, Hungary, Spain and Canada) completed in February 2017.*
- Very solid organic revenue growth in 2017, propelled especially by network expansion and modernisation as well as good business momentum.

*% of revenue in 2016.

LAGARDÈRE TRAVEL RETAIL: PROFITABILITY

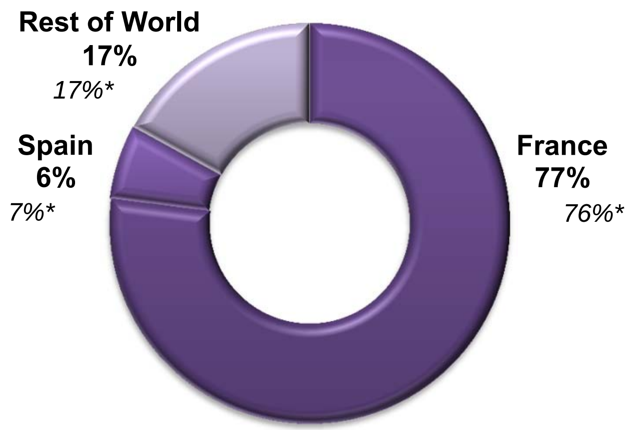
Change in recurring EBIT (€m) and operating margin (%)



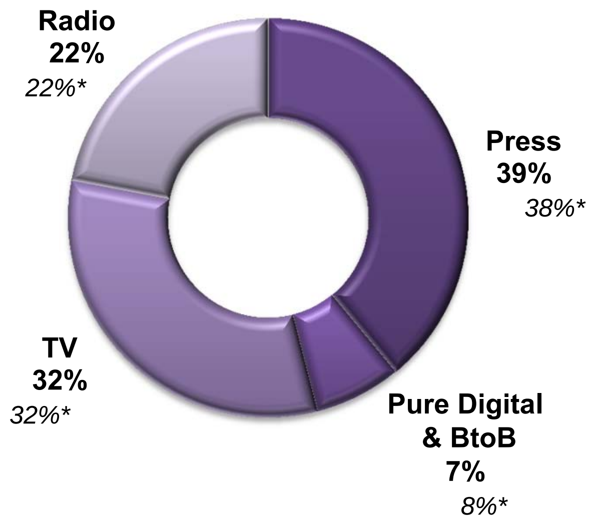
- **Travel Retail profitability up by 0.3 percentage points.**
  - Travel Retail recurring EBIT up by €17 million (up 18%), buoyed mainly by organic growth in Europe.
  - North America lifted by business integration synergies and growth, despite impact of the hurricane season and unfavourable calendar effect.

LAGARDÈRE ACTIVE: ACTIVITY

2017 revenue by geographic area



2017 revenue by activity



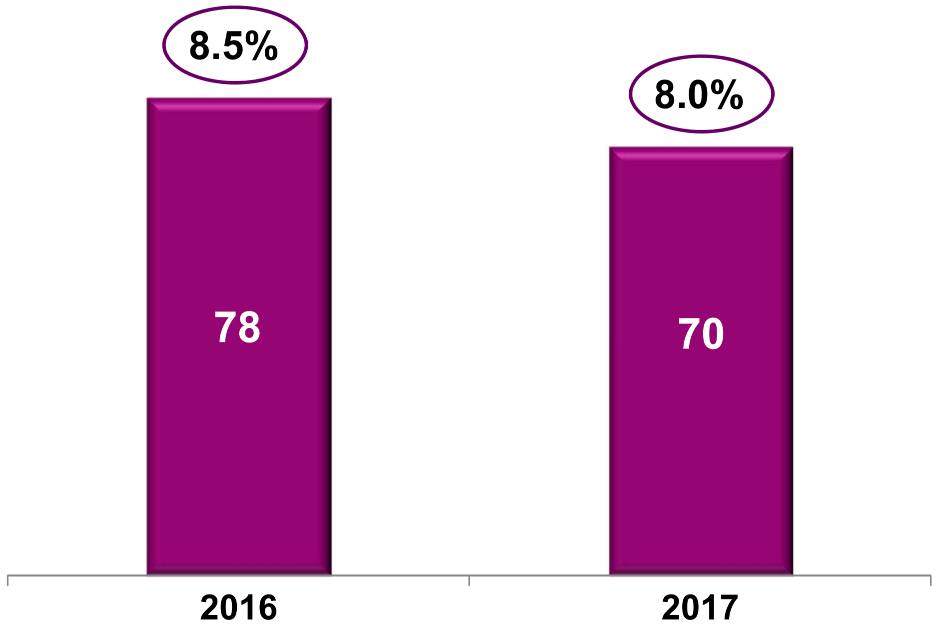
€872m (down 4.7% on a consolidated basis and down 4.1% like-for-like).

- *Positive currency effect of €2m. Negative scope effect of €8m.*
- Downturn in business mainly attributable to the fall in audience figures at Europe 1 radio station and decline at Lagardère Studios with the absence of deliveries of prime time series in Spain.
- Drop contained for Magazine Publishing with fall in advertising revenues partially offset by stable year-on-year circulation.

*% of revenue in 2016.

LAGARDÈRE ACTIVE: PROFITABILITY

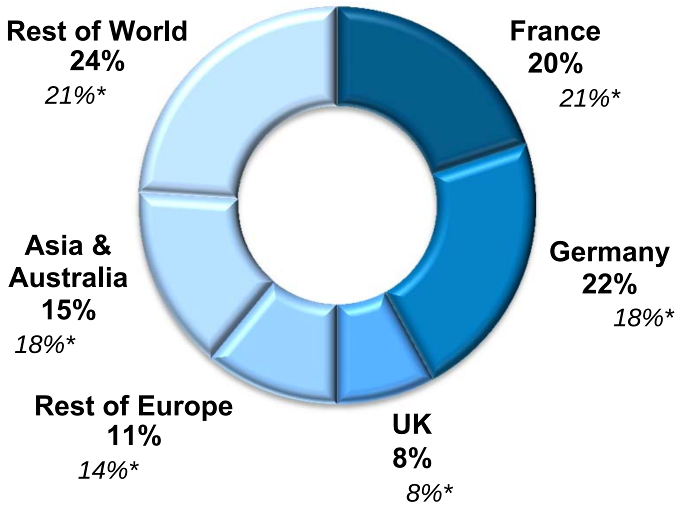
Change in recurring EBIT (€m) and operating margin (%)



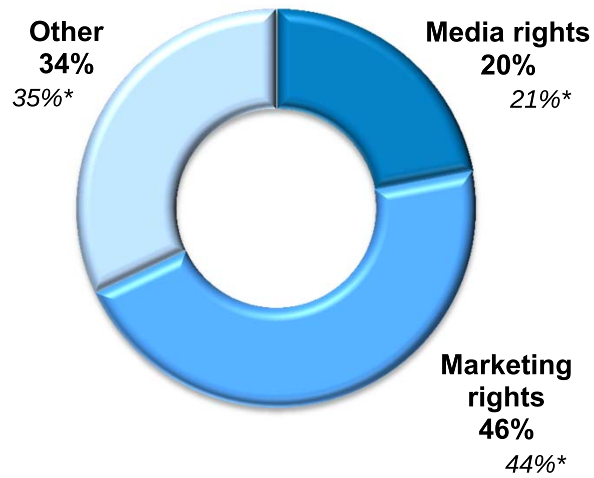
- **Profitability down by 0.5 percentage points.**
  - Decline in advertising revenues at Europe 1 radio station.
  - Gains at TV activities and international radio.
  - Lower advertising revenues at Magazine Publishing offset by cost-cutting plans.

LAGARDÈRE SPORTS AND ENTERTAINMENT: ACTIVITY

2017 revenue by geographic area



2017 revenue by activity



€496m (down 3.9% on a consolidated basis and down 3.4% like-for-like).

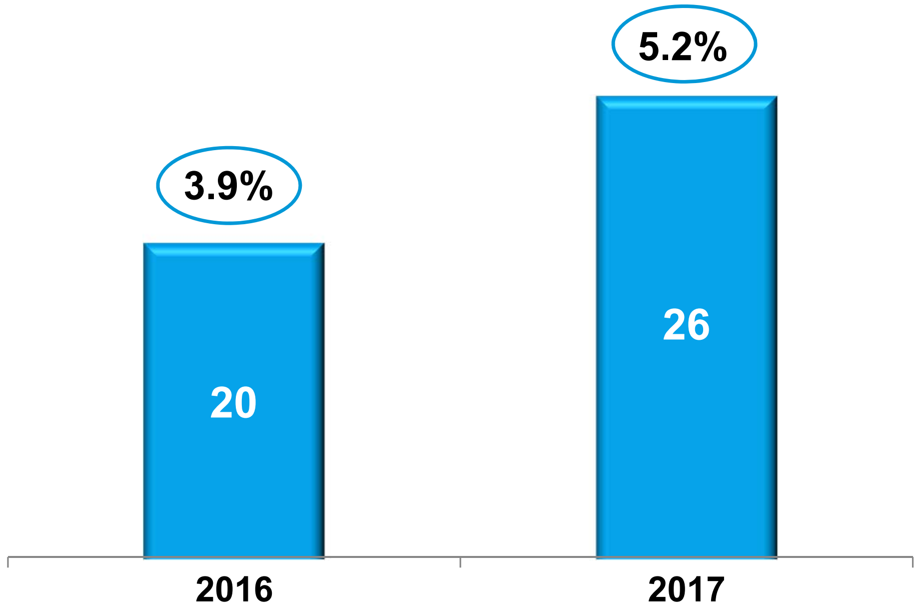
- *Negative currency effect of €6m partially offset by a positive scope effect of €3m*.
- Reduction in revenue reflecting both termination of the Friends Arena contract and negative calendar effect.
- Good performance from consulting (US) and football (Europe) activities.

