



Muddy Waters, LLC
www.muddywatersresearch.com
info@muddywatersresearch.com

Director of Research: Carson C Block

Use of Muddy Waters reports is limited by the Terms of Service on its website, which are as follows. To be authorized to access such reports, you must agree to these terms, regardless of whether you have downloaded its reports directly from this website or someone else has supplied the report to you without authorization from Muddy Waters.

Terms of Service:

By downloading from, or viewing material on, this website you agree to the following Terms of Service. You agree that use of Muddy Waters LLC's research is at your own risk. In no event will you hold Muddy Waters LLC or any affiliated party liable for any direct or indirect trading losses caused by any information on this site. You further agree to do your own research and due diligence before making any investment decision with respect to securities covered herein. You represent to Muddy Waters that you have sufficient investment sophistication to critically assess the information, analysis and opinion on this site. You further agree that you will not communicate the contents of this report to any other person unless that person has agreed to be bound by these same terms of service. If you download or receive the contents of this report as an agent for any other person, you are binding your principal to these same Terms of Service.

You should assume that as of the publication date of our reports and research, Muddy Waters, LLC (possibly along with or through our members, partners, affiliates, employees, and/or consultants) along with our clients and/or investors and/or their clients and/or investors has a long position in all stocks (and/or options, swaps, and other derivatives related to the stock) and bonds covered herein, and therefore stands to realize significant gains in the event that the price of either appreciates. We intend to continue transacting in the securities of issuers covered on this site for an indefinite period after our first report, and we may be long, short, or neutral at any time hereafter regardless of our initial recommendation.

This is not an offer to sell or a solicitation of an offer to buy any security, nor shall Muddy Waters offer, sell or buy any security to or from any person through this site or reports on this site. Muddy Waters, LLC is not registered as an investment advisor in any jurisdiction.

If you are in the United Kingdom, you confirm that you are accessing research and materials as or on behalf of: (a) an investment professional falling within Article 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "FPO"); or (b) high net worth entity falling within Article 49 of the FPO.

Our research and reports express our opinions, which we have based upon generally available information, field research, inferences and deductions through our due diligence and analytical process. To the best of our ability and belief, all information contained herein is accurate and reliable, and has been obtained from public sources we believe to be accurate and reliable, and who are not insiders or connected persons of the stock covered herein or who may otherwise owe any fiduciary duty or duty of confidentiality to the issuer. However, such information is presented "as is," without warranty of any kind, whether express or implied. Muddy Waters, LLC makes no representation, express or implied, as to the accuracy, timeliness, or completeness of any such information or with regard to the results to be obtained from its use. Further, any report on this site contains a very large measure of analysis and opinion. All expressions of opinion are subject to change without notice, and Muddy Waters, LLC does not undertake to update or supplement any reports or any of the information, analysis and opinion contained in them.

You agree that the information on this website is copyrighted, and you therefore agree not to distribute this information (whether the downloaded file, copies / images / reproductions, or the link to these files) in any manner other than by providing the following link: <http://www.muddywatersresearch.com/research/>. If you have obtained Muddy Waters research in any manner other than by download from that link, you may not read such research without going to that link and agreeing to the Terms of Service. You further agree that any dispute arising from your use of this report and / or the Muddy Waters Research website or viewing the material hereon shall be governed by the laws of the State of California, without regard to any conflict of law provisions. You knowingly and independently agree to submit to the personal and exclusive jurisdiction of the superior courts located within the State of California and waive your right to any other jurisdiction or applicable law, given that Muddy Waters, LLC has offices in California. The failure of Muddy Waters, LLC to exercise or enforce any right or provision of these Terms of Service shall not constitute a waiver of this right or provision. If any provision of these Terms of Service is found by a court of competent jurisdiction to be invalid, the parties nevertheless agree that the court should endeavor to give effect to the parties' intentions as reflected in the provision and rule that the other provisions of these Terms of Service remain in full force and effect, in particular as to this governing law and jurisdiction provision. You agree that regardless of any statute or law to the contrary, any claim or cause of action arising out of or related to use of this website or the material herein must be filed within one (1) year after such claim or cause of action arose or be forever barred.

Bolloré: Complexity Creating Arbitrage with over 95% Upside

<p>Company: Bolloré SA</p> <p>Ticker: BOL FP</p> <p>Industry: Investment holding company</p> <p>Report Date: February 17, 2015</p> <p>Estimated Value (€): € 8.5 / share</p> <p>Stock Price (€): € 4.313</p> <p>Market Cap (€): €12,162.4</p> <p>Float: 588.6m</p> <p>Avg Volume: 3.8m</p>	<ul style="list-style-type: none"> • Muddy Waters, LLC is long Bolloré SA (BOL FP) because its complex corporate structure, with numerous levels of circular ownership, effectively cancels over half of its outstanding shares. • We estimate that the true number of shares outstanding is only 42.8% of what BOL reports. BOL's shares present a unique corporate structure arbitrage. • Mr. Bolloré is an outstanding capital allocator, and has grown the share price and book value of BOL over the past 20 years, respectively, by 1,213% and 1,953%. • We value BOL shares at €8.50, which is 94.6% higher than its current price.
---	--

Introduction

This is the first time in our investment careers that we have come across a situation in which a company's opacity is a reason to buy the stock. Our investment approach is to tackle complex situations, and attempt to understand the economic reality underlying the information (often misinformation). So it is with Bolloré SA (BOL FP), which has a horrifically complex corporate structure. However, through this structure, BOL effectively owns a significant portion of itself. Most of the market seems to take at face value BOL's reported shares outstanding of 2.5 billion. We estimate that the effective shares outstanding are only 1.1 billion (57.2% lower than reported).

There is some irony that Muddy Waters's first public long derives most of its value from frontier market operations – specifically its Africa ports and logistics business. However, this is a business that has been built slowly over three decades. It is somewhat of a boring, albeit lucrative, business. This is exactly the type of model we like to see in emerging and frontier markets.

