

2016 ANNUAL REVIEW

WE ARE
MAKERS



eurazeo

With a diversified portfolio of approximately €6 billion in assets under management, of which €1 billion for third parties, Eurazeo is one of the leading listed investment companies in Europe. Its purpose and mission is to identify, accelerate and enhance the transformation potential of the companies in which it invests. With the support of Eurazeo Development, the Company covers most private equity segments through its four business divisions – Eurazeo Capital, Eurazeo Croissance, Eurazeo PME and Eurazeo Patrimoine. Its solid institutional and family shareholder base, robust financial structure free of structural debt, and flexible investment horizon enable Eurazeo to support its companies over the long term.

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**“WE GENERATE
GROWTH”**

Michel David-Weill
Chairman of the
Supervisory Board

Patrick Sayer
Chief Executive Officer

04

“Accelerating the growth of Eurazeo and its companies necessarily entails international expansion.”

Patrick Sayer

As we assess fiscal year 2016 and outline future prospects, Michel David-Weill and Patrick Sayer discuss the opportunities and threats of today’s world and Eurazeo’s strengths in this new environment.

Q. Michel David-Weill, you live in both France and the United States, what do you think of recent developments in the world?

M. D.-W. _Today the world is reacting to two underlying and significant movements. The standard of living in emerging countries has changed quite radically in recent years.

At the same time, the arrival of new forms of business in developed countries has spurred great fortunes, like in the 19th century.

Now in competition with the rest of the world, growth has been much slower for the middle class, who are quite concerned about the future.

P. S. _And so we see the rise of protectionism, but trying to turn back the clock on globalization is simply not realistic...

M. D.-W. _No, indeed. Mr. Trump, since he is the most visible example, is above all looking to monetize his imports. Nevertheless, I think that globalization

will be slowed down but it will continue due to the lender-borrower relationship between numerous countries and the US.

Q. Patrick Sayer, what are the consequences for Eurazeo, which has just set up an investment team in the US?

P. S. _Globalization, which relies on the speed of transport and communication resources, is an absolutely irreversible trend, even though there may be stages in the process. Accelerating the growth of Eurazeo and its companies necessarily entails international expansion, hence our presence in China, Brazil and now New York, even though the world is asking new questions about the US.

M. D.-W. _I was brought up with the saying “Never sell America short”, which I truly believe. The US remains a very vibrant economy that can accelerate Eurazeo’s growth.

P. S. _In this context, our long-term objective is to better balance our portfolio between Europe and the US. Eurazeo has a place in this market. We bring our long-term capital investment practice and our rather unique vision of asset management, which appeals to many entrepreneurs. Because of our US presence, we can also assist companies that no longer wish to play the “board game” of European integration: “I’ll try Italy, then Germany, but if I fail I go back two spaces...” They thus have direct access to a market of 325 million consumers before tackling the rest of the world. Asmodee is a striking example; it also draws the greatest benefit.

M. D.-W. _I hear investors in the US becoming interested once again in Europe. They have a lot of reasons to feel this way.



"We generate growth and are heavily involved alongside our companies."

Patrick Sayer



P. S. _We offer US companies a veritable green card to Europe, since the US funds established here are not truly European.

M. D.-W. _From the US perspective, Europe is a real market and players like Eurazeo are valuable.

P. S. _And it is essential that our Old Continent economies support this French private equity model, which recycles foreign capital and finances our economy.

Q. Higher interest rates, oil prices... The planets no longer seem aligned. What should we expect?

P. S. _We have not seen any merit in a value creation model based on debt for several years now. We have steered all of Eurazeo's strengths towards companies' growth - detect it, induce it - and our new model has proven itself if I can judge by our performances once again this year. We generate growth and are heavily involved alongside our companies. This is the meaning of our *motto* "We are Makers."

M. D.-W. _If Eurazeo was a major borrower, the rise in interest rates would impact us, but, thanks to our debt-neutral model, we have a rare advantage. Not unique, but rare. Low rates, often presented as an advantage, are only the result of weak economies. At 1% or 2%, they are clearly artificial. The standard mid-to long-term rate has been 3% since the time of the Medici. The US recovery has been going on for some time - a gradual and certainly sustainable recovery - and the rates will rise.

P. S. _In Europe, even if the rates do rise, they will initially stay low. The dollar will therefore be strong. The upshot will be better competitiveness for our portfolio

companies. And for Eurazeo, as a long-term investor, a strong dollar means that we must systematically integrate the assumption of future interest hikes in our models, taking a basis point for caution's sake between the entry multiple and the theoretical exit multiple.

M. D.-W. _As for oil ... Demand has not dwindled and we're in a market that continues to grow.

P. S. _For the time being, it would seem that the world has generally adapted to a barrel price of around 50 to 60 dollars. This is a favorable level for certain producing countries that are balancing their budgets; it can thus contribute to containing certain disruptions, particularly in the Middle East. And at that price, we can begin to develop alternative energies again.

Q. How do you both see Brexit?

P. S. _We can ask ourselves whether it's a disaster for Europe, or rather an opportunity... "This disdain should be a wake-up call!" in the words of former President Valéry Giscard d'Estaing, who is calling on the European Union to break out of its "pitiful inertia" in the face of the condescending attitude of the Americans and the British.

M. D.-W. _The reality is that Britain was never part of Europe. The Second World War killed the confidence of Europeans in their respective governments, contrary to the British.

P. S. _This is why Jacques Attali is right to assert that on paper, Europe could be the world's leading power, even without Britain. It's up to us to fight as best we can so that Brexit triggers an acceleration in European integration.

M. D.-W. _It's possible, but it depends on various elections... But I don't want to get into politics.

P. S. _Talking about Europe, politics, this is the role of a corporate citizen, and that's what Eurazeo is. I'm a European by culture and circumstance, because I see the extent to which the global models - Google, Apple, Facebook, Amazon, Weibo, Alibaba, and Tencent - are crushing the rest of the world and tapping into considerable wealth. That's a fact. And, despite our advantages, there isn't a single European platform that can match them. This is because what we have is a set of domestic markets, each with their own rules, in addition to European regulations. This is strangling our business growth instead of freeing it. It's high time for a change.

M. D.-W. _Europe only effectively exists from a cultural and human perspective. To build it, France must be able to act as Germany's economic counterpart. I would like to prove that my Sciences Po professor was wrong when he said "Europe is Russia; Western Europe is Germany." That can only be accomplished by reforming France. Above all, the freedom to invest is lacking. The key to the problem is not corporate taxation, but the taxation of individuals behind the companies.

P. S. _And since there is no pension fund in France, it's obvious that you have to rekindle private equity investment, as the AFIC (Association Française des Investisseurs pour la Croissance: French private equity investors association) again recently defended. And by private equity, I mean investment in the intelligence and technology that make French industry effective, and not necessarily in plants. We're no longer in a period of traditional industrialization, which certainly doesn't mean that work will disappear.



"To build Europe, France must be able to act as Germany's economic counterpart."

Michel David-Weill

M. D.-W. _Verification businesses will become predominant. After you invent information systems, you have to verify and adapt the algorithms, and safeguard data. This development is similar to a tidal wave.

P. S. _You could take the interesting growth of Europcar as an example. Its strength lies in an intelligence-based vehicle ecosystem. It doesn't matter whether or not a human drives it, on the highway or one day in the air. The service offered is flexibility and simplicity - and of course safety. Artificial intelligence will impose itself everywhere and must be effectively controlled by the human mind. This is the rationale behind Eurazeo's investment in education.

Q. _What are the lessons from fiscal 2016 for 2017 and future years?

P. S. _It was a year of substantial investment, with no less than eight acquisitions for over 800 million euros. What is remarkable is that three of these transactions resulted in the creation of all-new companies: the hotel real estate platform Grape Hospitality, where we are capitalizing on the experience gained at B&B Hotels and AccorHotels, as well

as Sommet Education, comprising two Swiss hotel management schools, a group that will differ greatly from the simple carve-out initially planned. And soon we will create a company in order to revive well-known confectionery and chocolate brands like Carambar and Poulain. Eurazeo is not only an accelerator, but also a maker of champions and growth.

M. D.-W. _Our ability to identify and pool the most relevant expertise according to a given company is a tremendous competitive advantage for Eurazeo...

P. S. _Yes, now it is easier and less risky to buy mid-sized enterprises for our companies than to conduct transactions on a larger scale, where competition is fierce. Overall, we buy cheaper and achieve synergies not only in terms of cost but also development.

M. D.-W. _This Eurazeo know-how is crucial, since it allows us to often anticipate the needs of major groups looking to acquire new products or services.

P. S. _Exactly. We have contacts with these groups and know how they think. We also have experts, in the US for example, who cover consumer products or industrial development, and who can provide assurance regarding the mid-term growth horizons of our portfolio companies.

M. D.-W. _You have to admit that it's difficult to objectively predict success today or to model it. This cutting-edge expertise is necessary when, for example, we help companies transpose their traditional business model to the Internet.

P. S. _Precisely, more and more distribution companies have adopted a multi-channel model that is both physical and digital. This is the case for two of our portfolio companies: Farfetch, a market place that opens new horizons to luxury clothing boutiques, and Linvosges, which markets home linen in boutiques and on-line. It's the best of both worlds!

Q. _In conclusion... How do you see Eurazeo's place in society?

M. D.-W. _Eurazeo's vision of economic investment is long-term and proactive. This means we play a central role in society, especially in today's France.

P. S. _Companies must more than ever play a watchdog role in the face of considerable change. A long term view is an inherent part of Eurazeo's DNA, and we expect our corporate responsibility governance to do more than simply keep an eye on our companies' global footprint. We don't want to overplay our role, but we do have real power and therefore we are duty bound to act responsibly within our sphere of influence. •

"Eight new investments, over 800 million euros. And three new companies created."

Patrick Sayer



INVEST

We are currently investing in companies that have the ability to generate growth and create value for tomorrow.

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ACCELERATE

We are initiating all our talent and expertise to help companies accelerate their transformation.

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MOVE

We are developing our organization and expertise to broaden our scope of action and open new horizons.

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DELIVER

With a balanced return/risk profile, we create long-term value for our shareholders and stakeholders.

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DRIVE

We are committed to ensuring that our activity and that of our companies will be responsibly and sustainably conducted.

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WWE INVEST


THINKING BEYOND ECONOMIC AND SOCIAL TRENDS, EURAZEO HAS ORGANIZED ITSELF TO IDENTIFY COMPANIES AND MANAGEMENT TEAMS THAT ARE BEST ABLE TO GENERATE PROFITABLE AND SUSTAINABLE GROWTH. TO DETECT THESE FUTURE CHAMPIONS AND MAKE THEM PART OF OUR CIRCLE, WE COMBINE THE EXPERTISE OF OUR TEAMS, BUSINESS DEVELOPERS, INVESTORS AND CORPORATE OFFICE. WITH UNIQUE ASSETS THAT DIFFERENTIATE US: KEEN OBSERVATION, AGILE DECISION-MAKING, SOLID RESOURCES.

SELECT INVESTMENTS

From basic start-up to acknowledged European leader, Eurazeo commits all its resources to investing in quality companies with high potential. With the eight acquisitions in 2016, we are witnessing the beginning of new development stories.



* Amounts and percentage interests are presented before any syndication and include transaction costs, for all new investments.



We are confident in the potential of the companies that we choose, and value their ability to project themselves towards new markets. We like companies that are bold, because we know they will go further with our support.

#WEAREMAKERS

OUR STRATEGY I/V

INVEST SELECTIVELY

In a competitive market, Eurazeo will always invest selectively. It multiplies opportunities through a sourcing that has broader horizons, both geographically and in terms of new forms of investment. A differentiating strategy that makes optimum use of expertise and networks.

FROM VISION TO ACTION

Investment, a collective commitment

From the search for opportunities to the final decision, the Eurazeo process is collective throughout the investment path. All the investor teams participate in sourcing; drawing on their specialized skills, they have mastered the ecosystems specific to each type of company. Since 2012, Eurazeo Development has supported their actions, examined new investment ideas and enhanced the deal flow through the identification of targets as far upstream as possible. The corporate teams are also involved, particularly risk management and CSR, primarily in due diligence procedures (in-depth studies conducted prior to acquisitions) that verify the viability of the company being considered.

A search for differentiation

The abundance of liquidity due to low interest rates creates a great demand for profitable assets. As always, the company must position itself where others cannot to obtain the value creation that is sought. Differing from investment funds because of its long-term structure, Eurazeo has also developed novel approaches, relying on its specific expertise. First stage of the investment process: a thorough analysis of the underlying trends and sectors. As in the past with the luxury market, where Eurazeo

had anticipated an upscaling before investing in Moncler, certain sectors are currently the subject of a specific focus, due to promising underlying trends. Among the buoyant sectors, Eurazeo prioritizes those in which the fundamentals, industrial rationale and strategic challenges are highly familiar, namely brands and consumer goods, business services, health, etc. Related activities are then explored on this basis, as was the case with Vestiaire Collective and Farfetch, using the individual experiences of Moncler or Grape Hospitality or the pooled experiences of ANF Immobilier, B&B Hotels and AccorHotels.

Strict selection criteria

While the act of investing always has an element of risk, Eurazeo endeavors to reduce it by strictly defining what constitutes an investment opportunity. With respect to the priority market segments, it is thus looking for: 1/ sound companies that are able to develop sustainably and ultimately deliver the expected value creation; 2/ based on Eurazeo's conviction, companies whose potential can be revealed and whose transformation can be supported via several drivers such as international expansion, digital technology, external growth, etc.; 3/ quality management that is open to challenge and shares its strategic vision; and 4/ the ability to act thanks to appropriate governance and particularly

by our representation on decision-making bodies or by means of shareholder agreements.

Opening up to the world

Eurazeo has played a central role in European investment flows over the last five years. Its geographical expansion continued in 2016 with the opening of an office in the US, the world's leading private equity market. The ambition is to invest directly, particularly in consumer goods and business services.

Another significant initiative in 2016 was the successful launch of the co-investment fund Eurazeo Capital II, which adds to the network and the investment capacities of Eurazeo via the support of leading investors in Asia, Europe and the US.

2016, a year of substantial investment momentum

Eurazeo carried out eight new investments this year, added to which is the CPK project involving the purchase of chocolate and confectionery brands and licenses and five production sites. The significant number and nature of the transactions generated by each of our investment divisions demonstrate Eurazeo's ability to seize quality opportunities. The portfolio has opened towards new activities such as the Swiss hotel management schools Glion and Les Roches, company day nurseries with Les Petits Chaperons Rouges, insurance brokerage with AssurCopro, and pharmaceutical ingredients and

essential chemicals with Novacap, an international group that produces and markets these products. In 2016, Eurazeo also acquired two businesses from large-scale groups, a base on which it seeks to create leading champions. These stand-out transactions are based on our specific assets: financial soundness, long-term horizon, unique combination of expertise, etc. This trend was made evident with the creation of Grape Hospitality and Sommet Education.

•

€833m
in investments
in 2016.



60%
Percentage of Eurazeo Capital's
investments in Europe excluding
France over the last 2 years.

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AND THE FUTURE?

•

Our first investments in the US
and ultimately a more balanced portfolio
between Europe and North America.

•

A new fundraising in 2017, Eurazeo PME III,
further extending the opening to international co-investors
in compliance with our investment criteria.



BOLDLY
PREPARING
FOR THE FUTURE

CONVERSATION WITH VIRGINIE MORGON

Deputy CEO of Eurazeo

2016 was an intense year. In addition to the active search for new investments and a collective commitment to company transformation, Eurazeo is again boldly preparing for the future. New asset classes, an affirmation of the international dimension, and the development of third-party fund management: initiatives and achievements that have further added to the unique nature of the Eurazeo business model.

HOW DID EURAZEO CONTINUE ITS DEVELOPMENT IN 2016?

Our roll-out momentum has accelerated. First, in terms of investments, with eight transactions in 2016. We are all very proud.

And we have also supported the development of our companies more than ever; transformation is happening everywhere. We have quite logically applied this same winning momentum to ourselves. The goal is to expand our horizons to strengthen value creation opportunities. Look how far we've come in just a few years! We have created four investment teams and one development team; we've expanded to new regions. We have enhanced our business by investing in platforms to explore complementary asset classes.

In 2016, we amplified this drive despite a difficult environment. We set up a New York office of course and I'll get back to this. We also stepped up the development of our fund management activity, which is becoming a business in its own right with one billion euros under management for third parties. These fundraisings under Eurazeo Capital II and soon Eurazeo PME III do not change who we are: an investment company with a solid financial structure and unique freedom of action in its sector. But they add to our assets and increase our investment capacities. They also generate predictable and sustainable revenue streams.

HOW DID THE COMPANIES IN WHICH EURAZEO IS A SHAREHOLDER PERFORM?

Our teams accompanied the transformation of our companies more than ever; this is the heart of our business model. This recognized expertise combines the excellence of the investment teams with that of

the corporate teams in a process that is applied to all the company portfolios, regardless of their size. This is particularly evident in the 5.3% increase in our economic revenue, yet again showing growth, and what's more, running at over three times the Eurozone's economic growth rate. This figure is significant since it validates the relevance of our investment choices in hindsight. Above all it highlights the extensive work carried out by Eurazeo to activate sustainable growth levers within its companies: build-ups, organic growth, digitization, CSR, international expansion... I'm convinced that efficiency, know-how and our teams' involvement alongside investment management are major contributors to performance. Nothing comes by chance. The unique wealth of experience Eurazeo has created in all its divisions serves to develop the companies in which it invests. This is why they can be so active in terms of external growth, as in the case of Neovia or Elis, with no less than seven acquisitions each in 2016. It is also behind rapid digital transformation, like that of the Flash Group and Asmodee. Do you know a lot of investment companies that provide a Chief Digital Officer to their leadership team in order to accompany their changes? We are precursors in this area, as we were in the past with CSR. All our due diligence procedures now include a digital and technological phase, from both a risk and potential perspective. Finally, our support allows them to accelerate their international expansion, such as Fintrax, gaining strength in Northern Europe, Europcar in China, Elis in Latin America, or Les Petits Chaperons Rouges, based solely in France at the time of its acquisition and already setting its sight on growth across Europe.

YOUR COMPANIES ARE EXPANDING INTERNATIONALLY, EURAZEO IS EXTENDING ITS GEOGRAPHICAL PRESENCE, INVESTING IN COMPANIES WITH A GLOBAL AUDIENCE... WHY THIS ACCELERATION?

In a global economy, international expansion is the number one growth driver. Eurazeo has long understood that globalization is inescapable and has marshalled its forces to guide this change in scale. We have expanded our investment scope to all of Europe, and we have organized our international presence to guide our companies

in countries with formidable potential, such as China and Brazil. A new milestone was reached in 2016 when we set up in New York to invest directly in US intermediate-sized businesses active in our sectors of expertise. The ultimate goal is to balance our investments between Europe and the US. Eurazeo provides a long-term vision, thanks to its permanent capital, deep understanding of Europe, the opening towards China and Brazil, flexibility of our structure... Our activity is already robust. One third of Eurazeo's deal flow has been from the US since early 2017. Lastly, this local foothold will naturally facilitate the expansion of our companies in North America.

WAS THIS EXPANDED RANGE OF OPPORTUNITIES ALSO BEHIND YOUR THREE CARVE-OUT INVESTMENTS?

Exactly. We buy assets, brands, businesses or sites which were not a priority for the major groups that owned them despite their quality. We'll awaken these sleeping beauties and turn them into major champions. To do this, it is necessary to partly restructure the management team and ring it with multiple skills, organize management, and reinitiate internal growth... This is a natural extension for Eurazeo, since it is highly committed to operational guidance. We firmly believe that if a real reinvestment is required to look for pockets of growth, this type of investment can create tremendous value in the midterm.



AND THE FUTURE? WHAT ARE THE PROSPECTS FOR 2017?

You won't be surprised to hear that 2017 is shaping up to be very active. Speaking of creating new groups, we are about to finalize the confectionery and chocolate transaction launched with Mondelēz. We will probably also complete our first major investment in the US and maintain the investment momentum in Europe. Eurazeo will therefore continue to develop at a steady pace, with rigor, responsibility and boldness. We will also look at other countries and expertise.

Admittedly the context remains uncertain, but there are numerous opportunities for both our companies and Eurazeo. We have the specificity and the benefit of a long-term perspective and sufficient resources to best deliver our expertise for growth and value creation.

However, none of this would be possible without the exceptional talent of our teams. These are men and women that are highly professional, responsible and incredibly devoted to Eurazeo. In Paris, New York, Shanghai or Sao Paulo, whether they manage companies of varying sizes and profiles or work in corporate functions like human resources, IT, finance, CSR or digital, they share the same culture, the same ethics and the same passion and determination to accelerate transformations. This is why Eurazeo is far more than an investment portfolio. •

“None of this would be possible without the exceptional talent of our teams, who share the same culture, the same ethics and the same passion and determination to accelerate transformations.”

AN ACTIVE SHAREHOLDER BUSINESS

Detecting rare potential for investment is the first step of Eurazeo's business. Our teams then work alongside the companies to support their transformation. Before monetizing the work achieved on divestment.

Detect

As part of a selective acquisition policy, Eurazeo looks for investments with strong growth potential. To detect future champions, Eurazeo targets companies that are developing in promising sectors and benefitting from favorable underlying trends, but also companies with transformation potential.

Transform

Eurazeo supports its investments over the long term to reveal their sustainable value and help them realize their full potential. An accelerated transformation in which all of Eurazeo's human and financial growth levers are triggered to benefit its investments.