*% of revenue in 2016.

LAGARDÈRE SPORTS AND ENTERTAINMENT: PROFITABILITY

Lagardère SPORTS AND ENTERTAINMENT

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



- **Recurring EBIT up as anticipated.**
  - Sporting calendar effect neutral in 2017.
  - Improved performance due to sales and business development efforts especially in Football activities.

Lagardère

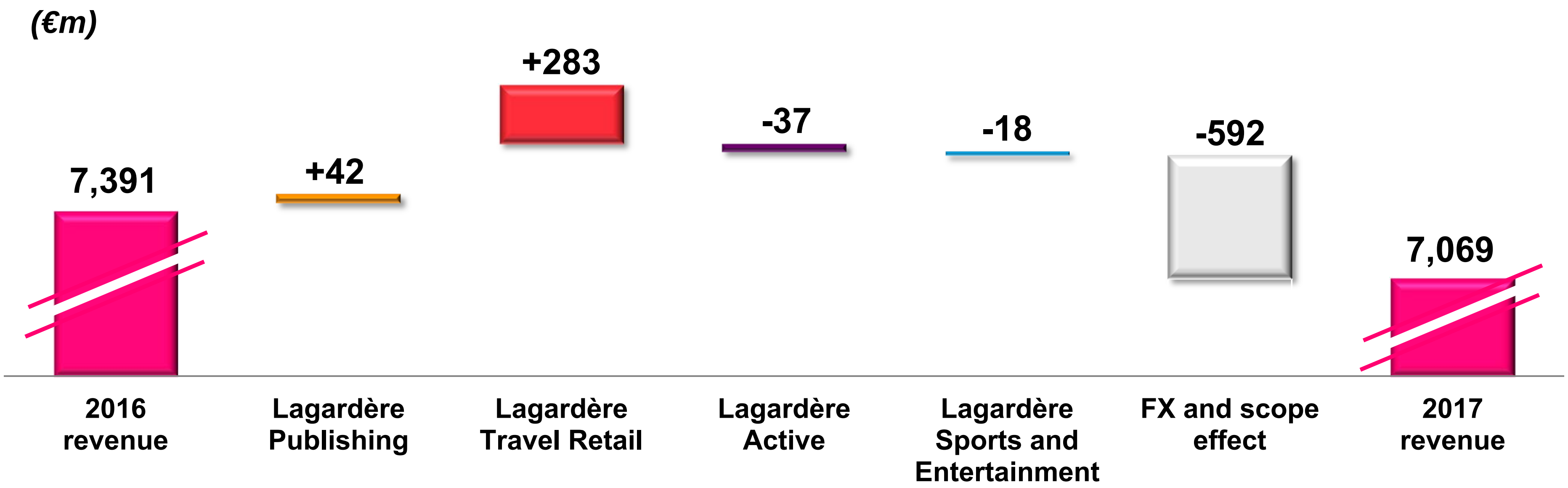
GROUP RESULTS



Full-year 2017 results

8 March 2018

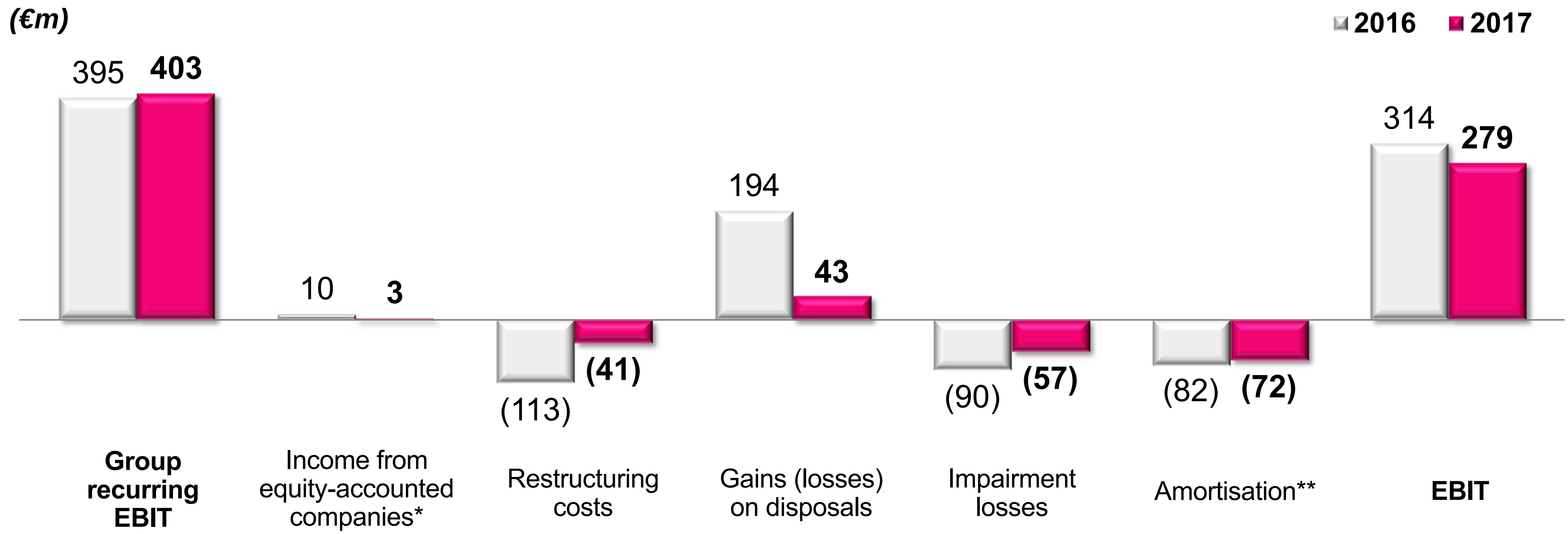
CHANGES IN REVENUE – 2017



Revenue down 4.4% on a consolidated basis, up 4.0% like-for-like.

- *Negative scope effect of €528 (disposal of the Distribution activities) and negative currency effect of €64m.*
- The Lagardère group continued to deliver robust growth like-for-like, fuelled mainly by organic growth at Lagardère Travel Retail and a strong performance from Lagardère Publishing.