For investors searching for more “sex appeal”, there is an electric car business – both producing electric cars, called the Blue Car, using proprietary battery technology from BOL's majority owned Blue Solutions. BOL's Autolib service is a car sharing service that in the greater Paris region alone had 2,010 cars, 40,600 premium subscribers at December 31, 2013. Since inception in December 2011, Autolib has had 4.8 million users.

We had never heard of BOL's controlling shareholder, Vincent Bolloré, until we came across BOL. We were therefore surprised to learn that he has been one of the sharpest-elbowed activist investors in Europe over the past three decades. During this time, he has compounded BOL shareholder wealth at an outstanding rate.

Summary

Muddy Waters, LLC is long Bolloré S.A (BOL FP) because its complex corporate structure, with numerous levels of circular ownership, effectively cancels over half of its outstanding shares. Thus, we estimate that the true number of shares outstanding is only 42.8% of what BOL reports. BOL's shares present a unique corporate structure arbitrage.

BOL is an investment holding company controlled by French activist investor (and billionaire) Vincent Bolloré. Based on our estimate of the effective shares outstanding, we estimate BOL's present per share net asset value at €10.63, versus its current trading price of €4.37. Applying a 20% discount because BOL is a closely controlled holding company, **we value BOL shares at €8.50, which is 94.6% higher than its current price.**

Mr. Bolloré is an outstanding capital allocator, and has frequently been called "the Carl Icahn of France".¹ He has grown the share price and book value of BOL over the past 20 years, respectively, by 1,213% and 1,953%. While we do not expect BOL to distribute significant cash or assets in the near future, we do expect Mr. Bolloré to generally continue to earn superior returns for BOL shareholders.

Corporate Structure Arbitrage

Muddy Waters is long BOL because its complex corporate structure creates a unique arbitrage. This complex corporate structure, a form of "Breton Pulleys" obscures that the public owns over twice as much of the company as the market believes.² We therefore estimate that NAV per share is 2.2x what the market seems to believe. Moreover, we estimate that the per share claim on dividends and distributions is 2.2x what the market seems to believe it is. Based on our estimated NAV of €10.63 per share, and applying a holding company discount of 20%, we estimate that BOL's shares are presently worth €8.50.

The public owns more than twice as much of BOL as it believes. In other words, BOL's shareholding structure is largely circular, and we estimate that BOL owns 57.2% of its own shares through various intermediary entities.³ **That means that the public effectively owns 42.8% of the company, versus the reported 24.3%.⁴**

¹ <http://nypost.com/2005/10/23/bollores-splash-madison-ave-newcomer-amasses-power/>

² Based on our estimates of BOL's circular ownership.

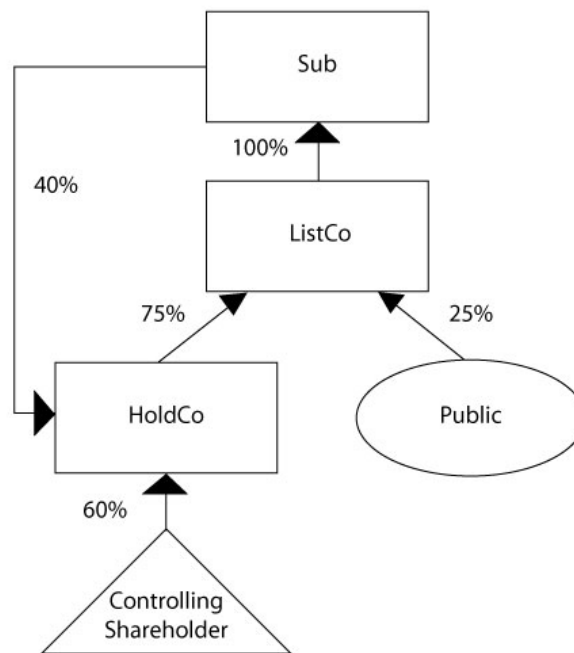
³ Based on the information BOL disclosed as of March 1, 2014. The current percentage is likely slightly different due to changes in the shareholding structure since then.

⁴ BOL's 1H 2014 filing states that the public owns 24.3% of BOL. In estimating the effective shares outstanding, we relied on information BOL published as of March 1, 2014. The changes since then to the ownership percentages likely have an immaterial effect on our effective shares outstanding estimate.

Illustration of the Economic Effect of Circular Ownership

Public shareholders in a circular structure similar to BOL's end up receiving greater economic value than their ostensible ownership of the company, which can be illustrated in the example of a dividend that will be paid out until there is no money remaining in the corporate structure.

Below is simplified example of how a circular structure works and its economic effects. (Note that the percentages below are not the same as in BOL's structure – these numbers are for example purposes only.)



Assume now that in the above simple example:

- The subsidiary has cash of €100.
- The subsidiary is the only asset of the ListCo.

If the controlling shareholder of ListCo wanted to completely distribute the cash of Sub so that there were no cash remaining in the structure (i.e., less than \$1), the public shareholders would end up receiving €35.43.⁵ When the ListCo initially pays the dividend, the public receives the €25.00 that matches its ostensible ownership of ListCo. However, Sub owns €30.00 of the dividend by virtue of its ownership in HoldCo. If HoldCo then distributed its share of the dividend, that €30.00 would end up back in Sub. ListCo would then pay another dividend from the Sub's assets, and this time the public would receive €7.50.

In this simple example, it would take four iterations for Sub to have less than €1 remaining. By then, the public would have received €35.43. The Controlling

⁵ This example assumes no tax-related slippage. We are unclear regarding the potential tax slippage in BOL's structure.

Shareholder would have received €63.77 (€0.81 would be retained in the structure if the iterations stopped at that point.) The table below shows how much each party receives in dividends per iteration.