Realize the value

Eurazeo has mastered the art of divestment timing via its business model - absence of structural debt and the use of its own resources. An advantage that allows it to sell its investments at the most opportune moment for both the shareholders and the portfolio companies. If the transformation objectives have been achieved and the expected value creation has been delivered, the asset is sold, thus monetizing the transformation work.

Focus on Eurazeo Development

As of 2012, Eurazeo chose to dedicate a team to the search for new investments; in its current form the team has four members with varied profiles. Renamed Eurazeo Development in 2015, this team represents a unique advantage.

A MULTI-FACETED MISSION

Eurazeo Development's current mission is multi-faceted: enhance and diversify our business networks and partners for the benefit of our companies, participate in the definition of investment priorities and accordingly identify companies with significant development, innovation and transformation potential. Once the priority issues have been collectively defined, Eurazeo Development enhances, energizes and coordinates the search for investment opportunities. The team is also responsible for fundraising, and platforms such as Capzanine and iM Square, investments with complementary activities.

AN EFFECTIVE APPROACH

Thanks to Eurazeo Development's role in detecting new opportunities, and because it can pool its networks and the expertise of the various divisions, Eurazeo benefits from a growing deal flow allowing it to be a selective investor. Accordingly, Eurazeo Capital has identified over 1,000 potential targets since the creation of Eurazeo Development, with nearly 20% of them deemed to be priorities. Focusing on its activity, the Eurazeo Development team takes the time to prepare future opportunities upstream. Eurazeo can thus identify top companies with respect to growth trends, often in advance, which other investors have sometimes not yet detected.

Our process for targeting new sectors

Promising underlying trends

Close to our areas of expertise

In accelerated transformation

Digital economy

Our analysis criteria

High added value

Quality team

Multiple growth opportunities

Our priority sectors

Business services

Trademarks

Health

Investments

Capzanine

iM Square

INTENSE ACTIVITY IN 2016

2016 was an intensive year for Eurazeo Development, with nearly 700 investment opportunities identified in our priority sectors, of which half for Eurazeo Capital. Some sixty companies were the subject of an in-depth review for eight committed investments. Eurazeo Development's scope of action was also enlarged in 2016. With the opening of the New York office, the team has mobilized to support the activity roll-out in the US market and the consolidation of its network.

2017 OUTLOOK

Eurazeo Development activity will remain intense in 2017. In addition to upstream sourcing, which is to say the continuous search for new investment opportunities for Eurazeo and its portfolio companies, the activity will be driven by the ongoing ramp-up of the US presence, and the Eurazeo PME III fundraising.



The Eurazeo Development team
 From left to right:
 Laurent Guérineau,
Managing Director
 Frans Tieleman,
Managing Partner
 Head of Eurazeo
 Development
 Tatiana de Dalmas,
Senior Associate
 Louis Prothery,
Managing Director

ONE BILLION EUROS UNDER MANAGEMENT FOR THIRD PARTIES

In 2016, Eurazeo continued to roll out a business model that combines equity investment with selective recourse to co-investors. At the end of December, it thus raised a new fund of €500 million, Eurazeo Capital II, whose subscribers include pension funds, asset managers and sovereign funds from throughout Europe (73%), North America (15%) and Asia (12%). With over ten years of experience, this ability to unify top international investors has become one more competitive advantage for Eurazeo. Through the links forged with these reputable partners, the company reinforces its global ecosystem in order to fund and ultimately sell the initially identified targets. Based on this same rationale, Eurazeo Patrimoine syndicated approximately 22% of its share in Grape Hospitality¹.

Following these successes, assets under management totaled €6 billion, of which nearly €1 billion for third parties. By boosting its overall financial reach by over 20%, third-party management adds to Eurazeo's capacity to act, and augments its investment power without recourse to debt, as well as its agility. It can thus

invest in other opportunities and diversify its assets or plan more significant investments. These transactions make it possible to associate selected co-investors on a minority basis, without impacting the governance of companies. In the case of Eurazeo Capital II, co-investors hold 25% of Eurazeo's investment in seven unlisted companies of the Eurazeo Capital² division and in the future chocolate and confectionery company CPK. Thanks to its financial flexibility, the fund will also be able to help them with their build-up strategies.

"We are accelerating our fundraising to boost our investment power and international exposure."

Frans Tieleman

Lastly, this strategic activity generates annual recurring revenue of approximately €10 million, in the form of management and performance fees, which will likely increase with future fundraisings. Pursuing the ramp-up of this activity which will eventually concern all the divisions, Eurazeo is preparing a new fundraising operation

for 2017, this time involving Eurazeo PME.

1. For €36 million at the end of February 2017.

2. Asmodee, Desigual, Neovia, Fintrax (initial investment of 20%), Les Petits Chaperons Rouges, Novacap and Sommet Education, for €340 million.

THE ART OF RECREATING companies

To add to its value creation options, Eurazeo has initiated a different type of investment this year: carve-outs. Rather than acquiring an existing company, the transaction consists in purchasing assets (brands, plants, recipes, etc.) from major groups and rebuilding a company for future development using this asset base.



Poulain, Carambar, Krema, La Pie Qui Chante and Terry's, as well as the Pastilles Vichy, Rochers Suchard and Malabar licenses. The project also involves five production sites based in France and their teams. This acquisition is expected to be finalized in the first half of 2017.

PRODUCING CHAMPIONS

The ambition tied to these investments is powerful. The mid-term plan is to create major groups in their activity sectors; first by the revitalization of these assets thanks to numerous reinvestments and subsequently by purchasing other excellent yet dormant brands or assets.

ONE YEAR, THREE CARVE-OUTS

Eurazeo initiated three transactions of this type, two of which were finalized at the end of 2016:

- the creation of Grape Hospitality, which results in a major European player in the hotel business based on the purchase of 85 hotels in Europe from AccorHotels;
- and Sommet Education, with the goal of creating an international champion based on the acquisition of two world-renowned schools in the hotel management sector, Glion and Les Roches.

Moreover, Eurazeo has concluded agreements with Mondelez International covering the purchase of some ten iconic chocolate and confectionery brands:

PREPARATION TIME

In order to initiate these carve-outs and revive operations under optimum conditions, Eurazeo has chosen to invest in these projects prior to their acquisition, specifically by setting up an experienced management team, which will thus have a few months to prepare the launch. Guided and actively supported by the Eurazeo teams, the new management group rebuilds all the missing central functions and prepares the development plan. In this type of investment, greater time is required to find all the pockets of growth for the company.

DISTINCTIVE ASSETS

Eurazeo has substantial assets at its disposal to successfully complete these transactions: the necessary time and networks of experts, and the know-how of its investment teams such as its corporate group. And, of course, the financial resources needed to step up its investments.

**"THE MID-TERM PLAN
IS TO CREATE MAJOR GROUPS
IN THEIR SECTORS."**

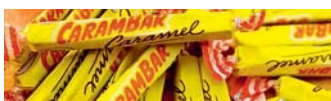
FEATS IN 2016

This year, Eurazeo has chosen to invest in 8 new company stories, with €833 million committed. These development stories are taking shape over the long term, based on solid and high-potential activities.

FARFETCH ▶

ON-LINE LUXURY

At the crossroads of the digital, luxury and brands sectors, and with an international client base, Farfetch has been developing with great momentum since 2008. Its multilingual platform offers an online distribution channel of over 1,000 brands and a network of 400 boutiques. Eurazeo Croissance provided \$20 million to boost international development, particularly in the Asia-Pacific zone, which already represents 26% of revenue. •



◀ CPK

ICONIC CARAMBAR AND CO.

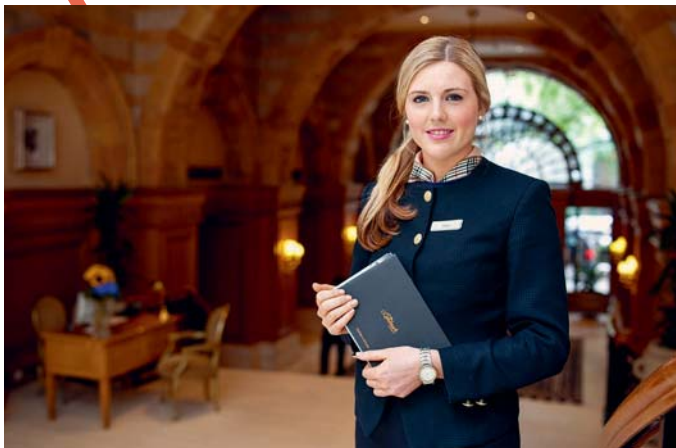
Carambar, Poulain, Crema, La Pie Qui Chante, Terry's, etc. Eurazeo Capital has entered into exclusive discussions with Mondelez International to purchase more than 14 iconic European chocolate and confectionery brands, as well as five production sites in France. Prior to the acquisition process planned for the first half of 2017, Eurazeo has created the future company's Management Committee, an experienced team that is already at work revitalizing these iconic brands. Their roadmap: focus on innovation and commercial development to create a future European champion. •

NOVACAP ▶

WORLDWIDE ASPIRIN LEADER

Eurazeo Capital invested €163 million in equity to acquire 67% (49.4% after syndication) of Novacap, a global pharmaceuticals and chemicals leader that produces aspirin, paracetamol and sodium bicarbonate. Solidly established in Europe, very much present in Asia and active in the North American market, the group intends to reinforce its special products portfolio and carry out targeted acquisitions at the international level. Carbon was a particular focus in connection with the acquisition due diligence procedures. •





◀ SOMMET EDUCATION

PUTTING EDUCATION FIRST

The Swiss private schools Glion and Les Roches are among the top three hotel management schools in the world. In the buoyant education sector, Eurazeo Capital has invested €229 million to own 100% (75% after syndication) of these two institutions and create an independent group, Sommet Education, with the resources necessary to its development and capitalizing on its academic excellence and international reach. The objective is to produce a sector leader. •

OROLIA ▶

THE WORLD OF SIGNALS

Eurazeo PME acquired 50% of Orolia, a world leader in resilient Positioning, Navigation and Timing PNT solutions, specialized in curing GPS type signals and make them fail-safe for critical applications. The group, which already generates more than 80% of its revenue internationally, will benefit from the financial and operational guidance necessary to seize new growth opportunities and consolidate its market. •



◀ MK DIRECT

HOME LINEN

With a market share of over 20%, MK Direct is the home linen leader in France with two expert brands that each have a strong identity, Linvosges and Françoise Saget. Eurazeo PME has invested alongside its management and now has a 54% stake. The sole cross-channel player in its sector, MK Direct, already present in Germany, Belgium and Switzerland, intends to accelerate the expansion of its brands in Europe and pursue the development of its business model in France. •



◀ ASSURCOPRO

PROPERTY COOP BROKER

AssurCopro is the French leader in joint ownership insurance brokerage and a historical player that pioneered the ultra-specialization of building ownership. With a 49.7% stake, Eurazeo PME became an equal shareholder this year along with the founders, and will assist the company with its geographical network based on three current regional hubs: Paris, Cannes and Nice. •

AND GRAPE HOSPITALITY TOO...



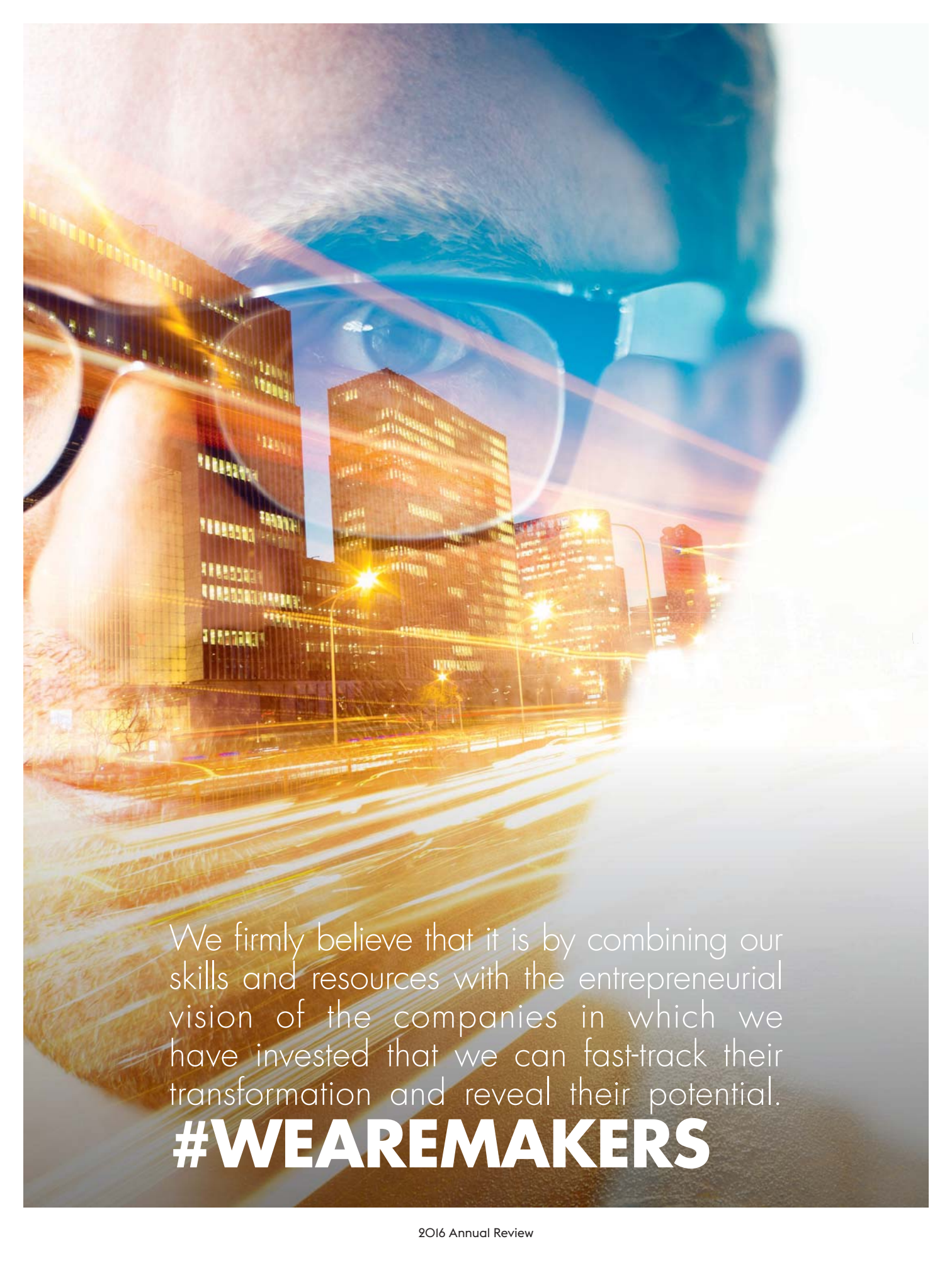
ACCELERATE

EURAZEO IS AN ACTIVE SHAREHOLDER. THE COMPANIES ASSISTED BY OUR TEAMS ARE PROVIDED WITH THE HUMAN, TECHNICAL, AND FINANCIAL RESOURCES NECESSARY FOR THEIR DEVELOPMENT. STRATEGIC VISION, EXTENSIVE EXPERTISE, AND INTERNATIONAL NETWORKS AND LINKS ARE MOBILIZED TO HELP THEIR MANAGEMENT TEAMS DEAL WITH THE MULTIPLE CHALLENGES FACED BY COMPANIES: GLOBALIZATION, THE DIGITAL REVOLUTION, BUSINESS GOVERNANCE AND ETHICS, DECARBONIZATION OF ACTIVITIES, ETC.

A FLEXIBLE AND INTEGRATED ORGANIZATION

Four investment divisions and a dedicated development team, cutting-edge corporate expertise, international presence: we combine all these skill sets to reveal the potential of companies.





We firmly believe that it is by combining our skills and resources with the entrepreneurial vision of the companies in which we have invested that we can fast-track their transformation and reveal their potential.

#WEAREMAKERS

OUR STRATEGY II/V

ACCELERATE DEVELOPMENTS

Working closely with the management teams of its companies, Eurazeo acts as an active and responsible shareholder. On the path of development, in a world of uncertainty and disruption, Eurazeo helps companies to realize the ambition defined at the time of the investment. A patient capitalist, Eurazeo provides the time, the expertise and the financial resources necessary to their success.

FROM VISION TO ACTION

Early cooperation to define the project

As a prerequisite to the investment, Eurazeo identifies the various levers that will reveal the company's development potential and create the value sought. The work begins from the moment the interest is acquired. The priority is then to formalize the roadmap, assemble all the expertise necessary and implement effective governance.

All the know-how of an active shareholder

As a trainer of champions, Eurazeo knows that the key to success lies partly in its ability to create the right conditions. It does more than simply conceive of the transformation or provide the capital necessary for its realization, it materializes the process by supplying the operational means to activate the levers that were identified upstream. Eurazeo adds its know-how to the talent of the companies' management teams. To help the company grow, quantitatively and qualitatively, or to overcome a difficulty, Eurazeo provides a range of top-notch expertise, tools, resources and networks that are the fruit of its vast experience; it is precisely this wealth of experience that makes Eurazeo unique. The

interfacing with the companies it has invested in provides access to their best practices in terms of management: strategy, international expansion, financing, acquisitions, risks, etc. Eurazeo's contribution also covers rare expertise specific to private equity, namely: human resources, Corporate Social Responsibility, governance, technology and digital transformation. In 2016, this ability to provide support was particularly successful for the three carve-outs undertaken.

The time necessary

Eurazeo is not restricted by time. Thanks to its status as an investment company with solid equity, a debt-free balance sheet and significant available cash resources, it has a rare freedom of action. Throughout its business guidance, Eurazeo's decisions are essentially dictated by a long-term vision founded on an objective of creating value at a pace specific to this goal.

External growth, an essential development lever

Acquisitions are one of the key levers for accelerating growth, and are carried out by most of Eurazeo's shareholdings. Some thirty transactions were performed this year by the investments for a total of €228 million.

According to the case, the company finances a transaction on its own or calls for the support of its shareholder, whose responsiveness in relation to its cash position can sometimes be a distinctive advantage in seizing an opportunity.

Pushing back the boundaries of development

International expansion is a vital lever in a global economy. Although weak in Europe, growth has reached approximately 3% worldwide. Increasingly international, Eurazeo's companies are seeking and finding growth opportunities. Eurazeo supports them, particularly through its locations in Asia, South America, and now North America. In 2016, Eurazeo's presence in Shanghai allowed Europcar to create a global commercial partnership with Shouqi Car, one of China's car rental leaders, which was signed in early 2017.

Digitization in motion

With the appointment of a Chief Digital Officer, Eurazeo has become a pioneer in the world of private equity. Her role is to help the companies Eurazeo has invested in to deal with the paradigm changes arising from the digital revolution. Her assignment is to anticipate the emergence of disruptive models, identify the relevant technologies and create an ecosystem with the best expertise. In 2016, Eurazeo developed a flexible innovation-action methodology with the Flash Group to generate and test digital projects. Out of 12 potential

projects, five have been prototyped to test the market's inclination. After nine months, three projects are in the production phase with very attractive commercial and financial prospects. Finally, a first Transformation Day was organized on the themes of digital technology and diversity so as to inspire the investment managers, who this year were also invited to Unexpected Sources of Inspiration, a special event open to contemporary thinkers, innovators and creators.

•

3 x

Our economic revenue was three times that of the Eurozone's GDP in 2016.



62%

International expansion represents an ever increasing part of Eurazeo's economic revenue (54% in 2015).

27

AND THE FUTURE?

New achievements for our companies in Asia, Latin America and the US with the support of our local competency centers.

•

Reinvestments to back up the growth transactions of our companies.

Focus on Eurazeo Capital

A leading player in the private equity market, Eurazeo Capital primarily invests in companies valued at over €200 million, whose transformation it can accelerate through its financial and operational support.

EXPANDING OUR HORIZONS IN A COMPETITIVE MARKET

The private equity market has an abundance of liquidity, and is experiencing an ongoing surge in major investors such as pension and sovereign funds. In this competitive environment, Eurazeo Capital has again demonstrated its ability to seize the best opportunities in France and Europe. Capitalizing on this momentum, it continued to expand its investment horizons towards the US, a vast market with a particularly vibrant economy.

INTENSE ACTIVITY

For Eurazeo Capital, 2016 was marked by a significant number of transactions that helped to diversify the portfolio, which is opening to new sectors: early childhood with Les Petits Chaperons Rouges, the second largest private nursery operator in France, with €137 million invested for 41% of the share capital (30.7% after syndication); healthcare, with 67% of Novacap (49.4% after syndication), a chemicals and pharmaceuticals leader, for €163 million; and finally, education, with the Swiss hotel management schools Glion and Les Roches for €229 million, a carve-out acquisition giving rise to a new group, Sommet Education. Based on the purchase of isolated assets, this new type of investment consists in creating future champions. It relies on the distinctive expertise of Eurazeo in terms of operational support for the companies. In addition to the new

Mid and large-sized companies

Unit amounts
invested
> €100 million

Portfolio companies

AccorHotels
Asmodee
Desigual
Elis
Europcar
Fintrax
Les Petits Chaperons Rouges
Moncler
Neovia
Novacap
Sommet Education
Banca Leonardo

Current investment

Purchase of some
ten iconic European chocolate
and confectionery brands

arrivals, the teams actively supported the division's companies, which posted sterling performances, such as the two-digit growth of Asmodee, Les Petits Chaperons Rouges or Moncler. Also noteworthy is the resilience of AccorHotels, Elis, Europcar and Fintrax, despite the impact of terrorist strikes on tourism. On the divestment side, Eurazeo Capital conducted four transactions amounting to €1,058 million. These transactions bring to a successful conclusion the transformation work carried out with the companies' management teams. Under optimum conditions (multiple of 2.4x the investment) Eurazeo Capital sold its stake in Foncia. There were two partial divestments involving equity stakes in Elis for 25% and Moncler for 5%, and multiples of 1.7x and 4.1x. In addition, the teams paved the way for the creation of Eurazeo Capital II, a co-investment fund that has raised €500 million since the beginning of 2017, in order to syndicate approximately 25% of the division's most recent investments.

