



# Credit Investor Presentation

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*April 2013*

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## Group profile and strategy

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# Lagardère, a diversified Media group

**Lagardère**  
PUBLISHING

**2<sup>nd</sup>** Publisher worldwide

**1<sup>st</sup>** Publisher in Europe

**1<sup>st</sup>** e-book supplier in the UK

**5<sup>th</sup>** Publisher in the US

**Lagardère**  
ACTIVE

**1<sup>st</sup>** Magazine publisher in France

**1<sup>st</sup>** TV production group in France

**1<sup>st</sup>** Media group on internet in France

**Major player** in radio in France

**Lagardère**  
SERVICES

**World leader** in travel retail and duty free over 4,000 stores mostly in travel areas

**Strong position** in distribution (press wholesale & other services)

**Lagardère**  
UNLIMITED

**Leader** in marketing rights on European soccer

**Leader** in sports rights in Asia and the Middle East

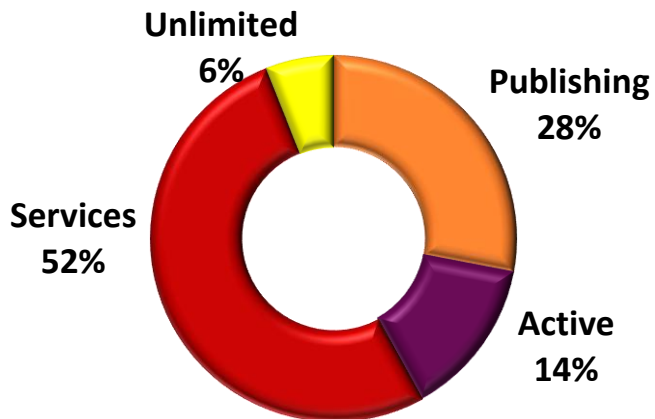
**Strong Partnership** with main sports bodies:

FIFA, AFC<sup>(1)</sup>, CAF<sup>(2)</sup>, IAAF<sup>(3)</sup>

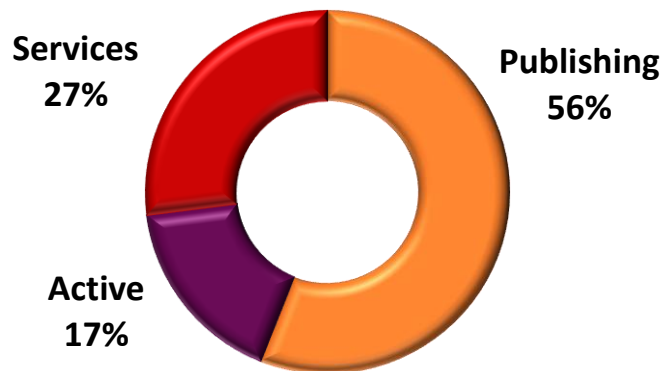
<sup>(1)</sup>Asian Football Federation, <sup>(2)</sup>Confederation of African Football, <sup>(3)</sup>International Association of Athletics Federations

# Financial profile – 2012

Net sales by division

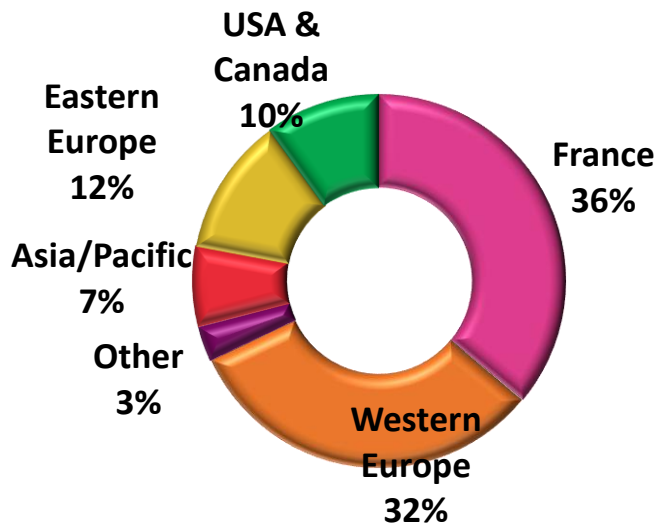


Recurring EBIT by division

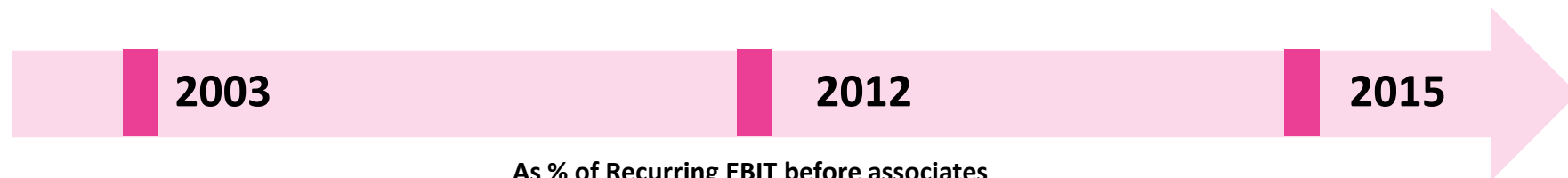


Note : Recurring EBIT - 2012 - **Unlimited**:-€33m

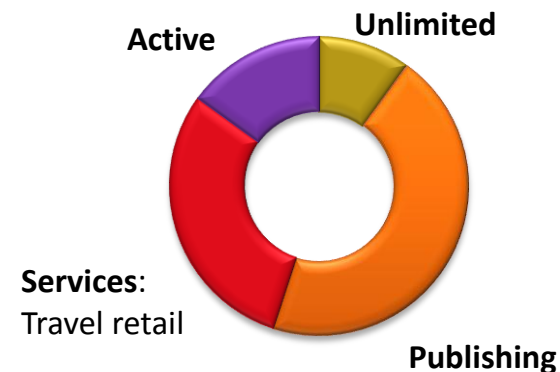
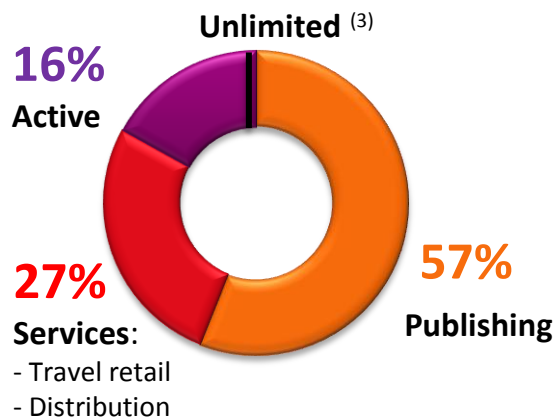
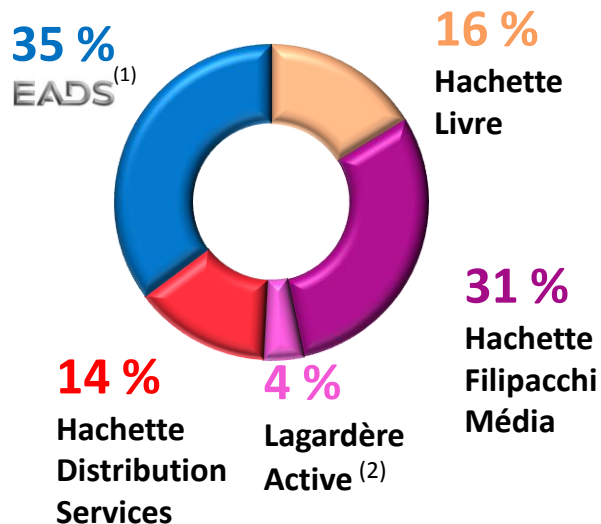
Net sales by geographic area



# 2003-2012: refocus on media, with a balanced business mix



As % of Recurring EBIT before associates



**Minority stakes as of 2012**

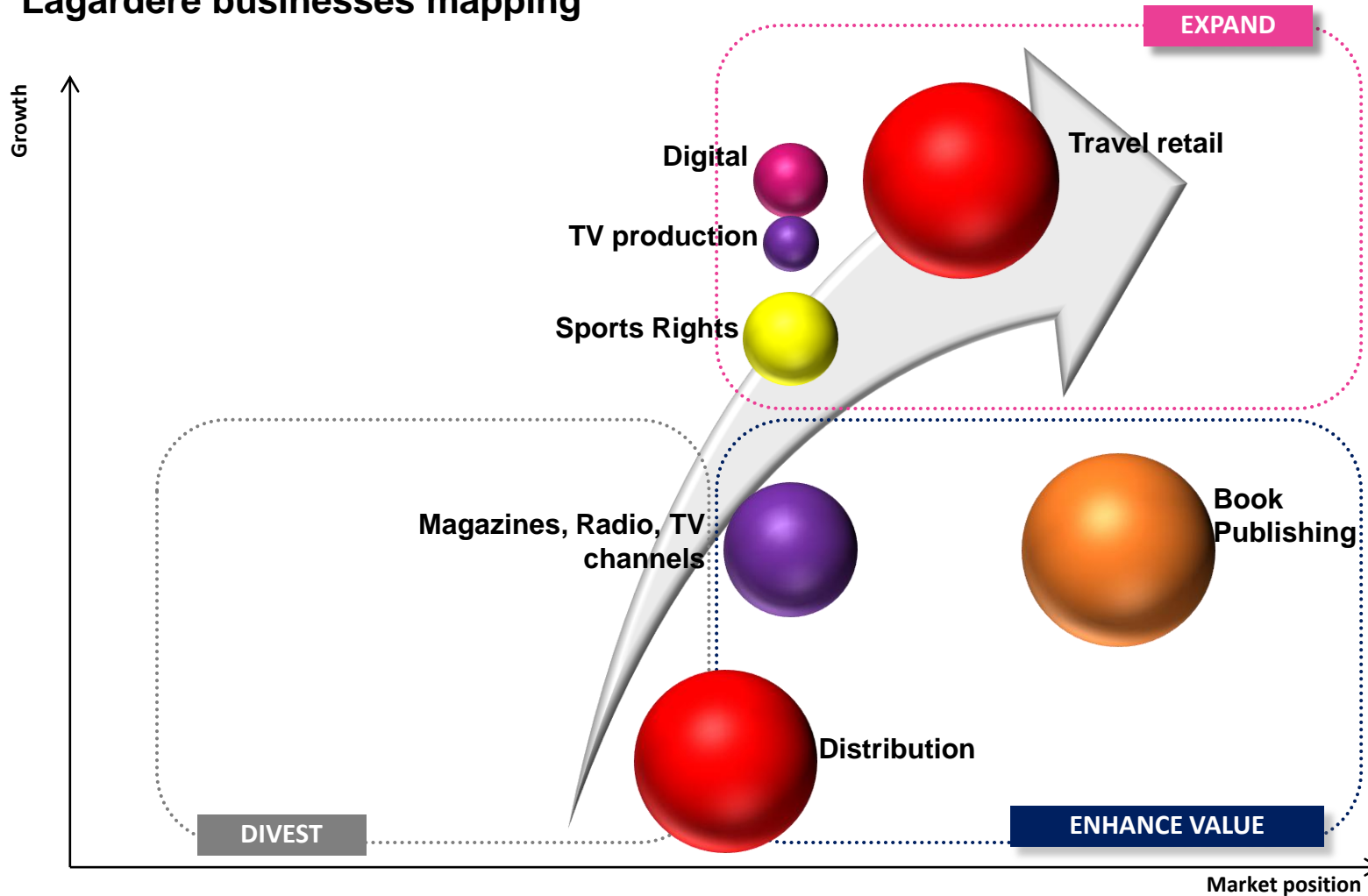
**EADS** **CANAL+**

7.4% in EADS  
20% in Canal +France

(1) Proportional consolidation (15,04 %)  
 (2) Lagardère Active Broadcast and Lagardère Active Broadband  
 (3) Negative recurring EBIT in 2012 for Lagardère Unlimited (-€33m)