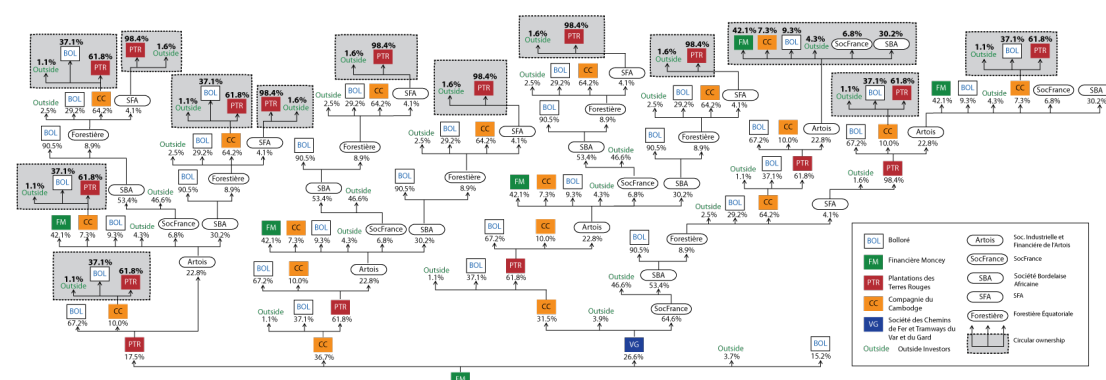
Iteration	1	2	3	4	Total
From Sub to Public	€ 25.00	€ 7.50	€ 2.25	€ 0.68	35.43
From Sub to HoldCo	€ 75.00	€ 22.50	€ 6.75	€ 2.03	
Back to Sub	€ 30.00	€ 9.00	€ 2.70	€ 0.81	
HoldCo Controlling SH	€ 45.00	€ 13.50	€ 4.05	€ 1.22	63.77

Understanding BOL's Structure

BOL has likely been misunderstood because the complexity of its structure makes it infeasible to use Excel to estimate the percentage of circular ownership. We engaged consultants that created a program to do the calculations necessary. The main issue with understanding BOL's structure is that it has circles within circles within circles. The next page contains our rendering of the corporate structure that BOL disclosed in its 2013 Annual Registration document.⁶

⁶ For formatting purposes, this chart excludes several footnotes from the Annual Registration.

To get a sense of how complex the relationships actually are, we diagrammed the ownership of one of the subsidiary entities, Financière Moncey. In the diagram, which we show below, one needs to go nine levels deep in order to close all loops.



The good news is that through the recent tender for Havas shares, in exchange for BOL shares, the corporate structure should be simplified. We understand that shares belonging to the five subsidiaries that directly own stakes in BOL have been exchanged in the tender. It might be that this move is part of an on-going long-term simplification plan.

BOL's Adoption of the "Breton Pulleys" Structure

Even though the Breton Pulleys concept was the brainchild of Mr. Bolloré's mentor, Antoine Bernheim, who also sat on BOL's board until April 2011, BOL acquired the structure – it did not initiate it.⁷ The main purpose of a Breton Pulleys structure is to allow for maximum control of the company with minimal capital. Similar structures are in place at both Eurazeo Holdings (controlled by Lazard LLC and the David-Weil family) and Wendel (controlled by the Wendel family).^{8,9}

The Breton Pulleys structure was not in place when BOL went public in 1985. BOL imported this structure as a result of a series of transactions with Group Rivaud, a bank set up to finance natural resources in French and British colonies. In 1986 Edouard de Ribes, then the CEO of Rivaud, invited BOL to take minority interests in a number of Rivaud companies to help defend against a takeover attempt.¹⁰ In 1996 BOL completed a friendly takeover of Rivaud.¹¹ After absorbing the Rivaud Group, BOL began selling non-core assets to pay down debt. In 1996, BOL sold airline Air Liberte to British airways.¹² BOL also wound up the Banque Rivaud and in 1997 sold the Swiss investment banking operation (Banque d'Investissement Privé)¹³.

⁷ <http://www.capital.fr/enquetes/documents/les-confessions-d-antoine-bernheim-un-ancien-parrain-du-business-622408>

⁸ <http://www.referenceforbusiness.com/history2/29/Eurazeo.html>

⁹ http://www.lemonde.fr/economie/article/2012/06/05/antoine-bernheim-l-un-des-parrains-du-capitalisme-francais_1713203_3234.html

¹⁰ Bolloré registration document 2012 p55

¹¹ https://jdupuydauby.files.wordpress.com/2009/07/mediapart_02-02-091.pdf

¹² <http://www.independent.co.uk/news/business/branson-backs-off-from-air-liberte-bid-1313918.html>

¹³ Albatros Investissement 1997 Annual report p17

BOL History

In 1822 René Bolloré, Vincent Bolloré's great grandfather founded a paper mill on the banks of the Odet River in Finistère. The company manufactured thin paper that could be used in bibles, tracing paper and hand made cigarettes.¹⁴ In 1972, the company expanded into the production of polypropylene film, but began to struggle under mounting debt and a lack of leadership, with Michel Bolloré leaving Brittany to live in Paris, attempting to run the company from there. In 1975, The Bolloré Group was sold to investment bank Edmond de Rothschild.¹⁵ In 1981, at the age of 28, Mr. Bolloré repurchased the family business for the consideration of one franc. Mr. Bolloré had worked at Edmond de Rothschild, advising on investments while concurrently studying for his law degree in the evenings.¹⁶

Mr. Bolloré turned around the business, including by having workers take a 15% pay cut as part of a restructuring plan.¹⁷ Vincent Bolloré started to turn his attention to Africa in the 1980's with the 1986 purchase of Société Commerciale d'Affrètement et de Combustibles which was France's leading freight forwarding firm and was primarily focused on routes to Africa.^{18,19} Since 1985, BOL has made a number of significant acquisitions and disposals, details of which can be found on the company's website.