2017 OUTLOOK

In the first half, Eurazeo Capital should finalize its plan to acquire a portfolio of chocolate and confectionery brands (including Carambar, Krema, La Pie qui Chante, Poulain, etc.) from Mondelez International Group. For 2017, the division's priorities will focus on the support of recently acquired companies and the development of its US activity.



From left to right:
 Jean-Emmanuel Rodocanachi
 Chairman and CEO
 Les Petits Chaperons Rouges
 Amandine Ayrem
 Principal
 Eurazeo Capital
 Grégoire Leleu
 Senior Associate
 Eurazeo Capital

THE HAPPY STORY OF LES PETITS CHAPERONS ROUGES

29

With a network of 1,130 establishments, of which 330 managed directly, 4,000 certified professionals and 20,000 children welcomed in 2016, Les Petits Chaperons Rouges has been a key player in the private nursery sector in France for over ten years. A sector pioneer, the group is recognized for the commitment of its teams, its operational excellence, and the excellent quality of its social and pedagogical project. A great entrepreneurial success that Eurazeo Capital has been guiding since March 2016. “Les Petits Chaperons Rouges is at the crossroads of two long-term growth engines, education and women in the work force. These subjects are dear to Eurazeo, which is also committed in terms of sponsorship,” says Amandine Ayrem, a Principal at Eurazeo Capital. Eurazeo invested €134 million in this high-potential company, acquiring a 41% interest alongside BPI France and the company’s co-founder and Chairman and CEO Jean-Emmanuel Rodocanachi.

“We were attracted by the innovative approach and talent of the Les Petits Chaperons Rouges teams.”

Marc Frappier

The shared ambition is clear: assist the group with the roll-out of its Chaperons 2020 corporate project.

Working with management, the Eurazeo Capital team identified three transformation levers to ultimately create a global early learning and education group: the consolidation of its business model in France, international expansion, through selective external growth, and digital technology, by offering innovative services relating to parenting.

Nine months after Eurazeo acquired its stake, the collaboration is already bearing fruit. Les Petits Chaperons Rouges opened 46 new nurseries in France and have embarked on an international venture. They have gained a foothold in two major European markets, Germany, with a stake in the Infanterix group, and the UK, with the acquisition of Magic Nurseries in early 2017. With 16% of their activity

conducted internationally, Les Petits Chaperons Rouges is now the 4th largest European early childhood player. But this is only the beginning of what promises to be a very happy story...

Focus on Eurazeo PME

Eurazeo PME invests in and supports the development of small and medium-sized enterprises that lead their markets and have a great ability to carry out growth transactions.

A MORE FAVORABLE ENVIRONMENT

With 3,400,000 companies in France, of which 95% have less than 10 employees, the French economy is dominated by small and medium-sized enterprises. The challenges relating to their consolidation, development and competitiveness make this segment a naturally promising market for investors. There were even more investment opportunities in 2016.

A STRONGER PORTFOLIO

2016 was a very active year for the SME division. This momentum was evidenced by the acquisition of three new companies that lead their markets and support long-term development projects. Eurazeo PME thus acquired a 54% interest in MK Direct, leader in home linen in France with the Linvosges and Françoise Saget brands, for a consideration of €49 million. It also invested €44 million for a 50% stake in Orolia, world leader in resilient Positioning, Navigation and Timing (PNT) solutions. Finally, Eurazeo PME acquired 50% of AssurCopro, the French leader in joint ownership insurance brokerage, for a consideration of €55 million. A solid investment momentum that diversified the portfolio. The year was also marked by the vitality of the transformations initiated with the team support of companies in which Eurazeo PME holds stakes.

Small and medium-sized enterprises

Unit amounts invested of €25 million to €100 million

Portfolio companies

AssurCopro

Colisée

Dessange International

Groupe Flash

Léon de Bruxelles

MK Direct

Orolia

Péters Surgical

Vignal Lighting Group

All these companies pursued their development through organic or external growth, including Vignal Lighting Group; the Colisée group, specializing in care for the elderly, has set up in Italy; Dessange International has extended its activities to Germany and the UK; Péters Surgical, no. 4 worldwide in surgical sutures, added to its offering with the purchase of Vectec, a specialist in laparoscopic single use devices. The transactions conducted in 2016 also centered on operational efficiency. Léon de Bruxelles, for example, expanded its development team, while Flash International Group, the premium freight leader, reinforced its digital platform through investment.

2017, WE CONTINUE ON TARGET

Backed by its organization and the support of its corporate teams, Eurazeo PME will continue to accelerate the transformation of its portfolio companies. Under its impetus, AssurCopro has already announced the acquisition of Interassurances, a specialist in rent guarantee insurance, in early 2017, and Flash International Group that of EF Express, also a premium freight player¹, in Germany.

1. Same day and time sensitive transport.

The percentage interests mentioned for Eurazeo PME correspond to the percentages acquired by the Eurazeo PME II funds, in which Eurazeo has a 70% stake.



From left to right:
 Jean-Louis Coutin
 Chairman of Vignal
 Lighting Group
 Joanne Dubail
 Principal
 Olivier Millet
 Chairman of the Executive
 Board of Eurazeo PME
 Member of the Eurazeo
 Executive Committee
 Pierre Meignen
 Managing Director

VIGNAL LIGHTING GROUP ACTIVE ON SEVERAL FRONTS

Accompanied by Eurazeo PME since 2014, Vignal Lighting Group is the European leader in lighting and signaling for industrial and commercial vehicles. It has 400 employees and generated €83 million in revenue this year, 75% of which internationally. The group has already undergone a comprehensive transformation in less than three years with the help of Eurazeo PME, which accompanies its external growth and international expansion. "It is our business to identify potential champions and we also share this expertise with our portfolio companies," states Olivier Millet, Chairman of the Eurazeo PME Executive Board.

Vignal had already acquired ABL Lights in 2014, anticipating the shift to LED. A new external growth transaction was initiated in September 2016 with the purchase of the Swiss company CEA, which manufactures safety products for special vehicles (beacons and bar lights in particular). The group will thus be able to complete its product range, while bolstering certain

European market positions, particularly in the agricultural sector. At the same time, Vignal invested in its production tool in France, building a new 11,500 m² industrial site in Corbas, near Lyon. The site's design illustrates the company's strategy, which places corporate social responsibility as a value driver right at the heart of its approach. The Vignal Lighting Group business model has two pillars: a global product concept to minimize development costs and local manufacturing to accompany its clients as closely as possible, taking into

account economic challenges and limiting the environmental impact. It was therefore decided to invest in plants meeting the world's highest standards in Europe, North America and soon Asia, in close proximity to markets. A new production site will open in China in 2017, in order to serve

rapidly expanding markets. Vectors of long-term growth, these projects are fully supported by Eurazeo PME, in particular thanks to Eurazeo's competency center in Shanghai.

"We are pleased to have contributed to the growth of this company for nearly three years; now it can meet numerous challenges."

Pierre Meignen

Focus on Eurazeo Croissance

Dedicated to growth equity, Eurazeo Croissance assists rapidly developing companies as a minority shareholder, specifically investing in sectors undergoing a transformation in terms of digitization and new lifestyle and consumption patterns.

A HIGHLY DYNAMIC MARKET

The investment segment of Eurazeo Croissance is developing significantly, stimulated by the digital explosion. It attracts new players alongside historical venture capital investors, particularly major corporations and private equity funds. In this market dominated by fundraising, Eurazeo Croissance most often leads transactions involving tens of millions of euros, in order to support the up-scaling of companies that have already demonstrated the potential of their business model. In addition to its financial support, the distinctive nature of Eurazeo Croissance stems as much from its development know-how as its international presence, crucial levers to assist entrepreneurs in materializing their vision from an operational perspective.

SOLID ACHIEVEMENTS IN 2016

Eurazeo Croissance currently has a diversified portfolio. Each of its companies continued to implement market gain strategies in 2016. Younited Credit (formerly Prêt d'Union), a peer-to-peer platform specialized in consumer lending, expanded its management team and enriched its product offering to become the market benchmark with regard to financing terms and service quality; it has also changed names to facilitate its European expansion.

Start-ups and growth companies

Unit amounts invested of
€15 million to €20 million

Portfolio companies

Farfetch

Fonroche*

IES Synergy

I-Pulse

PeopleDoc

Vestiaire Collective

Younited Credit

* Investment assigned
to the Eurazeo Patrimoine division
as of February 2017.

PeopleDoc, one of the pioneers of the Software as a Service (SaaS) market dedicated to human resources, also stepped up its roll-out in France and the US and began its expansion in the UK and Germany. Vestiaire Collective conducted a significant optimization of its customer experience and boosted its positions in the European market, which it now leads, and the US. IES Synergy, manufacturer of electric vehicle chargers, took advantage of the Chinese market's momentum, while winning major contracts in Europe and the US. In renewable energies, Fonroche finalized the construction of its first photovoltaic plant in Puerto Rico and recorded the first biogas sales from its Villeneuve-sur-Lot anaerobic digester. Lastly, a new investment was completed during the fundraising for Farfetch, an online shopping platform connecting brands and multi-brand boutiques with customers in nearly 190 countries. Based on a \$25 million investment, Eurazeo Croissance is thus supporting the ramp-up of an innovative model with strong growth potential, combining luxury goods and digital technology.

NEW PROSPECTS IN THE US IN 2017

In addition to backing its portfolio companies on a human and financial scale, the challenge for Eurazeo Croissance will be to pursue selective development. Eurazeo's foothold in the US will serve as a local intermediary to division companies that are naturally oriented towards this market; it will also fast-track the identification of new investment opportunities.



From left to right:
Sébastien Fabre
Founder and CEO
of Vestiaire Collective
Yann du Rusquec
Managing Director,
Head of Eurazeo Croissance

A FRENCH SUCCESS STORY

33

Lunched in October 2009, Vestiaire Collective has become a star fashion tech company, selling pre-owned luxury fashion and accessories on-line. Its platform currently unites some 6 million members in 48 countries and registers more than 100,000 new customers each month. The company, which developed very rapidly following its launch, has again accelerated its growth since the €33 million fundraising conducted in 2015, which allowed it to establish a US foothold. Eurazeo Croissance has since assisted the company in changing scope as it consolidates its leadership worldwide. Vestiaire Collective thus benefits from the operational

guidance of Eurazeo Croissance and its international presence, particularly regarding the analysis of acquisition opportunities.

In a further effort, Vestiaire Collective has prepared another fundraising for a total of €58 million, which took place in January 2017, of which €12.5 million to be reinvested by Eurazeo Croissance. Vestiaire Collective will now be able to consolidate its European positions, continue its US development and extend its activities

to new markets in the Asia-Pacific zone. With offices in Paris, New York, London, Berlin, Milan and Barcelona and 210 employees, the company plans to create 120 positions over the next eighteen months.

“Vestiaire Collective has all the advantages and resources to boost its leadership in a promising sector via its innovative model, in line with changing consumer patterns.”

Yann du Rusquec

Focus on Eurazeo Patrimoine

Specializing in real asset investment and management, particularly real estate, Eurazeo Patrimoine is deploying its investment strategy in niche markets chosen for their high potential, as demonstrated by its stakes in high value-added real estate, hotels and photovoltaic energy.

EMERGING FROM AN ADVERSE ECONOMIC ENVIRONMENT

In 2016, low interest rates added to the economic pressure on real estate and private equity markets, resulting in substantially higher asset prices and a strain on certain market segments. In order to create sufficient value, and using its expertise, Eurazeo Patrimoine has opted to position itself at the crossroads of the private equity and real estate markets, where there are few investors. The division is thus rolling out a selective investment strategy in niche assets that show promise, supporting their development in terms of operations.

2016, A CHOICE INVESTMENT

2016 demonstrates the relevance of this choice: in July, following a private sale, a portfolio of 85 budget and mid-range hotels in eight European countries was acquired via a €154 million equity carve-out investment. The portfolio, with an asset value of €504 million, was regrouped within a new company known as Grape Hospitality, primarily held by Eurazeo and AccorHotels, with respective stakes of 57% and 29% after syndication. The ambition is to transform this new platform into a group leader in Europe.

Real assets,
particularly real
estate

Unit amounts
invested > €25 million

Portfolio companies

ANF Immobilier

CIFA Fashion Business Center

Colyzeo

Grape Hospitality

Fonroche Solaire
since February 2, 2017

PERFORMANCES THAT MET EXPECTATIONS

The advances made by its other portfolio companies confirm the potential of the Eurazeo Patrimoine business model: investment in quality assets that are enhanced through active transformations. CIFA, a clothing wholesale center in Aubervilliers, thus posted positive results in terms of occupancy rate and rental return, following investments to improve its operation and image. The listed company ANF Immobilier, in which Eurazeo is a 53%¹ shareholder, recorded growth in consolidated revenue (+ 4%) and recurring net income (+ 11%), despite an economic slump. This success is the result of the year's major transactions in Lyon, namely the delivery of two city-center retailers with a surface area of 2,500 m² and the 13,000 m² Adecco building.

2017, CONSOLIDATE THE PORTFOLIO

Eurazeo Patrimoine will continue to optimize and develop the investments and assets in its portfolio. 2017 will also see the completion of its move into renewable energy with the arrival of Fonroche Solaire, created from a spin-off of the Fonroche group, formerly a Eurazeo Croissance investment. The new entity was renamed Reden Solar in March 2017.

1. Percentage adjusted for treasury stock as of December 31, 2016.



From left to right:
 Thierry de Montesquiou
 Associate
 Renaud Haberkorn
 Managing Partner
 Chief Investment Officer
 Eurazeo Patrimoine
 Frédéric Maman
 Managing Director
 Frédéric Josenhans
 Chairman of Grape Hospitality
 Pierre Larivière
 Senior Associate

GRAPE HOSPITALITY BRIGHT FUTURE FOR THE HOTEL BUSINESS

35

Investing in tangible assets with true transformation potential, Eurazeo Patrimoine completed a major transaction this year: the creation of a new European player in the hotel sector based on a carve-out. On July 1, 2016, Eurazeo Patrimoine effectively acquired the business and premises of 85 budget and mid-range hotels from AccorHotels and various investors. Located in eight European countries, including France, the hotel portfolio comprises over 9,000 rooms and 2,000 employees for revenue of €215 million in 2015. The hotels have been regrouped within a new company called Grape Hospitality and are operated under the Ibis, Mercure, Novotel, and Pullman brands. Eurazeo Patrimoine and AccorHotels, which is both franchiser and co-shareholder, have thus created a major new player with significant development ambitions. Like a start-up, this platform was developed at Eurazeo prior to the acquisition.

"The very essence of private equity, a carve-out is truly entrepreneurial in approach."

Renaud Haberkorn

Phase one: recruitment of the future Grape Hospitality management team, comprising hotel and real estate professionals and coordinated by Frédéric Josenhans, former CEO of the Mercure and Novotel brands. Over a six-month period, this small team created the legal structures and set up all the central functions, from IT to cash management and financing, and from HR management to revenue management. Now an independent platform, Grape Hospitality has begun to activate its growth drivers with the support of

Eurazeo Patrimoine: a €120 million renovation and repositioning program over the next two years, as well as commercial initiatives and partnerships to optimize and develop revenues. These prospects for value creation will rely on its hotel operational expertise, its asset management know-how and

portfolio expansion opportunities.

Focus on Eurazeo Corporate

A product of the Eurazeo management teams, the Eurazeo corporate team now actively supports the investment teams, particularly in terms of guidance. It currently represents one of Eurazeo's distinctive asset.

SELECT PROFILES

For nearly ten years, Eurazeo has endeavored to create a top-notch team made up of professionals who are both fully functional and experienced in best practices. The team now has some forty members and its areas of expertise are expanding each year to meet the challenges faced by companies. The Eurazeo corporate team has cutting-edge know-how regarding all major company functions: HR, accounting, audit, management control, finance, legal, risk management, compliance, CSR, IT, digital, project management, communication and, since 2016, safety.

FULLY INTEGRATED WITHIN THE BUSINESS

Initially intended for the company's management, this expertise has been progressively deployed at the very core of Eurazeo's business. Supporting the divisions, the corporate team is associated with all stages of the investment cycle: upstream, to identify risks and specify due diligence procedures; on the acquisition, to assist the investment teams with legal and tax structuring, negotiations and financing; during the transformation phase, to monitor certain improvement projects in support of the investment teams, participate in the design and monitoring of mechanisms to ensure exemplary governance, assist with the recruitment of managerial talent

A wide range of expertise

Communication
Accounting
Consolidation
Management control
Digital
Finance – Treasury
Tax
Investor Relations
CSR
Human Resources
Risks and Internal Audit
Safety

A team in Luxembourg

Luxembourg is the leading European center for investment funds and second worldwide. A Eurazeo team has been present since 2004.

It can thus work more closely with the co-investors and limited partners of its co-investment funds governed by Luxembourg law, such as Eurazeo Capital II. The main local entity, Eurazeo Services Lux, specializes in company administration (administrative, legal, accounting and domiciliation services), for other locally established group companies as well as third-party companies.

Recognized as a Professional of the Financial Sector (PFS), Eurazeo Services Lux has been certified by the Commission de Surveillance du Secteur Financier, the Luxembourg financial services regulator.

or contribute best practices in terms of steering tools, etc. Some of these services are also provided for exits where applicable. Eurazeo thus features an advisory component that is rarely seen in private equity companies.

2016, HEIGHTENED MOBILIZATION

The preparation of eight acquisition projects represented a particularly significant investment for the corporate team in 2016. The many carve-outs, which consist in acquiring certain assets and rebuilding a company, have effectively changed the mission of the team that is asked to carry them out. Certain team members actively participated in the steering of these carve-out projects, contributing to the definition and implementation of target processes and tools. The corporate team also strives to provide the Eurazeo teams and the portfolio companies with the tools necessary to meet the highest standards. In 2016, it pursued its work covering responsible purchasing, digital technology and management control projects.

2017 OUTLOOK

The corporate team will pursue its best practices work and its commitment to the carve-outs now being finalized. This contribution of Eurazeo is in keeping with a strict operational governance policy that includes risk management.



From left to right:
 Pierre-Alain Aubin
 Risk Director
 Cécile Gilliet
 Deputy Legal Director
 M&A
 Maxime de Bentzmann
 Principal
 Eurazeo Capital

SOMMET EDUCATION A DAILY COMMITMENT

In March 2016, Eurazeo acquired two world-class Swiss hospitality and luxury schools, Glion and Les Roches, in order to create the Sommet Education group. Nearly 1,500 students graduate each year. Eurazeo's investment amounted to €229 million. The ambition is to transform the new entity into a sector leader by strengthening its international dimension, particularly in Asia, and broadening its scope of action based on two promising ideas: distant learning via digital technology and management training.

A carve-out is unlike other investments. It involves significant capital and human resources. The Eurazeo corporate team plays a key role in this process through its expertise. The support thus surpasses the financial commitment usually granted for other investments.

It can take varied forms, from project management assistance to team coaching. In the case of Sommet Education, several members of the corporate team assisted the project's holding company with a view to creating the support functions and information systems that are key to the new group's operations. Their task was part of a true corporate project. Pierre-Alain

Aubin, Risk Director, assisted the teams and the new management officers in designing and setting up a Finance Department, a Finance services center (Marbella, Spain) and a Finance ERP¹ software package. According to Aubin: "Success for this type of project relies on strong operational governance, where risk management is central and constant."

The Digital Director contributed to the insourcing of key information systems so that the new group no longer had to rely on the vendor's support services. "The corporate team worked closely with the investment and Sommet Education

teams to immediately implement more effective solutions, in line with our objectives," explains Vivianne Akriche, Managing Director of Eurazeo Capital and head of the team responsible for the investment. This daily involvement has already provided Sommet Education

with solid and long-term bases for its development.

"These projects have major challenges and are difficult to implement. Working with the investment teams, the corporate team contributes crucial added value."

Philippe Audouin

1. Enterprise Resource Planning: integrated management software package.

FEATS IN 2016

Eurazeo's ability to provide operational guidance to companies over a long-term trajectory is a driver of sustainable and constant growth. 2016 will mark an acceleration in transformations, with multiple achievements.

ASMODEE ►

GROWTH CHAMPION

With revenue rising by 39.5% over one year, Asmodee, the leading international games publisher and distributor, has extended its brilliant trajectory: a rapid development that has accelerated since its acquisition by Eurazeo Capital in 2014. New transactions were again successfully conducted in Europe this year: acquisitions of Bergsala Enigma, leading distributor of games and collectible cards in Northern Europe, and the Canadian studio F2Z Entertainment. These transactions have consolidated the international positions of Asmodee, and strengthened both its editorial content and its digital platform. •



◀ FINTRAX

A STRONGER GLOBAL PLAYER

The world's second largest tax free shopping operator and a major currency conversion player, Fintrax, demonstrated its resilience by posting revenue growth of 5.6% in 2016 despite a difficult economy, thanks to diversified exposure in Europe and strong sales momentum. Working at the heart of three buoyant sectors - worldwide tourism, consumer goods and electronic payments - the company is also pursuing its development through external growth (recent acquisition of the Finnish company e-TaxFree), with the support of Eurazeo Capital, which invested €300 million at the end of 2015. •



◀ EUROPCAR GROUP

**TRANSFORMATION
IN ACTION**

Europcar, the car rental leader in Europe and one of the major mobility players, in which Eurazeo has a 42.4% interest, is pursuing its transformation and its development. In 2016, the group recorded solid performances including a 4.9% rise in its volume of rental days, benefiting from the strategic investments carried out. Europcar continued to promote innovation this year, with respect to programs relating to the customer experience and external growth for example. Confirming its shift towards the urban mobility market, Europcar carried out two new acquisitions: Bluemove, an innovative start-up, and Spain's car sharing leader, and Europcar Ireland, previously franchised, thanks to which the directly owned network extends to ten countries and includes GoCar, Ireland's car sharing leader. •

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TRANSFORMATION DAY ▶

THINKING TOMORROW

Eurazeo has inaugurated a new high point with its investment management teams: Transformation Day. The objective is twofold: offer innovative ideas and solutions for transformations that are disrupting economies, based on the perspective of external contributors, and provide its portfolio companies an opportunity to share and exchange. The topics for this first edition covered digital disruptions and gender diversity.