# Travel retail, digital, and sports are clear expansion areas

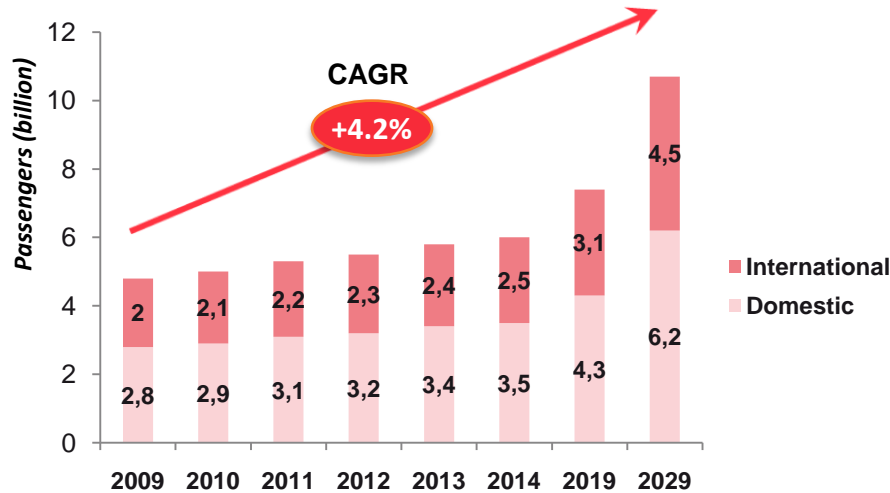
## Lagardère businesses mapping



# Lagardère Services: growth in travel retail

## Increase in air traffic:

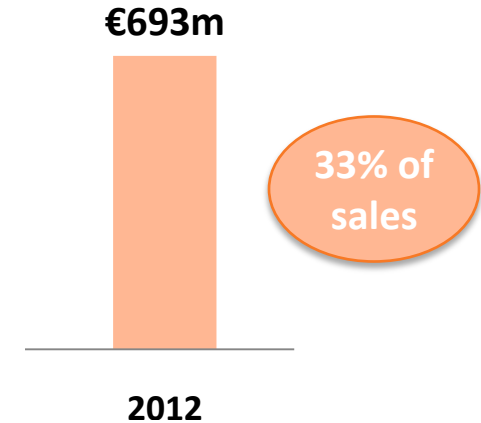
### Global long-term Passenger Forecast



Sources: Eurostat, IATA, ACI, Air4casts, Aeroports.fr

## Expansion on emerging markets:

### Travel Retail revenue in emerging markets\*

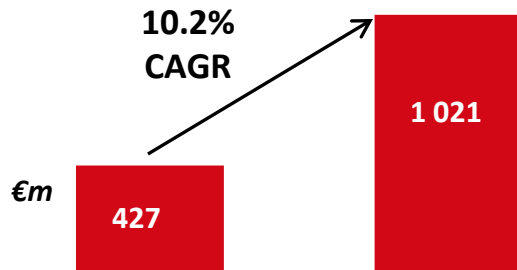


→ Data does not include net sales from emerging country passengers travelling in mature countries.

\* Central Europe and Asia-Pacific

## LS travel retail key growth figures:

### Aelia managed sales 2003-2012



- LS travel Retail 2012 performance: **+8.2%** (like-for-like)
- LS travel retail 2011-16 sales growth target : **+10%/year**



# Lagardère Publishing: growth in digital

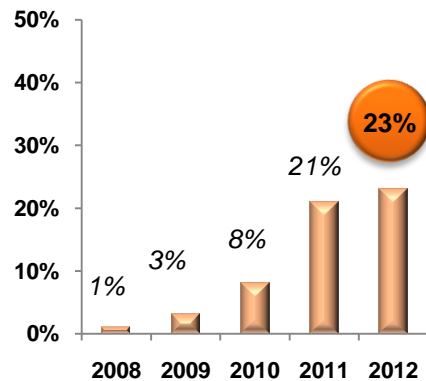
## E-book: an opportunity, thanks to a sound business model

1. Relying on e-reader device penetration
2. A significant share in the Anglo-Saxon countries but e-books remain small in France
3. Our strategy is aimed at maintaining the publisher's position on the book value chain

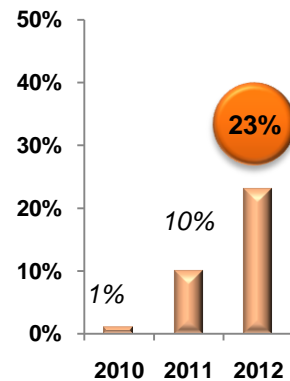
### E-book share – as percentage of trade market sales

### Lagardère Publishing E-book sales

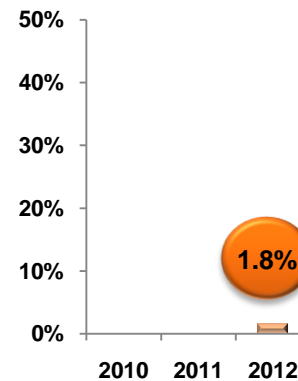
United States



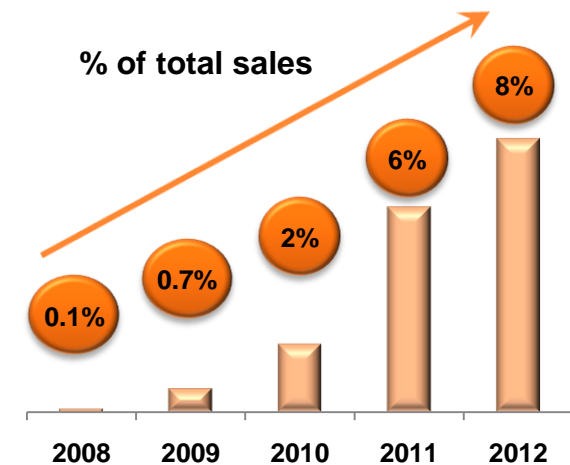
United Kingdom\*



France\*\*



% of total sales



# Lagardère Active: growth in digital and rights & content. Transition to a more resilient profile.

## Increased presence in the digital market

Acquisition in 2012 of **LeGuide.com** (the leading online shopping guide in Europe) and **BilletReduc** (online ticketing)



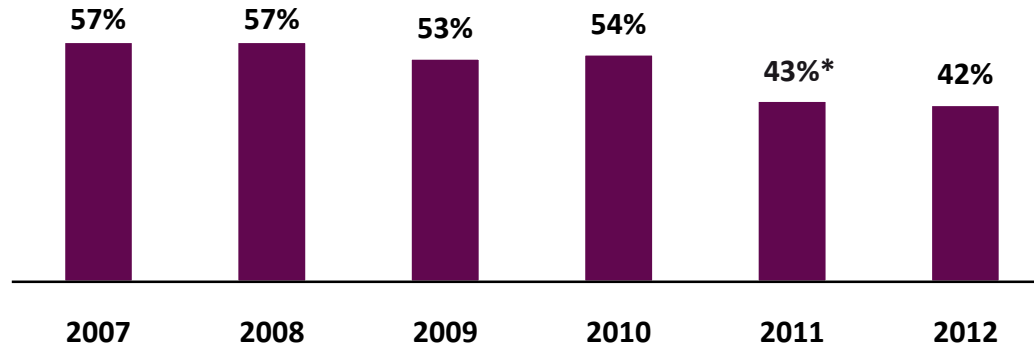
## Monetizing a portfolio of attractive brands



Licensing activities: +11% in 2012

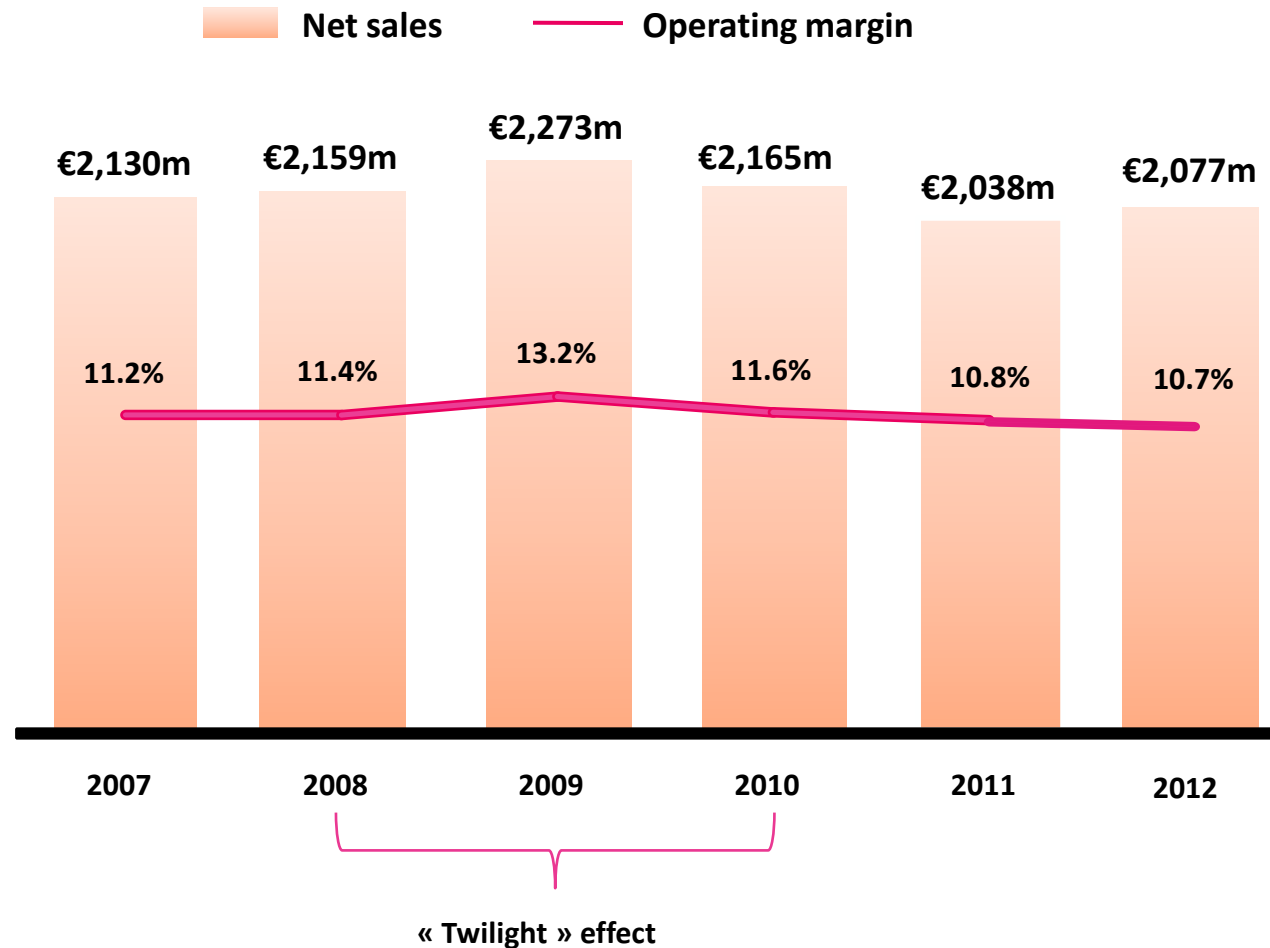
## Reduced exposure to advertising

(as % of sales)



\* Excluding PMI and Russian radio, sold in 2011

# Lagardère Publishing: resilient revenues and double-digit margins





## Group performance in 2012

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## Key figures – Group

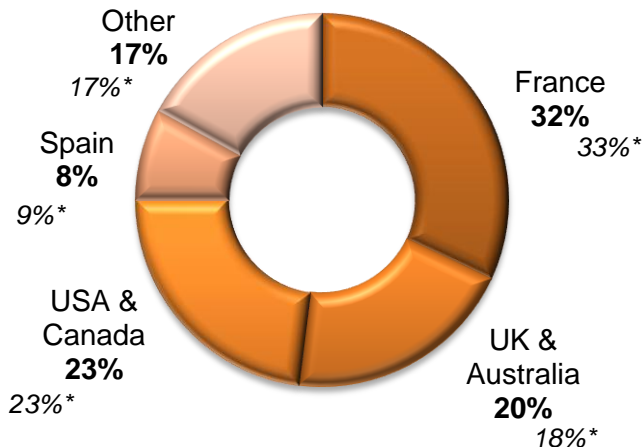
<b>(€m)</b>	<b>2011</b>	<b>2012</b>	<b>Change</b>
<b>Net sales</b>	<b>7,657</b>	<b>7,370</b>	<b>-3.7%</b>
<b>Media Recurring EBIT before associates</b>	<b>414*</b>	<b>358</b>	<b>-€56m</b>
<b>Net income – Group share</b>	<b>-707</b>	<b>89</b>	<b>+€796m</b>
<b>Earnings per share (in €)</b>	<b>(5.56)</b>	<b>0.70</b>	<b>ns</b>
<b>Adjusted net income – Group share</b>	<b>226**</b>	<b>207</b>	<b>-€19m</b>
<b>Cash from operating activities</b>	<b>257</b>	<b>391</b>	<b>+€134m</b>
<b>Net debt (end of year)</b>	<b>1,269</b>	<b>1,700</b>	<b>+€431m</b>

\* Including €49m from disposed assets: International Magazines Publishing (PMI) and Russian radios.

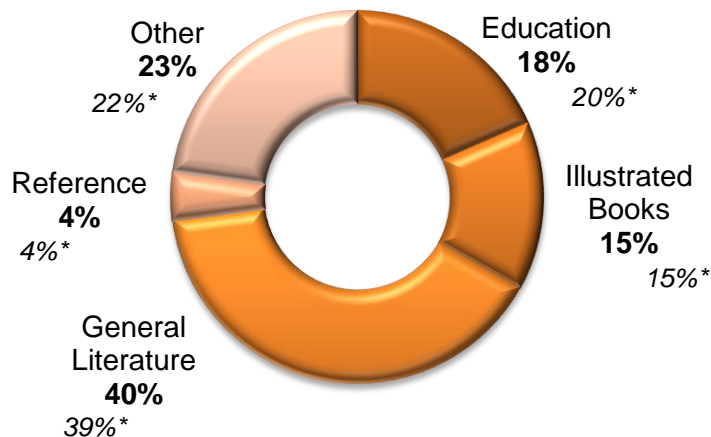
\*\* Including €46m from disposed assets (PMI and Russian radio).