GROUP RECURRING EBIT TO EBIT

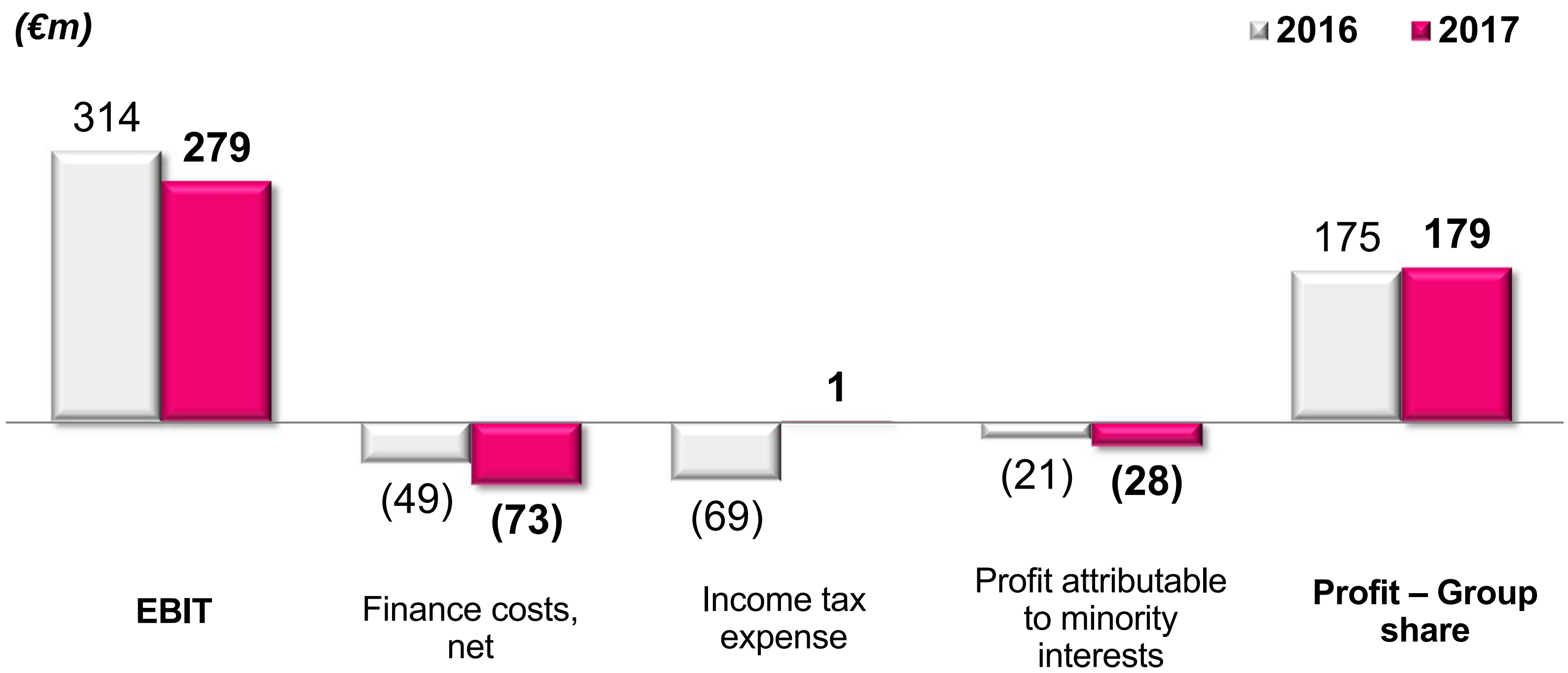


*Before impairment losses.

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

Full-year 2017 results / 8 March 2018

EBIT TO PROFIT – GROUP SHARE



ADJUSTED PROFIT – GROUP SHARE

(€m)	2016	2017
Profit – Group share	**175**	**179**
Restructuring costs	+113	+41
Gains (losses) on disposals	-193	-43
Impairment losses on goodwill, PP&E, intangible assets and equity-accounted companies	+88	+56
Amortisation of acquisition-related intangible assets and expenses	+71	+63
Tax effects on the above items	-21	-14
Tax on dividends, reimbursements and exceptional tax contribution in France	5	-6
Recognition of tax loss carryforwards in France (expected sale of a building)	-	-40
Remeasurement of deferred tax (US tax reform)	-	-19
Adjusted profit – Group share*	**238**	**217**
Of which disposal of Deutsche Telekom shares	*22*	-

*Alternative Performance Measure (APM) – See Glossary on slide 42.

Lagardère

CONSOLIDATED STATEMENT OF CASH FLOWS

(€m)	2016	2017
Cash flow from operations before changes in working capital	**557**	**563**
Changes in working capital	26	(90)
Income taxes paid	(77)	(89)
Net cash from operating activities*	**506**	**384**
Purchases of property, plant & equipment and intangible assets	*(253)*	*(261)*
Disposals of property, plant & equipment and intangible assets	*211*	*160*
Free cash flow*/**	**464**	**283**
Purchases of investments	*(108)*	*(68)*
*Disposals of investments****	*139*	*19*
Net cash from operating and investing activities	**495**	**234**
Dividend paid and other	*(279)*	*(143)*
Interest paid	*(54)*	*(70)*
Change in net debt	**162**	**21**
Net debt**	**(1,389)**	**(1,368)**

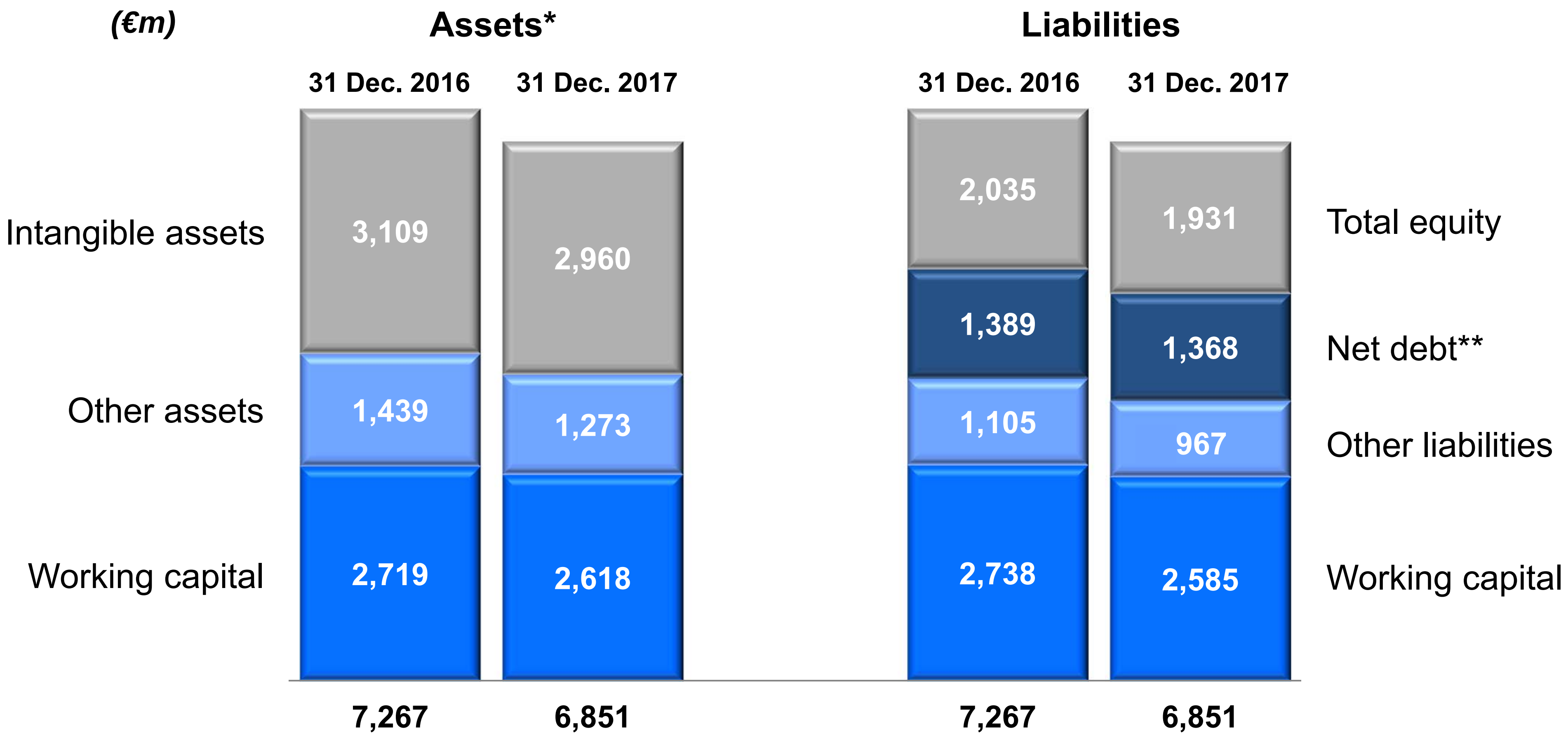
Negative change in working capital attributable to Lagardère Publishing

Continued investments especially in Travel Retail

Disposal of property asset

*Including positive impacts of €48m and €66m respectively in 2016 and 2017 attributable to interest paid/received following a change in presentation of the consolidated statement of cash flows (see note 1.1 to the consolidated financial statements for the six months ended 30 June 2017).
**Alternative Performance Measure (APM) – See Glossary on slide 42.
***Including €6m of interest received in 2016 and €4m in 2017 (see note 1.1 to the consolidated financial statements for the six months ended 30 June 2017).

CONSOLIDATED BALANCE SHEET

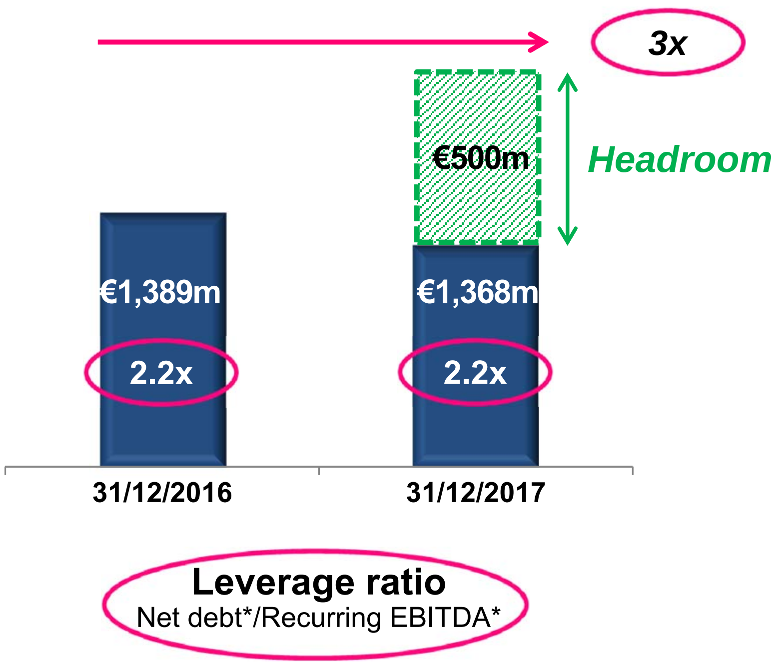


*Excluding assets included in net debt.