With over 200 participants, the event was a true success. •



YOUNITED CREDIT ▶

FULL SPEED AHEAD FOR EUROPE!

Younited Credit is the new name for Prêt d'Union, one of the top peer-to-peer lending platforms in Europe in which Eurazeo Croissance invested €17 million in 2015. This name change was initiated to support the European expansion strategy. After opening in Italy, the platform is preparing to launch its activity in Spain in early 2017. Investments have also been committed to introduce the new name in France, namely the first TV campaign. •



◀ DESIGUAL

RETURN TO GROWTH

Desigual, in which Eurazeo Capital has a 9.8% interest (7.4% after syndication), has been rolling out a transformation plan since 2015. With one objective: target profitable growth by delivering projects covering products, merchandising and image to better meet consumer expectations. At the same time, Desigual is optimizing its distribution network via store closings and relocations, and the overhaul of its boutique concept. Despite an unfavorable economy, particularly in France, this plan limited the decline in group revenue and improved the cash position, which stood at €380.7 million at the end of 2016. Desigual is also stepping up its digital transformation. This is reflected in its governance, with an information technology and communication expert joining the Board. •

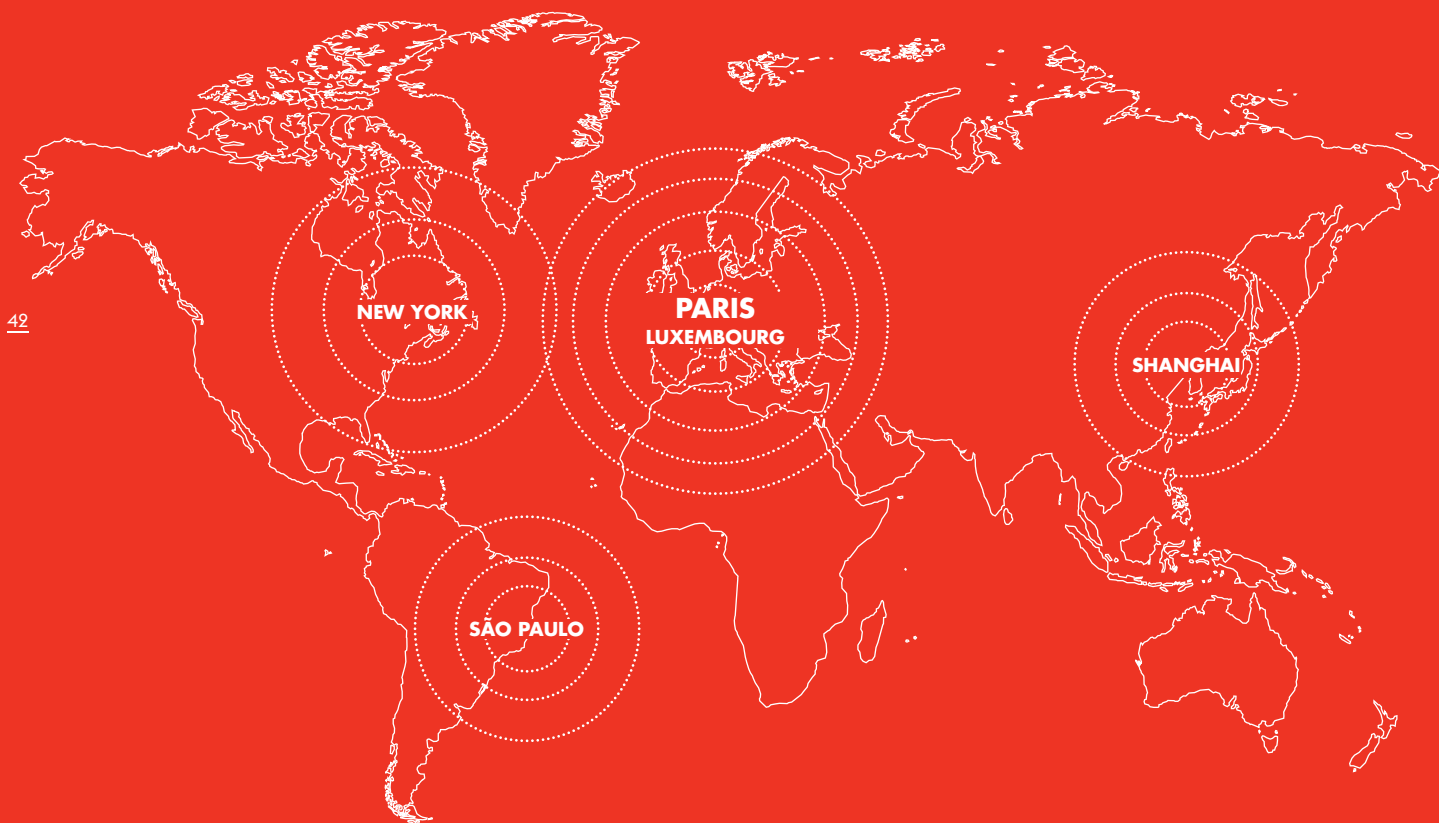


WAVE MOVE

IN 2011, EURAZEO ADOPTED A STRATEGY TO ENHANCE ITS BUSINESS MODEL, CREATING SPECIALIZED INVESTMENT DIVISIONS, OPENING OFFICES IN CHINA AND BRAZIL FOR ITS PORTFOLIO COMPANIES AND STEADILY BOLSTERING ITS CORPORATE SKILLS. IN 2016, A NEW STRATEGIC MILESTONE WAS REACHED WITH THE SET-UP OF AN INVESTMENT TEAM IN NEW YORK TO PENETRATE AN AMERICAN PRIVATE EQUITY MARKET OFFERING A WEALTH OF OPPORTUNITIES.

AN INTERNATIONAL REACH

Eurazeo is growing, and furthering its international expansion. We are now fully operational in Europe and North America in terms of investing, and are present in Asia and South America to closely support our businesses in major markets.





By extending our international reach, we have enhanced our ability to create value. We are opening up a world of opportunity for the companies we support, and our own investments and partnerships.

#WEAREMAKERS

OUR STRATEGY III/V

OPENING UP NEW HORIZONS

In a globally competitive environment, Eurazeo is steadily transforming to continually strengthen its business model based on a well-organized and agile approach. It is exploring new regions and investing in complementary businesses to always stay one step ahead.

FROM VISION TO ACTION

Eurazeo, a sustained development

Like its businesses, our company is confronted with a growing number of challenges and opportunities at an ever increasing pace, i.e. digitization, globalization, climate crisis, tighter standards, emergence of new players, etc. To fulfil its role to the best of its ability and create long-term value, Eurazeo has adopted an ongoing adaptation strategy. It skillfully reinforces its business model by crossing new boundaries, while maintaining tight control over its risks.

New horizons

International expansion has become a vital growth lever for Eurazeo and its portfolio companies. Its globalization strategy has three overlapping focal points: international development of the companies in which we are a shareholder, direct establishment of Eurazeo competency centers in other global regions and extension of our investment scope. Eurazeo has succeeded in becoming an international player in less than ten years, chiefly in terms of investments. Out of the €2 billion invested by Eurazeo Capital between 2011 and 2016, more than €1.1 billion was placed outside France, with the acquisition of the Italian company Moncler in 2011, the Spanish firm Desigual in 2014, the

Irish entity Fintrax in 2015 and the Swiss schools Glion and Les Roches in 2016.

At the same time, Eurazeo has set up competency centers in markets that require a local foothold due to their vast growth potential and specific complexity, such as China and Brazil; their priority role is to support the fast-tracked development of portfolio companies and broaden our opportunities, while boosting our international ecosystem. Present in Shanghai since 2013, Eurazeo came on the scene at the right time to take advantage of growing business and investment flows with Europe. In a similar approach, the opening of an office in São Paulo in 2015 has already furthered acquisitions in South America.

A strategic move to the United States

In line with the ambition announced in 2015, an important milestone was reached this year with the opening of an office in the United States, the main objective being direct investment. In this competitive market, Eurazeo can leverage its family and institutional shareholding structure, permanent capital, long-term vision, European foothold and its ability to accompany international companies based on its global ecosystem, all distinctive advantages for high-growth US companies. Eurazeo North America will also assist our portfolio companies with

their operations, the United States already being the leading growth market for many of them.

Dedicated investment teams

Eurazeo, as an investor, has a unique profession, in which it endeavors to excel at all levels. Accordingly, it has embarked during the past few years on the creation of investment teams devoted to specific ecosystems (PME, Croissance, Patrimoine) and the Development team, in charge of sourcing deals and fundraising. By investing in iM Square and Capzanine, Eurazeo has been able to boost its network and skills and create future growth opportunities in similar business segments.

Enhancement of corporate skills

Eurazeo has made the strategic decision to have an experienced corporate team that is both highly experienced and operational and to provide its portfolio companies with access to its skills, making every effort to enhance them over time. In particular, Eurazeo seeks to incorporate cutting-edge specialties to think and act one step ahead. Regarding Corporate Social Responsibility (CSR) issues, Eurazeo again proved to be a pioneer in

the private equity segment, with new initiatives in 2016 with respect to carbon, general extension of technological and digital due diligence reviews, as well as a new generation of digital investment tools.



56%

The percentage of investments made outside France by Eurazeo Capital between 2011 and 2016.

AND THE FUTURE?

Ramp-up of direct investment in the United States.



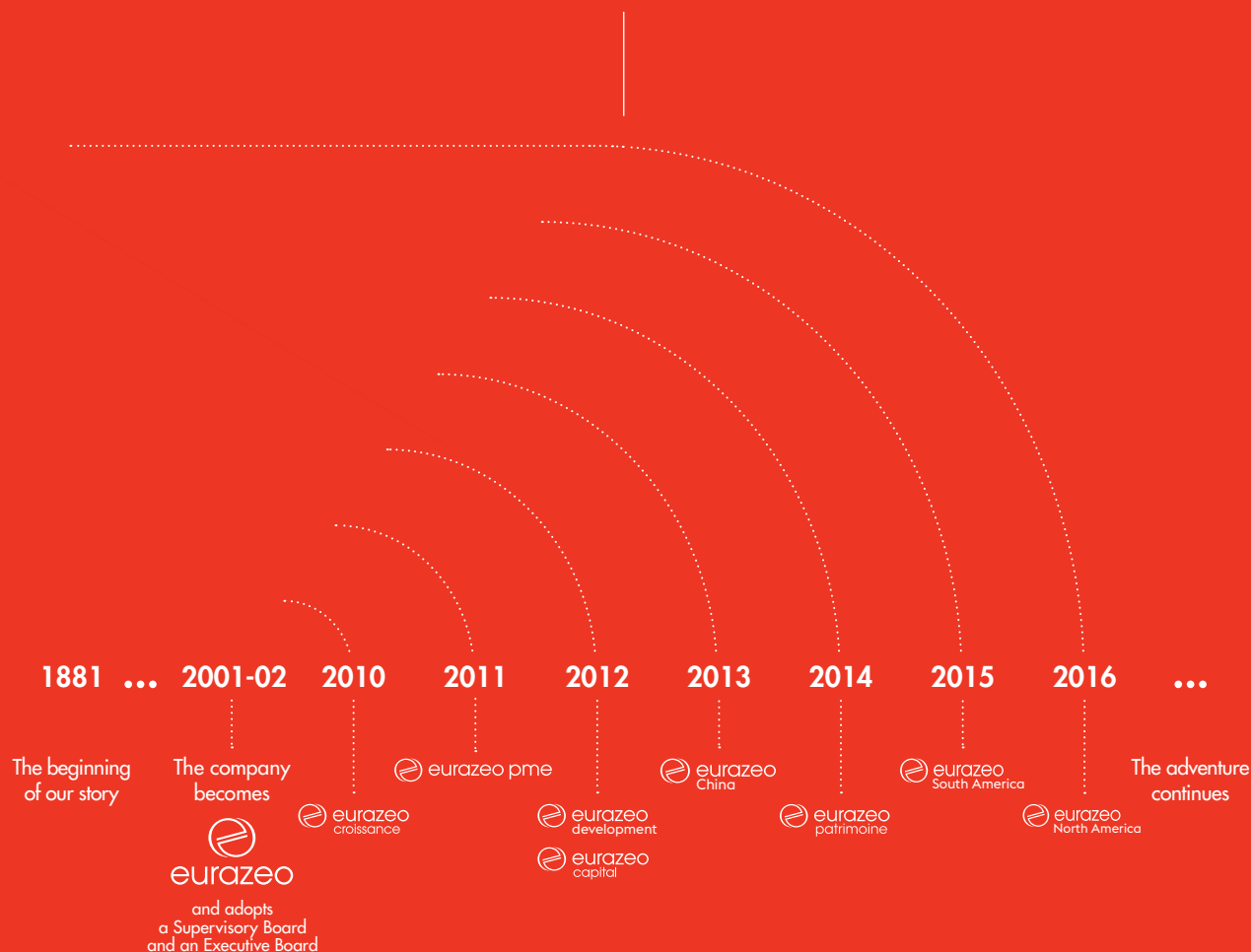
Development of complementary businesses, directly or in partnerships.



Fundraising in all divisions in which Eurazeo remains the majority shareholder.

A SUSTAINED DEVELOPMENT

To enhance its business model, Eurazeo continues to expand, creating new investment divisions and incorporating new fields of expertise. A deployment that meets our ambition as to how we practice our profession.



Eurazeo was created in 2001 by the merger of Gaz et Eaux, founded in 1881, and Eurafiance, founded in 1969. Between 2001 and 2005, Eurazeo changed its legal organization by merging with Azeo and Rue Impériale. Since 2010, Eurazeo has radically transformed from a single-business company, specializing in investments in large entities, to a company that covers virtually all private equity segments through its various investment divisions and foreign offices.

Focus on Eurazeo North America

As part of its international expansion, Eurazeo reached a major milestone this year by setting up an experienced team in New York that is an integral part of Eurazeo Capital. The main objective is to invest directly in US intermediate-sized businesses.

AN ATTRACTIVE MARKET

North America, the world's leading private equity market, characterized by its depth, momentum and maturity, is particularly attractive. For investors with a local foothold, it offers immense investment potential.

SETTING UP A STRONG TEAM

In September 2016, Eurazeo opened its office in New York on a solid footing. Directly run by Virginie Morgon, Eurazeo Deputy CEO, who now resides in the US, the team is eight strong. It is committed to seeking investment opportunities in companies in which Eurazeo's positioning as an active long-term international shareholder - uncommon in the US - would create real added value. Its business networks will also be opened up to portfolio companies to facilitate build-ups.

CLEAR TARGETS

In keeping with its strategy, Eurazeo has chosen to focus on its sectors of expertise, particularly consumer goods and business services. The aim is to invest in high-growth and internationally-focused North American companies for which its value proposition makes all the difference. Individually, the equity amounts invested

Intermediate-sized businesses

Individual amounts invested: a priority range of between US\$200 million and US\$500 million

The US private equity market

US\$ 160 billion in transactions

for nearly 2/3 of our target segment (companies with an enterprise value of more than US\$ 500 million).

should fall within a primary range of between US\$200 million and US\$500 million.

2016, A STRATEGY SET IN MOTION

At the end of December 2016, 54 investment files had already been analyzed, 20 being considered as priority. These files involved entrepreneurs, owners of companies with high organic growth and a significant potential for international expansion and transformation. Discussions were also held with US groups that may sell certain activities. The team has finally begun to analyze opportunities for certain investments.

2017, TOWARDS IMPLEMENTATION

Determined to follow its own pace, in the same way as it respects that of its investments, Eurazeo has not set any deadlines for the completion of its first investment in North America. However, the team's expansion, the development of its market visibility and its growing deal flow will increase its chances of realizing an investment in 2017.

Focus on Eurazeo China and Eurazeo South America

The presence of competency centers in Shanghai since 2013 and in São Paulo since 2015 offers Eurazeo's portfolio companies a gateway into the buoyant markets of Asia and Latin America. They also benefit from an excellent understanding of local dynamics and robust operational support.

CHINA, A SOARING ECONOMY

A new growth model

Eurazeo China was set up chiefly to boost the development of portfolio companies and capture the potential and growth of the world's second largest economy. Previously an industrial goods exporter, and now driven by domestic consumption, China is shifting towards a service economy. It has become one of the main foreign investors in Europe and the United States. All this creates new opportunities for Eurazeo at each stage of its business.

New triumphs

Since the office's creation, the team led by Eddie Chen, Managing Director and Head of Eurazeo China, has accompanied around twenty of our companies. Among its achievements: in 2017, Colisée will open its first retirement home in China, with its partner China Merchants Property; IES already conducts 25% of its local activity through a joint venture with Wanma. During the year, Eurazeo China also supported Europcar with its development, and Neovia with its plans to acquire the 5th player in the Chinese pet food market.

A strengthened ecosystem

Eurazeo continues to develop its network of partners in Asia - China, Hong Kong, Singapore, Korea and Japan. The team has secured contacts with major businesses seeking to invest globally and is building relationships of trust with the authorities.

An active presence in huge markets

China

World's 2nd largest economic power

World's highest population, with 1,379 million inhabitants

Brazil

World's 8th largest economic power

World's 5th highest population, with 206 million inhabitants

BRAZIL, INITIAL ACHIEVEMENTS

Restoring confidence

Brazil, a country with the world's 5th highest population and where the middle class has risen by 50% in a decade, has become a key market in Latin America. Having gone through a political and economic crisis of epic proportions, the country is setting the scene for restoring confidence. Since 2015, Marcos Grasso, Senior Advisor, and Head of Eurazeo South America, has been supporting the portfolio companies already present in Brazil such as AccorHotels, Elis and Neovia and assisting those which could potentially set up in the region.

Serving development

In 2016, Eurazeo South America worked with around ten portfolio companies. The Eurazeo Brazil office assisted Neovia with organic growth and acquisition projects in Latin America and supported Elis for its external growth transactions. The office also worked with the teams of Colisée and Fintrax to improve their growth plans for the region.

Encouraging prospects

The warm welcome reserved by business networks for Eurazeo and its office in the country's economic capital should boost the development of its portfolio companies in Brazil and other Latin American countries.

EUROPCAR

Paving the way in China

More than 200 million Chinese travel abroad each year, making China the world's no.1 country in terms of tourist figures. According to the WTO¹, they spend nearly €300 billion. An increasing number rent cars to discover new regions. Determined to

capture this growing inflow of tourists, Europcar worked with Eurazeo China this year in order to improve its strategy for the Chinese tourist clientele, and then to seek a first-rate partner and provide assistance in preparing an agreement right through to its signing.

A COOPERATION AGREEMENT WITH SHOUQI CAR RENTAL

This approach proved successful as a global business partnership was forged with Shouqi Car Rental, one of the leading mobility players in China and subsidiary of the Beijing Tourism group, a significant domestic player in the tourism industry. Under the cooperation agreement, finalized in early 2017, each partner will benefit from two complementary networks. Europcar offers coverage in 140 countries and a network of 3,600 sales outlets, while Shouqi Car Rental has a network of 500 outlets in more than 70 cities in China. For customers, this promises a top-notch service across the globe. Chinese customers can access Europcar car rental services on the Shouqi website and buy all-inclusive deals outside China.



Similarly, Europcar customers will have access via its website to Shouqi services in China to rent vehicles or hire a private chauffeur.

A REFERENCE IN THE MOBILITY SECTOR

Via this agreement with Shouqi Car Rental, Europcar has a Chinese partner that shares a similar vision of the business. Both possess a corporate culture that focuses heavily on service quality and customer satisfaction. Shouqi is a reference in its sector through its mobility services that are appreciated by major Chinese businesses, as well as government organizations and the Global 500.

1. World Tourism Organization; tourism key figures - 2016 edition

“CHINA IS APPEALING, BUT YOU NEED THE KNOWLEDGE AND EXPERTISE TO PENETRATE THIS MARKET.”

Eddie Chen,
Managing Director, Eurazeo China

EXPLORING new businesses

Eurazeo is broadening its horizons by investing in new asset classes. It participates in ambitious initiatives, heralding new prospects, value creation and the expansion of its range of activities.



it becomes the majority shareholder, or businesses of an equivalent size in which it acquires a minority interest. It is also one of the leading players in the French private debt market.

Convinced of the team's quality

and the non-banking financing needs of SMEs, Eurazeo is putting a lot into developing Capzanine, enabling its team to take advantage of its relationships with major institutional investors and its international network to develop companies.

The company has already achieved growth. At the end of 2016, Capzanine had €1.4 billion in assets under management, i.e. 50% more than at the time of our investment. Eurazeo has invested €100 million in the Capzanine funds.