Vincent Bolloré is an Outstanding Capital Allocator and Activist Investor

It is unlikely that BOL will significantly increase the dividend it pays to shareholders in the near future, or look to return cash through stock buybacks or spinning off assets. However BOL has grown over the past twenty years at a CAGR of 16.8%. The stock price has increased a total of 1,953% during this time. BOL's book value has grown over the past twenty years at a CAGR of 13.7%.²⁰

Bolloré 20 Year CAGR	
Book Value	13.7%
Share Price	16.8%
Operating Income	10.6%
Turnover	5.4%

Mr. Bolloré is a solid business operator, rather than a purely financial investor. His modus operandi is to identify attractive industries and geographies, search for acquisition targets within them, and then to improve their operations. He is also known for patiently building stakes in public companies, and then agitating for change at opportune moments.

¹⁴ <http://republic-technologies.com/en/the-group/>

¹⁵ <http://www.pcsresearchservices.com/research/download/contrarian-and-deep-value-investing/the-global-contrarian-report/bolloré-global-contrarian-3-7-12>

¹⁶ <http://www.forbes.com/forbes/2000/0904/6606098s1.html>

¹⁷ <http://adage.com/article/agency-news/bolloré-agency-provocateur/127313/>

¹⁸ <http://intellibriefs.blogspot.com/2009/04/emperor-in-africa.html>

¹⁹ <http://www.economist.com/node/12432456>

²⁰ Represents Book value CAGR from 1994 – 1H 2014 and equity CAGR from 2/16/1995 – 2/16/2015 calculated using Data supplied by Bloomberg

In the 1990's, the media often labelled Mr. Bolloré a “corporate raider”.²¹ As an activist, Mr. Bolloré has realized value at companies including Bouygues S.A., Lazard Ltd, Vallourec S.A. There were also notable successes at Compagnie Delmas Vieljeux, Aegis S.A., and Pathé S.A.

Below are some examples of Mr. Bolloré's activist campaigns over the years.

Bouygues S.A. (EN FP) In 1997 BOL started to acquire shares in Bouygues S.A., which was one of Europe's largest construction groups at the time.²² It also held interests in TV, mobile phones, and a number of other smaller companies. He started to build a stake when the shares traded at 600 Francs, amassing a 10.2% stake before revealing himself to the Bouygues brothers, who effectively controlled Bouygues S.A. through their 14.7% shareholdings and 22.3% of the voting rights. The Bouygues brothers, believed the bid to be friendly, and agreed to pool their shares with those of Mr. Bolloré. This agreement, which was to remain in force until January 2006, prevented each party from transacting in the shares without the others' permission. It provided Mr. Bolloré three seats on the board, and caused the Conseil des Marchés Financiers, the French market regulator, to deem the stake as one for control purposes.²³

Shortly after joining the board, Mr. Bolloré called for the group to sell Bouygues Telecom. He then challenged the company's accounting and refused to approve the 1997 accounts, stating that he had not been a board member for the entire accounting period. The Bouygues brothers then sought to institute a poison pill, which they believed could help them invalidate the agreement with BOL. When the Bouygues brothers issued the resolution on the use of a poison pill defence, Mr. Bolloré questioned the validity of the vote counting process but the resolution passed. Ultimately Mr. Bolloré was unable to get the group to sell Bouygues Telecom. Mr. Bolloré acceded to the Bouygues brothers' request to terminate the shareholder agreement, but a few days later, BOL sold its shares for 1,160 francs, to Francois Pinault, who appears to have been friendly to the brothers.²⁴ The sale was a gain of 1.5 billion francs over 12 months.²⁵

Lazard Ltd. (LAZ US) In 1999 and 2000, BOL built a stake in Rue Imperiale de Lyon SA a French holding company that controlled 17% of Lazard.²⁶ Mr. Bolloré believed that Lazard was being significantly mismanaged, and should be broken up. Under the leadership of Mr. Michel David-Weil, who was the chairman, CEO, and a fourth generation member of Lazard's controlling family, the bank had significantly underperformed its peers with its share of the global M&A market falling by almost half, to 7% between 1998 and 2000, when global M&A activity was booming.²⁷ There were indications that Mr. David-Weil had alienated key people at the bank.²⁸

²¹ <http://www.forbes.com/forbes/2000/0904/6606098s1.html>.

²² Acquisition of Bouygues S.A was made by Albatross investments (which became Bolloré Investissement on 7/13/1999) through a number of Rivaud and SDV subsidiaries

²³ <http://www.wsj.com/articles/SB900966674120972000>

²⁴ <http://www.theguardian.com/business/1999/apr/03/3>

²⁵ Albatros Investissement 1997 Annual report p. 2.8

²⁶ <http://www.wsj.com/articles/SB93138705144186235>

²⁷ https://www.bcgperspectives.com/content/articles/mergers_acquisitions_divestitures_2014_m_a_repo

²⁸ <http://www.forbes.com/global/2000/0904/0317044a.html>

BOL ultimately increased its stake to 31% after Mr. David-Weil allegedly rebuffed Mr. Bolloré in a face-to-face meeting.²⁹ Ultimately Mr. Bolloré was unsuccessful in seeking the break up, but he was still able to extract significant value for BOL's stake by selling it to Credit Agricole in November 2000 for a gain of 1.9 billion francs (on an initial investment of 2.0 billion francs). Credit Agricole had cooperated with Lazard in the past, announcing a joint derivatives venture in 1994. Credit Agricole's bid might have resulted from Mr. David-Weil's encouragement given his strong family ties to the bank.^{30,31}

Vallourec SA (VK FP) BOL started to accumulate VK shares in 2002, overtaking Salzgitter AG (SZG GR) as the company's biggest shareholder in 2003. On a split-adjusted basis, BOL paid €10 per share.^{32,33} Vincent Bolloré immediately began to press VK to buy out its joint venture partner in Vallourec & Mannesmann Tubes. The Vallourec & Mannesmann joint venture was created in 1997 as a merger between two businesses tube divisions. SZG acquired Mannesmann's share of the joint venture in 2000. When SZG acquired the business, it also acquired the rights to have a say over board and management appointments, investments of more than €1m and an option to take control of the business by buying a six per cent stake or sell out if VK changed hands.

