

EN ACTION

SHAREHOLDERS' LETTER



SPECIAL
2016
AGM
EDITION

EDITORIAL FROM

PATRICK SAYER,
CEO OF EURAZEO

**“We are living
an exceptional
adventure.”**

Dear Shareholders,

Net income, attributable to owners of the Company, of €1.3 billion for assets of €5 billion, is not only a record for Eurazeo, but also proof that, together, we are living an exceptional adventure. This excellent performance is no mere coincidence. Eurazeo has continued and will continue to grow thanks to three key factors: a favorable environment, powerful transformation levers and a solid and efficient model.

One of Eurazeo's assets, what sets it apart, is that we are not dictated to by time. We are not governed by short-term pressures imposed by liquidity requirements. We are deeply committed to this independence, which is one of our key values, allowing us to make the right decisions at the right time in the best interests of Eurazeo, its companies and its shareholders. Eurazeo contributes to the living economy, the opposite of “lazy capitalism”, as the Group does not merely invest its capital but is active through its investments at the heart of changes in society.

We accelerate the growth of our investments and, as such, we must transform ourselves. This transformation has been far-reaching in recent years, as you will have observed, both to our organization and our portfolio. Eurazeo has significantly outperformed the CAC 40 in recent years for good reason. Between June 30, 2002 and the end of 2015, our stock market performance surged +240%, more than three times the 85% growth in the CAC 40.

Today, Eurazeo's model is solid, efficient and relevant. Combined with the quality of its portfolio, its teams and its governance, it allows me to renew our goal of average annual NAV growth of around 15%, dividend inclusive. Each of our investments is a resolute response to this ambition.

NEW HORIZONS



“Over the last 5 years we have worked to expand Eurazeo’s horizons.”

VIRGINIE MORGON,
DEPUTY CEO OF EURAZEO

Fiscal year 2015 was extremely dynamic, with two very different phases. During the first six months Eurazeo monetized value created – €1.2 billion in total – with a record level of activity: the Elis and Europcar IPOs, partial sales of AccorHotels and Moncler shares and two complete divestments in Eurazeo PME. The second half was a time of investment: a record period in terms of both the number of acquisitions, nine in total, and the amount invested (€650 million).

This dynamism was possible thanks to the agile and structured organization introduced by Eurazeo over the last 5 years. This organization is founded on four complementary investment teams, a sourcing team – Eurazeo Development – fully mobilized to seek out growth investment opportunities, expertise in certain geographic regions and corporate skills (CSR, digital, financing, etc.) that are now fully integrated into the investment teams. Eurazeo has placed itself at the heart of investment opportunity flows in Europe and, in the wake of its successful entry into China in 2013 and the recent opening of an office in Brazil, the Group plans to open its first office in the United States,

the leading global investment market, to facilitate direct investment in this region. While certainly audacious, this move, scheduled for the summer of 2016, is necessary in light of the globalization of our economies and our portfolio companies. Our investment company DNA rolling out permanent capital, our family-based shareholding structure and our strong European roots, are all real assets. We will be able to offer US companies a ticket to Europe, as well as Asia and Brazil through our network.

Eurazeo provides the companies it guides with much more than financial resources. It contributes skills that create value, through a network accessible to all its investments. Our digital and CSR strategy, two powerful value creation levers, are perfect examples of this sharing of experience. To accompany its investments, Eurazeo facilitates a digital ecosystem, to stimulate its portfolio companies into action and encourage emulation. Eurazeo shares with them its CSR goals of profitable, long-term and responsible growth. CSR also feeds into Eurazeo’s investment strategy, as shown by its investments in hospitality schools, nurseries and retirement homes.

MICHEL DAVID-WEILL,
CHAIRMAN OF THE SUPERVISORY BOARD

“Eurazeo’s investments reported 12% revenue growth in 2015. When we compare this with the European and French economies, which unfortunately posted growth of only around 2%, we realize the truly spectacular nature of this performance. This achievement, with investments based for the majority in France, is quite remarkable.”



2016 INVESTMENTS



FARFETCH

Farfetch is an on-line shopping platform selling luxury and beauty products and connecting brands and multi-brand boutiques with customers throughout the world.

—
Total investment: US\$20 million
2015 business volume: +US\$500 million



Novacap is a global pharmaceutical and chemicals company. It produces and distributes active pharmaceutical ingredients and essential chemical products that are used in everyday application.

—
held: 67%
Total investment: €160 million
2015 revenue: €600 million
Pro forma EBITDA: €92 million

CHOCOLATE AND CONFECTIONERY BRANDS

Eurazeo has entered into exclusive discussions with Mondelez International to purchase more than ten iconic European chocolate and confectionery brands, in order to build and develop a new group. The main brands concerned are the Poulain, Carambar, Krema, La Pie Qui Chante and Terry's brands, as well as the Pastilles Vichy, Rochers Suchard and Malabar licenses.