IM SQUARE, A GROWTH VECTOR FOR ASSET MANAGERS

In 2015, Eurazeo founded iM Square, an innovative concept, with Amundi and La Maison. The first European investment and development platform dedicated to asset management, its strategy is to acquire minority stakes in the share capital of asset management companies to help them develop, principally outside of their domestic market. In 2016, two transactions were completed in the United States: a 20% investment in a growth equity manager, Polen Capital Management (€7.5 billion and €9.0 billion in assets under management in early and late 2016, respectively) and the acquisition of 45% of Dolan McEniry Capital Management. With €5.8 billion and €9.0 billion in managed assets at the end of 2015 and 2016, respectively, this independent management company operates in a complementary business segment, US corporate bond management. Finally, iM Square acquired a French management company, Montmartre AM. Renamed iM Global Partner Europe, it will serve as the basis for its future sales platform on this continent. iM Square plans to invest a minimum of €250 million over the next three years in the USA, Asia and Europe.

CAPZANINE, THE SME FINANCING ALTERNATIVE

In 2015, Eurazeo acquired, with Axa France, a 22% interest in Capzanine, an investment fund manager specializing in combined equity and private debt investment. This fund invests up to €150 million per company in segments that are complementary to those of Eurazeo PME: smaller businesses in which

RAISE, GROWING BUSINESSES IN FRANCE

Finally, Eurazeo is partnering with the investment firm Raise, founded in 2014 based on a high ambition: support French entrepreneurs that can create jobs and foster growth. With a fund of nearly €350 million, Raise acquired stakes in seven promising intermediate-sized companies, and granted a foundation €20 million. It is now the leading philanthropic catalyst dedicated to French young growth companies. True to its charitable nature, Eurazeo has pledged to invest €10 million in Raise Investissement and contributes to the Foundation.

FEATS IN 2016

Ramp-up in the efforts of our teams in China and Brazil for the international expansion of our companies, relocation of the Paris headquarters in addition to our opening in New York, fresh changes in our corporate skills set: in 2016, it was full speed ahead at Eurazeo.



◀ ACCORHOTELS

GREATER INTERNATIONAL GROWTH AND NEW BUSINESSES

With an aggressive approach, AccorHotels made huge investments this year, moving up a gear in the transformation of its business model. With the acquisition of Onefinestay, a high-end hospitality pioneer, AccorHotels has become the world leader in luxury serviced homes, and boosted its presence in the luxury market. The long-term partnership concluded with the Singapore-based Banyan Tree Holdings to develop this partner's branded hotels across the world will also expand its service offering: AccorHotels clients will benefit from key positions in Asia in the luxury resorts business. Another initiative was the acquisition of a 30% stake in the Argentina-based Oasis Collections, which offers an online selection of apartments and services in Latin America, the United States and Europe. Finally, AccorHotels consolidated its leading position in the Australian market with the purchase of 31 hotels. •

ELIS ▶

SPAIN, BRAZIL, COLOMBIA...

End of a triumphant year for Elis! With the acquisition of Indusal in Spain and Lavebras in Brazil, the multi-services leader in the rental of flat linen, professional clothing, and hygiene and well-being appliances has gained ground in two key markets.

It has become the leader in Spain, with a 25% market share and bolstered its leadership in Brazil. Elis has also gained a foothold in Colombia, the 4th largest economy in Latin America, with the acquisition of SIL.

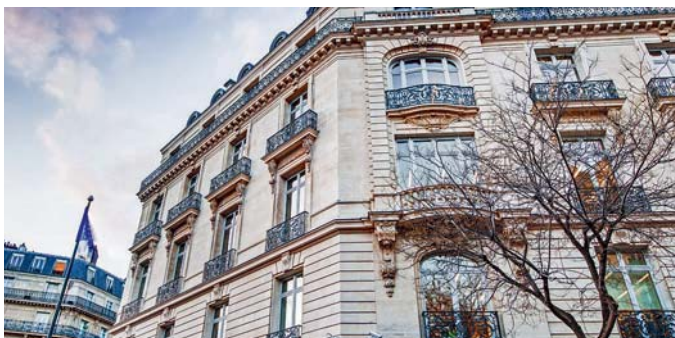
More than 40% of its business is now generated internationally. Besides offering hands-on support, in early 2017, Eurazeo participated in the capital increase that made these transactions possible. •



NEOVIA ▶

A CONSTANT FOCUS ON ASIA

Neovia, one of the world's leaders in animal nutrition and health, pursued its international strategy, notably in Asia where the company holds prominent positions in several countries, particularly Vietnam, Indonesia, India and China. Continuing to boost its industrial and commercial presence, in 2016, Neovia acquired a key stakeholder in animal feed production in the Philippines, Popular Feedmill Corporation. With the support of Eurazeo China, Neovia also approached Sanpo, the 5th largest player in the Chinese pet food market, with a view to becoming its majority shareholder. They entered into exclusive negotiations in early 2017. •



◀ EURAZEO

EURAZEO, NEW ADDRESSES AND MORE!

Eurazeo is expanding and has moved. A few months prior to the opening of its New York office, Eurazeo relocated its head office teams in early 2016 to a building located at 1 rue Georges Berger (Paris 17th) that is fully renovated and compliant with the best environmental standards¹. The move also provided a new opportunity to bolster its CSR efforts: donation of some of the old furniture to the association Apprentis d'Auteuil, digitization of HR documents, centralization of printers, removal of plastic bottles and installation of electric car terminals. •

1. "Exceptional" HQE (High Quality Environmental standard), "Excellent" BREEAM (Building Research Establishment Environmental Assessment Method) and BBC (low energy building) certifications.

EURAZEO ▶

SAFETY CULTURE

Eurazeo has added to its areas of expertise with the arrival of a safety specialist, Pierre-Marie Bourniquel, honorary inspector general of the French national police. Serving Eurazeo and its portfolio companies, his role is to provide assistance and advice on personal safety and the protection of tangible and intangible assets. •



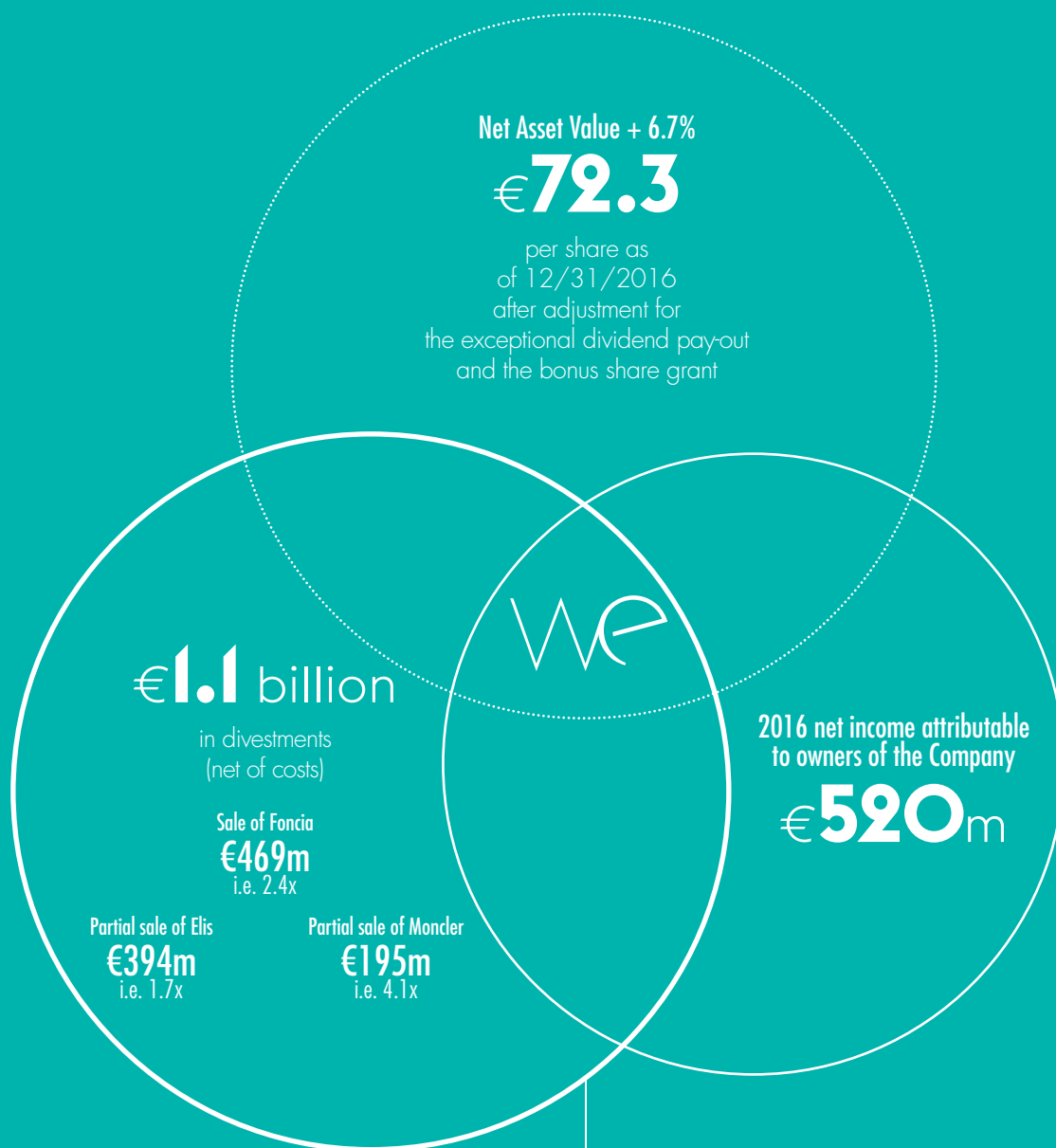
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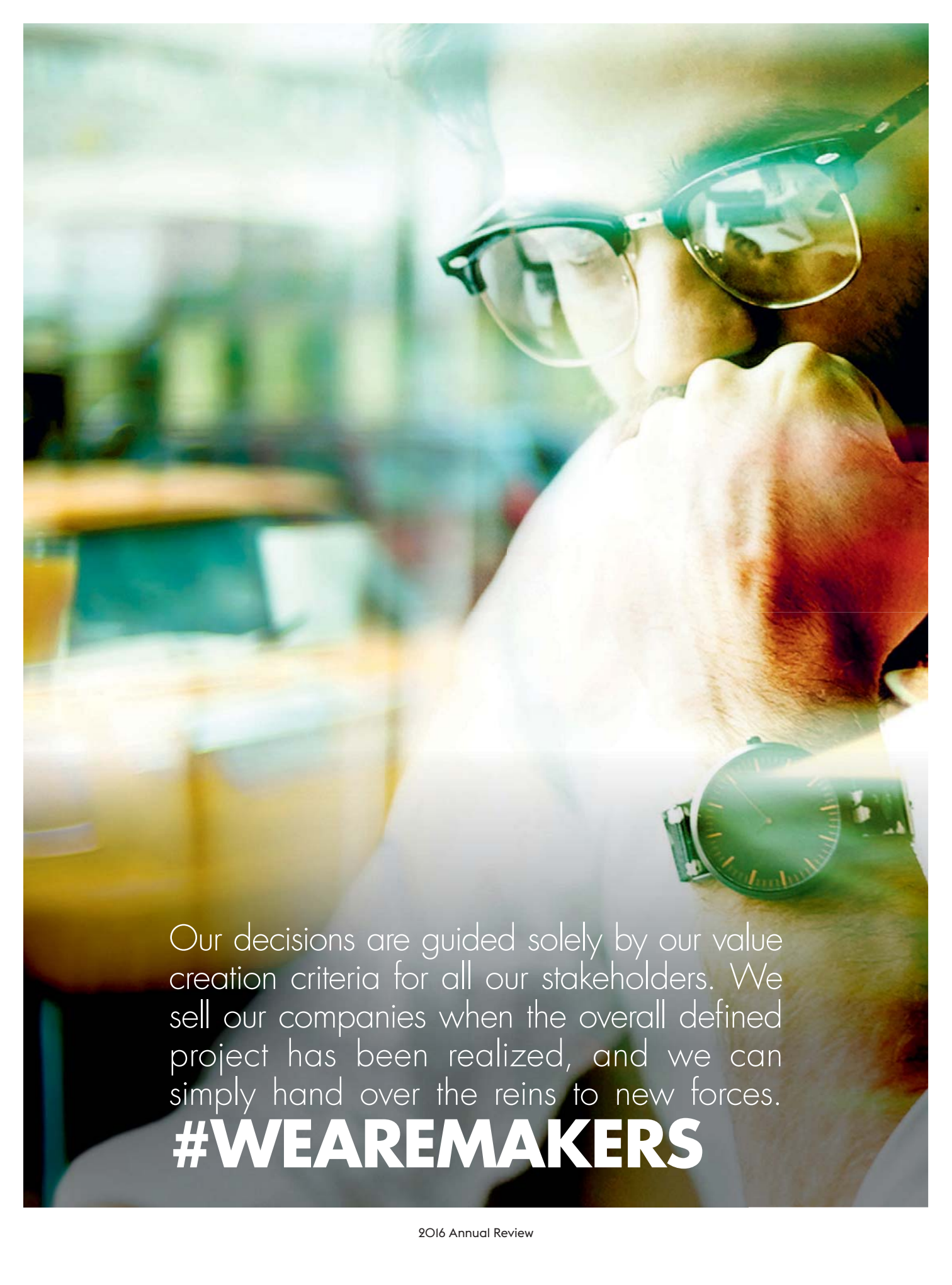
DELIVER

WITH THE SUBSTANTIAL PERMANENT CAPITAL ENTRUSTED BY OUR SHAREHOLDERS, WE HAVE FREE REIN OVER THE EXIT DATE FOR OUR PORTFOLIO COMPANIES. THIS MONETIZATION OF THE VALUE CREATED THUS CONFIRMS A SUCCESS FOR THE TEAMS AND OUR SHAREHOLDERS. WE ARE PROUD TO OFFER THEM AN ATTRACTIVE RETURN IN THE LONG TERM. FOR THE PORTFOLIO COMPANIES AND THEIR EMPLOYEES, THE SALE OF OUR SHARES ALSO MARKS THE BEGINNING OF A NEW CHAPTER THAT WE HAVE HELPED TO WRITE.

LONG-TERM PERFORMANCES

A long-term investor, Eurazeo's ambitions stretch far beyond sustainable and economic value creation. We can therefore offer our shareholders an attractive total return in the long term and be a vector of change for our stakeholders.





Our decisions are guided solely by our value creation criteria for all our stakeholders. We sell our companies when the overall defined project has been realized, and we can simply hand over the reins to new forces.

#WEAREMAKERS

OUR STRATEGY IV/V

RETURN THE VALUE CREATED

With permanent financial resources and no structural debt, Eurazeo can support its companies over the long term and thus contribute to creating sustainable value. Monetized at the time of our divestments, this value offers all our shareholders an attractive total return in the long term, backed by an active share distribution and buyback policy.

FROM VISION TO ACTION

No restrictions for divestments

In our business, value is created during divestments. Thanks to its shareholding structure and solid financial position, Eurazeo retains full control over their timing, a valuable advantage in volatile markets.

Transformation and realization of value

Our divestment decisions depend on two prerequisites: first, the previously-determined transformation has sufficiently progressed; second, the exit can take place under excellent conditions, monetizing the work carried out by Eurazeo to boost the company's long-term prospects. Choosing the right moment therefore depends, above all, on an arbitration between the assessment of the potential arising from value creation and the performance that can be realized to date, valued in terms of cash on cash¹ or Internal Rate of Return (IRR)² multiples. In 2016, the team chose to realize the value created at Foncia following the exceptional work carried out over five years. This divestment generated a multiple of 2.4 times the initial investment. Partial sales of Moncler shares (5% of capital, 4.1x) and Elis (25% of capital, 1.7x) were also carried out.

Ambitious value creation objectives

The Return On Capital Employed (ROCE) objectives differ according to the divisions and the type of risk.

Thus, the expected annual IRR was higher than 25% for Eurazeo Croissance, between 15% and 20% for Eurazeo Capital and Eurazeo PME, and greater than 10% for Eurazeo Patrimoine.

NAV, the performance of unlisted shares

The transformation work is assessed based on changes in the Net Asset Value (NAV). At the end of 2016, the NAV of Eurazeo was €72.3 per share, following dividend pay-outs and cancellations, up 6.7% on 2015. This percentage breaks down into the following changes:

- the five business divisions generated gross value creation of €426 million in 2016, i.e. 11% on average;
- the performance of unlisted shares stood at 28%, despite our prudence in terms of revaluation, whereas listed shares, mainly affected by the markets, followed a negative trend (-4%);
- low interest rates curbing cash profits.

Solid risk management

To assess the profitability of an investment, it should be compared with the associated risk. Eurazeo strives to offer its shareholders an attractive risk-return ratio. To achieve this, it endeavors to maintain three of its essential features in the long term:

- absence of structural debt on its balance sheet;
- equity investments from its own funds;
- an ongoing strategy to reduce its portfolio risk, particularly through sector and geographical diversification.

Based on these fundamental strategic choices, Eurazeo has become one of the most robust players in the market, and Eurazeo stock is now a unique offering in terms of value and controlled risks. Our shareholders should therefore expect a lower weighted average cost of capital (WACC).

The force of cash flow

Another distinguishing feature is that Eurazeo maintains a significant cash flow. This is used to seize investment opportunities and also back all the relevant projects of the holdings. Furthermore, Eurazeo is never required to carry out a divestment to repay a debt. At the end of 2016, our cash flow amounted to €1,083.6 million³, carefully invested in diversified and risk-free vehicles. Eurazeo also has a €1 billion undrawn syndicated credit facility. These available funds are also used to boost value creation through share buybacks when the price offers an attractive discount. In 2016, 3,934,48⁴ shares were bought back for €213 million, i.e. 5.6% of capital as of December 31, 2015 and 5.7% of cancelled capital, thus automatically creating value for our shareholders.

Priority focus on shareholder return

This accretive⁴ policy enables us to give our shareholders an attractive medium-term total return (TSR⁵). Since mid-2002, Eurazeo has offered a TSR three times higher than

that of the CAC 40, while our risk, measured on the basis of share volatility, has decreased. This return also takes the form of regular bonus share grants and, occasionally, the payment of exceptional dividends in addition to the ordinary payout. Over an extensive period, Eurazeo also significantly increased its dividend payout, with 6.4% annual average dividend growth between 2004 and 2016. In 2016, dividends amounting to €159 million were therefore paid out to shareholders in respect of 2015, of which half were exceptional dividends.

1. The cash on cash multiple is the ratio between the amount collected on a divestment and the initial amount invested by Eurazeo.

2. The Internal Rate of Return (IRR) calculation for an investment is an economic assessment of a project's profitability, which must *at minimum* be higher than the cost of capital plus a risk premium specific to the project. It is calculated using discounted cash flows.

3. Prior to the repayment of the AccorHotels debt in LH 19 on January 9, 2017.

4. Accretive, which increases earnings and NAV per share.

5. TSR = Total Shareholder Return = dividends paid out + growth in market capitalization.

6 years
Average period during
which companies are held
by Eurazeo.

€1,058M
The total amount
of divestments in 2016.

57

AND THE FUTURE?

Sustained asset rotation
due to the rising number of portfolio companies.

Higher recurring revenues
due to fundraising.

Continue to improve the robustness of our model.



WE ARE COMMITTED
**TO SUSTAINABLE
VALUE CREATION**

CONVERSATION WITH PHILIPPE AUDOUIN

Chief Financial Officer,
Member of the Eurazeo Executive Board

Based on its balanced risk/return profile, Eurazeo implements a long-term value creation model for its shareholders and stakeholders. Its continual enhancement nurtures Eurazeo's outperformance in the long run. This was the case in 2016, when Eurazeo combined multiple achievements and high quality results.

THE YEAR HAS BEEN VERY ACTIVE. DID YOUR PERFORMANCE MATCH EXPECTATIONS?

Yes, we posted solid results this year. It's even a record year in terms of the number of investments. We made direct investments totaling €833 million in eight new companies and one of our investments. In terms of divestments, we ended the year with proceeds of €1,424 million, mainly due to the sale of Foncia under excellent conditions - a multiple of 2.4 times our investment in only five years - and our partial sales of Elis (1.7x) and Moncler (4.1x); not to mention the impact of the syndication and fundraising. This asset rotation is crucial as it confirms both the visible and hidden value created, mainly in a shifting environment, renews our portfolio while incorporating the most buoyant sectors of the period. From a business standpoint, Eurazeo's economic revenue growth (5.3%) once again largely surpassed Eurozone GDP growth (1.7% in 2016). It even reached nearly 10% on average for the companies in which we are the majority shareholder. Another illustration of the ongoing transformations is the improvement in EBITDA for virtually all our companies. In our results, the net contribution of consolidated companies rose by 24%, standing at €242 million. Overall, net income attributable to owners of the Company reached a high of €520 million, thus enabling us to offer shareholders a dividend of €1.20 per share, plus one bonus share for 20 shares held.

EURAZEO IS RENOWNED FOR THE STRENGTH QUALITY OF ITS FINANCIAL STRUCTURE. WHAT IS THE SITUATION THIS YEAR?

Our commendable results are once again combined with a solid financial position: net cash and cash equivalents of €1,084 million¹,

no structural debt in the Eurazeo balance sheet and a Net Asset Value (NAV) of €5,026 million, i.e. €72.30 per share, up + 6.7% compared to 2015.

IS RISK MANAGEMENT A CORNERSTONE OF THE EURAZEO MODEL?

Yes, it is one of our constant objectives, along with growth and value creation. Today, Eurazeo has a moderate risk profile in its sector. It is true of our financial structure, which gives us real leeway without exposing our shareholders to risks of indebtedness. Our companies can of course take on a reasonable amount of debt in order to invest, but with no recourse to the Eurazeo balance sheet.