Because the joint venture accounted for 80% of VK's profits, Mr. Bolloré believed it made sense for VK to have full control over it. At the time, VK had to defer on a number of issues, such as investments over €1 million.³⁴ Ultimately VK's board agreed with Bolloré, and paid \$710.5 million for the 45% it did not already own. On the day the deal was announced, VK's shares climbed 26%. BOL began to take profits on the investment in 2005, selling 7.5% of VK stock that year, followed by a sale of 10.2% of VK in 2006 a sale of 3.5% equity share in VK in 2007 and a further sale of 3.6% of VK in 2008. A spokesman for BOL described VK as one of Mr. Bolloré most successful investments.³⁵ BOL currently owns 1.6% of VK.

²⁹ <http://www.euromoney.com/Article/1003960/The-turmoil-of-transition-at-Lazard.html>

³⁰ <http://www.nytimes.com/1994/03/22/business/lazard-finds-brawny-ally-for-derivatives.html>

³¹ <http://www.wsj.com/articles/SB975065524351056992>

³² <http://www.bolloré.com/en-us/the-group/history>

³³ <http://www.ft.com/intl/cms/s/1/782fa790-c8de-11db-9f7b-000b5df10621.html#axzz3RSjMKsjK>

³⁴ <http://www.ft.com/intl/cms/s/0/372f59a0-6dac-11d9-ae0d-00000e2511c8.html#axzz3RSjMKsjK>

³⁵ <http://www.wsj.com/articles/SB112375931959810783>

Business description and Sum-of-the-Parts Valuation

We estimate that BOL's net assets are worth €11.43 billion.

BOL NAV Estimate (EUR in millions)		
Transport and Logistics est. value	€	8,271
Stakes in public companies value	€	4,679
Oil Distribution est. value	€	175
Blue Solutions & Applications est. value	€	-
Other private businesses est. value	€	173
Total Asset Value	€	13,299
+ Cash	€	1,453
- Debt	€	3,326
Total Net Asset Value	€	11,426

Based on our estimate of effective shares outstanding of 1.07 billion (versus the reported 2.51 billion), we estimate BOL's per share NAV to be €10.63.

Logistics Segment Valuation

We value BOL's Logistics business at €8.27 billion. BOL does not break down individual business units within logistics beyond detailing the revenue split between the Bolloré Logistics (European freight forwarding) business and the Africa logistics business. We separately valued the Africa port business from the Africa logistics non-port business, given their divergent growth prospects and margins.

We can see from the 2012 and 2013 annual reports that Africa Logistics recorded close to €2.5 billion in revenue. The Africa Logistics business is growing at a CAGR of approximately 10%, compared to Bolloré Logistics at 1.8%. Given the considerably higher growth of the Africa logistics business and African GDP over time an increasingly large proportion of the logistics division's earnings will come from the Africa segment.³⁶

To consider the weighting of the ports businesses in our comparative analysis we have estimated the ports revenue to account for 36% and 40% of the Africa logistics business in 2012 and 2013 based on capacity, utilisation rates and terminal handling charge ("THC") at each port. DP World Ltd. (DPW LN) discloses EBITDA margins in emerging markets that are close to 50%; however, to be conservative we applied a port industry average EBITDA margin of 40%. This yields an EBITDA estimate for the ports unit of €355 million and €407 million, respectively, in 2012 and 2013.

Using the 40% EBITDA margin means the Africa ports business accounts for 56% and 60% of total logistics EBITDA, as we know the revenue of the European logistics business and have a comprehensive set of comparable companies we were able to estimate the EBITDA contribution for this segment was roughly equal to the

³⁶ Redburn research report Bolloré Wealth Creator published 5/23/2014

contribution of the remaining Africa logistics business therefore in our comparative calculation we weighted each asset based and non-asset based equally across the remaining turnover figures of €2,943 for Bolloré logistics and €1,508 for the land based Africa logistics.

We believe that Bolloré Logistics operations outside of Africa are a slow growth 4% to 5% EBIT margin business based on its position as the fifth largest player in Europe. We believe this business is similar to that of Kuhne or Panalpina, and is likely responsible for approximately 25% of the logistics segment's EBITDA.

(All numbers in EUR millions except shares and % amounts)

Revenue	2007	2008	2009	2010	2011	2012	2013	6/14 LTM
Bolloré Logistics	2,665	2,852	2,251	2,666	2,788	3,006	2,943	2,974
Africa Logistics	1,427	1,670	1,781	1,977	2,084	2,467	2,526	2,553
Total Revenue	4,093	4,522	4,032	4,643	4,872	5,473	5,469	5,527

Growth	2007	2008	2009	2010	2011	2012	2013	6/14 LTM
Bolloré Logistics		7.0%	-21.1%	18.4%	4.6%	7.8%	-2.1%	
Africa Logistics		17.0%	6.6%	11.0%	5.4%	18.4%	2.4%	
Total YoY % Growth		10.5%	-10.8%	15.2%	4.9%	12.3%	-0.1%	

Financial Metrics	2007	2008	2009	2010	2011	2012	2013	6/14 LTM
EBITDA	326	381	417	471	522	636	684	713
Depreciation & Ammortization	(75)	(84)	(100)	(108)	(108)	(140)	(143)	(149)
EBIT	251	297	317	363	414	496	541	564
% Margin	6.1%	6.6%	7.9%	7.8%	8.5%	9.1%	9.9%	10.2%
YoY Operating income % Growth		18.3%	6.7%	14.5%	14.0%	19.8%	9.1%	

(All numbers in EUR millions except shares and % amounts)

	2012	2013
Estimated Ports Revenue	887	1018
% Africa Logistics	36%	40%
Estimated Ports Margin	40%	40%
Implied EBITDA	355	407
% of Total Logistics	56%	60%

(All numbers in EUR millions except shares and % amounts)

Mid point estimate	TEV/EBITDA	TEV/EBIT	P/E	Bolloré Weight
Ports	12.5	18.5	21.5	50%
Non-Asset Carriers	12	14	22.5	25%
Asset Carriers	8.5	11.8	18	25%
Weighted Average	11.375	15.7	20.875	
Bolloré LTM	713	564	376	
Total Value	8110.4	8854.8	7849	8271.4

As shown in the table directly above, comparable analysis yields a valuation of the logistics business of €7.8 billion to €8.9 billion. Our €8.3 billion ascribed value is on the conservative end of the range.