# Lagardère Publishing: financial data

## 2012 net sales by geographical area



## 2012 net sales by activity



(€m)	2011	2012	Change
Net sales	2,038	2,077	+1.9%
Recurring EBIT before associates	221	223	+€2m
Operating margin	10.8%	10.7%	-0.1 pt

### ▶ 2012 activity trends (-1.2% l-f-l):

- France up (+0.5%): good performance in General Literature offsets the dip in Education.
- UK down slightly (-1.9%): strong increase in Digital, tough international market trends and disposal of publisher's lists in Education.
- US down (-3.4%): reflecting mainly growing share of Digital.
- Spain is still suffering from the economic crisis.

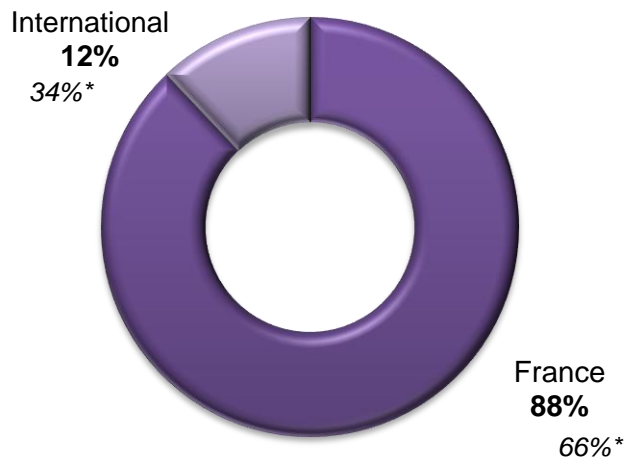
### ▶ 2012 operating margin maintained at a high level

- Excellent year in General Literature (UK, France), Illustrated books and Partworks;
- Profitability down in the US (lower sales & settlement on e-books) and Spain (crisis).

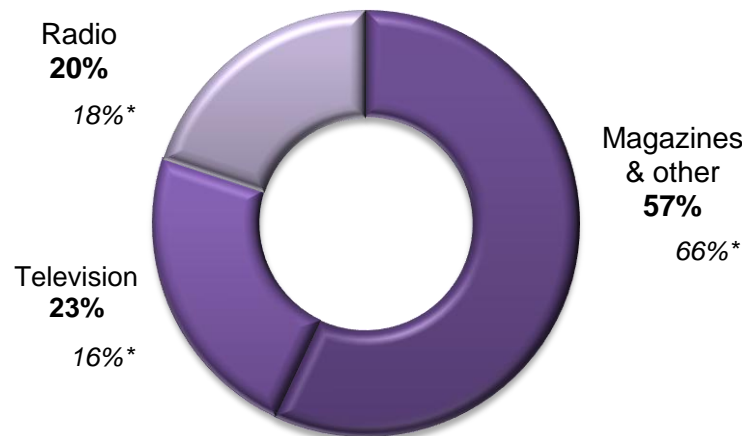
\*% of net sales in 2011.

# Lagardère Active: financial data

## 2012 net sales by geographical area



## 2012 net sales by activity



(€m)	2011	2011 Pro forma**	2012	Change vs. 2011 Pro forma
Net sales	1,441	1,028	1,014	-1.4 %
Recurring EBIT before associates	95	46	64	+€18m
Operating margin	6.6%	4.5%	6.4%	+1.9 pts

### ▶ 2012 activity trends (-3.9% l-f-l):

- Advertising down by 5.9%, Magazines circulation down by 7%.
  - ✓ The Group division's titles did better than its competitors, with the resulting improvement in market share.
- TV Channels and Production up, as well as Brand Licensing (specifically Elle brand).

### ▶ 2012 Profitability is up on a comparable basis thanks to:

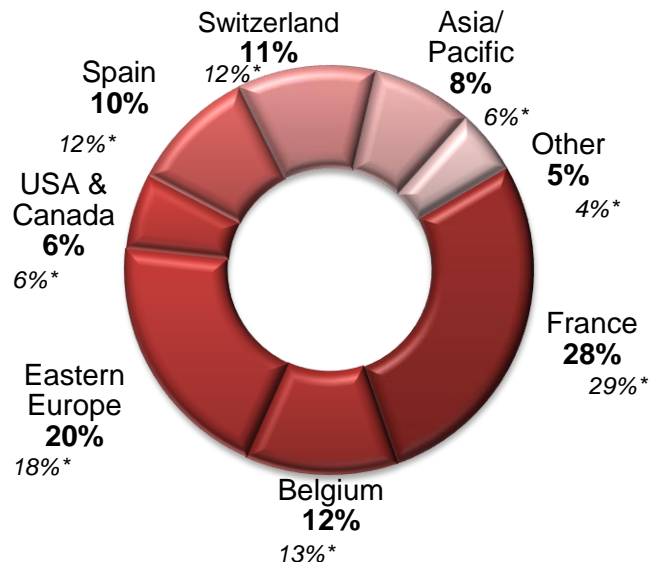
- ✓ Tight cost control (overheads and operating expenses);
- ✓ Good performance in TV Channels and Licensing revenues.

\*% of net sales in 2011.

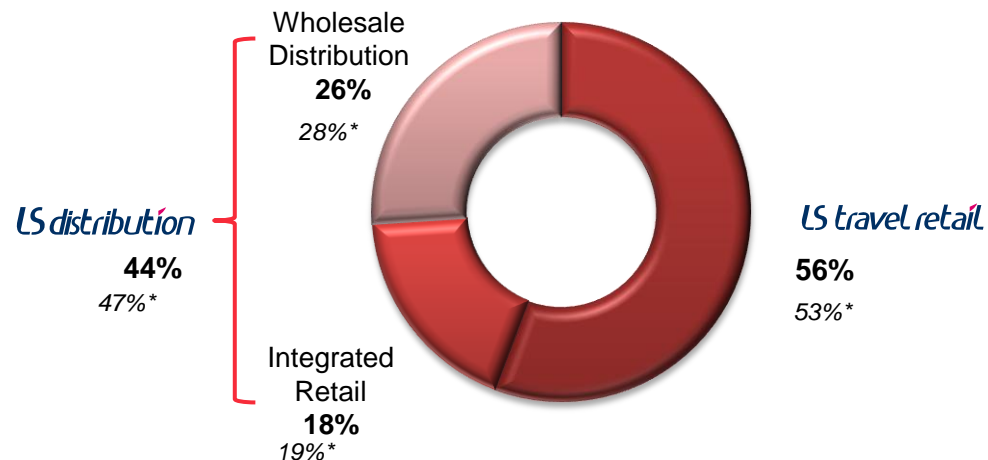
\*\* Excluding PMI and Russian radios: sales of €413m and recurring EBIT of €49m

# Lagardère Services: financial data

**2012 net sales by geographical area**



**2012 net sales by activity**



(€m)	2011	2012	Change
Net sales	3,724	3,809	+2.3%
Recurring EBIT before associates	105	104	-€1m
Operating margin	2.8%	2.7%	-0.1 pt

► **2012 activity trends (+2.2% I-f-I):**

- Strong growth in Travel Retail (+8.2% like-for-like):
  - ✓ Especially in France in Duty Free (+15% for Aelia) Central Europe, the UK, Germany and Asia (+32.5%).
- Distribution was down -4.5% like-for-like, due to substantial decrease in press-related activities.

► **Stable profit in 2012**

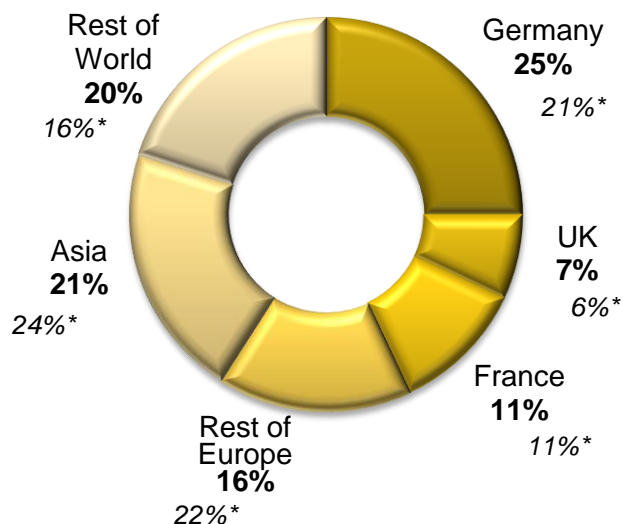
- Travel Retail: very good performance in Duty Free in France and in Central Europe but negative impact of development costs in Asia-Pacific;
- Distribution: decrease in profitability due to a decline of Press Distribution.

\*% of net sales in 2011.

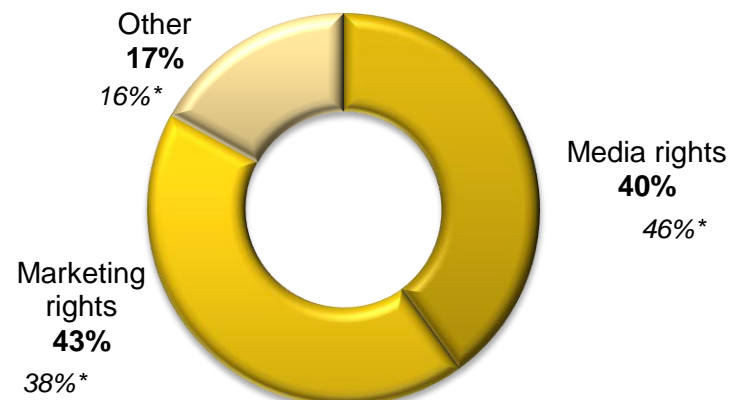


# Lagardère Unlimited: financial data

## 2012 net sales by geographical area



## 2012 net sales by activity



(€m)	2011	2012	Change
Net sales	454	470	+3.5%
Recurring EBIT before associates	(6)	(33)	-€27m
Operating margin	-	-	-

### ► 2012 activity trends (-5.9% I-f-I):

- Downturn at Sportfive : unfavourable draw for the UEFA qualification matches and expiry of media rights contracts to some football championships in Europe.
- Negative calendar effect at World Sport Group.
- Partially offset by the occurrence of the CAN and good performances with football clubs in Germany.

### ► 2012 profitability:

- Negative impact for Sportfive of:
  - ✓ the -€22m provision loss on IOC contract;
  - ✓ the unfavourable draw on UEFA qualifying matches;
  - ✓ a less favourable sport event calendar.
- World Sport Group profit up.



## Outlook and guidance

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## Disposal of EADS (7.4% stake)

- ▶ Lagardère completed on April, 9, 2013 a private placement, through an accelerated bookbuilding with qualified investors aiming at the disposal of its EADS stake, representing approximately 7,4% of the share capital of the company, for a total amount of circa **2,283 million Euros**.
- ▶ EADS has participated to this placement for a total amount of circa 500 million Euros, at the price of the book.
- ▶ The cash was received on April, 12, 2013, closing the operation.
- ▶ A significant part of the proceeds will be used for an **exceptional cash return to shareholders through an exceptional dividend** (amount to be decided in the forthcoming weeks). The remaining part will be mainly used for **deleveraging**.

## Canal+ France

- ▶ **Legal action on February 13, 2013, against Vivendi and Groupe Canal+ for the purpose of obtaining a restitution of €1.6 billion in cash to Canal+ France:**
  - Lagardère believes that Canal+ France cash management agreement is legally contestable and that the use made by the Vivendi group of the latter has caused significant harm to Canal+ France.
- ▶ **Canal+ France IPO:**
  - this situation has caused a deadlock preventing Canal+ France, as things stand, from going ahead with an IPO in normal conditions.