It is also true from the point of view of our portfolio and how we build it: our due diligence audits are not limited to solely financial criteria and include all the dimensions of Corporate Social Responsibility; the sectors in which we invest are diversified, the breakdown between recent assets, assets under transformation and mature assets is virtually ideal and none of our investments are more than 12% of our NAV. We strive to diversify the sources of our value creation, not merely by increasing the number of our investments, but also by moving strategically to other continents and other asset classes. This is also why we are accompanied by co-investors, in a manner that respects our strategy. Eurazeo has significantly reinforced; our future performance is now based on a diversity of achievements.

SO, IT'S ALL ABOUT PERFORMANCE AND ROBUSTNESS?

Exactly. And it is the combination of this robustness and sustained momentum in both Eurazeo and its investments that gives strength to our model. This is what enables us to create long-term economic value and also extend our contribution, in accordance with our CSR commitments. We can therefore propose an attractive long-term return to our shareholders, without whose confidence, none of this would be possible. •

1. As of December 31, 2016, prior to the repayment of the AccorHotels debt on January 9, 2017.



From left to right:
 François Davy,
 Chief Executive Officer
 of Foncia
 Wilfried Piskula,
 Managing Director,
 Eurazeo Capital
 Marc Frappier,
 Managing Partner,
 Head of Eurazeo Capital

FONCIA A SUCCESSFUL TRANSFORMATION

Five years after becoming shareholders of Foncia, Eurazeo and Bridgepoint sold their entire investment to Partners Group in September 2016. The transaction was carried out under favourable conditions, at a multiple of 2.4 times the initial investment, i.e. net divestment proceeds of €469 million for Eurazeo. These figures reflect the work accomplished by management with the support of Eurazeo over the period. An ambitious transformation program was successfully completed, giving rise to a new Foncia: the reference in real estate services in terms of service quality, client satisfaction and innovation. As for the five areas identified prior to the acquisition, the results did not disappoint. Human resources? Turnover was reduced by 15%. Customer relationship? The set-up of customer satisfaction monitoring tools and major digital investments have supported organic growth. Operational efficiency?

Process digitization has helped reduce operating costs by €10 million while improving customer service and the environmental impact. Innovation? Foncia was the first in its sector to offer packaged gas purchase offers, leading to price reductions by more than 30%, and significant progress was made in terms of energy efficiency (678,000 avoided tons of CO₂ equivalent representing more than €110 million in savings). External growth? A total of 74 transactions were carried out during the period, reinforcing Foncia's positions in France, Switzerland, Germany and Belgium and enhancing its service offering with, for example, the acquisition of Primaliance, specializing in REIT investment advice. Despite the negative impact of the ALUR law in France and a difficult real estate cycle during the period, revenue increased by nearly 5% per year on average. EBITDA, up 11% per year on average, rose from €86 million on a pro forma basis in 2011 to €137 million at the end of June 2016.

"The quality of the collaboration between the teams of Foncia and Eurazeo Capital was decisive in this successful transaction."

Marc Frappier

FEATS IN 2016

Eurazeo is an active shareholder, but also an investor. It must sell all or part of the supported businesses, at the right moment of the company's transformation and value creation. In 2016, three noteworthy divestments were carried out for €1.1 billion.

MONCLER ►

A PREMIUM MULTIPLE

In September, Eurazeo successfully sold a portion of its shares in the luxury brand Moncler by way of an accelerated book building to institutional investors. The net divestment proceeds amounted to approximately €195 million for 5% of capital. Eurazeo achieved a multiple of around 4.1x its investment. With its partners, it retained close to 10% of the capital of a company which still has an attractive potential. •



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◀ ELIS

25% STAKE SALE

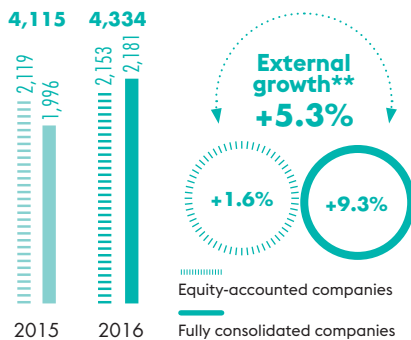
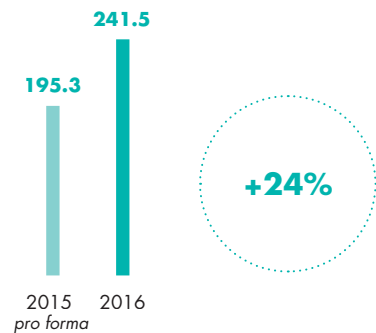
Eurazeo has supported Elis since October 2007. Following the IPO in February 2015, an initial partial divestment was carried out in April 2016. At the end of May, an additional 10% of Elis' capital was sold to Crédit Agricole Assurances. Overall, in 2016, the net divestment proceeds totaled €394 million. With 14.2% of the capital, Eurazeo remains one of Elis' principal shareholders and renewed its support in early 2017 by participating in its capital increase. •

FINANCIAL INDICATORS

SOLID RESULTS

2016 was another vibrant year for Eurazeo. Economic revenue growth was more than three times that of Eurozone GDP*. The net contribution of companies increased for the fifth year running, thereby reflecting operational performance. Finally, net income remained high due to the divestment gains realized.

STEADY BUSINESS MOMENTUM

5TH YEAR OF GROWTH FOR THE CONTRIBUTION OF COMPANIES

Economic revenue

(in millions of euros)

In 2016, economic revenue on a constant Eurazeo scope basis totaled €4,334.1 million, i.e. a steady + 5.3% increase. Growth was mainly driven by the sound performances of Asmodee (+ 39.5%), Moncler (+ 13.9%), Les Petits Chaperons Rouges (+ 9.2%), the average of the Eurazeo PME investments (+ 7.3%), Elis (+ 6.9%) and Neovia (+ 5.9%). All the other companies also posted business growth, with the exception of Desigual, Sommet Education and AccorHotels. It bears mentioning that economic revenue growth reached 6.7% in the fourth quarter of 2016. Another plus point is that 62% of this year's business was conducted outside France, compared to 54% last year, thus reflecting the portfolio's geographical diversity.

2016 SCOPE

In 2016, the Eurazeo consolidation scope underwent the following changes:

2016 scope entries: Fintrax (January 1, 2016), LPCR (April 1, 2016), Sommet Education (July 1, 2016), Novacap (June 30, 2016), Grape Hospitality (June 30, 2016), Flash Group (January 1, 2016), Oralia (July 1, 2016), MK Direct (July 1, 2016)

2016 scope exits: Foncia (July 1, 2016)

Other changes: Elis (percentage interest reduced to 17.1%), AccorHotels (deconsolidation as of November 15, 2016), Moncler (deconsolidation as of October 14, 2016)

Contribution of companies net of finance costs

(in millions of euros)

The contribution of companies net of finance costs increased by 24% on a pro forma basis to €241.5 million in 2016. This improvement reflects the solid operational and financial performance of all portfolio companies. The adjusted EBIT of fully consolidated companies before finance costs was €279.0 million, up 11.0%, compared to pro forma €251.3 million in 2015. This improvement was primarily attributable to the performances of Asmodee, Eurazeo PME and Eurazeo Patrimoine. The net finance costs of fully consolidated companies amounted to -€122.4 million in 2016 (compared to -€113.1 million in 2015) due to the refinancing of Asmodee and Dessange and build-ups at Eurazeo PME. The net income of equity-accounted companies rose by 49.0% to €84.8 million, principally due to Europcar.

* European Commission estimate.

** On a constant Eurazeo scope basis.

€520 MILLION IN NET INCOME ATTRIBUTABLE TO OWNERS OF THE COMPANY

In addition to the substantial growth in the net contribution of the companies, Eurazeo recorded total divestment proceeds before tax of €831.6 million in 2016. This mainly stemmed from the partial sales of Elis and Moncler shares and the sale of Foncia, all conducted under excellent conditions.

Non-recurring items totaled -€336.0 million in 2016. They take into account acquisition costs of €77 million and an impairment loss of €186.6 million, primarily relating to Europcar, whose share value was lower than the Eurazeo cost price for more than one year. In accordance with accounting rules, Eurazeo adjusted the Europcar share price in its financial statements, based on a valuation of €10 per share. Overall, net income attributable to the owners of the Company amounted to €519.7 million in 2016, compared with a pro forma net income of €1,290.2 million in 2015, which was a record level given the substantial divestment capital gains.

Consolidated income statement

<i>In millions of euros</i>	2015	2015 pro forma	2016
Eurazeo Capital	138.7	107.1	122.3
Asmodee	38.1	40.5	60.6
Europcar	100.6	-	-
Fintrax	-	33.7	34.3
Novacap	-	28.4	28.2
Sommet Education	-	4.6	-0.8
Eurazeo Patrimoine	42.3	58.8	62.8
Eurazeo PME	64.7	85.3	93.8
Adjusted EBIT of fully consolidated companies	245.7	251.3	279.0
Net finance costs	-196.0	-113.1	-122.4
Adjusted EBIT net of finance costs	49.7	138.2	156.6
Net income of equity-accounted companies*	130.2	71.8	94.9
Finance costs of AccorHotels/Elis	-14.7	-14.7	-10.1
Net income of equity-accounted companies net of finance costs*	115.5	57.1	84.8
Contribution of companies net of finance costs	165.2	195.3	241.5
Fair value gains (losses) on investment properties	25.5	25.5	3.3
Net capital gains or losses	1,741.4	1,741.4	831.6
Net income (loss) from the holding company business	-28.4	-28.4	-30.6
Amortization of contracts and other assets relating to the GW allocation	-11.5	-27.1	-34.5
Income tax expense	-32.4	-32.1	-32.2
Non-recurring items	-315.5	-313.9	-336.0
Consolidated net income/(loss)	1,544.2	1,560.6	643.0
Attributable to owners of the Company	1,276.0	1,290.2	519.7
Attributable to non-controlling interests	268.1	270.5	123.3

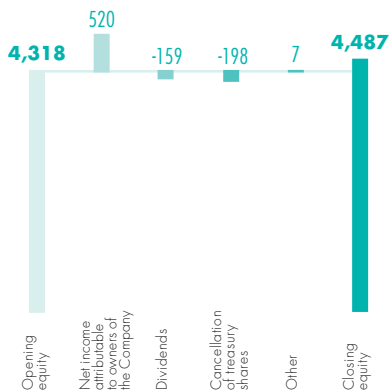
*Excluding the divestment capital gain and non-recurring items.

FINANCIAL INDICATORS

AN ENHANCED FINANCIAL STRUCTURE

Eurazeo's solid financial position, a major asset, further improved in 2016. Group equity rose, approximating €4.5 billion at year-end. With new scope entries, consolidated debt increased. This debt was without possible recourse to Eurazeo SA, whose cash exceeds €1 billion.

SOLID CONSOLIDATED EQUITY

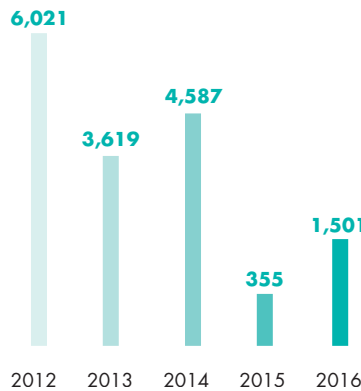


Change in equity attributable to owners of the Company in 2016

(in millions of euros)

As of December 31, 2016, equity attributable to owners of the Company totaled €4,487 million, up by nearly €170 million compared to the previous year. In posting a solid net income attributable to owners of the Company, Eurazeo's balance sheet improved once again, even though nearly €160 million in dividends were paid to shareholders, and Eurazeo shares of nearly €200 million were cancelled.

GROUP INDEBTEDNESS, PORTFOLIO ROTATION IMPACT

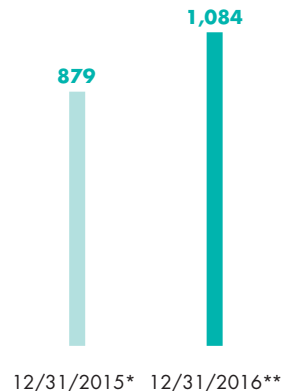


Change in consolidated net debt over five years

(in millions of euros)

As of December 31, 2016, Group consolidated net debt stood at €1,501 million, taking into account all the debt of our consolidated investments and the Eurazeo SA cash flow. The sharp increase compared to December 31, 2015 (historically low amount, considering the divestments and changes in consolidation method in 2015) reflected the acquisitions in 2016: the companies consolidated in 2016 represented additional net debt of almost €1 billion compared to 2015. The companies' debt are without recourse to Eurazeo SA.

EURAZEO SA, A SUBSTANTIAL CASH FLOW



Change in net cash and cash equivalents

(in millions of euros)

The net cash and cash equivalents of Eurazeo SA alone totaled €1,084 million** as of December 31, 2016. This level of cash reflects the acquisitions in 2016 (LPCR, Novacap, Farfetch, Grape Hospitality, Sommet Education, MK Direct, Orolia and AssurCopro) and the divestments during the year (Foncia and the partial sales of Elis and Moncler), the syndication of Eurazeo Capital II, dividend payments and operating costs.

* Cash and cash equivalents as of 12/31/2015, adjusted for the exceptional dividend pay-out in 2016.

** Prior to the repayment of the AccorHotels debt in LH 19 on January 9, 2017.

Consolidated balance sheet

(As of December 31, 2016)

ASSETS	2015	2016	EQUITY AND LIABILITIES	2015	2016
<i>In millions of euros</i>	NET	NET	<i>In millions of euros</i>		
Goodwill	431.0	1,461.7	Equity attributable to owners of the Company	4,317.7	4,487.0
Intangible assets	555.1	1,232.5	Non-controlling interests	429.7	748.7
Property, plant and equipment	136.0	1,090.3	Total equity	4,747.4	5,235.7
Investment properties	1,291.2	1,286.0	Interests relating to investments in investment funds	320.3	344.5
Investments in associates	2,425.0	1,352.7	Provisions	6.1	19.1
Non-current financial assets	726.6	1,392.4	Employee benefit liabilities	31.3	56.2
Other non-current assets	10.9	13.7	Borrowings	1,527.0	2,800.4
Deferred tax assets	16.2	33.0	Deferred tax liabilities	213.2	418.2
Total non-current assets	5,592.1	7,862.3	Other non-current liabilities	46.1	62.5
Inventories	81.3	223.2	Total non-current liabilities	1,823.6	3,356.4
Trade and other receivables	218.5	602.5	Current provisions	21.4	16.0
Current tax assets	134.9	15.6	Current employee benefit liabilities	-	1.3
Current financial assets	89.3	45.4	Current income tax payable	19.5	20.0
Other financial assets	18.7	5.6	Trade and other payables	173.5	613.0
Other current assets	11.2	43.6	Other liabilities	213.3	488.9
Cash management financial assets	14.9	64.9	Other financial liabilities	18.6	23.1
Cash and cash equivalents	1,194.4	1,515.4	Bank overdrafts and current portion of long-term borrowings	37.5	280.7
Total current assets	1,763.2	2,516.1	Total current liabilities	483.7	1,443.1
Assets classified as held for sale	19.8	1.8	Liabilities directly associated with assets classified as held for sale	-	0.6
TOTAL ASSETS	7,375.1	10,380.3	TOTAL EQUITY AND LIABILITIES	7,375.1	10,380.3

FINANCIAL INDICATORS

CREATE VALUE IN THE LONG TERM

Net Asset Value (NAV) per share, Eurazeo's key indicator, increased once again this year. This mainly reflects the ongoing value creation in our investments as well as that monetized in our cash flow following the total or partial divestments made in 2016.

CREATING VALUE ACROSS ALL DIVISIONS

Source of value creation by division

(As of December 31, 2016)

	NAV 2015*	ACQ./ DIVESTMENTS	VALUE CREATION	SHARE BUYBACK	NAV 2016
<i>In millions of euros</i>					
Eurazeo Capital Unlisted	1,189	-288	325		1,225
Eurazeo Capital Listed	1,938	-479	-69		1,391
Eurazeo PME	283	71	50		405
Eurazeo Croissance	186	41	18		244
Eurazeo Patrimoine (including ANF)	319	111	10		440
Eurazeo Development	22	28	93		142
Cash and cash equivalents	879				1,084**
Other items	179	516	-183	-212	95
Total NAV after tax	4,994	0	243	-212	5,026

As of December 31, 2016, Eurazeo's Net Asset Value totaled €5,026 million. After adjustment for the exceptional dividend pay-out in June 2016 (€80 million), it rose by +€32 million. Value creation (after adjustment for share buybacks) reached €243 million in 2016. This was mainly attributable to unlisted investments (+€494 million).

There was greater contrast in the change in listed assets (-€69 million for Eurazeo Capital listed), as the declines posted by Europcar and AccorHotels due to the tourist situation marked by the terrorist attacks were partially offset by the improvement in Elis and Moncler's share prices. Note that, in 2016, the paid dividends were accompanied by share buybacks (-€212 million), which have an accretive impact on NAV per share.

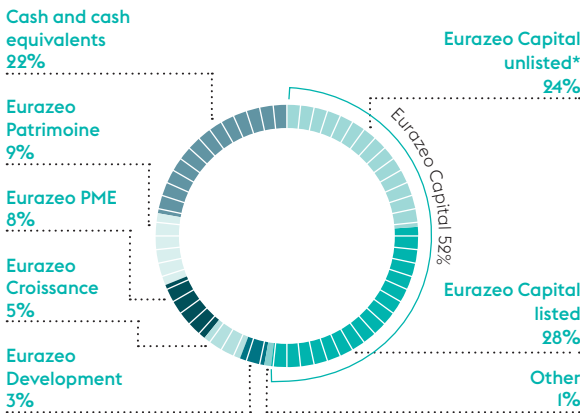
* Adjusted for the exceptional dividend paid in 2016 (€80 million).

** Prior to the repayment of the AccorHotels debt in LH 19 on January 9, 2017.

TOTAL
€494m
in value created in 2016
with unlisted
investments

2.5x
average multiple
obtained from divestments
between 2011 and 2016

DIVERSIFIED NET ASSETS



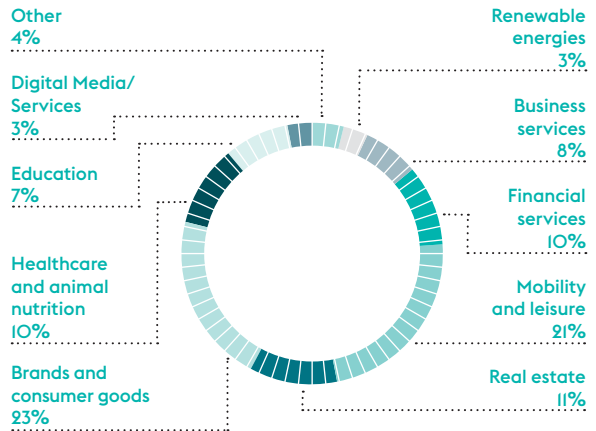
Breakdown of assets by division

(As of December 31, 2016)

Even though Eurazeo Capital still leads in terms of its weight in NAV (52% of the total), Eurazeo PME, Eurazeo Croissance and Eurazeo Patrimoine experienced a certain boost in 2016. Eurazeo's Development division, combining third-party fund management activities and Eurazeo's investments in the complementary businesses, Capzanine, iM Square and Raise, was valued for the first time. As of December 31, 2016, Eurazeo Capital's listed assets represented 28% of the total NAV, i.e. 10 points less than at the end of 2015.

* The Eurazeo Capital unlisted investments shown do not take into account the syndication.

GROWING SECTOR DIVERSITY



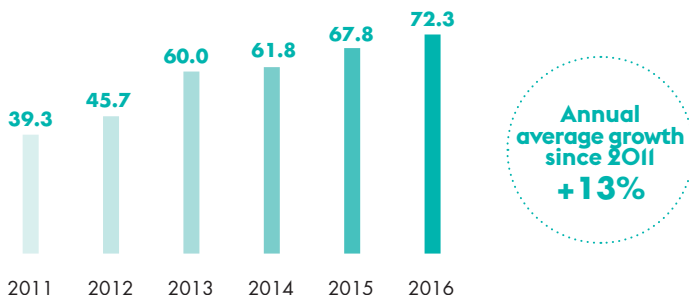
Breakdown of assets by sector*

(As of December 31, 2016)

Pursuant to Eurazeo's risk management strategy, a wide variety of investment sectors is now represented in its NAV. The two main sectors remain brands and consumer goods (23%) and mobility and leisure (21%), which represented over two-thirds of our NAV in 2008. The other sectors account for 10% at maximum. This year, Eurazeo invested in the education sector, with interests in Les Petits Chaperons Rouges and Sommet Education.

* Excluding treasury shares, cash and cash equivalents and tax.

VALUE CREATION PER SHARE FOR SHAREHOLDERS



Change in Net Asset Value

(in euros per share)

A gauge of value creation, the Eurazeo Net Asset Value per share as of December 31, 2016 totaled €72.3, up by 6.7% in one year (adjusted for the exceptional dividend payment and the bonus share grant in 2016).

EURAZEO NAV: METHODOLOGY

Net Asset Value (NAV) is determined based on net equity as presented in Eurazeo's financial statements, adjusted to include investments at their estimated fair value in accordance with the recommendations set out in the International Private Equity Valuation Guidelines (IPEV). The methodology adopted and the annual certification of the financial information relating to the NAV prepared by the Statutory Auditors are presented in the Eurazeo Registration Document available online.