Africa Logistics Business Description

Africa Logistics comprises a network of interests in 15 ports, 11 dry ports, eight million square meters of warehouse facilities, and 6,000 owned vehicles across 46 African countries. BOL's African logistics business has three key advantages: three decades of operating in Africa, high barriers to entry including significant upfront capital requirements, and strong pricing power due to the nature of the ports industry as well as BOL's logistics integration and extensive reach.

Longstanding operating history and government relationships have been key to BOL's success in securing port concessions in Africa since the 1990s. As the bidding process has become more competitive, BOL has consistently been able to secure concessions for periods of 20 to 40 years. BOL has been successful in six standalone bids, as well as in six joint bids with AP Moeller-Maersk A/S.³⁷ BOL has been successful competing against DP World Ltd. (DPW LN), even in bidding for a concession in Lagos (Tin Can Island Port B) in which DP World have offered up to 100% larger initial down payments in order to win the concession.³⁸

Africa governments have been privatising ports since the 1990's. BOL secured its first successful concession with the Bangui port in the Central Africa Republic in 1996. The 15 concessions that BOL has won since Bangui are typically partnerships negotiated with the local governments. The bidding process is usually competitive, but not public (typically BOL are competing with DP World Ltd); and, the parties are negotiating on terms such as minimum guaranteed container count, rates of taxation (governments usually provide a fixed tax environment), number of local employees, proportion of upfront fees, investor capex commitments, and concession length (these concessions are typically between 15 and 40 years). Once the parties have finalized the agreement, the investor pays upfront consideration and the port authority provides the land on a lease basis.

BOL's main port revenue stream is the terminal handling charge ("THC"), which typically accounts for 85% of the revenue at a port in West Africa. BOL imposes the THC on shipping lines for moving containers on and off ships. Typical rates across West African ports are \$120 - \$150 per full container. Port entry and berthing fees constitute another approximately 10% of revenue. These fees are determined by the size of a given vessel and the relationship the shipping line has with the port. Ports generate the remaining approximately 5% from performing services, such as providing documentation, storing containers in the "stacking yard", and cleaning containers before they are placed back on the vessel. Typically, if the port does not achieve a minimum container volume, there are penalties built into the contract for the local partner. Almost 90% of port revenue is denominated in USD, the only exposure to foreign currency is typically local construction and local employee wages.

³⁷ Detailed analysis of ports performed by shipping consultant

³⁸ Phone conversation with shipping consultant

In the West Africa ports in which BOL operates, container shipping is a relatively new development – until the 1980's these ports were mostly trading general cargo. For every 100 containers moving through west Africa ports, approximately 70 will be imports to Africa. The goods commonly shipped to west Africa include building materials, electronics, and clothing. The roughly 30% of containers exporting goods from Africa typically contain basic materials and bulk commodities. Because volume is a key determinant of port profitability, BOL has invested significantly in upgrading facilities by increasing the draught and number of berths at its ports. Recent capex has included construction on a new container terminal on Ile Boulay in the Ivory Coast, dredging work and storage expansion on the Conarky Container Berth, Guinea in 2013, and extensive work on the Pointe-Noire, including construction of a 270 meter wharf that offers a draught of 15 meters. These projects will give BOL competitive advantages going forward because most shipping lines are operating a hub and spoke model, preferring to run larger vessels (+6,500 twenty-foot equivalent “TEU”), and then unload onto smaller vessels to service costal ports. These larger vessels require a draught of +12 meters.

The ports business is a highly profitable business, recording margins significantly higher than the European freight business – we estimate BOL's ports business generates EBITDA margins of approximately 40%, vs. an estimate of approximately 5% for its freight forwarding business. A key differentiator between BOL and DP World Ltd. (DPW LN) is that as a full-service operator, BOL is able to bundle solutions such as dry ports, warehousing or ground transportation alongside its ports operations in order to gain a larger share of their customer's logistics spend.

Worldwide container shipping unit growth seems to have a beta roughly in line with worldwide GDP growth, but seems to have an alpha of approximately 3.0%, as evidenced by the approximately 2.5% growth in container shipping units in 2009. THC prices at container ports in Africa have been on the rise since 1990's, and did not experience a significant fall during the 2008 financial crisis, although 10 of the 14 ports operated by BOL reduced their THC from 2008 – 2009. By early 2010, pricing had recovered. All but two of BOL's 14 ports were charging THCs at levels above 2008 by then.³⁹

Significantly lower oil prices represent a tail wind for the Africa logistics business because lower fuel costs lead to faster ship speeds, which will in turn lead to congestion at the ports BOL operates. When ports are heavily congested, operators are able to impose surcharges. In addition to the surcharges, BOL should experience significant operating leverage because the price per container shipped has remained relatively stable, while BOL's operating cost per vessel has decreased due to the decrease in oil prices.

Europe Logistics Business Description

BOL's Europe logistics division is a freight forwarding service that operates globally. It has a network of 600 agencies in 99 countries with 11,000 employees, of which 3,900 are based in Asia.

³⁹ Data provided by shipping consultant

BOL's scale give the logistics business a strong foothold in European markets. Its logistics business market share ranks first in France and fifth in Europe.⁴⁰ In Europe, the logistics division competes with DHL, Kuehne + Nagel, and Panalpina. The Asia freight forwarding market is significantly more fragmented due to the lack of industry regulation, which encourages fly-by-night players to enter the market. BOL would be a beneficiary of industry consolidation in Asia because the group's access to capital would make it a natural acquirer of smaller freight forwarders, and its scale and reputation could make it an attractive bidder in government tenders.