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

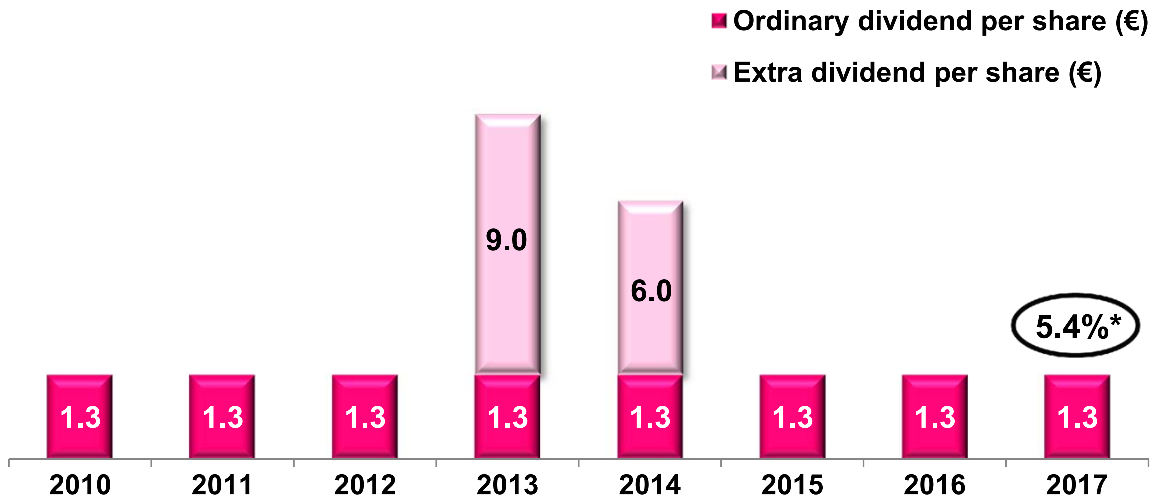
FINANCING POLICY

- **A tight rein on debt providing €500m in investment capacity.**



- **A stable dividend.**

Historical dividends (€/share)



*Alternative Performance Measure (APM) – See Glossary on slide 42.

*Dividend yield based on €24.04 closing price on 06/03/2018.

CONCLUSION

In 2017, Lagardère delivered on the guidance announced in March 2017.

2018 guidance

The Lagardère group expects Group recurring EBIT in 2018 to remain stable versus 2017*, at constant exchange rates.

*Restated IFRS 15.

Lagardère

APPENDICES TO CONSOLIDATED ACCOUNTS

Full-year 2017 results
8 March 2018

CHANGES OF SCOPE: MAIN ITEMS

- **Lagardère Publishing**
  - Brainbow Limited activity following the 75% acquisition in December 2016 by Hachette UK.
  - Acquisition of Bookouture, Britain's leading independent e-book publisher, in March 2017.
  - Acquisition of IsCool Entertainment, a development studio in France, in June 2017.

- **Lagardère Travel Retail**
  - Disposal of the Hungarian press distribution business in February 2017.
  - Acquisition of IFS duty free business in Poland, in May 2017.

- **Lagardère Active**
  - Acquisition of 55% of Shopvolution Ltd in January 2017.
  - Acquisition of 82% of Animalbox in May 2017.
  - Acquisition of 74% of Aito Media Group in October 2017.

- **Lagardère Sports and Entertainment**
  - Disposal of Lagardère Sports Arena Sweden AB in May 2017.
  - Acquisition of Brave Marketing Ltd in October 2017.

CONSOLIDATED INCOME STATEMENT

(€m)	2016	2017
Revenue	**7,391**	**7,069**
Group recurring EBIT*	**395**	**403**
Income from equity-accounted companies**	10	3
Non-recurring/non-operating items	(91)	(127)
Total EBIT	**314**	**279**
Financial costs, net	(49)	(73)
Profit before tax	**265**	**206**
Income tax expense	(69)	1
Profit for the period	**196**	**207**
Attributable to minority interests	21	28
Profit – Group share	**175**	**179**

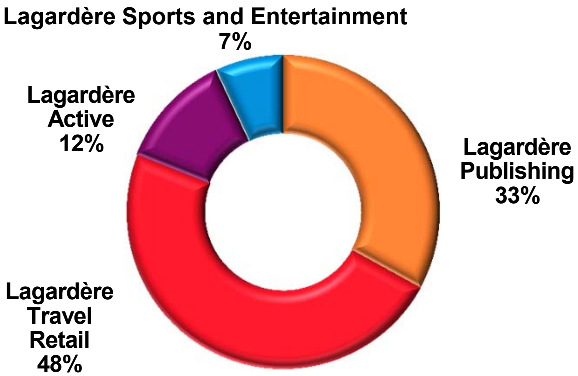
*Recurring EBIT of fully consolidated companies of the four operating divisions + Other Activities.
**Before impairment losses.

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

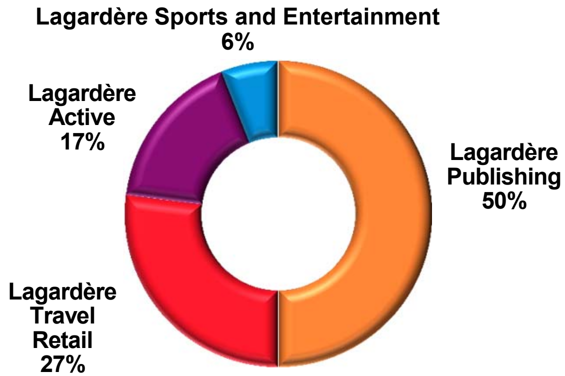
(€m)	Lagardère Publishing	Lagardère Travel Retail	Lagardère Active	Lagardère Sports and Entertainment	Other Activities	Total 2017	Total 2016
Group recurring EBIT	210	112	70	26	(15)	403	395
Income from equity-accounted companies	1	1	1			3	10
Restructuring costs	(2)	(9)	(23)	(10)	3	(41)	(113)
Gains (losses) on disposals		2	(1)	1	41	43	180
Fair value adjustment resulting from changes in control							14
Impairment losses	(6)	(23)	(27)		(1)	(57)	(90)
Amortisation of acquisition-related intangible assets and expenses	(7)	(60)	(1)	(4)		(72)	(82)
EBIT	196	23	19	13	28	279	314

GROUP PROFILE – 2017

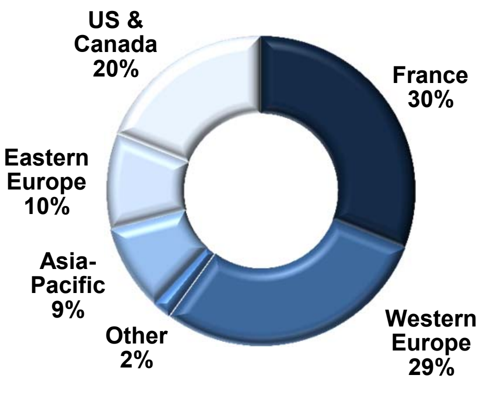
Revenue by division



Group recurring EBIT by division

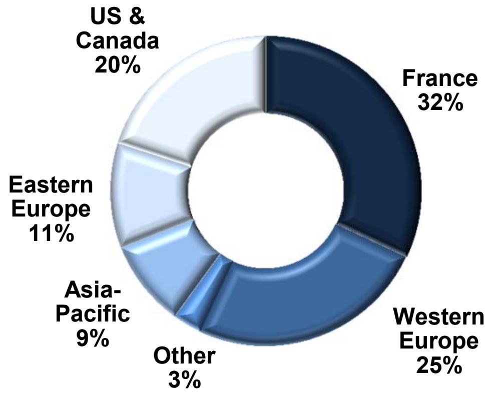


2016 revenue by geographic area



Emerging countries: 21%

2017 revenue by geographic area



Emerging countries: 23%

RECAP OF PERFORMANCE BY DIVISION – 2017

- **Revenue**

(€m)	2017	Consolidated change	Consolidated change	Like-for-like change*
Lagardère Publishing	**2,289**	+€25m	+1.1%	+1.9%
Lagardère Travel Retail	**3,412**	-€283m	-7.7%	+9.1%
Lagardère Active	**872**	-€43m	-4.7%	-4.1%
Lagardère Sports and Entertainment	**496**	-€21m	-3.9%	-3.4%
Total	**7,069**	-€322m	-4.4%	+4.0%

- **Group recurring EBIT**

(€m)	2017	Consolidated change	Consolidated change	Change at constant exchange rates**
Lagardère Publishing	**210**	+€2m	+1.4%	+3.3%
Lagardère Travel Retail	**112**	+€4m	+3.3%	+18.2%
Lagardère Active	**70**	-€8m	-10.3%	-10.9%
Lagardère Sports and Entertainment	**26**	+€6m	+28.4%	+31.6%
Other Activities	**(15)**	+€4m	-22.7%	-20.9%
Total	**403**	+€8m	+2.1%	+6.7%

*At constant scope and exchange rates. / **Excluding disposal of Distribution activities.