NON-FINANCIAL INDICATORS

CSR, A KEY PERFORMANCE FACTOR

Eurazeo has defined ambitious improvement targets for 2020 and undertaken to publish an annual CSR report. In 2016, most results improved despite major changes in the portfolio with three exits and four additions.

	AMBITIONS	2020 OBJECTIVES	2015 RESULTS	2016 RESULTS
1	INVEST RESPONSIBLY	100% of due diligence in the advanced study phase of acquisitions to incorporate a CSR Section ⁽¹⁾	53%	70%
	Integrate CSR at all stages of the investment cycle	100% of companies to develop CSR reporting	100%	100%
		100% of divestment operations to incorporate CSR information	100%	100%
2	ESTABLISH EXEMPLARY GOVERNANCE	100% of companies to have at least 40% female directors on the Board ⁽²⁾	13%	6%
	Ensure that all companies have exemplary governance bodies	100% of controlled companies to have at least 30% independent Directors on the Board ⁽²⁾	50%	45%
		100% of companies to have an Audit Committee and a Compensation Committee	63%	69%
3	CREATE SUSTAINABLE VALUE	100% of companies to have deployed Eurazeo's "CSR essentials" ⁽³⁾	66%	67%
	Ensure that all companies have a CSR progress plan	The seven "CSR essentials" ⁽⁴⁾ :		
		• Appoint a CSR manager	13/16	13/16
		• Establish annual CSR reporting	16/16	17/17
		• Create an operational CSR committee	13/16	12/16
		• Include CSR issues on the agenda of Board meetings at least once a year	11/16	10/16
		• Conduct an environmental and/or greenhouse gas assessment every three years	7/16	9/17
	• Perform a social barometer every three years	9/16	10/16	
	• Conduct CSR audits of priority suppliers	5/16	6/17	
		100% of portfolio companies to have quantified CSR progress targets	31%	35%
		100% of companies to be involved in at least one CSR acceleration program	75%	82%
4	BE A VECTOR OF CHANGE IN SOCIETY	100% of companies to improve the protection and wellbeing of employees	56%	69%
	Ensure that all companies improve their societal footprint	100% of companies to share value created or company profits with employees	56%	63%
		100% of companies to reduce their environmental impact	75%	77%

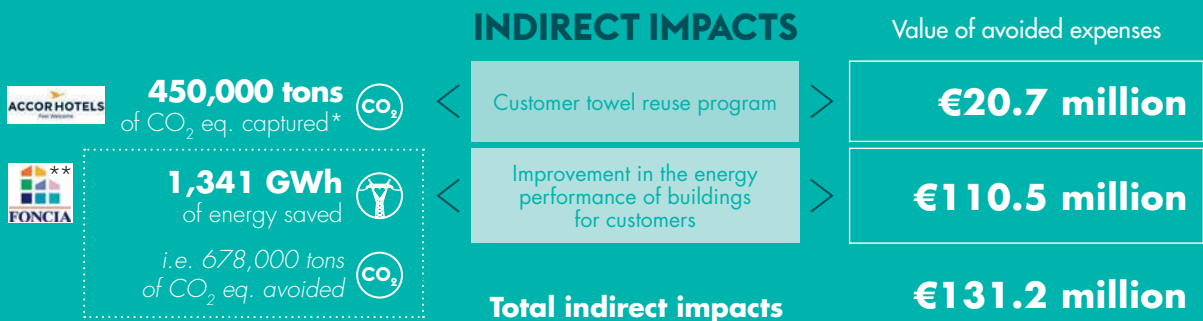
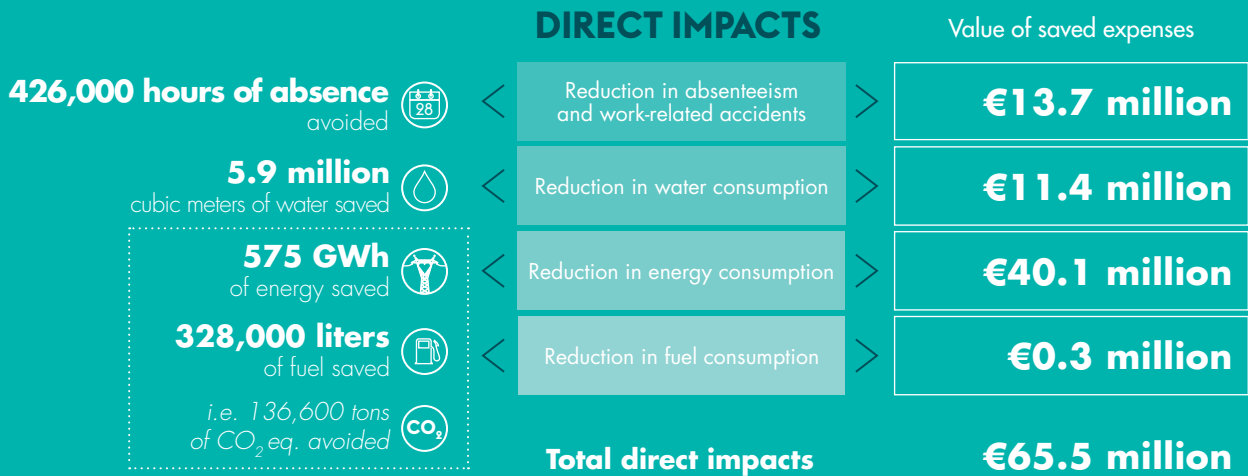
1. Due diligence is deemed to be in the advanced study phase when legal due diligence has been performed. The indicator covers all companies reviewed, including those that were not ultimately acquired. 2. On Supervisory Boards (SB) or Boards of Directors (BD). 3. The result is expressed as an average percentage of actions put in place by the companies. 4. The results are expressed in number of companies.

METHODOLOGY

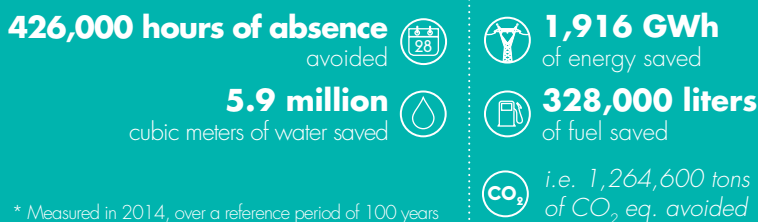
The scope covered by the CSR strategy includes Eurazeo SA and all fully consolidated and equity-accounted companies. These companies are included in the calculation of indicators no later than the end of the second full year of ownership. The first full year of ownership determines, when necessary, a baseline derived from initial CSR reporting, from which subsequent variations are measured. The companies reviewed in respect of Eurazeo's CSR strategy in 2016 are as follows (those with an asterisk are part of the regulatory reporting scope under the Grenelle II law): ANF Immobilier*, Asmodee*, CIFA, Colisée Group*, Desigual, Dessange International*, Elis, Eurazeo PME*, Eurazeo SA*, Europcar, Flash Group*, Fintrax*, Fonroche, Léon de Bruxelles*, Péters Surgical* and Vignal Lighting Group*.

MEASUREMENT OF AVOIDED IMPACTS

Since 2015, Eurazeo has measured the impact of the CSR programs set up by its portfolio companies. In 2016, the total value generated was close to €200 million.



TOTAL DIRECT + INDIRECT IMPACTS



Total direct + indirect impacts
€196.7 million

* Measured in 2014, over a reference period of 100 years
** Company sold in 2016

Scope: AccorHotels, Asmodee, Colisée, Dessange, Elis Foncia, Péters Surgical and Vignal Lighting Group. The detailed methodology is available on the Eurazeo website, under the heading Responsibility.

SHAREHOLDER RELATIONS

BEING A EURAZEO SHAREHOLDER

Eurazeo is dedicated to serving its shareholders and therefore greatly values their confidence. By combining value creation and risk control, it can offer an attractive total rate of return in the long term, confirmed by a solid dividend distribution policy. Focusing on the links between them, it seeks to obtain the resources to satisfy shareholders' expectations in terms of reporting and meetings.



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A LOYAL SHAREHOLDER BASE

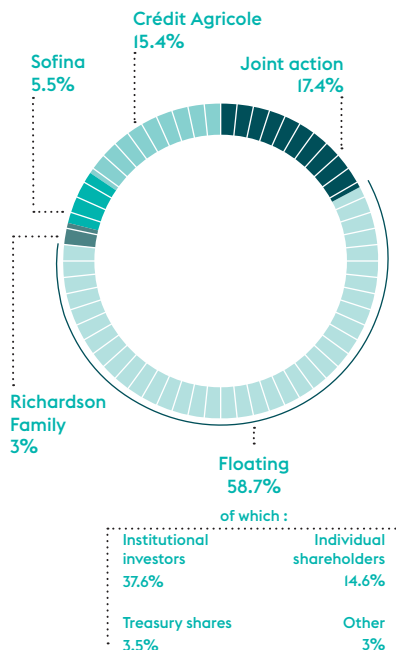
Eurazeo's shareholder base is one of its key strengths. Its long-term family and institutional shareholding structure is combined with the visibility inherent to its listed company status.

Eurazeo is one of the largest listed European investment companies, giving all types of investors direct access to private equity assets offering the liquidity of listed shares for the amounts they wish to invest.

It therefore works with investors worldwide and draws on a geographically diverse institutional shareholder base.

However, Eurazeo can also rely on a solid individual shareholder base to which it attaches a particular importance.

EURAZEO SHAREHOLDER STRUCTURE AS OF 12/31/2016



AN ATTRACTIVE TOTAL RETURN

In keeping with its long-term vision, Eurazeo coordinates its activity in order to create sustainable value and return for its shareholders. The ideal performance indicator for shareholders is the Total Shareholder Return (TSR), rather than the share price.

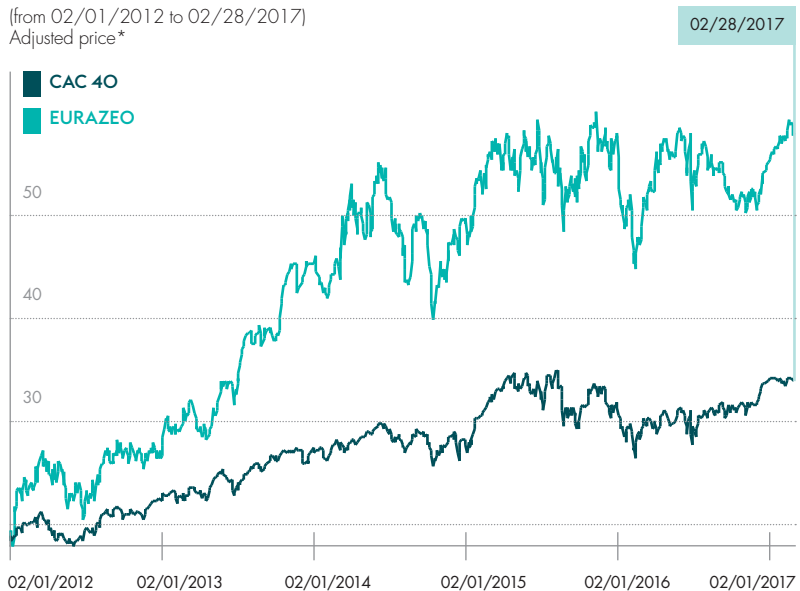
This indicator takes into account paid dividends and the company's stock market value trend. In the last five years, the total shareholder return offered by the Eurazeo share (207%) largely outperformed that of the CAC 40 (80%) or even the European private equity index, the LPX Europe (151%). Eurazeo's active share buyback and distribution policy for its shareholders contributed to this outperformance.

KEY FEATURES OF THE EURAZEO SHARE

- **Listing:** listed on the Euronext of the Paris Euronext market in compartment A (market capitalizations exceeding €1 billion), the Eurazeo share is also eligible for deferred settlement (SRD).
- **ISIN code:** FROOO121121
- **Reuters ticker:** Eura.pa
- **Bloomberg ticker:** RF FP
- **Indices:** the Eurazeo share is tracked on the following indices: SBF 120, SBF 250 CAC All Shares, CAC Mid & Small 190, DJ Euro Stoxx, MSCI Europe, LPX Europe (European private equity index).
- **Consultation:** the Eurazeo share price can be consulted at the website www.eurazeo.com, with a deferred update every 15 minutes.

EURAZEO SHARE VERSUS CAC 40: COMPARATIVE TREND OF THE TOTAL SHAREHOLDER RETURN OVER FIVE YEARS

(from 02/01/2012 to 02/28/2017)
Adjusted price*



*Price adjusted for any type of dividend, cash or securities and bonus share grants via a capital increase.

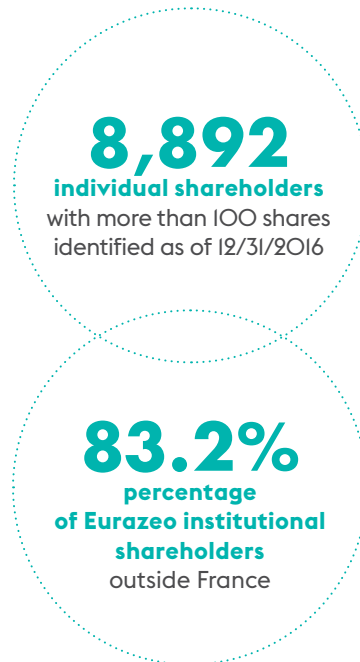
DIVIDEND GROWTH

In terms of shareholder dividend distribution, Eurazeo is keen to pursue an attractive policy in the long term. Dividends are regularly paid out and have been steadily growing, from + 6.4% per year on average since 2004. Exceptional dividends are also distributed at specific times in the life of the company, as was the case in 2016 in respect of 2015.

In respect of 2016, a cash dividend per share of €1.20 will be proposed to the Shareholders' Meeting of May 11, 2017, together with the allocation of one bonus share for twenty shares held.

SHARE BUYBACKS AND CANCELLATIONS

Eurazeo also implements an active share buyback policy, when justified by the discount, i.e. the difference



between the NAV per share and the stock market price, and within the limit of its authorizations. The vast majority of the shares purchased are cancelled in the course of the year, thereby increasing the NAV per share and automatically creating value for the shareholders.

In 2016, Eurazeo therefore bought back 3,934,484 shares, and cancelled 3,969,449 shares, i.e. 5.7% of capital as of December 31, 2015. As of December 31, 2016, the number of outstanding shares was 69,704,094.

REPORTING RENOWNED FOR ITS QUALITY

Eurazeo forges long-standing relationships with its shareholders and the entire financial community by providing regular, detailed and transparent reporting and always finding time to exchange

with its stakeholders. Eurazeo's reporting system was further improved in 2016.

Eurazeo offers its individual and institutional shareholders various formats for communicating information—website, press releases, shareholders' letters, annual review, registration document, daily information on social networks, etc. Its reporting system has been praised on several occasions: TopCom d'Argent and Special Jury Prize in the listed company annual report category for the most recent edition of its annual review and 2nd place in the financial services sector at the SBF 120 Grands Prix de la Transparence awards, in competition with major market institutions.

MEETING OUR SHAREHOLDERS

Eurazeo has set up a policy whereby it regularly meets with its shareholders. The General Shareholders' Meeting is naturally the leading event for discussions on the Company's achievements and projects; on May 12, 2016, it brought together more than 400 shareholders onsite.

Eurazeo has rolled out a steady program of international roadshows, enabling Eurazeo management to meet a total of 357 institutional investors. The main destinations visited are the UK, North America, Scandinavia and of course France, where Eurazeo has numerous institutional shareholders.

The gradual expansion of these programs boosted the international profile of Eurazeo's shareholders this year.

AN INVESTOR DAY DEDICATED TO GROWTH

Eurazeo organized its annual Investor Day for institutional investors on November 18, 2016. This edition was dedicated to the various levers that have been activated

DIVIDEND DISTRIBUTION FROM 2004 TO 2017* (IN MILLIONS OF EUROS)



* Subject to the approval of the Shareholders' Meeting
 ** Estimated amount based on the number of outstanding shares as of 12/31/2016

2016 BRONZE AWARD FOR THE BEST DIGITAL COMMUNICATION

Each year, Le Revenu awards prizes for the best CAC 40 and SBF 120 shareholder relations to encourage businesses to improve the quality of their financial reporting for the general public.

In 2016, Eurazeo received the Bronze award for the best digital communication in the SBF 120. Its website won for its extensive content, user friendliness and simplicity of use.

to secure Eurazeo's future growth and that of its portfolio companies.

Three major topics were discussed: international expansion, the transformation and growth potential of portfolio companies, and the construction of new international groups from carve-outs. The event was an opportunity to illustrate how Eurazeo is much more than just an investment company. Like all Eurazeo's financial reporting events, Investor Day was broadcasted live on the Eurazeo website, thus giving all our shareholders access to this event.

OPPORTUNITIES FOR DIALOGUE WITH INDIVIDUAL SHAREHOLDERS

Eurazeo is convinced that individual shareholders are real assets for a listed company. It therefore takes part in annual information meetings reserved for shareholders, such as in Toulouse and Montpellier this year. A total of 450 people participated in these events, while over 100 people attended a Eurazeo presentation at the Actionaria trade show in Paris.

Furthermore, in October 2016, Eurazeo conducted an online study of the understanding and expectations of its individual shareholders. The high participation rate and the wealth of contributions were an initial indicator of shareholder commitment and attachment to the Company. The results confirmed shareholders' positive view of Eurazeo and the confidence that its management inspires. Several improvements were outlined and have been taken into account, such as more readily available communication, with more learning methods.

WAVE DRIVE

OVER THE PAST TEN YEARS, WE HAVE BOLSTERED OUR COMMITMENTS FOR RESPONSIBLE AND SUSTAINABLE ACTIVITY. AS AN INVESTOR IN THE REAL ECONOMY, WE CONTRIBUTE TO VIGOROUS AND POSITIVE GROWTH FOR ALL OUR STAKEHOLDERS. WE ARE AT THE FOREFRONT IN IDENTIFYING AND REDUCING THE RISKS RELATING TO OUR ACTIVITIES. OUR GOVERNANCE IS THE BEST GUARANTEE OF OUR COMMITMENTS.

DISTINCTIVE VALUES

Eurazeo's values go beyond just words
by guiding our actions and those of our employees.
They fully reflect our specific identity.

AUDACITY
LONG-TERM
INDEPENDENCE
RESPONSIBILITY
EXPERTISE

74

Audacity

In our business, being audacious means daring to follow your convictions to go the extra mile.

Long-term

We are convinced that companies can only grow in the long-term.

Independence

We stand for independence of spirit, financial independence and independence from external pressure.

Responsibility

Our role as a committed professional shareholder means knowing how to combine sustainable development with value creation.

Expertise

Our strength lies in our in-depth understanding of the markets where we operate and the companies in which we invest.



Corporate social responsibility is an integral part of our business. It is incorporated into all our decisions and shared with everyone in our sphere of influence. We strongly believe that in order to create value, a company must be in tune with the interests of civil society.

#WEAREMAKERS

RESPONSIBLE COMMITMENTS

Eurazeo is aware that Corporate Social Responsibility (CSR) creates value. The four pillars of our 2020 CSR strategy reflect our ambition: place our business and that of our portfolio companies under the umbrella of responsibility.

Investing responsibly

Ambition:

Integrate CSR at all stages of the investment cycle.

Establishing exemplary governance

Ambition:

Ensure that all Eurazeo companies have exemplary governance bodies.



Creating sustainable value

Ambition:

Ensure that all Eurazeo companies have a CSR progress plan.

Being a vector of change in society

Ambition:

Ensure that all companies improve their impact upon society.

OUR STRATEGY V/V

CHOOSING RESPONSIBILITY

Responsibility is a founding value of Eurazeo that underlies all its initiatives. This ambition, which is reflected in each facet of its activity and for all stakeholders, has become a distinguishing feature. It boosts the appeal and performance of the model, at a time when Corporate Social Responsibility is of growing importance.

FROM VISION TO ACTION

Responsible by experience

Eurazeo is unlike any other private equity firm. Its sense of responsibility is a building block of its identity, forged by over 130 years of history. This heritage is mainly reflected in a long-term vision of company growth, a constant focus on its robust business model and a desire to contribute to society.

Eurazeo's responsibility is illustrated on a daily basis by the concrete actions and the culture it transmits in its sphere of influence: a mature governance practice, combining clear responsibilities, a well-defined structure and transparency; strict business ethics and tight risk control, over and above the financial risks. Eurazeo strives to maintain a certain balance when considering the interests of its various stakeholders, starting with its shareholders, teams and the companies it supports. This sense of responsibility is also expressed in its commitments: gender diversity, education and the fight against climate change.

A Corporate Social Responsibility pioneer

Eurazeo is the first private equity firm to have invested in CSR by formalizing a strategy

tailored to the issues of its shareholder business; a proactive approach to better respond to the Company's new challenges. For nearly ten years, Eurazeo has therefore set ambitious targets for itself and its portfolio companies, by mustering substantial resources and helping them define a strategy that encompasses all aspects of CSR. A dedicated team was set up to deliver a roadmap defining the quantified priorities and objectives for 2020. Based on this action plan, Eurazeo launched a continuous improvement process in order to develop the CSR practices of the companies in which it is a shareholder: all companies have made progress in adopting the "Seven CSR essentials" and initiated at least one an acceleration program. The approach is gradually expanding. In 2016, Eurazeo made headway in the fight against climate change and the transition to a low carbon economy.

