

EN ACTION

SHAREHOLDERS' LETTER



EDITORIAL

PATRICK SAYER, CEO OF EURAZEO

Dear Shareholders,

Eurazeo's momentum just keeps going. The growth of our economic revenue and that of the companies in which we invest as shareholders has again met expectations this quarter. Certain companies stand out for their double-digit performance, while others have been particularly resilient within their sectors—the result of very intensive work.

We are indeed deploying all our efforts to building the future growth of Eurazeo and fostering that of its holdings. This is obvious on the investment side, and our constant search for new opportunities in line with our selective criteria. We have thus initiated a new kind of investment over the past eighteen months, aimed at creating potential champions from high-quality assets. We have already conducted three transactions of this type in the education, hotel and confectionery-chocolate sectors.

In all cases, our essential value-creation work

begins the second the investment joins the Eurazeo portfolio. Our ability to generate an attractive long-term return for our shareholders largely relies on the chemistry of the transformations we instigate. International expansion, innovation, digital transformation, external growth, etc. There are multiple development levers, which we constantly seek to strengthen, a prime example being the launch of our North American foothold at the end of the summer, broadening the realm of possibilities for both Eurazeo and its investments.

These transformations explain the investment multiples obtained on exit, as recently demonstrated with Foncia and Moncler, and our ability to accompany businesses means that your Company is much more than an investment portfolio. This work is not always recognized, as shown by the current share price discount, which is all the more unjustified when considering the prudence of our asset valuations. To be sure,

we act over the long term and we are patient capitalists, but it is our wish that Eurazeo be fairly valued by the market, taking account of both its current intrinsic value and its future value, considering that our financial risk is virtually non-existent due to the absence of debt and our use of internal financing. To accomplish this, we will strive to further emphasize the specific manner in which we practice our trade and convey all the potential of our companies, particularly the most recent investments. I am convinced that this instructive approach will bear fruit.

Fiscal 2015 was an exceptional year for Eurazeo in terms of monetizing the value created, while 2016 was also a highly active year on all fronts. Despite the uncertain international and political context we are experiencing, it is my hope that the positive trend for Eurazeo will endure in 2017. In this New Year, I would like to take the opportunity to offer my best wishes to you and your loved ones. ●

“We are deploying all our efforts to building future growth.”

12
new transactions since the start of the year

8
investments*

4
partial or total sales

€889 M
as of September 30, 2016: a solid cash position

€66.9
NAV per share as of September 30, 2016

* Excluding the ongoing purchase of the chocolate and confectionery assets from Mondelez International.

DECODING



“Eurazeo opens a new investment horizon with the creation of new and independent groups, who will be future European champions.”

TRIBUNE

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

Eurazeo posted economic revenue of €1.3 billion in Q3, up + 2.5% at constant Eurazeo scope and +1.8% at constant scope and exchange rates. This is the eleventh consecutive quarter of revenue growth, a performance that is all the more remarkable when one considers the uncertain economic and political context. In terms of portfolio rotation, activity was again intense. In Q3, Eurazeo sold €659 million in assets with the partial sale of Moncler and its entire stake in Foncia. These transactions were completed under optimal terms, the investments being multiplied by 4.1 and 2.4 respectively, thus rewarding the transformation work. Since January 1, 2016, Eurazeo has realized €1.05 billion in sales and €797 million in investments, excluding the ongoing transaction with Mondelez International. As of September 30, 2016, our NAV stood at €66.9. In accordance with our methodology, the non-listed assets which currently represent 48% of the NAV

were not revalued in Q3. Now, reverting to the major acquisition of the confectionery and chocolate assets now being organized. This purchase of exceptional brands and five production units in France should be finalized in H1 2017. Following the example of what we achieved this summer with Grape Hospitality and Sommet Education, the CPK/Carambar & Co project will give rise to a new independent group, designed to ultimately become a future European champion by combining internal momentum with external growth. This new type of investment creates value and sets Eurazeo apart, as a long-term shareholder that can structure these new groups by providing the necessary means, and particularly the time and expertise required. The Management Committee of CPK, the future head company now being set up at Eurazeo, is already preparing its launch, accompanied by our multidisciplinary corporate and investment teams. ●

EVENT

SALE OF FONCIA

THE REFERENCE IN REAL
ESTATE SERVICES

Eurazeo sold its entire stake in Foncia, the European leader in residential real estate and property management services, in September 2016.

Shareholders since July 2011, Eurazeo and Bridgepoint accompanied the transformation of this company over a period of five years. It has now set the sector standard in terms of service quality, client satisfaction and innovation. This leadership was achieved through investment in management processes and the digital transformation of the client relationship, as well as the introduction of a dynamic development strategy: new services and new client wins. Through external growth transactions, Foncia had also reinforced its activity in France, secured leading positions in Switzerland and Belgium and enhanced its offering vis-a-vis investors. On average, Foncia revenue has grown by 4.4% annually since 2011 and its EBITDA has risen by 11.3% annually, increasing from €86 million pro forma in 2011 to €132 million at the end of December 2015. This transformation and these performances, achieved despite the negative impact of the ALUR law and a less than favorable real estate cycle over the period, enabled an optimal exit for Eurazeo: **a gain on disposal of €469 million and a multiple of 2.4x.**



ON THE MOVE

FOCUS ON THE UNITED STATES

“We are convinced that we have the unique strengths needed to successfully establish ourselves in the United States, a strategic step.”