MAIN EQUITY-ACCOUNTED COMPANIES

	Balance sheet		Income statement*	
(€m)	31 Dec. 2016	31 Dec. 2017	2016	2017
Marie Claire group (42%)	77	53	3	0
Édition J'ai Lu (35%)	17	17	1	1
Société de Distribution Aéroportuaire (50%)	10	11	3	2
Inmedio (49%)	12	12	1	0
Yen Press (49%)**	10	9	0	0
Société des Commerces en Gares (50%)	2	2	(1)	0
Relay@ADP (50%)	3	5	2	3
Other associates	14	14	1	(3)
TOTAL before impairment losses	145	123	10	3
Impairment losses*			(18)	(24)
TOTAL			(8)	(21)

*Including impairment losses: €24m (Marie Claire group) in 2017, €13m (Marie Claire group) and €5m (other associates) in 2016.
**Equity-accounted since June 2016 (previously fully consolidated by Hachette Book Group).

CASH FLOW STATEMENT DATA – LAGARDÈRE PUBLISHING

(€m)	2016	2017
Cash flow from operations before changes in working capital	234	227
Changes in working capital	50	(63)
Income taxes paid	(57)	(60)
Net cash from operating activities*	**227**	**104**
Purchases of property, plant & equipment and intangible assets	*(38)*	*(46)*
Disposals of property, plant & equipment and intangible assets	*11*	*0*
Free cash flow*/**	**200**	**58**
Purchases of investments	*(90)*	*(30)*
*Disposals of investments****	*23*	*12*
Net cash from operating & investing activities	**133**	**40**

*Including positive impacts of €2m in 2016 and in 2017 attributable to interest paid/received following a change in presentation of the consolidated statement of cash flows (see note 3 to the consolidated financial statements for the six months ended 30 June 2017).

**Alternative Performance Measure (APM) – See Glossary on slide 42.

***The impact of the reclassification of interest received is less than €1m for both 2016 and 2017 (see note 3 to the consolidated financial statements for the six months ended 30 June 2017).

CASH FLOW STATEMENT DATA – LAGARDÈRE TRAVEL RETAIL

(€m)	2016	2017
Cash flow from operations before changes in working capital	194	207
Changes in working capital	7	1
Income taxes paid	(17)	(24)
Net cash from operating activities*	**184**	**184**
Purchases of property, plant & equipment and intangible assets	*(147)*	*(138)*
Disposals of property, plant & equipment and intangible assets	*7*	*1*
Free cash flow*/**	**44**	**47**
Purchases of investments	*(3)*	*(18)*
*Disposals of investments****	*49*	*6*
Net cash from operating & investing activities	**90**	**35**

*Including positive impacts of €30m and €37m respectively in 2016 and 2017 attributable to interest paid/received following a change in presentation of the consolidated statement of cash flows (see note 3 to the consolidated financial statements for the six months ended 30 June 2017).

**Alternative Performance Measure (APM) – See Glossary on slide 42.

***Including €2m in interest received in 2016 and €2m in 2017 (see note 3 to the consolidated financial statements for the six months ended 30 June 2017).

CASH FLOW STATEMENT DATA – LAGARDÈRE ACTIVE

(€m)	2016	2017
Cash flow from operations before changes in working capital	63	47
Changes in working capital	1	(15)
Income taxes paid	(37)	(33)
Net cash from (used in) operating activities*	**27**	**(1)**
Purchases of property, plant & equipment and intangible assets	*(14)*	*(8)*
Disposals of property, plant & equipment and intangible assets	*2*	*0*
Free cash flow*/**	**15**	**(9)**
Purchases of investments	*(5)*	*(12)*
*Disposals of investments****	*8*	*3*
Net cash from (used in) operating & investing activities	**18**	**(18)**

*Including positive impacts of €3m and €3m respectively in 2016 and 2017 attributable to interest paid/received following a change in presentation of the consolidated statement of cash flows (see note 3 to the consolidated financial statements for the six months ended 30 June 2017).

**Alternative Performance Measure (APM) – See Glossary on slide 42.

***Including €2m in interest received in 2016 and €1m in 2017 (see note 3 to the consolidated financial statements for the six months ended 30 June 2017).

CASH FLOW STATEMENT DATA – LAGARDÈRE SPORTS AND ENTERTAINMENT

Lagardère SPORTS AND ENTERTAINMENT

(€m)	**2016**	**2017**
Cash flow from operations before changes in working capital	84	88
Changes in working capital	(46)	(1)
Income taxes paid	(19)	(6)
Net cash from operating activities*	**19**	**81**
Purchases of property, plant & equipment and intangible assets	*(53)*	*(67)*
Disposals of property, plant & equipment and intangible assets	*0*	*2*
Free cash flow*/**	**(34)**	**16**
Purchases of investments	*(7)*	*(6)*
*Disposals of investments****	*11*	*(3)*
Net cash from (used in) operating & investing activities	**(30)**	**7**

*Including positive impacts of €5m and €7m respectively in 2016 and 2017 attributable to interest paid/received following a change in presentation of the consolidated statement of cash flows (see note 3 to the consolidated financial statements for the six months ended 30 June 2017).

**Alternative Performance Measure (APM) – See Glossary on slide 42.

***The impact of the reclassification of interest received is less than €1m for both 2016 and 2017 (see note 3 to the consolidated financial statements for the six months ended 30 June 2017).

CONSOLIDATED BALANCE SHEET

(€m)	31 Dec. 2016	31 Dec. 2017
Non-current assets	4,183	4,019
Investments in equity-accounted companies	145	123
Current assets	2,779	2,703
Short-term investments and cash	481	546
Assets held for sale	162	6
TOTAL ASSETS	7,750	7,397
Total equity	2,035	1,931
Non-current liabilities	794	725
Non-current debt*	1,041	1,542
Current liabilities	3,022	2,827
Current debt**	829	372
Liabilities associated with assets held for sale	29	0
TOTAL EQUITY AND LIABILITIES	7,750	7,397

Net debt amounts to €1,368m

*Including €18m in long-term derivative assets at 31 December 2017.
**Including €3m in short-term derivative assets at 31 December 2016 and €3m at 31 December 2017.

OFF-BALANCE SHEET COMMITMENTS

(€m)	2016	2017
Commitments to purchase shares from third parties (other than minority interests)	**3**	**0**
Commitments given in connection with ordinary activities:		
- contract guarantees and performance bonds	**301**	**361**
- guarantees in favour of third parties or non-consolidated companies	**133**	**110**
- other commitments given	**6**	**6**
Commitments received:		
- counter-guarantees of commitments given	**3**	**1**
- other commitments received	**2**	**2**
Mortgages and pledges	**0**	**0**

LAGARDÈRE TRAVEL RETAIL
GUARANTEED MINIMUM PAYMENTS

- **At 31 December 2017 entities forming part of Lagardère Travel Retail had guaranteed minimum future payments amounting to €1,876m under concession agreements.**
  These payments break down as follows by maturity:

Maturity (€m)	2018	2019	2020	2021	2022	2023 & beyond	Total	2016
Guaranteed minimum payments under concession agreements	**339**	**310**	**274**	**248**	**205**	**500**	**1,876**	**1,859**

LAGARDÈRE SPORTS AND ENTERTAINMENT GUARANTEED MINIMUM PAYMENTS

- **At 31 December 2017 entities forming part of Lagardère Sports and Entertainment had guaranteed minimum future payments amounting to €1,064m under long-term contracts for the sale of TV and marketing rights. These payments break down as follows by maturity:**

Maturity (€m)	2018	2019	2020	2021	2022	2023 & beyond	Total	2016
Guaranteed minimum payments under sports rights marketing contracts	168	152	146	84	74	440	1,064	1,326

- **At 31 December 2017 the amounts due under marketing contracts signed by these same entities with broadcasters and partners amounted to €1,550m, breaking down as follows by maturity:**

Maturity (€m)	2018	2019	2020	2021	2022	2023 & beyond	Total	2016
Sports rights marketing contracts signed with broadcasters and partners	533	363	222	85	88	259	1,550	1,780

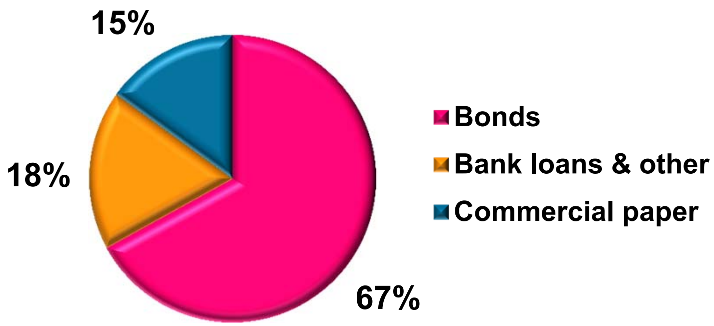
RECURRING EBITDA – OVER 12 ROLLING MONTHS