## Guidance 2013

- ▶ **In 2013, the Media recurring EBIT before associates is expected to increase by between 0% to 5% at constant exchange rates, compared to 2012.**
- ▶ **This guidance is based notably on the assumption of a circa 5% decrease of advertising sales for Lagardere Active.**



## Key credit highlights

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## 2012 key ratios

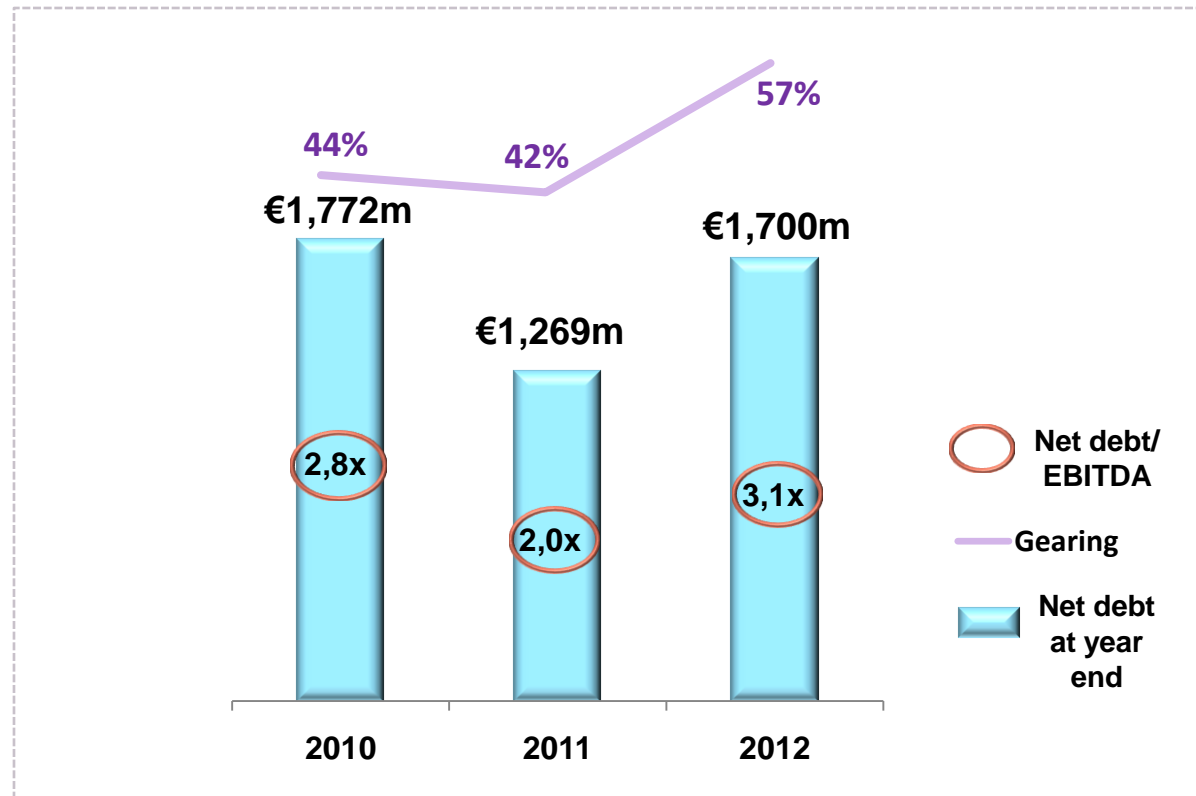
### ▶ Gearing \*

- Gearing is 57% in 2012 vs. 42% in 2011.

- ▶ Significant improvement of ratios expected in 2013 with EADS stake sale and related deleveraging.

### ▶ Net debt/EBITDA

- 3.1x in 2012

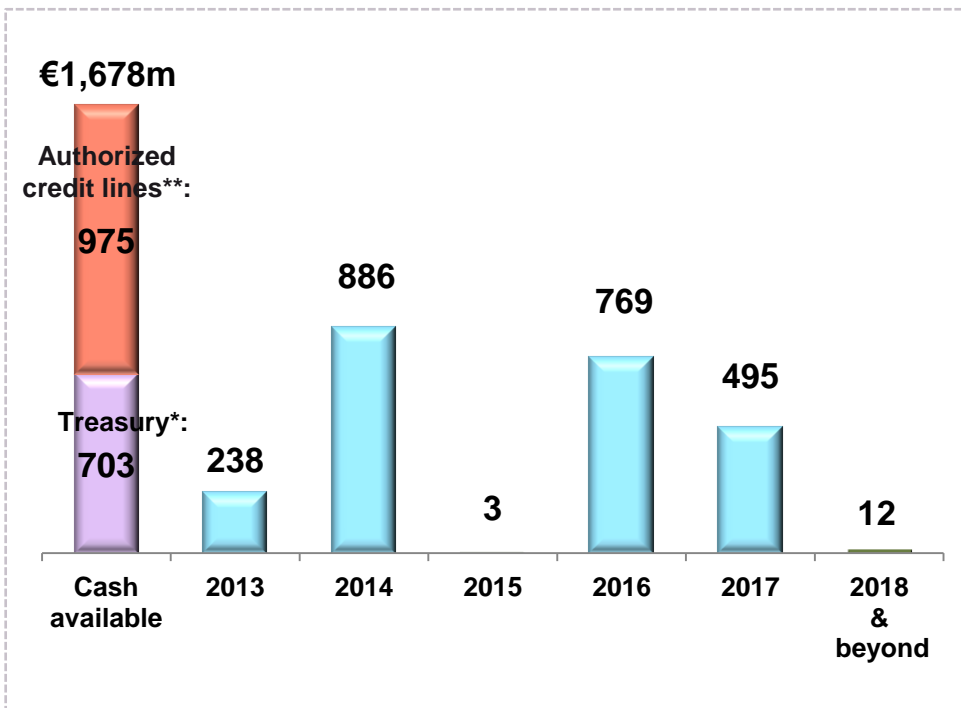


\*Net debt-to equity ratio.

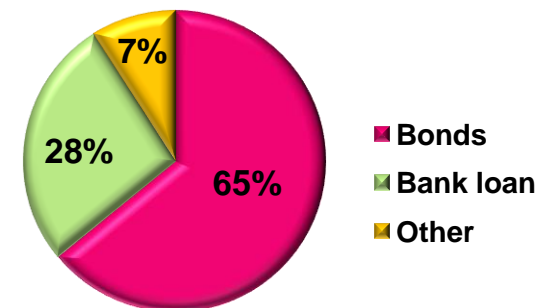
## Sound financial position

► **Preservation of liquidity and balanced debt repayment schedule**

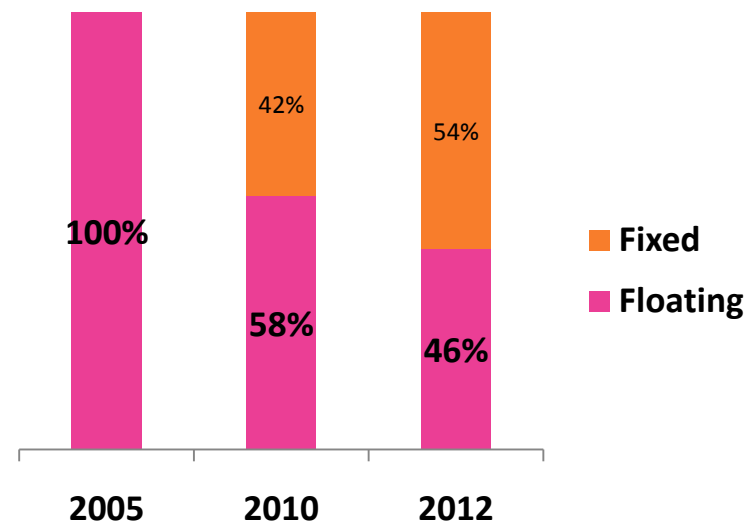
- Cash available : €1.7 bn
- Average debt maturity: 3.2 years
- Gross debt mostly in Euros



► **Gross debt breakdown: well-balanced funding sources**



► **Gross debt interest rate structure**







## APPENDIX

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## Consolidated income statement (1/2)

(€m)	2011			2012		
	Lagardère Media	Other activities*	Total	Lagardère Media	Other activities*	Total
<b>Net sales</b>	<b>7,657</b>	<b>-</b>	<b>7,657</b>	<b>7,370</b>	<b>-</b>	<b>7,370</b>
<b>Recurring EBIT before associates**</b>	<b>414</b>	<b>(12)</b>	<b>402</b>	<b>358</b>	<b>(19)</b>	<b>339</b>
Income from associates	33	79***	112	16	89***	105
<b>Non-recurring items</b>	<b>(692)</b>	<b>(311)</b>	<b>(1,003)</b>	<b>(173)</b>	<b>(43)</b>	<b>(216)</b>
<i>Restructuring costs</i>	<i>(41)</i>	<i>-</i>	<i>(41)</i>	<i>(40)</i>	<i>-</i>	<i>(40)</i>
<i>Gains/(losses) on disposals</i>	<i>18</i>	<i>(1)</i>	<i>17</i>	<i>(3)</i>	<i>-</i>	<i>(3)</i>
<i>Impairment losses on goodwill, tangible &amp; intangible fixed assets</i>	<i>(585)</i>	<i>(310)</i>	<i>(895)</i>	<i>(95)</i>	<i>(43)</i>	<i>(138)</i>
<i>Amortisation of acquisition-related intangible assets and other acquisition-related expenses</i>	<i>(84)</i>	<i>-</i>	<i>(84)</i>	<i>(35)</i>	<i>-</i>	<i>(35)</i>
<b>EBIT</b>	<b>(245)</b>	<b>(244)</b>	<b>(489)</b>	<b>201</b>	<b>27</b>	<b>228</b>

\*Non-media, Canal+ France and EADS. / \*\*See definition slide 41. / \*\*\*EADS contribution.

## Consolidated income statement (2/2)

(€m)	2011			2012		
	Lagardère Media	Other activities*	Total	Lagardère Media	Other activities*	Total
<b>EBIT</b>	<b>(245)</b>	<b>(244)</b>	<b>(489)</b>	<b>201</b>	<b>27</b>	<b>228</b>
Net interest expense	(44)	(51)	(95)	(25)	(57)	(82)
<b>Income before tax</b>	<b>(289)</b>	<b>(295)</b>	<b>(584)</b>	<b>176</b>	<b>(30)</b>	<b>146</b>
Income tax expense	(150)	45	(105)	(143)	103	(40)
Total net income	(439)	(250)	(689)	33	73	106
<i>Attributable to minority interests</i>	<i>(18)</i>	<i>-</i>	<i>(18)</i>	<i>(17)</i>	<i>-</i>	<i>(17)</i>
<b>Net income – Group share</b>	<b>(457)</b>	<b>(250)</b>	<b>(707)</b>	<b>16</b>	<b>73</b>	<b>89</b>

\*Non-media, Canal+ France and EADS.

## Adjusted net income – Group share

<b>(€m)</b>	<b>2011</b>	<b>2012</b>
<b>Net income attributable to the Group</b>	<b>(707)</b>	<b>89</b>
Equity accounted contribution from EADS	(79)	(89)
Amortisation of acquisition-related intangible assets and other acquisition-related expenses*	71	27
Impairment losses on goodwill, tangible and intangible fixed assets*	895	138
Restructuring costs*	36	37
Gains (losses) on disposals*	10	5
<b>Adjusted net income excluding EADS**</b>	<b>226</b>	<b>207</b>
<b>Adjusted earnings per share excluding EADS (in €)</b>	<b>1,78</b>	<b>1,62</b>

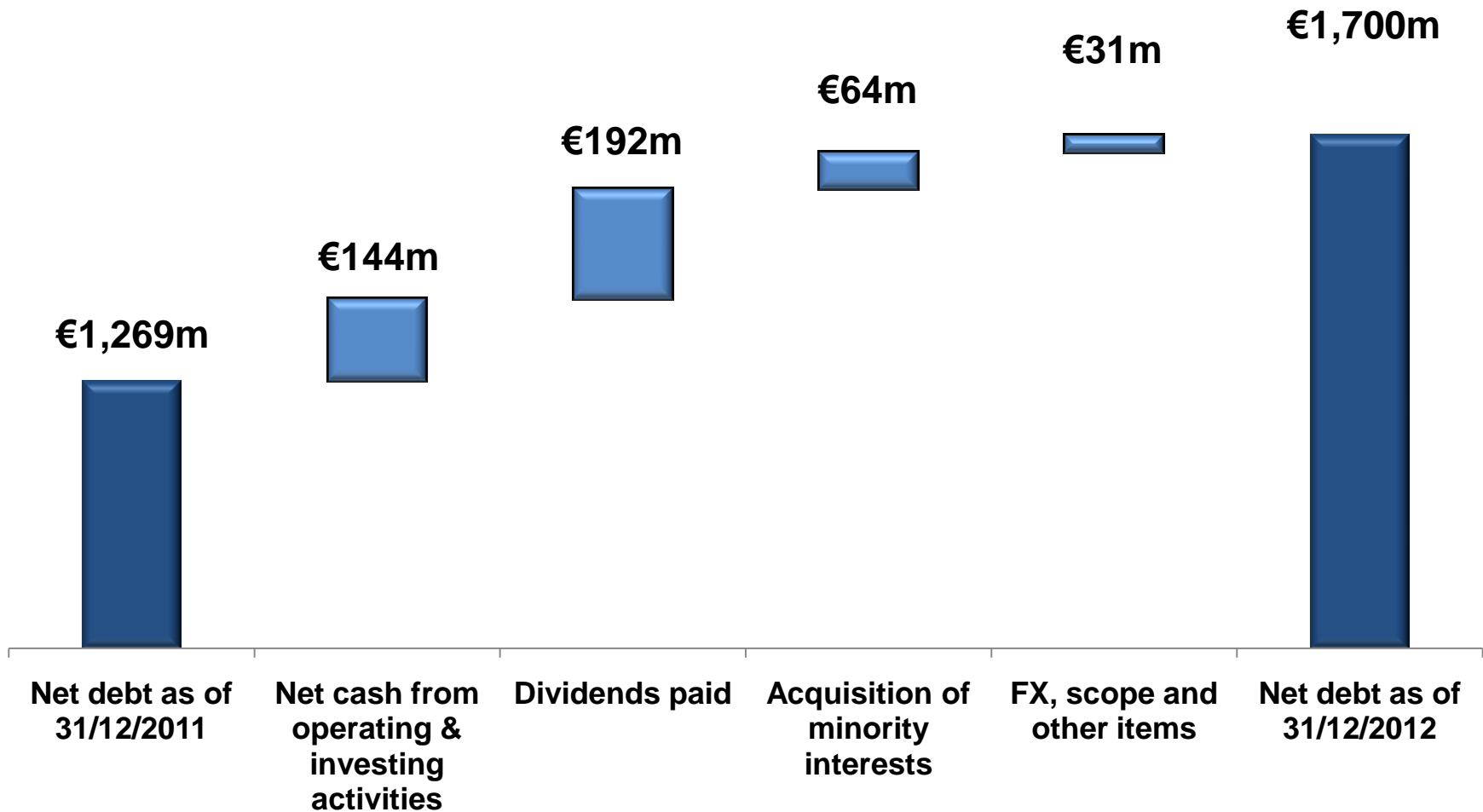
\*Net of taxes.