Macro risks remain for the segment. Freight forwarding is sensitive to economic activity, and would perform unfavourably in an economic downturn. From 2008 to 2009 BOL's segment revenue dropped -21.1%.⁴¹ Low oil prices somewhat mitigate the risk of economic downturn given that typically 40% of operating costs in the business are fuel.⁴²

Bolloré Énergie Valuation and Description

We value this business at €175 million. The industry is in a secular decline of approximately -2% annually as customers switch from heating oil to gas. Research analysts have valued this business at multiples as high as 10x EBIT. In contrast, we have taken a considerably more conservative approach valuing the business based on private market multiples that we understand are 3x to 4x TTM EBITDA.⁴³ BOL is acquiring businesses in this segment, which might indicate there are attractive growth opportunities.

The tables below explain how we arrived at our €175 million estimate.

(All numbers in EUR millions except % amounts)

	2007	2008	2009	2010	2011	2012	2013	6/14 LTM
Revenue	1,844	2,373	1,686	1,995	3,186	3,643	3,288	2,999
Yoy % Growth		28.7%	-29.0%	18.3%	59.7%	14.3%	-9.7%	-8.8%
EBITDA	33	31	61	48	46	53	58	45
% Margin	1.8%	1.3%	3.6%	2.4%	1.4%	1.5%	1.8%	1.5%
Yoy % Growth		-6%	49%	-27%	-4%	13%	9%	-29%

Oil price is a Pass through for accounting purposes which significantly increases revenue volatility

Market is in a secular decline at a rate of 2% per year as heating oil loses share to natural gas

⁴⁰ http://www.3plogistics.com/Top_25_Global_FF.htm

⁴¹ BOL 2009 Registration Document p18

⁴² Conversation with shipping consultant.

⁴³ Conversation with expert.

(All numbers in EUR millions except % amounts)

EBITDA		EBITDA Multiple		
		3.0x	3.5x	4.0x
€	40	120	140	160
€	45	135	157.5	180
€	50	150	175	200
€	55	165	192.5	220
€	60	180	210	240

Bolloré Énergie is the leading fuel distribution business in France with 14% market share and 500,000 customers. The retail business supplies private customers, farmers, buildings and administrative departments. The trading business supplies haulage contractors and retailers. The Énergie division also manages the franchise of the Donges-Melun-Metz oil pipeline, and has made acquisitions to strengthen its position in the production of refined products (Petroplus Marketing France). Outside of France, the segment distributes fuel and gas under the Calpam brand in Germany, where it runs a network of 56 service stations and is also rolling out a bunkering business. The segment sold 3.9 million m³ and owns storage capacity of 1.6 million m³. In 2013, turnover was €3.3 billion.

Blue Applications – Description, Valuation of €0

Blue Applications is the private entity through which BOL is investing in technology relating to electric busses, cars, car sharing and a number of stationary applications for electric batteries. This business could have significant upside. It could also continue to consume cash. We therefore ascribe no value to it.

The Blue Car / Blue Car Sharing / Autolib division is focused on producing a range of 100% electric vehicles with a range of 250 kilometers (150 miles). The Blue Car is still at a very early stage of adoption with 1,536 private vehicle registrations in 2013 in France. The Autolib division allows users to rent an electric car from one of its stations located in Paris and 46 surrounding municipalities. The service had 4,400 charging terminals, 857 stations, and 2,010 Blue Cars at the end of 2013 (up from 250 cars and 250 stations at launch in 2011). Since inception in December 2011 through December 2013, Autolib has had 4.8 million users in the greater Paris region. The success of the pilot programme has led to further rollout in Lyon and Bordeaux. The service has also been implemented in the USA with Indianapolis launching a service in May 2014 that offered 500 cars and 1,000 stations.⁴⁴ Bloomberg reports that Blue Applications is targeting expansion of its car sharing service to Singapore and Los Angeles.⁴⁵

Blue Storage is developing an electricity storage system to allow for more efficient storage of electricity produced by solar and wind farms. The Blue Storage entity has further developed this concept in its BlueElec entity, which is developing storage

⁴⁴ <http://www.forbes.com/sites/natalierobehmed/2014/05/20/french-billionaire-vincent-bolloré-launches-electric-car-sharing-service-in-indianapolis/>

⁴⁵ <http://www.bloomberg.com/news/articles/2015-01-28/billionaire-bolloré-eyes-los-angeles-in-car-sharing-expansion>

capabilities targeting the industrial and residential load shedding markets. (Allowing storage of energy at low use periods for deployment during high demand periods).

The investment in Blue Applications has been structured to allow BOL to allocate significant R&D into electric vehicles, batteries, and supporting logistics while granting call options to the public shareholders of the recently IPO'ed Blue Solutions (BLUE FP), which produces the battery used in the Blue Car.

We currently attribute €0 value to the segment in our sum of the parts valuation. The segment has lost €394 million from 2011 through 2013, which could mean that BOL will need to fund further losses in Blue Applications for some time. On the other hand, ascribing zero value to the segment could be highly conservative. One could argue that Mr. Bolloré's track record should allow investors to have a level of confidence in his long-term ability to execute and enhance shareholder value with Blue Applications.

Public Company Stakes – Values and Descriptions

The majority of the value in BOL's publicly held stakes are in the telecom, banking and advertising industries. BOL's public stakes were valued at €4.525bn as of February 16, 2015.