(€m)	2016	2017
Group recurring EBIT*	**395**	**403**
Depreciation & amortisation of property, plant and equipment and intangible assets	*+225*	*+215*
Dividends received from equity-accounted companies	*+19*	*+6*
Recurring EBITDA*	**639**	**624**

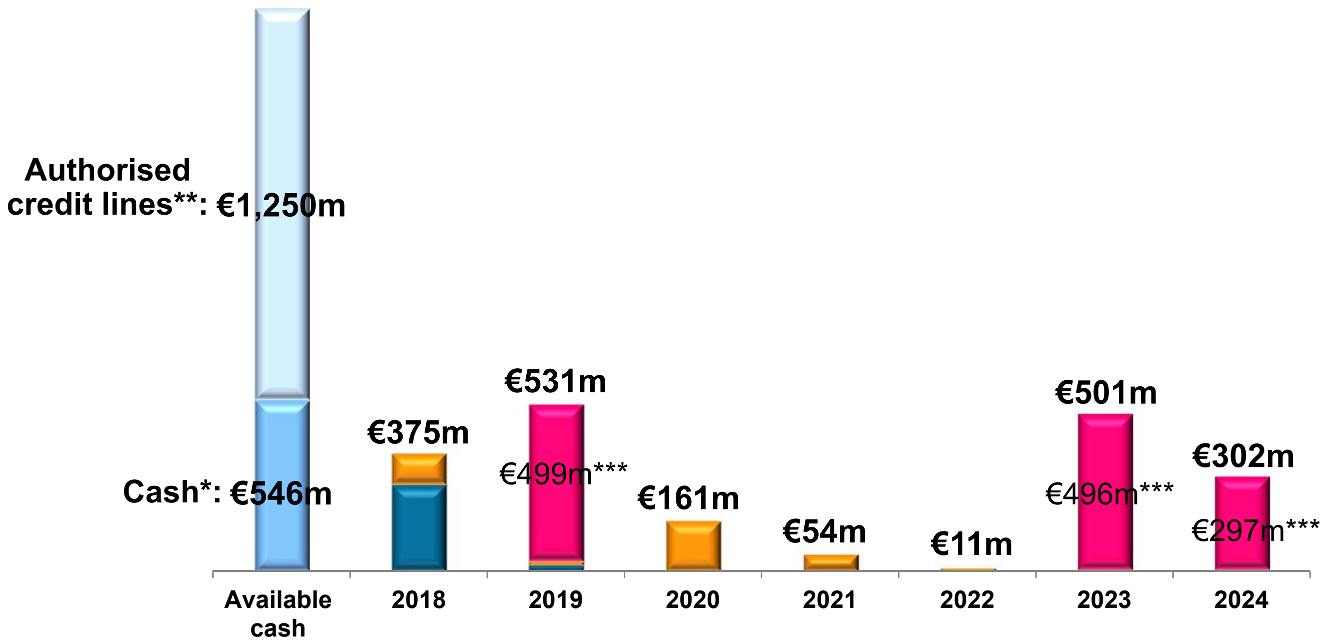
*Alternative Performance Measure (APM) – See Glossary on slides 41/42.

FINANCING POLICY

- **82% of gross debt funding done directly with credit investors.**



- **Strong liquidity and well distributed debt repayment schedule.**



*Short-term investments and cash, excluding €21m of derivative assets.
**Undrawn Group credit facility excluding authorised credit lines at divisional level.
***Bonds.

GLOSSARY (1/2)

Lagardère uses alternative performance measures 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 full-year 2017 results press release.

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

(See reconciliation in section VII – Appendices of the full-year 2017 results press release)

- **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 on slide 17)

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 39)

- **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 on the above items, including the tax on dividends paid in France;
  - Non recurring movements on deferred taxes.

(See reconciliation with Profit – Group share on slide 19)

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

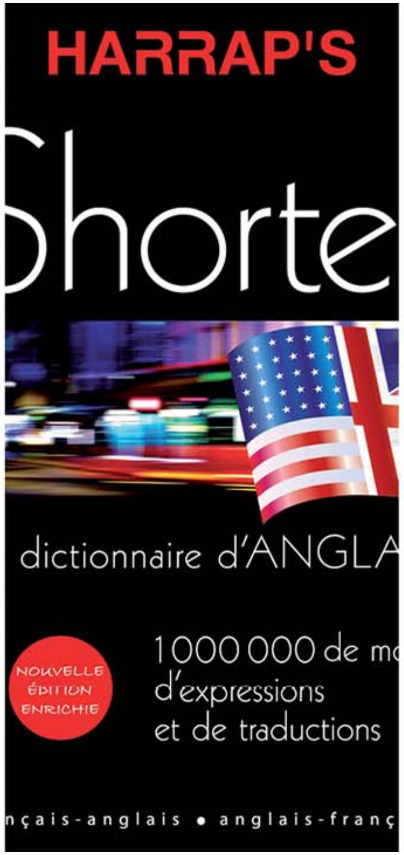
(See reconciliation on slide 20)

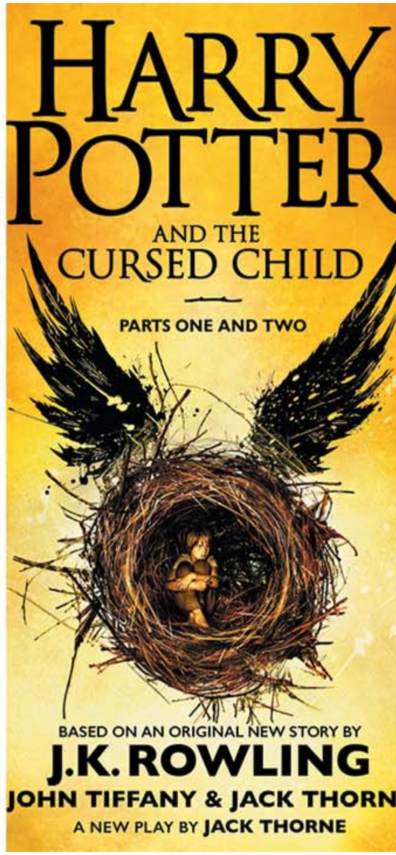
- **Net debt** is calculated as the sum of the following items: Short-term investments and cash and cash equivalents, Financial instruments allocated as hedges of debt, non-current debt and current debt.

(See reconciliation on slide 35)

SIGNIFICANT EVENTS

Full-year 2017 results
8 March 2018





BACKGROUND AND OVERALL PERFORMANCE

- **Revenue up 1.1% at €2,289m and recurring EBIT up 1.4% at €210m.**
  - Trade book and e-book publishing outperformed flat French, UK and US markets.
  - Education successful in France and outperformed the market in the UK – less so in Spain due to end of curriculum reform.
  - Spectacular success of Partworks worldwide.
  - Contribution of acquisitions (incl. Perseus) more than offset by negative foreign exchange effect.

FRANCE

- **Second and last year of middle-school curriculum reform was fully leveraged in terms of market share and profitability.**

- **Many major bestsellers boosted second half after slow first half:**
  - Six top fall literary awards;
  - Dan Brown's *Origin*;
  - *Astérix et la Transitalique* (2 million copies sold, rights sold to 25 countries).

INTERNATIONAL MARKETS

- **United Kingdom**
  Outstanding performance of Hachette UK in:
  - Adult trade;
  - Education;
  - Children's books;
  - Nearly matching record-breaking sales of 2016 despite flat market.

- **United States**
  Steady contribution of Hachette Book Group to overall revenue, with:
  - Improved profitability;
  - Perseus contributing over the full year.

- **Spain & Latin America**
  - Revenue down 5.2% like-for-like in deteriorating Spanish education market.
  - But recurring EBIT in line with 2016 thanks to strict cost control.

- **Partworks**
  - Another year of impressive growth with 76 launches in 28 countries.

