



Lagardère

PRESS RELEASE

**Lagardère Travel Retail closed the acquisition of Hojeij Branded Foods (HBF),
a leading Foodservice travel operator in North America**

Paris, 20 November 2018

Lagardère Travel Retail announced today it has closed the acquisition of Hojeij Branded Foods (and its subsidiary Vino Volo), a leading Foodservice travel operator in North America.

Announced on 15 August, this acquisition is aligned with Lagardère Travel Retail's ambition to strengthen its position as a premier airport Foodservice operator in the region. With the integration of HBF and Vino Volo's operations, it will create the third-largest operator in the North American Travel Retail and Foodservice industry with total annual sales exceeding USD 1.1 billion.

Thanks to the complementary nature of the two companies' locations and concepts, this transaction will generate commercial and financial synergies in the North American market, which offers attractive growth prospects.

The two organizations' existing Foodservice operations will be combined to create the new Dining Division of Paradies Lagardère. The division will offer unique restaurant experiences in 42 airports and approximately 100 brand partners and proprietary concepts ranging from full service to fast casual to quick serve. The new operation should surpass USD 350 million annually in Foodservice sales in 2019.

The integration of the two Foodservice operations will begin immediately, led by Paradies Lagardère President and CEO Gregg Paradies, with Regynald G. Washington leading the new Dining Division.

HBF is expected to be consolidated in the Lagardère financial statements from 1 December 2018. HBF 2018 revenue should be between USD 240 and 250 million, with recurring EBIT rates around 10%.

The acquisition value is USD 330 million¹, on a cash-free/debt-free basis. Expected recurring synergies could reach approximately USD 10 million a year as of the fourth year after acquisition.

¹ Based on debt and cash free valuation, net of partners' share in operating JVs (ACDBE programmes) estimated to be 16% over the period of the business plan.