\*\*2011 adjusted net income includes €46m of net income from consolidated activities of PMI and Radio in Russia prior to their disposal.

## Consolidated statement of cash flows

<i>(€m)</i>	<b>2011</b>	<b>2012</b>
Cash flow from operations before interest, taxes	597	552
Changes in working capital	(170)	(21)
<b>Cash flow from operations</b>	<b>427</b>	<b>531</b>
Interest paid & received, income taxes paid	(170)	(140)
<b>Cash generated by/(used in) operating activities</b>	<b>257</b>	<b>391</b>
<i>Acquisition of property, plant &amp; equipment and intangible assets</i>	(253)	(264)
<i>Disposal of property, plant &amp; equipment and intangible assets</i>	26	20
<b>Free cash flow</b>	<b>30</b>	<b>147</b>
<i>Acquisition of financial assets</i>	(99)	(384)
<i>Disposal of financial assets</i>	814	65
(Increase)/decrease in short-term investments	21	28
<b>Net cash from operating &amp; investing activities</b>	<b>766</b>	<b>(144)</b>

Change in net debt in 2012



## Consolidated balance sheet

<i>(€m)</i>	2011	2012
<b>Non-current assets</b> (excl. investments in associates)	3,626	3,922
<b>Investments in associates</b>	1,771	1,451
<i>EADS</i>	277	-
<i>Other associates</i>	1,494	1,451
<b>Current assets</b> (other than short-term investments and cash)	2,781	2,847
<b>Short-term investments and cash</b>	737	703
<b>Held-for-sale assets</b>	13	437*
<b>TOTAL ASSETS</b>	<b>8,928</b>	<b>9,360</b>
<b>Stockholders' equity</b>	3,024	2,991
<b>Non-current liabilities</b> (excl. debt)	553	670
<b>Non-current debt</b>	1,843	2,165
<b>Current liabilities</b> (excl. debt)	3,345	3,296
<b>Current debt</b>	163	238
<b>Held-for-sale liabilities</b>	-	-
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>8,928</b>	<b>9,360</b>

\*EADS

## Main associates

	Balance Sheet		Income Statement	
	2011	2012	2011	2012
<b>(€m)</b>				
<b>EADS (7.4%)*</b>	<b>277</b>	<b>-</b>	<b>79</b>	<b>89</b>
<b>Canal+ France (20%)</b>	<b>1,197</b>	<b>1,154</b>	<b>(310)</b>	<b>(43)</b>
<b>Marie Claire (42%)</b>	<b>125</b>	<b>125</b>	<b>6</b>	<b>5</b>
<b>Amaury (25%)</b>	<b>99</b>	<b>98</b>	<b>7</b>	<b>1</b>
<b>Other associates</b>	<b>73</b>	<b>74</b>	<b>20</b>	<b>9</b>
<b>TOTAL</b>	<b>1,771</b>	<b>1,451</b>	<b>(198)</b>	<b>61</b>

\* Reclassified in held-for-sale assets



## Analysis of non-recurring/non-operating items in 2012

<i>(€m)</i>	Lagardère Publishing	Lagardère Active	Lagardère Services	Lagardère Unlimited	Total Lagardère Media	<i>Other activities</i>	Total Lagardère
Restructuring costs	(3)	(28)	(7)	(2)	(40)	-	(40)
Gains/(losses) on disposals	3	(4)	(3)	1	(3)	-	(3)
Impairment losses on goodwill, tangible and intangible fixed assets	(6)	(34)	(6)	(49)	(95)	(43)	(138)
Amortisation of acquisition-related intangible assets and acquisition-related expenses	(1)	(3)	(15)	(16)	(35)	-	(35)
<b>TOTAL</b>	<b>(7)</b>	<b>(69)</b>	<b>(31)</b>	<b>(66)</b>	<b>(173)</b>	<b>(43)</b>	<b>(216)</b>

## Off balance sheet commitments

<b>(€m)</b>	<b>2011</b>	<b>2012</b>
<b>Commitments to purchase shares from third parties (other than minority interests)</b>	<b>25</b>	<b>-</b>
<b>Commitments given in connection with ordinary activities:</b>		
- contract guarantees and performance bonds	<b>102</b>	<b>156</b>
- guarantees in favour of third parties or non-consolidated companies	<b>44</b>	<b>34</b>
- other commitments given	<b>4</b>	<b>6</b>
<b>Commitments received:</b>		
- counter-guarantees of commitments given	<b>44</b>	<b>34</b>
- other commitments received	<b>24</b>	<b>79</b>
<b>Mortgages and pledges</b>	<b>-</b>	<b>-</b>

## Lagardère Unlimited – Guaranteed minimum

- ▶ At December 2012 entities forming part of Lagardère Unlimited had guaranteed minimum future payments amounting to €880m under long-term contracts for the sale of TV and marketing rights. These payments break down as follows by maturity:

<i>Maturity</i> (€m)	2013	2014	2015	2016	2017	2018 & beyond	Total
Guaranteed minimum payments under sports rights marketing contracts	197	146	124	107	67	239	880

- ▶ At December 2012 the amounts due under marketing contracts signed by these same entities with broadcasters and partners amounted to €1,281m, breaking down as follows by maturity:

<i>Maturity</i> (€m)	2013	2014	2015	2016	2017	2018 & beyond	Total
Sports rights marketing contracts signed with broadcasters and partners	471	260	239	137	56	118	1,281

## Cash flow statement data – Lagardère Publishing

<i>(€m)</i>	<b>2011</b>	<b>2012</b>
Cash flow from operations before interest, taxes	228	217
Changes in working capital	(42)	(21)
<b>Cash flow from operations</b>	<b>186</b>	<b>196</b>
Interest paid & received, income taxes paid	(56)	(50)
<b>Cash generated by/(used in) operating activities</b>	<b>130</b>	<b>146</b>
<i>Acquisition of property, plant &amp; equipment and intangible assets</i>	(29)	(43)
<i>Disposal of property, plant &amp; equipment and intangible assets</i>	-	11
<b>Free cash flow</b>	<b>101</b>	<b>114</b>
<i>Acquisition of financial assets</i>	(16)	(6)
<i>Disposal of financial assets</i>	(5)	1
(Increase)/decrease in short-term investments	-	-
<b>Net cash from operating &amp; investing activities</b>	<b>80</b>	<b>109</b>

## Cash flow statement data – Lagardère Active

<i>(€m)</i>	<b>2011</b>	<b>2012</b>
Cash flow from operations before interest, taxes	123	67
Changes in working capital	(69)	6
<b>Cash flow from operations</b>	<b>54</b>	<b>73</b>
Interest paid & received, income taxes paid	(75)	(57)
<b>Cash generated by/(used in) operating activities</b>	<b>(21)</b>	<b>16</b>
<i>Acquisition of property, plant &amp; equipment and intangible assets</i>	(15)	(10)
<i>Disposal of property, plant &amp; equipment and intangible assets</i>	2	-
<b>Free cash flow</b>	<b>(34)</b>	<b>6</b>
<i>Acquisition of financial assets</i>	(18)	(91)
<i>Disposal of financial assets</i>	814	60
(Increase)/decrease in short-term investments	-	-
<b>Net cash from operating &amp; investing activities</b>	<b>762</b>	<b>(25)</b>

## Cash flow statement data – Lagardère Services

<i>(€m)</i>	<b>2011</b>	<b>2012</b>
Cash flow from operations before interest, taxes	153	156
Changes in working capital	(37)	(29)
<b>Cash flow from operations</b>	<b>116</b>	<b>127</b>
Interest paid & received, income taxes paid	(30)	(31)
<b>Cash generated by/(used in) operating activities</b>	<b>86</b>	<b>96</b>
<i>Acquisition of property, plant &amp; equipment and intangible assets</i>	(80)	(99)
<i>Disposal of property, plant &amp; equipment and intangible assets</i>	19	8
<b>Free cash flow</b>	<b>25</b>	<b>5</b>
<i>Acquisition of financial assets</i>	(26)	(248)
<i>Disposal of financial assets</i>	-	3
(Increase)/decrease in short-term investments	21	28
<b>Net cash from operating &amp; investing activities</b>	<b>20</b>	<b>(212)</b>

## Cash flow statement data – Lagardère Unlimited

<i>(€m)</i>	<b>2011</b>	<b>2012</b>
Cash flow from operations before interest, taxes	103	101
Changes in working capital	(17)	20
<b>Cash flow from operations</b>	<b>86</b>	<b>121</b>
Interest paid & received, income taxes paid	(30)	(19)
<b>Cash generated by/(used in) operating activities</b>	<b>56</b>	<b>102</b>
<i>Acquisition of property, plant &amp; equipment and intangible assets</i>	(113)	(108)
<i>Disposal of property, plant &amp; equipment and intangible assets</i>	5	1
<b>Free cash flow</b>	<b>(52)</b>	<b>(5)</b>
<i>Acquisition of financial assets</i>	(38)	(38)
<i>Disposal of financial assets</i>	5	-
(Increase)/decrease in short-term investments	-	-
<b>Net cash from operating &amp; investing activities</b>	<b>(85)</b>	<b>(43)</b>

## For the record : definitions of Recurring Media EBIT, EBITDA and Adjusted Net Income

- ▶ **Recurring Media EBIT before associates is defined as the difference between earnings before interest and tax and the following items of the profit and loss statement:**
  - contribution of associates;
  - gains or losses on disposals of assets;
  - impairment losses on goodwill, property, plant and equipment and intangible assets;
  - restructuring costs;
  - items related to business combinations:
    - expenses on acquisitions;
    - gains and losses resulting from acquisition price adjustments;
    - amortization of acquisition-related intangible assets.
  
- ▶ **EBITDA is defined as: Earnings before interest and tax + Depreciation and amortization + Impairment losses on goodwill, property, plant and equipment and intangible fixed assets - Positive contribution (+ Negative contribution) of associates + Dividends received from associates.**
  
- ▶ **Like-for-like net sales were calculated by adjusting:**
  - 2012 net sales to exclude companies consolidated for the first time during the year, and 2011 net sales to include companies divested in 2012;
  - 2012 and 2011 net sales based on 2012 exchange rates.
  