DIGITAL

- **E-book sales declined.**
  - In US and UK albeit at slower pace than in 2016.
  - Seem to be stabilising.
- **Downloadable audio market growing fast.**
  - More than 20% annual growth.
  - Making up for e-book decline in digital sales.
- **Acquisition of Bookouture in the UK – an “e-book only” publisher with acknowledged expertise in day-to-day e-book pricing.**

Lagardère TRAVEL RETAIL

SIGNIFICANT EVENTS

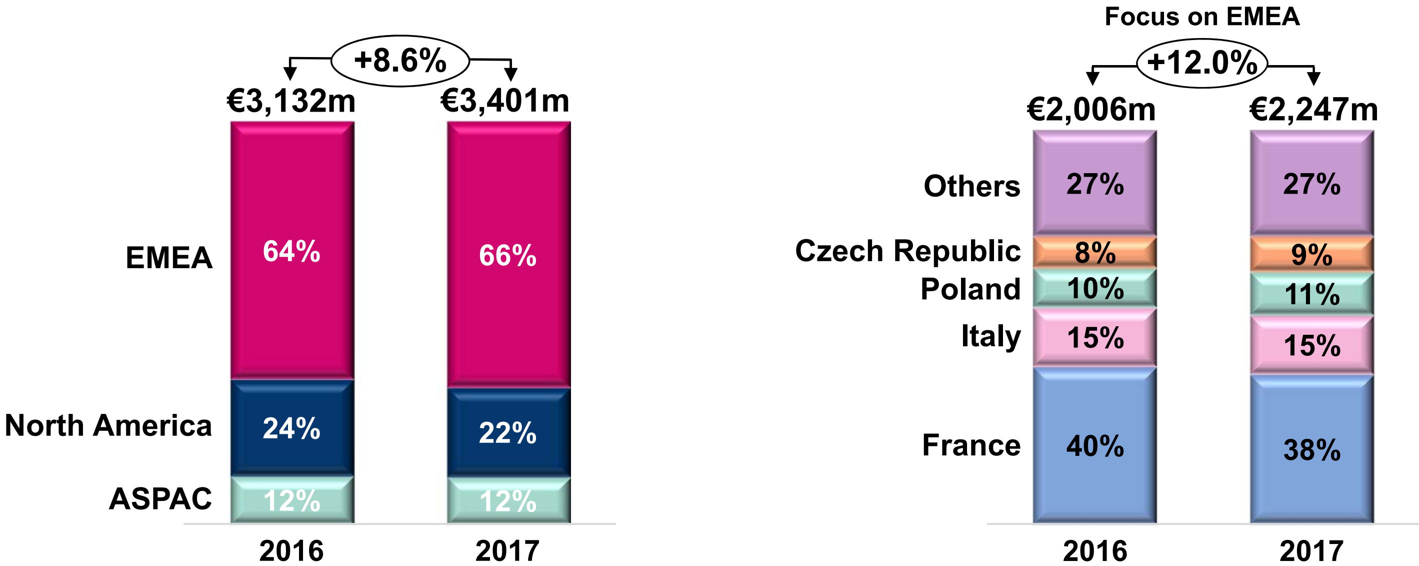
Full-year 2017 results
8 March 2018

OVERALL BACKGROUND AND PERFORMANCE

- **Disposal of the Distribution activities finalised.**
- **Paradies integration successfully completed with expected level of synergies.**
- **Solid like-for-like revenue growth (up 9.1%)** driven by a combination of traffic growth, success of new concepts and commercial initiatives, as well as new concessions net gains.
- **Margin improvement.** Strategic initiatives are delivering the expected growth and efficiencies and are more than compensating the start-up costs of the new contracts.
- **Very positive dynamic in terms of business development:**
  - Czech Republic: takeover of 9 additional Duty Free stores at Prague airport in Q1 2017;
  - Switzerland: takeover of Duty Free activities in Geneva in Q4 2017;
  - Poland: several openings in Gdansk (on the three business lines) as well as takeover of Modlin Duty Free shops in June;
  - Saudi Arabia: opening of Duty Free shops in Riyadh in January, Dammam in April and Jeddah in August;
  - Senegal: take over of Duty Free activities in Dakar in Q4 2017;
  - North America: opening of several stores at JFK T4, Tampa, Vancouver, Dallas, Washington and Austin;
  - Hong Kong: liquor & tobacco Duty Free concession take-over in Q4 2017 through a minority owned JV with China Duty Free Group.
- **Negative impacts of the plain packaging for cigarettes,** of long delays due to **tight security controls in France**, and of the **change of passenger mix globally**.

KEY ACTIVITIES

IFRS consolidated revenue 2016-2017, €m at current rates, Travel Retail only



- At constant scope and exchange rates, **traffic increases** combined with **network development, concept modernisation** and **successful commercial initiatives**, generated sustained growth in **Travel Retail revenue**, up 9.1% like-for-like and up 8.6% on a consolidated basis. The difference can be explained by the impact of deconsolidating (i) certain Fnac stores now accounted for under the equity method in the joint venture with ADP group, (ii) the Los Angeles shops now accounted for under the equity method in the joint venture with a local partner, and (iii) the shift of the Travel Essentials business in China from direct operating to a franchise model since mid-2016.

- The **growth in passenger traffic*** (up 6.6%) remains solid. Strong recovery in **Europe** (up 8.8%) after the negative impacts of terrorist attacks at the end of 2015 and throughout 2016, **North America** (up 3.5%) and **Asia-Pacific** (up 7.9%).

*Source: Lagardère Travel Retail internal data and ACI data from January to November 2017.

FRANCE

- **Travel Essentials**
  - 100% revenue up **2.4%** vs. 2016:
    - strong revenue performances from (i) Relay shops in Parisian airports fuelled by traffic increase combined with a favourable change in the product mix, (ii) Eiffel Tower shops benefiting from the business recovery after the terrorist attacks and (iii) Marks & Spencer network expansion; mitigated by a number of planned closures on the Paris subway network and construction works at some large stations on the French rail network.

- **Foodservice**
  - 100% revenue up **18.6%** vs. 2016:
    - strong growth in the comparable network (up 8%) along with dynamic network expansion with openings in railway stations (Étoile du Nord in Gare du Nord), airports (Nice) and hospitals (Montpellier, Lyon).

- **Duty Free & Fashion**
  - 100% revenue up **3.8**% driven by:
    - positive traffic impact in Paris (up 4.7%);
    - negative impacts of plain cigarette packaging (down 15% vs. 2016) and strengthening of security checks in most French airports;
    - positive momentum on Chinese travellers spending;
    - favourable euro exchange rate against Rouble;
    - concepts modernisation (e.g., new walkthrough in Nice Terminal 1 and Terminal 2) and positive impacts of commercial initiatives.

EMEA

- **Italy**
  - Strong revenue growth driven by the good performances of (i) Duty Free & Fashion thanks to Rome Avancorpo Terminal opening and dynamic traffic growth at Venice airport (up 8%); (ii) Foodservice with the planned withdrawal from a number of motorway locations more than offset by network development and concept modernisation in Venice and Treviso; (iii) Travel Essentials, mainly explained by scope effects and strong performances in Palermo, Treviso and Bologna.
- **Poland**
  - Strong growth in all business lines fuelled by new developments (Krakow, Gdansk, etc.) along with strong traffic in all Polish airports.
- **Czech Republic**
  - Revenue up sharply with strong performances in Duty Free & Fashion boosted by (i) conversion of the T1 location into a ”walkthrough” store, (ii) takeover of 9 additional stores and (iii) traffic growth at Prague airport; Foodservice growth was mainly driven by strong performances from Paul & Costa concepts as well as Prague airport restaurants.
- **Other EMEA countries also posted vigorous revenue growth.**

NORTH AMERICA, ASIA AND PACIFIC

- **North America**
  - Revenue grew thanks to:
    - completion of the integration process and impact of commercial initiatives;
    - new contract wins, notably in Foodservice (Dallas, Austin).

- **Asia**
  - Revenue growth was driven by:
    - **Hong Kong** airport, with the beginning of the supply activity for the liquor & tobacco Duty Free concession starting in November in partnership with China Duty Free Group;
    - **Singapore**, thanks to new Fashion stores but affected by unfavourable traffic transfers for the Confectionary business;
    - **China**, steady thanks to the good performance from fashion stores at Shenzhen and the success of the new developments in Fashion and Foodservice (Xi'an, Kunming, Chongqing, Beijing) despite the shift of the Travel Essentials business from direct operating to a franchise model (deconsolidation in 2016).

- **Pacific**
  - New Zealand revenue up despite the impact of renovation works at Auckland airport;
  - Australia negatively impacted by the loss of the Travel Essentials concession in Sydney T1 in 2016.

Lagardère ACTIVE

SIGNIFICANT EVENTS

Full-year 2017 results
8 March 2018

BACKGROUND AND OVERALL PERFORMANCE

- **Roll-out of the strategic plan progressed towards the following objectives:**
  - strengthening Lagardère Active's positioning as a premium multi-support media group;
  - bringing together leading reference brands in their segment, with digital and diversification potential;
  - prospecting for international development.
- **Leading positions retained in core businesses.**
- **International audiovisual sector further developed with acquisition of Aito Media Group in Finland.**
- **Digital transformation continued.**
  - Ongoing strategy of diversification and monetisation of press and digital audiences with:
    - continued expansion in e-Health (MonDocteur);
    - acquisition of 2 start-ups: subscription based Animalbox and Shopcade, a platform for fashion and beauty products.
  - **Gravity,** founded by Lagardère Active and 3 co-owners (Les Échos - Le Parisien, Solocal and SFR), is a common content platform with expertise in data analysis and processing which aims at developing the audience and revenues of its co-owners. Four other players joined in September 2017 (Amaury, Gamma, M6 and Prisma).

Lastly, Lagardère Active continued to strive for cost containment and improvement of its overall operating performance.