Glion Institute of Higher Education and Les Roches International Management School of Hotel Management are two Swiss hospitality management schools, founded over more than 50 years ago.

—
held: 100%
Total investment: CHF220 million
2015 revenue: CHF173 million
Pro forma EBITDA: CHF28 million



Les Petits Chaperons Rouge group is the number two private player in the French nursery market.

—
held: 41%
Total investment: €134 million
2015 revenue: €144 million



Orolia is a world leader in reliable GPS-type signals, enabling the proper functioning of the most critical positioning, navigation, timing, and synchronization solutions.

—
held: 35.1%
Total investment: €44 million
2015 revenue: €100 million



Founded in 1923 and 1982, respectively, Linvosges and Françoise Saget are expert brands specializing in home linen.

—
held: 38.5%
Total investment: €49 million
2015 revenue: €186 million



GRAPE HOSPITALITY

Grape Hospitality is the hotel investment company created by Eurazeo and AccorHotels. It groups together 85 budget and mid-range hotels in Europe, operating under AccorHotels franchise agreements. Grape Hospitality will renovate this hotel portfolio, which offers high value enhancement potential and could potentially acquire other hotel portfolios operating under other brands in the future.

—
Total investment: €150 million

DEECODING



“The best results
in Eurazeo’s
history.”

PHILIPPE AUDOUIN,
EURAZEO CHIEF FINANCIAL OFFICER,
MEMBER OF THE EXECUTIVE BOARD

Company of €1,276 million and a 10% increase in Net Asset Value over the year to €72.30 per share as of December 31, 2015.

Finally, Eurazeo’s financial structure is extremely solid despite the many investments performed in 2015 and at the beginning of 2016. At the end of March 2016, net cash totaled €845 million; it is now €300 million pro forma of investments announced but not yet completed (except for the acquisition of the confectionery brands which will not be finalized before 2017) and payment of the dividend.

Over the last twelve years our dividend has grown an average of 6.4% per year. We wanted shareholders to share in our excellent 2015 results and proposed an exceptional distribution of €1.20 per share to the Shareholders’ Meeting, thereby doubling the total distribution this year.

Fiscal year 2015 was an exceptional year. Eurazeo was highly active, performing six divestments and nine acquisitions across the four investment divisions. It was similarly a major year for our portfolio companies, which reported 12% growth in economic revenue for the period. Eurazeo also enjoyed significant growth in the first quarter of 2016, reporting a 7.7% increase in economic revenue. This performance was achieved thanks to Eurazeo’s investment strategy, which for several years has focused on high growth potential companies.

For the sixth year running, the contribution of our portfolio companies to Eurazeo net income, net of finance costs, increased, rising 56% to €165 million. Asmodee, Elis, Europcar and Moncler were the main contributors to this growth. The divestments and the performance of our companies, enabled Eurazeo to report the highest net income in its history, with net income attributable to the

KEY POINTS

— Adoption of
ALL RESOLUTIONS

— Ordinary dividend of
€1.20 PER SHARE

— Exceptional distribution
of **€1.20**
PER SHARE

— Bonus share grant
1 NEW SHARE
FOR 20 SHARES
HELD

— SUPERVISORY
BOARD

**Richard Goblet
d’Alviella left Eurazeo’s
Supervisory Board
after twenty years
and will be replaced
by Harold Boël.**



SHAREHOLDERS GIVE THEIR VIEWS

“It looks like a discount is applied to your share price. What are you doing to reduce this?”

PHILIPPE AUDOIN: In reality, there is no discount if we look at comparable companies. Eurazeo's shareholder performance from June 30, 2002 to the end of April 2016 is +229%. Over the same period, the LPX Europe index representing investment companies grew only 129%. Eurazeo's performance compared with its own sector is therefore nearly double that of the index. That said, there is a discount with respect to the company's assets, but unfortunately this is usual in our sector. We are meeting with many investors to explain Eurazeo's specificities and are trying to reduce this discount.



“Can you provide assurance with regards to your foreign operations?”

PATRICK SAYER: For our upcoming entry into the United States market, we have chosen to send Eurazeo employees with the necessary skills and experience to New York, to manage the risk associated with this new goal. In the same way, we will initially concentrate on those sectors we know well, such as the consumer goods and corporate services sectors. In Brazil and China we do not invest directly. Investments are performed by our subsidiaries. Given the risks you refer to, we considered it essential to call on local resources. With regards to any investments in the retirement home sector in China, we will ensure we work with the right partner and will monitor them locally.

“How does your investment in Les Petits Chaperons Rouges fit in with your CSR policy and what makes this operator different from others in its sector?”

VIRGINIE MORGON: The nursery sector is at the heart of numerous challenges facing today's society, such as education, diversity and women in the workforce, to which Eurazeo has been committed for several years. In its sector, LPCR stands out as a leader in France in public sector delegation growth segments and for its approach to early childhood development, inspired by the best educational thinking. On the one hand, there is little concentration in the nursery market in France, with the majority of nurseries managed by associations or local authorities, and on the other hand, there remains a considerable gap between the number of cribs available and effective demand. This gap will continue to increase, due to the birth rate in France. Finally, childcare is not restricted to the 0 to 3-year old age group and can extend up to the age of 5, in a more educational role.