- ▶ **Free cash flow is defined as: Net cash generated by operating and investing activities, excluding acquisitions/disposals of financial assets and short-term investments.**

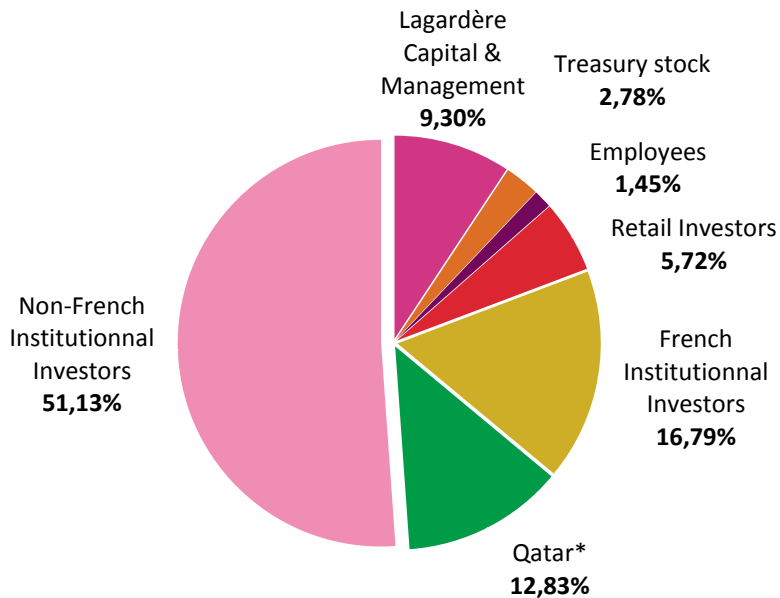


# Shareholding structure

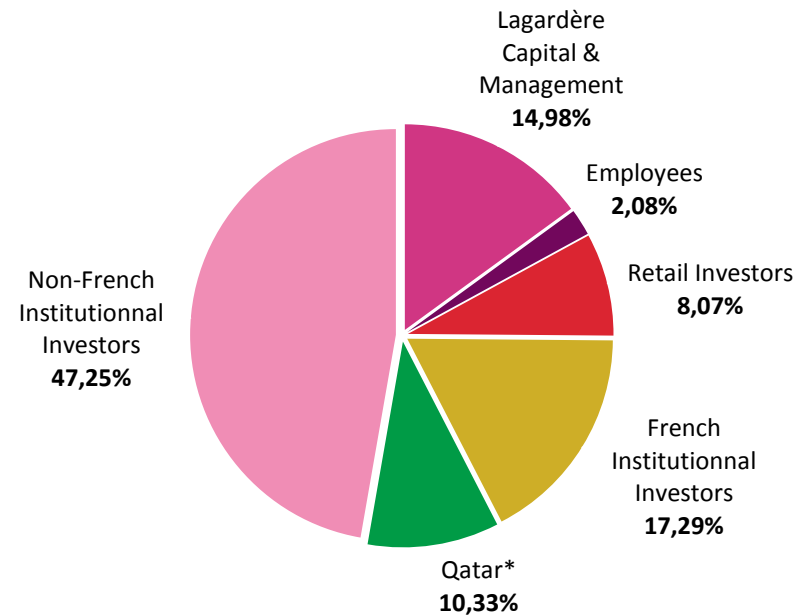
## Capital at end December 2012

Number of shares	131 133 286
Number of voting rights	162 772 007

### Share capital at end December 2012



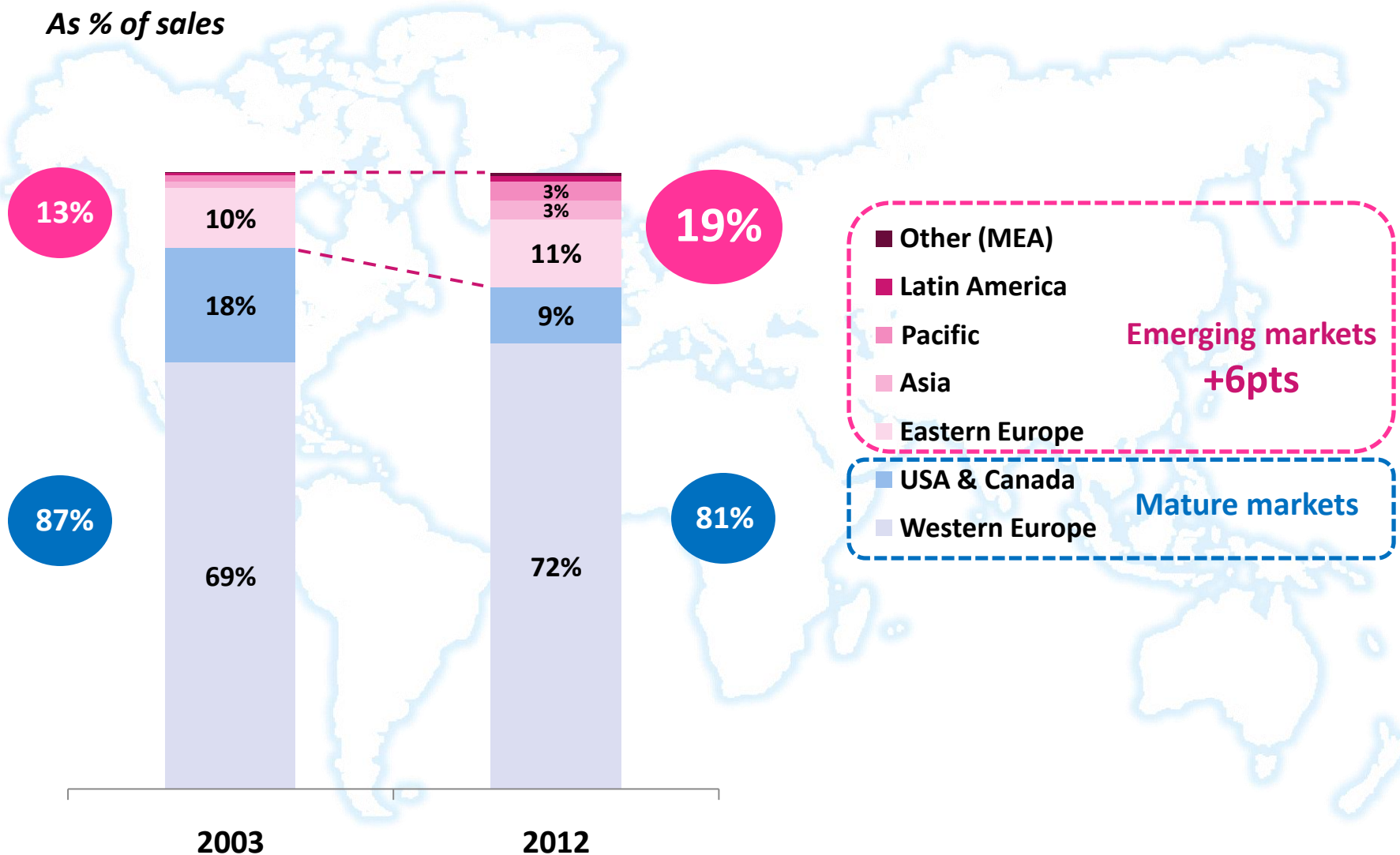
### Voting rights at end December 2012



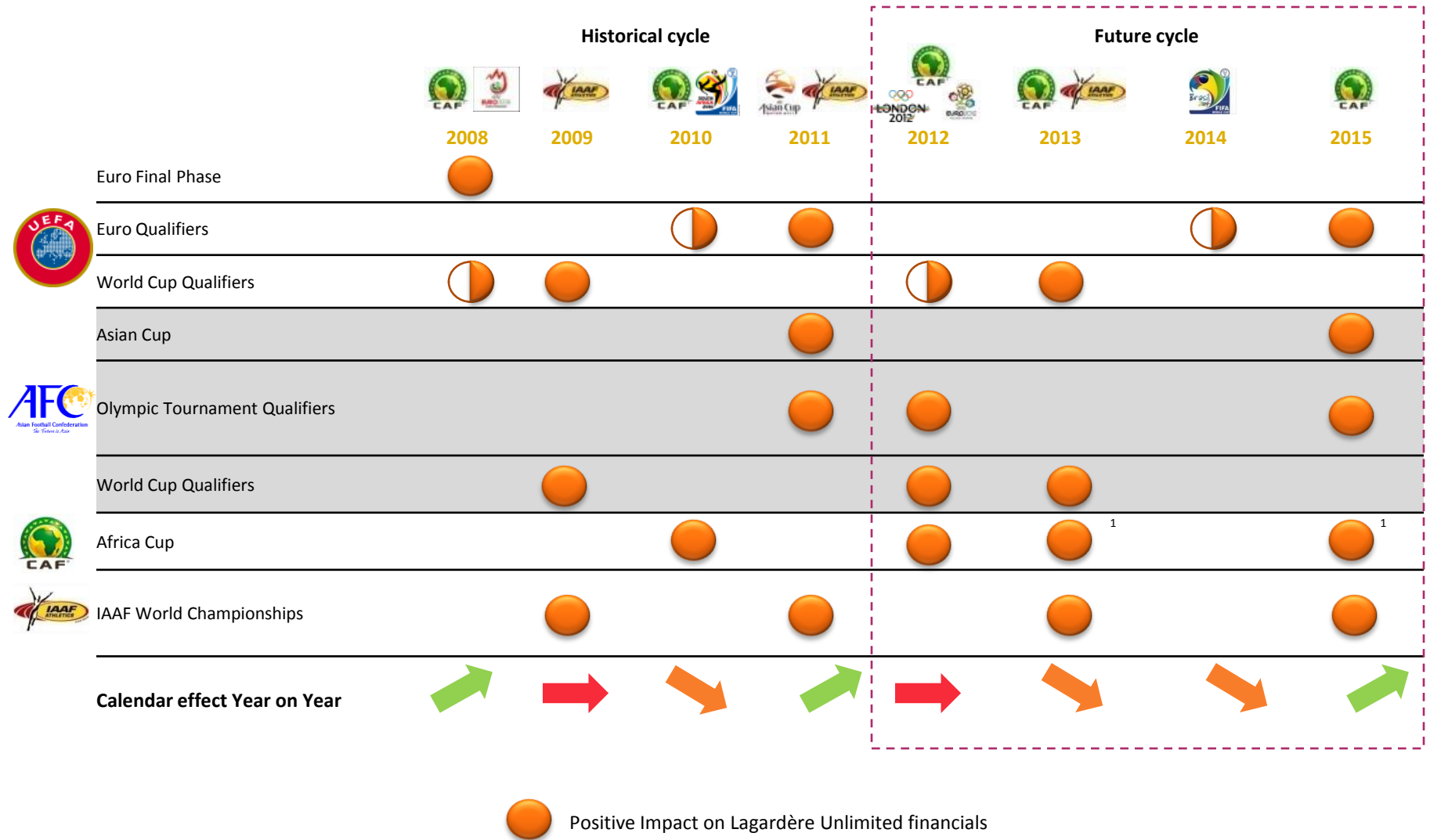
\* As stated in the last threshold crossing disclosure on March 19<sup>th</sup> 2012

# Higher exposure to emerging markets

As % of sales



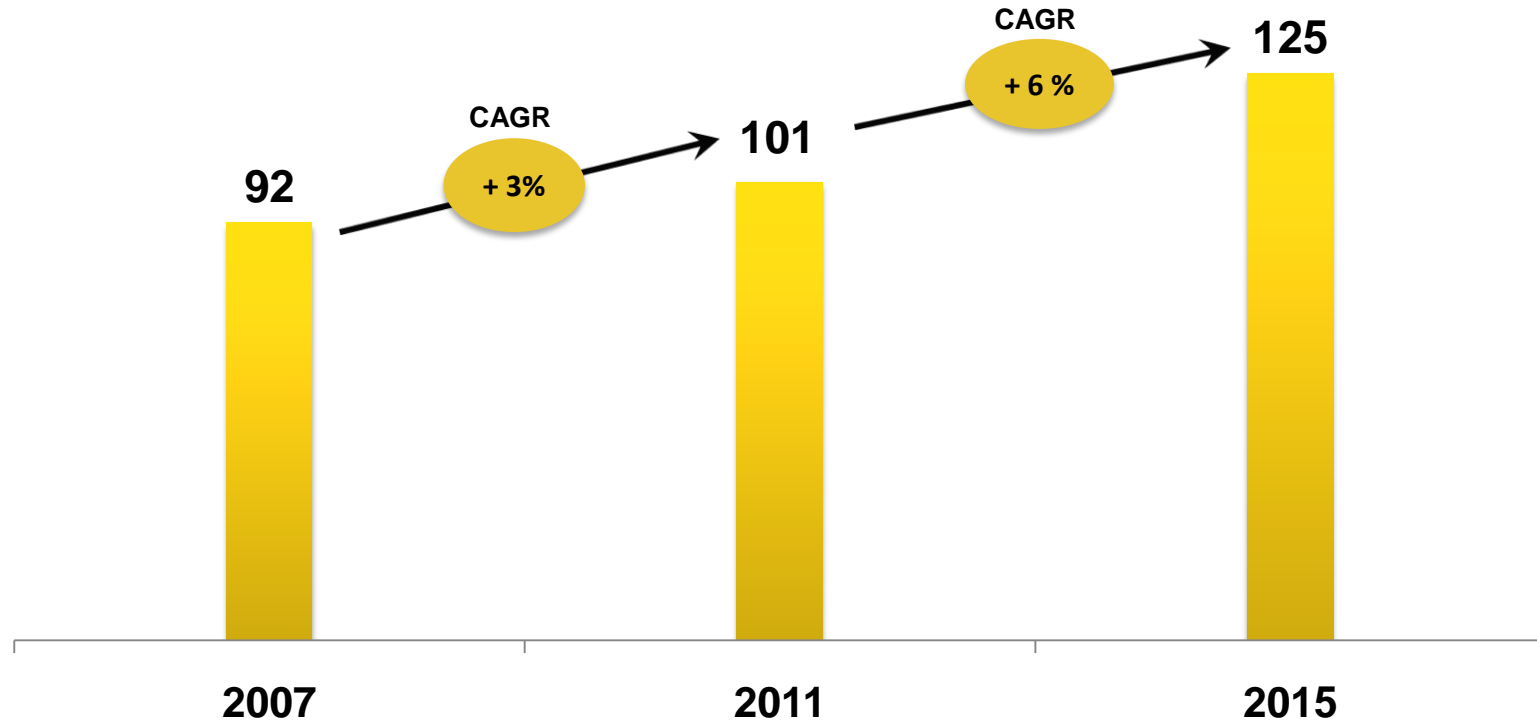
# Sports 2011-2015 calendar



<sup>1</sup> Periodicity modification in 2013

# Lagardère Unlimited: growth in the global Sports market

## 1. Sports market growth (media rights, sponsorship, ticketing) *in \$bn*



Source : PwC.