MAGAZINE PUBLISHING

- **Global audiences*** for our most powerful brands are stable or growing (i.e., on all devices: print, computer, smartphones and tablets): *Elle* (down 0.2%); *Paris Match* (up 1%) and *Télé 7 Jours* (up 3.4%).
- In a depressed **print advertising market** (down around 11.1%)**, our main titles outperformed their markets. *Elle* remained leader in high-end women's magazines: with 26.6%** market share high above its main competitors. Flagship publications (*Elle à Table*, *Télé 7 Jours*) are leaders on their competitive segments. *Paris Match* saw an 8%** increase of its market share boosted by particularly attractive news output during the year.
- In a declining **circulation market** (down 1.5%***), our main titles performed better than their market segment. *Elle* displayed the best trend in the high-end women's weekly magazine segment. *Paris Match* registered the best trend in newsstand circulation in the news magazine segment. The subscription revenue trend partially offset the newsstand decline and the magazine selling price increases. In addition, digital circulation increased thanks to the launch of digital newsstands.
- **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.
- **Launches in licensing activity:**
  - 1st edition of the Elle International Fashion and Luxury Management Program, designed to provide participants with exclusive insight and a global perspective of the fashion and luxury industry;
  - *Super Elle* in China (quarterly magazine + website);
  - Elle.ci, first Elle website in Ivory Coast;
  - Elle Shop in China;
  - new international events and strategic projects (Elle International Beauty Awards, Elle Fashion Now, Elle Happiness Index, Elle International Bridal Awards, Elle Deco International Design Awards, Elle Active Japan, Italy, China, Taiwan, etc.).

*ACPM One Global 2017 T4 vs. 2016 T4 study.
**IREP YTD09 2017 vs. YTD09 2016; Magazine Publishing // Kantar Media; January-December 2017; total pages except inserts, except various advertisements and infomedia.
***ACPM-OJD 2016/2017 – DSH DFP Presse Payante France.
****Médiamétrie - NetRatings Internet Global; October 2017.

RADIO

- **Europe 1**
  - Audiences suffered over the period. Reorganisation with new management team and new program grid as a first step in an overall repositioning of the station.

- **Solid position of musical radio in France**
  - Virgin Radio now reaches 2,589,000 listeners and a cumulative audience of 4.8%*.
  - RFM now reaches 2,335,000 listeners and achieves 3.3%* audience share.

- **Lagardère Active Radio International (LARI)**
  - With more than 12 million listeners per day, major radio position maintained in Central and Eastern Europe and positions strengthened in West Africa with Vibe Radio in Senegal and Ivory Coast.
  - 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, footprint and strong knowledge of the African continent.
  - Digital offer upgrade: 13.4 million unique visitors/month (up 26% over the year) and 58.8 million page views (up 51% over the year) at end 2017**.

*Médiamétrie; November-December 2017.
**Google Analytics; November 2017.

TELEVISION ACTIVITIES

- **TV channels**
  - Gulli remains **leader in audiences* on the 4/10-year old target on the French television market**, ahead of TF1 and France 4 (the state-owned kids channel), and the increase in its audience share was at its best since 2008.
  - Launch of the new kids TV channel Gulli Bil Arabi in 18 countries in the Arab world, the Middle East and North Africa. Over six years, Lagardère Active has widely extended the international reach of its TV channels: 60 countries for Mezzo and 45 territories for Gulli.

- **TV production and distribution: Lagardère Studios**
  - In October 2017, Lagardère Studios completed the second stage of its European development – after Grupo Boomerang TV in 2015 – with the acquisition of Aito Media Group, an independent Finnish producer specialising in non-scripted and factual entertainment.
  - In France, **Lagardère Studios** remains the **no. 1 producer of scripted content and the no. 2 of non-scripted programs**:**
    - 4 of the 100 best-rated prime time TV shows of 2017 were part of Lagardère Studios' portfolio;
    - France 5 daily show, *C dans l'air*, remains very successful with excellent ratings and new hosts since September 2015;
    - *Ça commence aujourd'hui*, the new daily show for France 2 has been aired since September 2017 with improving ratings.
  - In Spain, **Boomerang TV**'s recurring programs (daily scripted *Acacias 38* and *El Secreto de Puente Viejo)* and non scripted prime time shows (*La Voz* and *Casados a primera vista*) keep performing well.
  - In Africa, Keewu delivered the second season of *C'est la vie* and started producing a 12x52' police drama for A+.

*Médiamétrie measure; National Médiamat measure; Consolidated audience from 6 am to 8 pm; 2017 Youth Barometer.
***Écran Total*; 2017 fiction production ranking and 2017 flow producer ranking.

DIGITAL PURE PLAYERS

- As part of its revenue diversification strategy, Lagardère Active acquired:
  - a stake in the start-up **Shopcade** in January 2017 in order to deploy a marketing platform for fashion and beauty products on Elle's website and application;
  - in June 2017, **Animalbox**, a subscription service that sends users a box of pet supplies each month.

- An ambitious ongoing strategy in the **digital health segment**:
  - **Doctissimo.fr**: leading e-health and wellbeing website with more than 12 million unique visitors*.
    - Successfully developed the BeautyLab, a cosmetics and hygiene products testing platform, with a strong commercial performance throughout the year.
    - Launched at the end of 2017 a new subscription box dedicated to pregnancy.
  - **MonDocteur.fr**: one of the leading French online booking websites for medical consultations expanding at a fast pace, with more than 2.2 million monthly appointments and almost 3.3 million monthly visits. The subscriber base (health care professionals and institutions) almost doubled over the last 12 months.
    - Continuous development of new functions and services to fully meet healthcare professionals’ needs.
  - **Doctipharma.fr**: a software publisher and service provider enabling French pharmacies to sell their products online and increase their digital presence.

- **BilletReduc.com**, leader in France for online booking at cut prices, continues its growth both on the website and on the app launched in 2016, with more than 3 million tickets sold in 2017.

- **Newsweb,** first French editorial agency on financial and sports information, continued to develop its portfolio through a monetisation activity for third-party websites (Moneytag).

*Global Médiamétrie measurement (landline+mobile+applications); October 2017.

Lagardère
SPORTS AND ENTERTAINMENT

SIGNIFICANT EVENTS

Full-year 2017 results
8 March 2018

BUSINESS UNITS (1/3)

Lagardère SPORTS AND ENTERTAINMENT

- **Football Europe**
  - In Germany, extension of the successful collaboration with Borussia Dortmund until 30 June 2026.
  - In the United Kingdom, signature of a multi-year sleeve sponsorship partnership for Premier League club Stoke City.
  - In France, renewal of the long-standing partnership between Hyundai Motor France and Olympique Lyonnais until 2020.
  - Securing of a partnership between Juventus Football Club and insurance company Allianz Italy including acquisition of the naming and sponsorship rights of the stadium (named Allianz Stadium across six football seasons from 1 July 2017 until 30 June 2023).
- **Football Africa**
  - 2017 Total Africa Cup of Nations successfully delivered in Gabon and 2018 Total African Nations Championship hosted in Morocco.
- **Football Asia**
  - ASEAN Football Federation (AFF) agreement extended to the management of commercial rights of the prestigious AFF Suzuki Cup until 2024.
- **Media**
  - Deal signed with the Central America and Caribbean Association Football (CONCACAF) to market their media rights for all international territories.
  - Partnership 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 (2/3)

- **Golf**
  - Expansion of the European golf business with ambitions to grow assets in both tournament and player management. English golfer Alfie Plant and Italian Edoardo Molinari joined the agency's roster of clients.
- **Olympic sports and major events**
  - In 2017, commitment to the Commonwealth Games cemented with the launch of CGF Partnerships. New event delivery model will see CGF Partnerships delivery teams fully integrated with host city teams, providing greater support, knowledge and expertise on the delivery of the Games.
- **Consulting and digital – Lagardère Plus**
  - Launch of Lagardère Plus, a global agency with a mission to transform traditional brand sponsorships into highly inventive and impactful marketing platforms. New agency incorporating Lagardère Sports and Entertainment's global consulting businesses, including agencies Akzio! and Zaechel in Germany, and Sponsorship 360 in France, all of which rebranded as Lagardère Plus.
- **eSports**
  - In 2017, entry into the eSports market with a partnership with League of Legends team Unicorns of Love (UoL).
  - Further partnerships with five other teams (Splyce, H2K, SK Gaming, Roccat and Vitality), providing end-to-end services including strategic brand consulting, team marketing and sales and product development, as well as brand and event activation capabilities.
  - Signature of an exclusive worldwide deal with RFRSH Entertainment – a leading eSports company (media rights for the global CS:GO tournament, BLAST Pro Series).

BUSINESS UNITS (3/3)

- **Athlete Management**
  - Continued growth in athlete management (more than 70 NFL players, including 25 Pro Bowlers, and 60 professional and retired baseball players). 11 of our American football clients were selected in the NFL draft.

- **Motorsports**
  - Appointed as sports marketing agency by Formula 1 to help secure strategic partnerships in China from 2018 onwards in areas including event promotion, media rights, digital and brand partnerships, merchandising, talent development and racing team development.

- **Lagardère Live Entertainment**
  - Successfully participated to Phil Collin’s comeback tour promoting five of the shows at the AccorHotels Arena in Paris.
  - From September 2017, successfully produced the entertainment show *Les Choristes* at the Folies Bergère and across France.
  - In October 2017, selected to manage the operations of the new Aix-Marseille Provence Métropole arena.

Lagardère

FULL-YEAR 2017 RESULTS

8 March 2018