Mr. de Soulanges,
Eurazeo's shareholder

INTERNET VOTING

For the Shareholders' Meeting held on May 11, 2015, 820 shareholders voted over the internet. To do so:

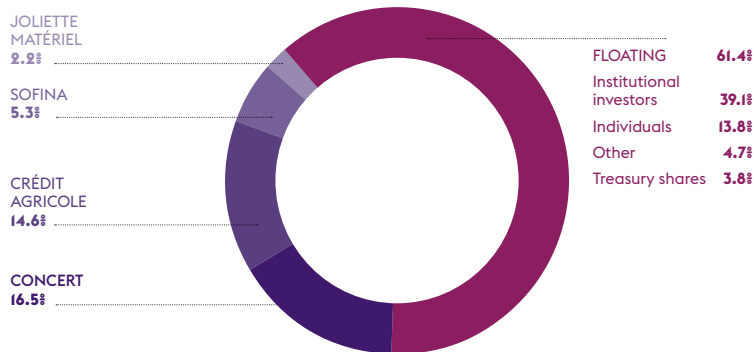
- if you hold pure or managed registered shares, just access the VOTACCESS site via the Planetshares site (<https://planetshares.bnpparibas.com>)
- if you are a bearer shareholder, contact your usual account holder intermediary.

A toll-free number is available to answer any questions: 0800 801 161

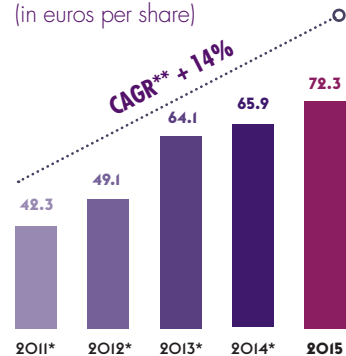
ALL SHAREHOLDER QUESTIONS AT WWW.EURAZEO.COM

OPERATING REPORT

BREAKDOWN OF EURAZEO'S SHAREHOLDING STRUCTURE (December 31, 2015)

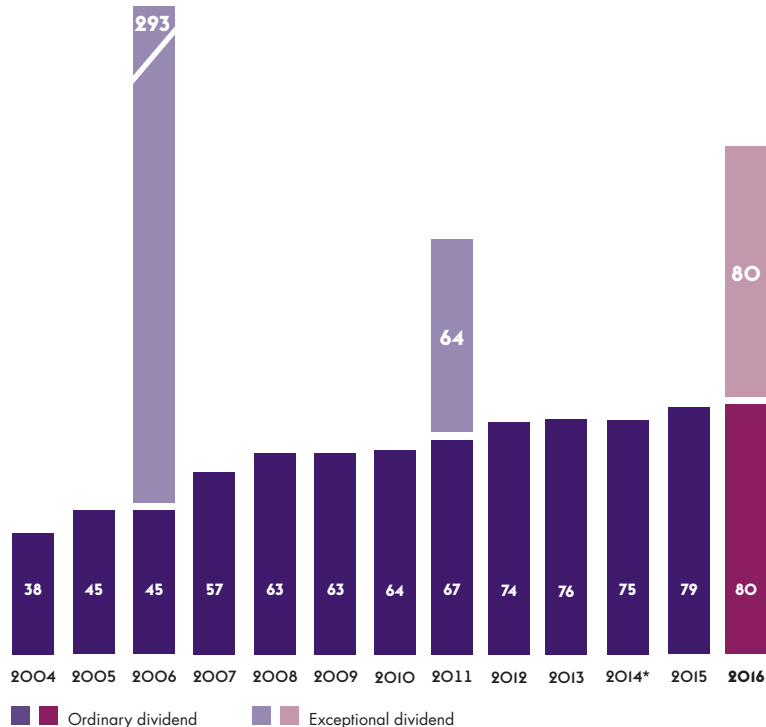


INCREASE IN NET ASSET VALUE ** (in euros per share)



* Restated for the bonus share grant
** CAGR: compound annual growth rate

STEADY DIVIDEND GROWTH (in millions of euros)



AGENDA

JUNE 13, 2016

Individual shareholders' meeting in Montpellier

JULY 27, 2016

2016 1st half results

NOVEMBER 10, 2016

2016 Q3 revenue

DECEMBER 12, 2016

Individual shareholders' meeting in Toulouse

YOUR OPINION COUNTS

To participate in the upcoming shareholder perception and expectations survey, please send your email address to: actionnaires@eurazeo.com

JOIN US ON :



REPLAY THE SHAREHOLDERS' MEETING at eurazeo.com and watch the film that was presented.

CONTACTS

SHAREHOLDERS CAN SEND THEIR REQUESTS TO:

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