An integrated approach

In an increasingly complex environment, CSR is a performance and long-term value creation driver. It is incorporated into the very core of Eurazeo's business, with teams systematically considering CSR challenges (environmental, social, societal and governance) at each stage of the investment cycle. They rely on proprietary methodologies: materiality scoring, economic

and industrial resilience studies; road maps and “toolboxes” created for each portfolio company incorporating its specific CSR challenges; vendor due diligence processes in order to leverage the progress achieved during the Eurazeo shareholding period. Finally, as the best way to develop a CSR strategy is to demonstrate its economic relevance, Eurazeo is one of the first investment companies to have perfected an innovative methodology for measuring the economic gains generated by the social and environmental actions undertaken by its portfolio companies.

Together for steady progress

To push back the boundaries, Eurazeo instructs and encourages its portfolio companies to become involved in acceleration programs such as Eurazeo Pluriels, which focuses on adopting initiatives to promote gender diversity.

Eurazeo and its companies have also made progress in responsible purchasing by sharing, among the tools created, a responsible purchasing charter and a materiality analysis

of CSR risks relating to the supply chain. These regular exchanges are one of the strengths of the Eurazeo CSR model, as best practices can be quickly adopted thanks to this shared approach.

Nearly
€200M
in avoided expenses
as of 12/31/2016 as a result
of CSR programs.

82%
of our companies
are involved in at
least one CSR
acceleration program.

AND THE FUTURE?

Three major priorities promoted by Eurazeo among the companies in which it is a shareholder:

“decarbonization” of activities and, more generally, the transition
to a low carbon economy;

enhancement of responsible purchasing practices;

and, as always, the ambition to maintain the highest
standards in terms of business ethics.

EURAZEO rises to the carbon challenge



In 2015, the carbon impact of human activity on the climate was finally recognized as a global challenge. The agreement arising from the 2015 Paris Climate Change Conference (COP 21), adopted by 195 countries, has now set the target: reduce global warming to 2°C by 2100. The objective has been translated into a carbon “budget”, which defines the limits for fossil fuel consumption, with the threshold now estimated at around 20% of the current global reserves (source: carbontracker.org).

A NEW CARBON RISK

Committed to combating climate change, the European Union is forging ahead with its transition to a low carbon economy. In France, this has resulted in a change in legislation, which requires more and more businesses, including investment companies, to draw up an assessment of their carbon emissions and propose plans to adapt to climate change. This growing consideration of carbon issues - to the point that we now refer to the “carbon bubble” - has a direct economic impact on certain sectors. Companies in the fossil fuel sector have therefore seen their assets depreciate.

EURAZEO, A PROACTIVE VOLUNTEER

Driven by climate issues, Eurazeo delivers scenario-based modeling in order to measure and reduce the carbon impact and risk exposure of its portfolio

companies. In 2015, the strategy gathered momentum with the launch of the 2020 Carbon Initiative, alongside four other private equity players. The aim of this initiative, a sector first, is to measure and reduce the portfolio

companies’ greenhouse gases (GHG) using a common methodology that is applicable in the long term and can be widely shared. Among the commitments, undertaken is the publication of the portfolio companies carbon footprint by 2020. At the end of 2016, all Eurazeo’s companies¹ had successfully initiated or completed this project.

PUSHING BACK THE BOUNDARIES

Further progress was made in 2016. In line with the COP21, Eurazeo intensified its efforts and broke new ground beyond the regulatory framework by becoming the first company in the sector to respond to the Carbon Disclosure Project (CDP). It is also at the cutting edge in supporting its portfolio companies. Working with one of the industrial companies of its portfolio, Eurazeo is currently setting up the Science Based Target (SBT) approach, an innovative methodology for calculating the carbon budget available to the company. Eurazeo’s short-term objective is to apply this methodology to all portfolio companies for which carbon is a major issue.

1. Fully consolidated or equity-accounted.

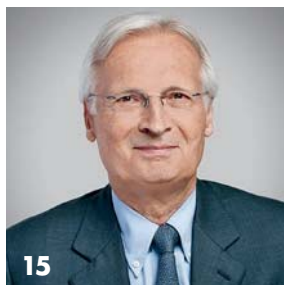
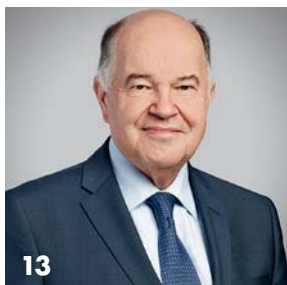
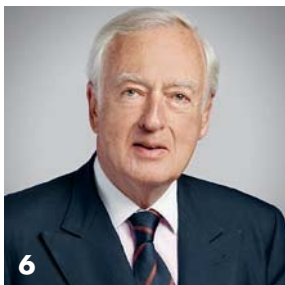
**“THE CONSIDERATION OF THE CLIMATE FACTOR
HAS BECOME A KEY INDICATOR OF A COMPANY’S PERFORMANCE
AND, ABOVE ALL, ITS SUSTAINABILITY.”**

Sophie Flak,
Director of Eurazeo Corporate Social Responsibility (CSR) and Digital

GOVERNANCE

SUPERVISORY BOARD

As of December 31, 2016, the Eurazeo Supervisory Board had thirteen members, including seven independent members and one non-voting member.



1. MICHEL DAVID-WEILL

Chairman of the Supervisory Board
End of term of office: 2018

2. JEAN LAURENT***

Vice-Chairman of the Supervisory Board,
Chairman of the Board of Directors
of Foncière des Régions
End of term of office: 2017

3. BRUNO ROGER

Honorary Chairman of the Supervisory
Board, Chairman of Lazard Frères (SAS)
and Compagnie Financière Lazard Frères
(SAS) and Chairman of Lazard Frères Banque

4. CHRISTOPHE AUBUT

Member of the Supervisory Board
representing employees
End of term of office: 2019

5. HAROLD BOËL*

Chief Executive Officer of Sofina SA
End of term of office: 2020

6. ROLAND DU LUART

Company director
End of term of office: 2020

7. ANNE LALOU*

Managing Director of
La Web School Factory
End of term of office: 2018

8. VICTOIRE DE MARGERIE*

Main shareholder and Chairwoman
of Rondol Industrie
End of term of office: 2020

9. MICHEL MATHIEU

Deputy Chief Executive Officer of Crédit
Agricole SA, Chief Executive Officer of LCL
End of term of office: 2018

**10. FRANÇOISE MERCADAL-
DELASALLES***

Member of the Executive Committee
and Group Head of Corporate Resources
and Innovation at Société Générale group
End of term of office: 2019

**11. OLIVIER MERVEILLEUX
DU VIGNAUX**

Manager of MVM Search Belgium
End of term of office: 2018

12. STÉPHANE PALLEZ*

Chairwoman and Chief Executive Officer
of La Française des Jeux (FDJ)
End of term of office: 2017

13. GEORGES PAUGET*

Managing Partner of Almitage. Lda
End of term of office: 2020

14. JACQUES VEYRAT***

Chairman of Impala SAS
End of term of office: 2017

15. JEAN-PIERRE RICHARDSON

Non-voting member
Chairman and Chief Executive Officer
of Joliette Matériel SA
End of term of office: 2018

16. ANNE DIAS* **

New member
Founding Chairwoman
of Aragon Global Holdings
End of term of office: 2021

* Independent member.

** Member of the Supervisory Board whose appointment will be proposed to the Shareholders' Meeting of May 11, 2017.

*** Member whose reappointment will not be submitted to the Shareholders' Meeting of May 11, 2017.

SUPERVISORY BOARD COMMITTEES

The Eurazeo Supervisory Board has four specialized and permanent committees to help in the decision-making process (composition as of 12/31/2016).

COMPENSATION AND APPOINTMENT COMMITTEE

4 members (including 2 independent members)

CHAIRMAN

Roland du Luart

MEMBERS

Françoise Mercadal-Delasalles
Olivier Merveilleux du Vignaux
Georges Pauget

PERMANENT GUEST

Christophe Aubut

NUMBER OF MEETINGS IN 2016: 4

AUDIT COMMITTEE

4 members (including 3 independent members) and 1 non-voting member

CHAIRMAN

Jean Laurent

MEMBERS

Harold Boël
Michel Mathieu
Stéphane Pallez

NON-VOTING MEMBER

Jean-Pierre Richardson

NUMBER OF MEETINGS IN 2016: 5

FINANCE COMMITTEE

6 members (including 3 independent members)

CHAIRMAN

Michel David-Weill

MEMBERS

Anne Lalou
Jean Laurent
Jacques Veyrat
Michel Mathieu
Victoire de Margerie

PERMANENT GUEST

Bruno Roger

NUMBER OF MEETINGS IN 2016: 1

CSR COMMITTEE

4 members (including 2 independent members)

CHAIRMAN

Anne Lalou

MEMBERS

Roland du Luart
Stéphane Pallez
Georges Pauget

NUMBER OF MEETINGS IN 2016: 2

THE EXECUTIVE BOARD

The members of the Executive Board are collectively responsible for the management of Eurazeo. They are closely involved in the partnership formed by Eurazeo with its companies and assist their management teams daily.



VIRGINIE MORGON

Deputy CEO, 47 years old

Virginie Morgon oversees Eurazeo's portfolio companies. She is the President of Eurazeo North America Inc. and also chairs the Supervisory Board of Eurazeo PME. For the companies, she chairs the Supervisory Board of Asmodee Holding, is Vice-Chairwoman of the Board of Directors of Moncler, a director of Desigual and a member of the Supervisory Board of Les Petits Chaperons Rouges. She oversees deal flow, communication, NAV and fundraising.

PATRICK SAYER

CEO, 59 years old

In addition to his duties at Eurazeo, Patrick Sayer is a member of the Supervisory Boards of ANF Immobilier and Europcar Group. He is a director of AccorHotels and a member of the Board of Directors of I-Pulse.

PHILIPPE AUDOUIN

Chief Financial Officer, 59 years old

Philippe Audouin is responsible for finance, treasury, management control, internal audit, IT, investor relations and communication. He sits on the Supervisory Boards of ANF Immobilier, Elis, Eurazeo PME and Europcar Group.

THE EXECUTIVE COMMITTEE

The Executive Committee reviews portfolio companies each month and issues recommendations on Eurazeo's investments and divestments. In addition to the Executive Board, the eight members of the Executive Committee include:



MARC FRAPPIER
Managing Partner
Head of Eurazeo Capital



RENAUD HABERKORN
Managing Partner
Chief Investment Officer of Eurazeo Patrimoine



NICOLAS HUET
Eurazeo General Counsel
Executive Board Counsel



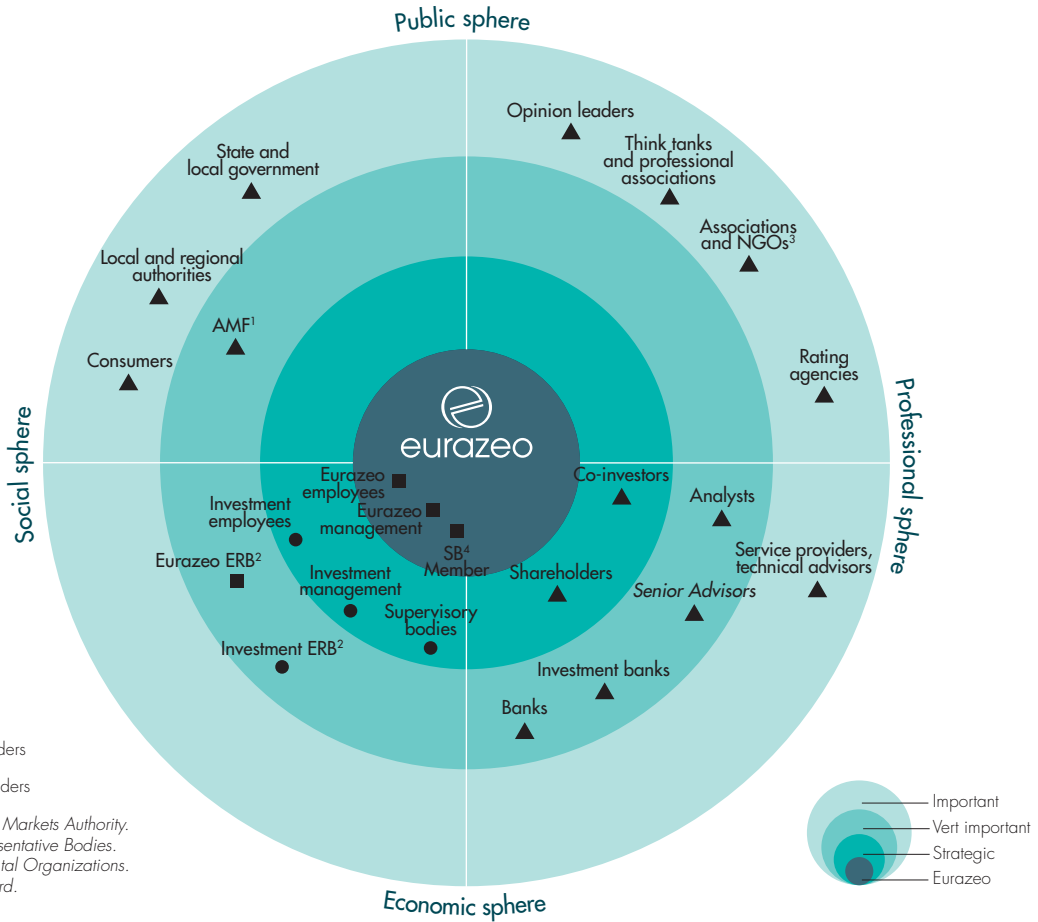
OLIVIER MILLET
Chairman of the Executive Board
of Eurazeo PME



FRANS TIELEMAN
Managing Partner
Head of Eurazeo Development

OUR STAKEHOLDERS

Through consistent communication with stakeholders, Eurazeo's governance fulfills one of its primary roles: to anticipate risks and opportunities in a changing world to help the Group and its portfolio companies develop a sustainable and responsible business. Since 2015, Eurazeo has mapped these stakeholders, their importance and expectations.



MAIN EXPECTATIONS

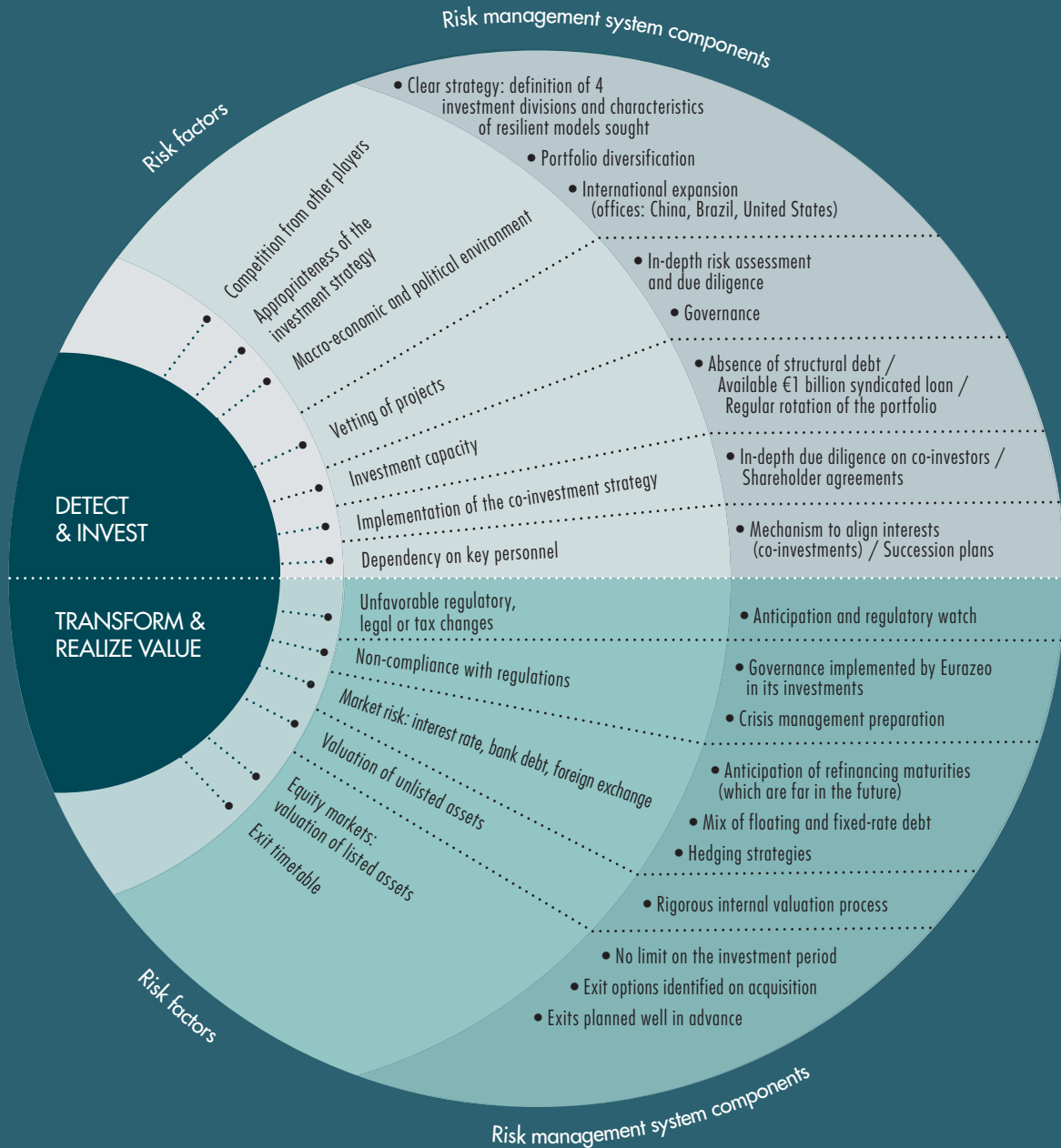
- | | |
|--------------|--|
| Directors | <ul style="list-style-type: none"> • Recurring performance • Perfect control and anticipation of risks • Transparency of financial and non-financial aspects • Highest standards of governance and high-quality dialogue |
| Shareholders | <ul style="list-style-type: none"> • Recurring performance • Perfect control and anticipation of risks • Transparency of financial and non-financial aspects • Highest standards of governance and high-quality dialogue |
| Employees | <ul style="list-style-type: none"> • High-quality employees and management, trust and team spirit • Interesting subjects and projects • Attractive compensation package and profit-sharing • Skills development |
| Investments | <ul style="list-style-type: none"> • Funding • Partnership • External growth support • Assistance with international expansion • Contribution of expertise • Network |

MEANS OF ACTION

- | | |
|---|--|
| <ul style="list-style-type: none"> • Supervisory Board, Board committees • Board meeting documentation and minutes | <ul style="list-style-type: none"> • Regulatory and non-regulatory publications • Shareholders' Meetings and investor meetings • Road shows and investors meetings |
| <ul style="list-style-type: none"> • Personal interviews • Weekly and monthly internal meetings • Company seminar • Internal and external communication | <ul style="list-style-type: none"> • Meetings and interviews • Supervisory Boards and Board committees • Shareholder and other agreements • Seminars and conventions |

OUR RISK MANAGEMENT

As an equity investor operating in an environment surrounded by uncertainties, Eurazeo is faced with a set of risks that may hinder the completion of its objectives. At each key phase of its investment business, Eurazeo has implemented processes designed to identify and prevent the primary risks. This system is effective due to the heavy involvement of corporate executive officers and employees, at their respective levels of responsibility and authority, and a strong risk management culture.



FEATS 2016

Eurazeo strives to further societal progress, within and beyond its scope of responsibility. At the core of its commitments are education and gender diversity, both performance and success drivers.

EDUCATION ►

COMBATING ACADEMIC FAILURE

Eurazeo has rolled out its sponsorship strategy, focusing on education, and, more specifically, the fight against academic failure.

An initial program was set up to teach young students basic reading and writing skills using a digital application on a tablet.

Thanks to Eurazeo's support, around 20 classes in Paris' 19th district, Calais and Corbeil-Essonnes have already benefited from this initiative undertaken by the Agir pour l'école association. A second program in the form of a "semi-boarding school"

was developed with Apprentis d'Auteuil. Under this program, students received personal assistance with their homework. Since the start of the 2015 school year, more than 70 students have received this unique academic support. In 2016,

Eurazeo extended its social commitment by supporting Teach for France, an association promoting an original idea for greater equality in schools. This offers young volunteer graduates the possibility of taking up two-year vacant positions in the French National Education system in schools located in priority education networks. In 2016, 29 students

joined high schools in the départements of Seine-Saint-Denis and Val-de-Marne. •



◀ MENTORING

AN INNOVATIVE MENTORING PROGRAM

Eurazeo strongly believes that gender diversity is a key performance factor. Launched in 2014, the Eurazeo Pluriels program was set up to promote gender diversity within Eurazeo and the companies in which it is a shareholder. This commitment was confirmed in 2016 with the launch of a unique cross-mentoring program, combining employees from 15 portfolio companies. Designed to further the professional development of the participants, this innovative mentoring introduces male-female mentor/mentee pairings, thus ensuring diversity in terms of gender, generation and type of company. •



THE COMPANIES ASSISTED BY OUR TEAMS.



- AccorHotels
- Asmodee
- Desigual
- Elis
- Europcar
- Fintrax
- Sommet Education
- Les Petits Chaperons Rouges
- Moncler
- Neovia
- Novacap
- Banca Leonardo



- AssurCopro
- Colisée
- Dessange International
- Groupe Flash
- Léon de Bruxelles
- MK Direct
- Orolia
- Péters Surgical
- Vignal Lighting Group



- IES
- Farfetch
- IPulse
- PeopleDoc
- Vestiaire Collective
- Younited Credit



- ANF Immobilier
- Colyzeo
- CIFA
- Reden Solar
(ex Fonroche Solaire)
- Grape Hospitality



- Capzantine
- iM Square

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