VIRGINIE MORGON,
DEPUTY CEO OF EURAZEO



In a globalized world, internationalization is a vital growth driver. In addition to the investments over the last five years outside of France in Moncler, Desigual, Fintrax and recently to create Sommet Education, we have decided to establish centers of expertise outside of Europe to support the companies in which we have invested: first in China, in 2013, then in Latin America with the opening of a Brazil office in 2015. A local presence was a necessity in these two major markets. To further advance the creation of a truly international ecosystem, we decided last year to establish a Eurazeo presence in the United States, the world's leading private equity market. Our objective now is to invest directly in US companies to ultimately balance the investment portfolio. Eurazeo Capital is planning equity investments in this market ranging

from €200 million to €500 million, in sectors where we have substantial expertise, such as consumer goods and business services.

Opened in September 2016, the New York office that I personally oversee is fully integrated within the Eurazeo Capital team. It comprises five investors with complementary nationalities, experience and skills, backed by two senior advisors: Jean-Paul Montupet, former CEO of Emerson, and Jim Goldman, former CEO of food industry companies such as Godiva, Nabisco or Campbell.

We are convinced that we have the unique strengths necessary to successfully complete this step: our profile as an investment company with a long-term vision, our family shareholder base, our European roots and the gateways to Asia and Latin America we can offer to US companies. •

2016: an exceptional investment drive

Eurazeo has been particularly active since the start of the year with 12 new transactions totaling €1,843 million, i.e. 8 new investments and 4 partial or total sales.

MAY: 10% OF ELIS SHARE CAPITAL SOLD

With this share sale, Eurazeo, which has accompanied Elis since 2007, reduces its stake, while remaining one of the company's main shareholders.



JUNE: EURAZEO CAPITAL INVESTS IN NOVACAP,

an international group that produces and distributes active pharmaceutical ingredients and essential chemicals that are used in everyday applications.

OCTOBER: EURAZEO PME ACQUIRES ASSUR COPRO, specialist in joint ownership insurance brokerage.



JULY: CREATION OF GRAPE HOSPITALITY

Eurazeo Patrimoine acquires a portfolio of 85 budget and mid-range hotels located in France and 7 other European countries with AccorHotels.



SEPTEMBER: 6% OF MONCLER SHARE CAPITAL SOLD,

at a price of €15.34 per share, for a total of approximately €230 million, added to the total sale of Fancia (see page 2).



JULY: CREATION OF A NEW EDUCATION GROUP,

subsequently called Sommet Education, combining the prestigious private schools Glion and Les Roches in the field of hospitality and luxury-related industries.

6
TRANSACTIONS
COMPLETED
SINCE THE
AGM

BETWEEN US

THE EURAZEO SHARE

EURAZEO STOCK MARKET PERFORMANCE

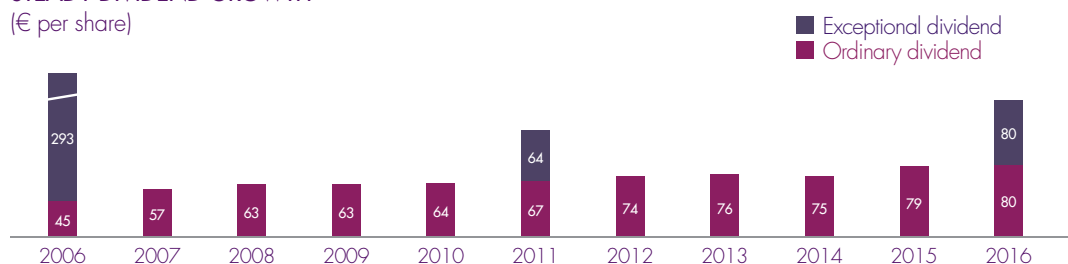
(100 baseline as of January 1, 2013)



Compared to the CAC 40, the Eurazeo share has virtually doubled in value since January 1, 2013, with the CAC 40 index achieving 50% less. This comparison is less favorable in 2016, particularly following the payment of an exceptional dividend and the stock market correction since September.

STEADY DIVIDEND GROWTH

(€ per share)



THANK YOU

SHAREHOLDER SURVEY

Thanks to the many of you who participated in the October survey of individual shareholders. The results are summarized on our website www.eurazeo.com.

As you will see, 80% of you had a positive if not excellent opinion of Eurazeo; we are very touched by this expression of confidence and we thank you. We also received your feedback, which we will of course take into account.

With respect to this Shareholders' Letter, a majority of you indicated that you wished to receive it by e-mail. To this end, we would ask you to send your request and e-mail address to actionnaires@eurazeo.com.

REPORTING AWARDS



Eurazeo was ranked no. 10 among SBF 120 companies for its overall financial reporting in the Grands Prix de la Transparence organized by Labrador.



Eurazeo won the 2016 Bronze Award for best digital reporting among SBF 120 companies.

AGENDA

MARCH 17, 2017
2016 annual results

MAY 11, 2017
2017 Q1 revenue
Shareholders' Meeting

JULY 27, 2017
2017 1st half results

NOVEMBER 10, 2017
2017 Q3 revenue

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