## 2. Our strategy: consolidate the existing assets and expand progressively in

- New sports
- New geographies
- New businesses, more regular and less capital intensive

## e-Books: Answer to potential threat (1/5)

- ▶ **Risk # 1 : Self-publishing**  
**“Big ticket authors will publish themselves online”**
- But who will pay them their big advances up front ?
  - Who will help them improve their copy ?
  - Who will manage their promo tours and their web sites ?
  - Who will do their marketing ?
  - Who will make sure their books get reviewed in a brand-conscious environment ?

***They have all been tempted.  
Those who have tried (Stephen King) have retreated.***

---

## e-Books: Answer to potential threat (2/5)

▶ **Risk # 2 : Disintermediation**

**“Large e-tailers will become publishers”**

- The largest e-tailer (Amazon) only commands a 15% market share (print & ebook). Who wants to limit his audience to such a small fraction of the market ?
- Who can be sure his/her e-publisher will still be in the publishing business 5 years down the road ?
- Why should technology companies who have access to the whole market at no risk to themselves, become involved long-term in the hit-and-miss business of content production?
- Who will make sure books get reviewed in the competitive, brand-conscious environment of best-sellerdom ?

***All best selling authors have been or will be approached.  
So far, none has been tempted***

---

## e-Books: Answer to potential threat (3/5)

▶ Risk # 3 : Piracy

“Why buy e-books when it’s so easy to download them illegally ?”

- DRMs and piracy tracking agencies are a good deterrent.
- The demographics of books buyers are not similar to those of music consumers (older, more affluent, more law-abiding).
- Unbundling an e-book (the music-by-Apple model) makes no sense.
- The reading experience is a lot poorer than with legally downloaded books due to scanning (90% of pirated books).

***The spectacular growth of e-book sales in the US and the UK is evidence that piracy, while a concern, doesn't undermine market dynamics***

---

## e-Books: Answer to potential threat (4/5)

- ▶ **Risk # 4 : e-tailer market dominance**  
**“A high retail price policy is unsustainable when access to market is controlled by a few huge players”**
- The “agency contract”, upheld by DoJ and European Commission, is effective protection against deep discounting while waiting for market forces to kick in
  - All rebates are based on suggested retail price, at no cost to publishers
  - Price wars have shifted from content to hardware (readers and tablets)
  - New players join the e-book fray every year.

*As hardware becomes a commodity,  
content remains king*



---

## e-Books: Answer to potential threat (5/5)

▶ **Risk # 5 : Profitability**

**“Migrating from print to digital will negatively impact the profitability of the publishing industry”**

- Many high margin books (illustrated, coffee-table, how-to, boxes...) still don't lend themselves to digitization.
- School book digitalization is subject to digital infrastructure building and allocation of personal terminals to pupils – a long and expensive process. Continental Europe is lagging behind US and UK.
- Margins on e-books are potentially higher than on printed books as cost of printing, storage, and shipping are stripped out.

***e-Books are a business opportunity, not a threat***

# Travel Retail: a fast growing market

## Travel retail market size and growth perspectives

(€ bn, %, 2011)

Σ = €75bn

■ **Others<sup>1</sup>**  
€30bn, 40%

■ **Stations**  
€13bn, 17%

■ **Airports**  
€32bn, 43%

### Annual growth until 2020

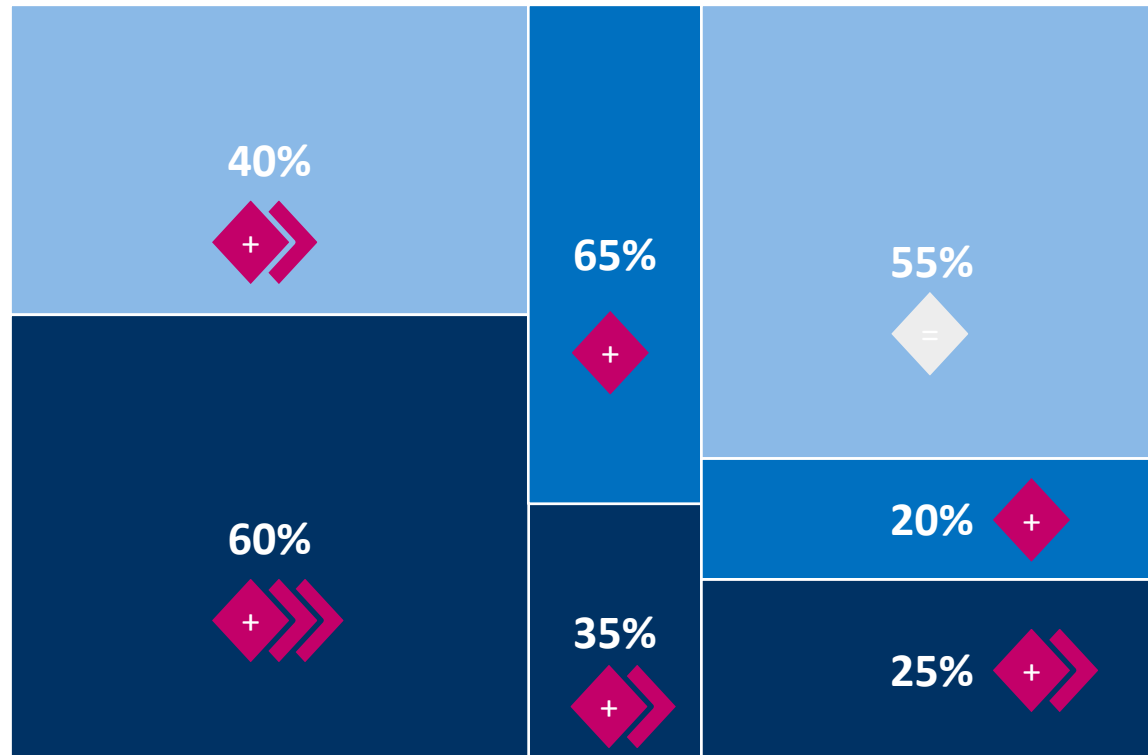
(% p.a.)

◊ = 0% - 2%

◆+ 2% - 4%

◆+> 4% - 8%

◆+>> > 8%



**Duty Free  
& Luxury Fashion**  
€34bn, 45%

**Travel  
essentials**  
€11bn, 15%

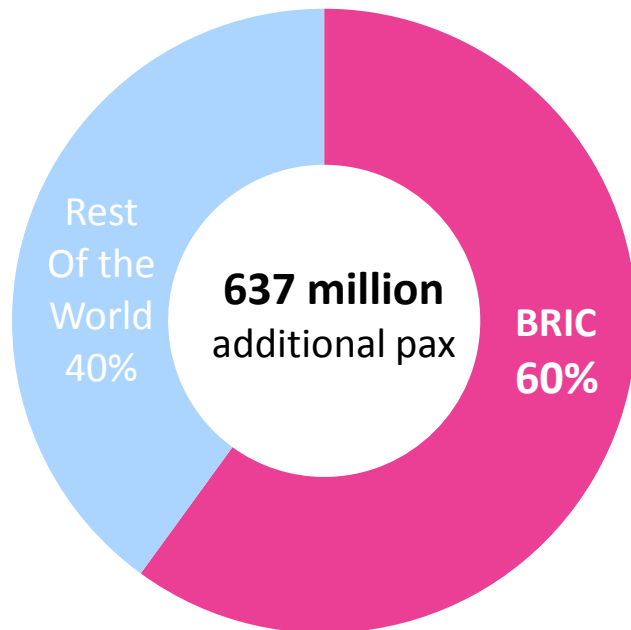
**Foodservice**  
€30bn, 40%

(1) Incl. ferries, inflight, downtown stores for duty free & luxury fashion; highways, hospitals, museums for foodservice

Source: Lagardère Services estimates

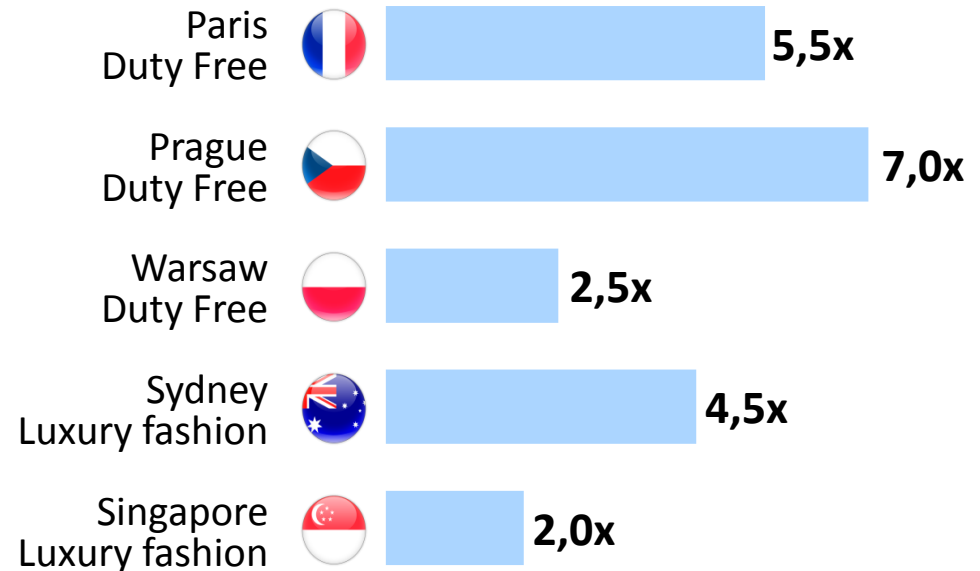
# Travel Retail: emerging countries heavily contribute to growth worldwide

**Increase<sup>1</sup> in total air traffic between  
2006 and 2011**  
(€ bn, %, 2006-2011)



**Sales Per Pax for BRIC destinations**

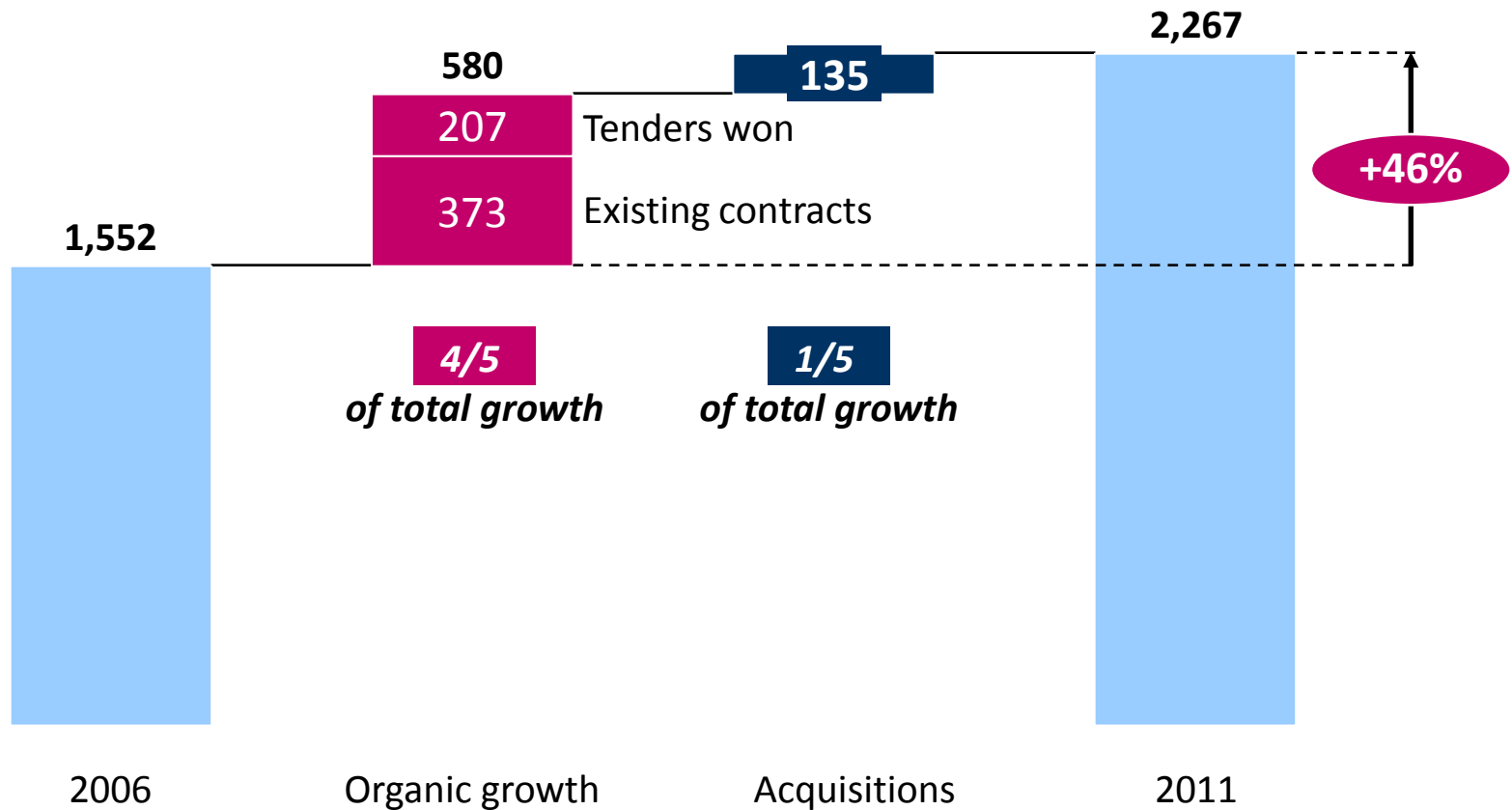
(As a multiple of the SPP of the remaining pax, 2011)



(1) Total air traffic increased from 4.4 bn pax in 2006 up to 5.0 bn in 2011. BRIC represented 10% of total traffic in 2006 and 16% in 2011  
Source: ACI World Statistics, Lagardère Services

## LS Travel retail: organic growth as main past development

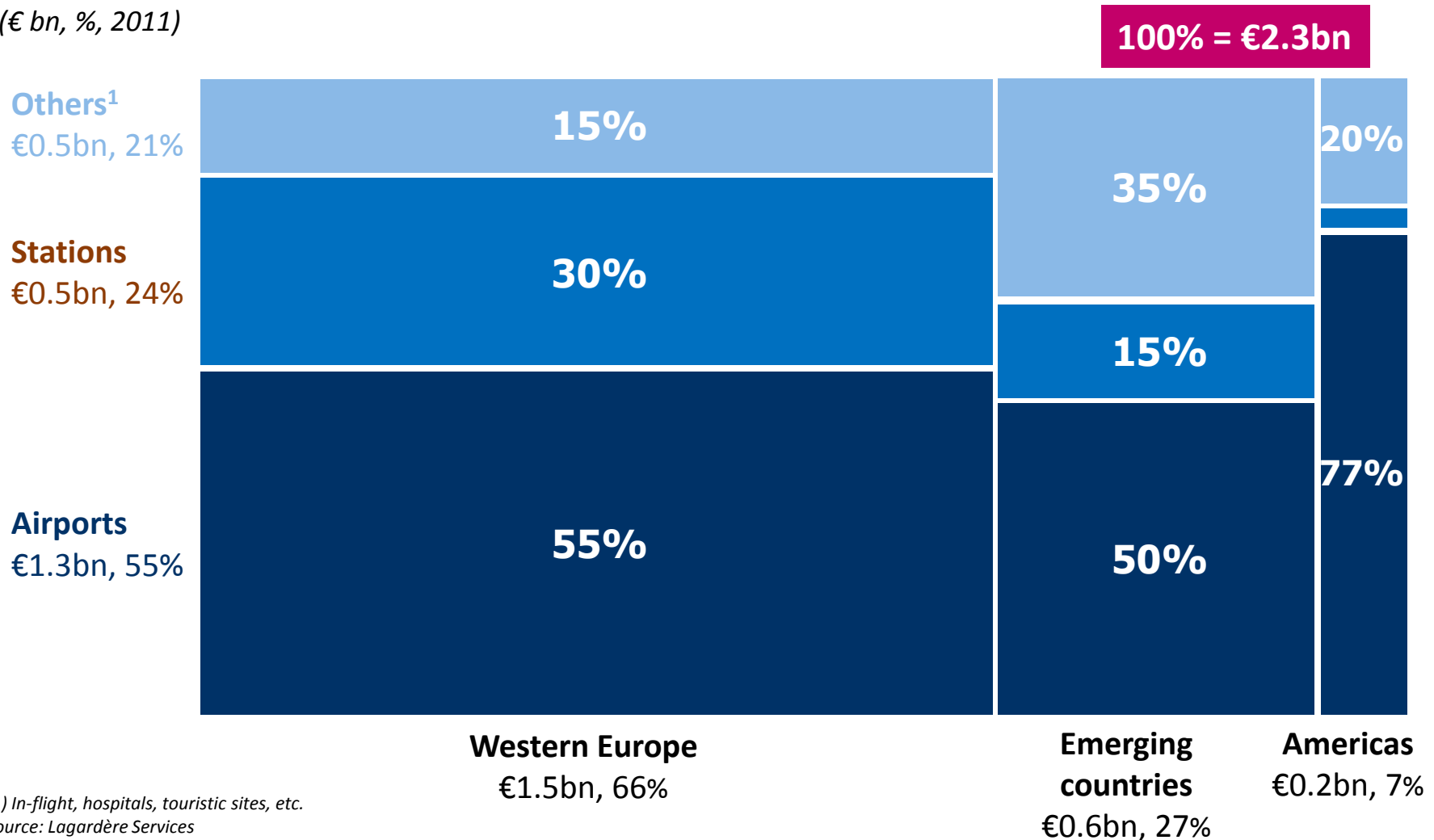
Sales@100% growth breakdown by nature  
(€ m, 2006-2011)



Source: Lagardère Services

# LS Travel Retail: an international player operating across all territories and all channels

LS Travel Retail sales@100% breakdown by geography and channel  
(€ bn, %, 2011)



## LS Travel Retail strategic objectives

LS Travel Retail sales and Ebitda margin evolution – Proportional view\* (2011-2016)

Sales growth\*\*

**+10%**  
per annum

- 2/3 by organic growth
- 1/3 through small / medium acquisitions

Ebitda margin improvement\*\*

**+0.5 pt to +1.0 pt**  
over the period

- Favorable mix evolution
- Emphasis on accretive M&A
- Fixed costs squeezed

**World #2 position**

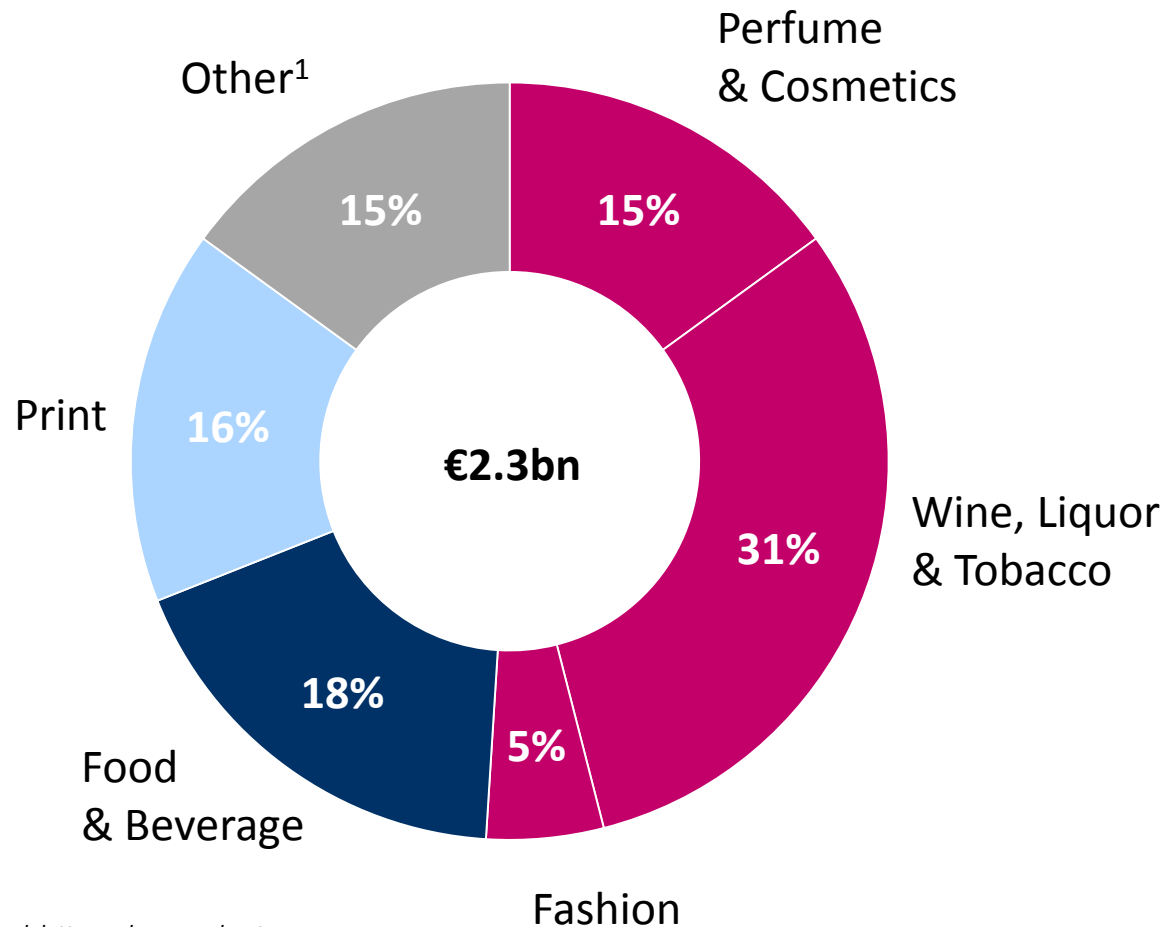
- Reach top 5 in each segment (Duty Free &Luxury, Food Service and Travel essentials)

\* Including share of JVs with various airports, notably Paris

\*\* These objectives exclude any major disruption in the global economy as well as the hypothesis of transformational acquisitions.

## LS Travel Retail: a balanced mix of products

LS Travel Retail sales@100% breakdown by product  
(€ bn, %, 2011)



(1) Gifts, souvenirs, electronics, gourmet food, lottery, phone cards, etc.  
Source: Lagardère Services

## Acquisition of Roma airport duty free contract

- ▶ **Acquisition in September 2012 of the the Duty Free activity of Aeroporti di Roma, operator of the duty free/paid concessions in Roma airports (Fiumicino and Ciampino)**
- ▶ **Contract profile :**
  - 14 years contract
  - **Exclusivity for core categories** (duty free)
  - 223 M€ upfront fee but **low annual fees level**
  - Transaction multiples in line with industry standards
- ▶ **Strong development opportunities :**
  - **An attractive platform:** 2<sup>nd</sup> tourist destination in Europe, luring emerging countries' visitors
  - **Store surface increased by 50% by end 2012** and a further 60% by the end of the contract.
  - Modernization and optimization programs (walk-throughs, merchandising, etc.)
- ▶ **Prospects :**
  - **Sales:** low double-digit CAGR over the contract period (90 M€ in 2011, 140 M€ forecast for 2012)
  - **Relative effect on margins:** double-digit EBIT margins
  - Strengthened position in travel retail: **synergies** with Paris platform and increased bargaining power



# Lagardere Services ROCE

ROCEs  
(€ m, %, 2012)

Capital  
employed <sup>1</sup>

ROCE  
after tax <sup>2</sup>

*LS travel retail*

388

12%

*LS distribution*

-53

∞

*Lagardère*  
SERVICES

335

23%

(1) Average during the year

(2) Recurring EBIT post tax and associates / Capital Employed including Goodwill

# Lagardère IR Team and calendar

## IR team details

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Investor Relations Deputy Head

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Assistant

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Fax: 33 1 40 69 22 72

[jgustavsen@lagardere.fr](mailto:jgustavsen@lagardere.fr)

## Calendar

### **2013 General Meeting**

To be held on May 3, 2013 at 10:00 a.m. at the Carrousel du Louvre in Paris.

### **Dividend**

The ex-dividend date is Tuesday, May 7, 2013 (morning).

The dividend will be paid as of Friday, May 10, 2013.

### **Q1 2013 sales**

Press release on May 14, 2013 at 8:00 a.m.

A conference call will be held at 10:00 a.m. on the same day.

### **H1 2013 results**

Press release on August 29, 2013 at 5:45 p.m.

A conference call will be held at 6:00 p.m. on the same day.

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

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

## Disclaimer

Certain statements contained in this document are forward-looking statements which address our vision of expected future business and financial performance. Undue reliance should not be placed on such statements which are subject to risks and uncertainties.

When used in this document, words such as “anticipate”, “believe”, “estimate”, “expect”, “may”, “intend” and “plan” 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.

These forward-looking statements are based upon a number of assumptions which are subject to uncertainty and trends that may differ materially from future results, depending on a variety of factors including without limitation:

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

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

Lagardère SCA undertakes no obligation to update or review the forward-looking statements referred to above.

Consequently Lagardère SCA is not liable for any consequences that could result from the use of any of the above statements.