(EUR million except % ownership amounts)

Name	Ticker	Market Cap*	Bolloré % ownership	Bolloré Value	Sector
Havas (Post tender)	HAV FP	€ 3,263	72.98%	€ 2,382	French Advertising/Media
Vivendi	VIV FP	€ 27,951	5.00%	€ 1,398	French Telco
Mediobanca	MB IM	€ 6,983	7.46%	€ 521	Italian Bank
Generali	G IM	€ 28,257	0.13%	€ 37	Italian Insurer
Unipolsai	US IM	€ 6,907	0.04%**	€ 3	Italian Insurer
Socfin	SOCFI LX	€ 457	38.70%	€ 177	Commodities
Socfinasia	SFNS LX	€ 392	21.80%	€ 85	Asian Socfin subsidiary
Vallourec	VK FP	€ 3,032	1.60%	€ 49	French steel manufacturer
BigBen Interactive	BIG FP	€ 62	21.42%	€ 13	European video game distributor
Gaumont	GAM FP	€ 158	9.75%	€ 15	French Cinema owner with video library
Value of Stakes in Public Companies				€ 4,679	

*As of 16/2/2015

**Includes 0.02% held by Financiere de L'Odet

Havas SA (HAV FP) BOL began to accumulate shares in global HAV in 2004. Following a recent tender, BOL has increased its stake to 72.98% (as of the close of the tender offer on January 9, 2015).⁴⁶ Due to regulatory requirements, BOL has re-opened the tender at a ratio of nine BOL shares to five Havas S.A. shares, which will close on February 20, 2015.

Mr. Bolloré has made significant changes at the top of HAV. After a heated fight, Mr. Bolloré won four board seats, and replaced the CEO in 2005. At the same time, Mr. Bolloré installed himself as Chairman.⁴⁷ Mr. Bolloré remained Chairman until 2013 when he stepped down. His son, Yannick Bolloré, who has been CEO since 2014, is now chairman.^{48,49}

⁴⁶ <http://www.ftse.com/products/index-notices/home/getnotice/?id=1156643>

⁴⁷ http://www.nytimes.com/2005/07/13/business/media/13adco.html?_r=0

⁴⁸ <http://www.moreaboutadvertising.com/2013/06/havas-too-many-bollores-for-comfort-as-far-as-ceo-david-jones-is-concerned/>

⁴⁹ <http://www.wsj.com/articles/SB10001424052702304347904579308584113279174>

It is still unclear what BOL's intentions are for HAV. HAV is currently the sixth largest global advertising company. However, some analysts have expressed frustration that its operation lacks scale to compete globally.⁵⁰ There was previously speculation that Mr. Bolloré would look to merge HAV with Aegis Group (a UK listed advertising company in which BOL once had a significant stake); however, Aegis was ultimately sold to Dentsu in 2013.^{51,52} There has been speculation that the purchase of HAV represents a strategic shift for BOL, as Mr. Bolloré begins to think about succession.

Vivendi SA (VIV FP) VIV wholly owns Universal Music Group and 49% of Canal Plus. BOL has been a VIV shareholder since 2011 when it purchased a 1.1% stake in Vivendi. VOL subsequently increased its stake when Canal Plus (owned by VIV) purchased 60% of BOL Direct 8 and Direct Star TV channels for a consideration of 1.7% of VIV (22.4 million shares).^{53,54} BOL purchased an additional 2.2% of VIV on the market to bring the total size of the investment to 5% by October 2012.⁵⁵ After crossing the 5% threshold, VIV invited Mr. Bolloré to join the supervisory board.⁵⁶

Vincent Bolloré has been on VIV's board since December 2013. Since joining, he has encouraged VIV to sell assets, including the majority of its stake in Activision Blizzard Inc. (ATVI US) for \$8.2 billion, and its stake in Maroc Telecom Group for €4.2 billion. (IAM MC).⁵⁷ He has recently outlined his intentions to transform the company from a financial holding company to an integrated company focused on content by continuing to invest in media and reducing the exposure to telecoms. He has also outlined his intention for VIV to move in line with peers and distribute 40% to 50% of adjusted net earnings.

Mediobanca SpA (MB IM) Vincent Bolloré heads a group of foreign shareholders in the shareholder syndicate of Italian investment bank MB.⁵⁸ This group of shareholders accounts for around 31.5% of the bank's outstanding shares and BOL has recently increased its stake in MB to 7.5%.⁵⁹ MB has historically owned stakes in a number of leading Italian businesses. However, since 2013, it has been looking to dispose of these stakes because they have caused a drag on earnings due to Italy's economic issues. Some shareholders have voiced concerns that it may be a strategic error to simplify the holdings and instead rely on pure investment banking because

⁵⁰ <http://www.ft.com/intl/cms/s/0/6dcc3862-d261-11e1-abe7-00144feabdc0.html#axzz3RwwdVWU4>

⁵¹ <http://dealbook.nytimes.com/2012/07/12/dentsu-of-japan-to-buy-aegis-of-britain-for-5-1-billion/>

⁵² <http://www.ft.com/intl/cms/s/0/9f93fe3e-586f-11e4-942f-00144feab7de.html#axzz3PHqUXTze>

⁵³ <http://www.reuters.com/article/2014/06/24/us-vivendi-bollore-idUSKBN0EZ11F20140624>

⁵⁴ Bolloré 2013 Registration Document p58

⁵⁵ Bolloré 2013 Registration Document p24

⁵⁶ <http://www.telecompaper.com/news/bollore-increases-vivendi-stake-to-over-5-percent--902138>

⁵⁷ <http://www.vivendi.com/investment-analysts/press-releases/vivendi-vincent-bollore-co-opted-to-the-supervisory-board-pascal-cagni-appointed-as-an-attending-director/>

⁵⁸ http://www.lse.co.uk/FinanceNews.asp?ArticleCode=ac7mom14xv3ttxh&ArticleHeadline=Bolloré_ready_to_renew_Mediobanca_pact_no_new_core_shareholders_seen

⁵⁹ <http://www.reuters.com/article/2014/09/29/us-mediobanca-shareholders-idUSKCN0HO1KX20140929>

some doubt that MB can compete for mandates outside of the Italian market.⁶⁰ Recently MB placed Mr. Bolloré's daughter, Marie, on the board.⁶¹

Blue Solutions SA (BLUE FP) After BLUE's late 2013 IPO, BOL owns 89% of the company.⁶² BOL is using BLUE to supply Blue Application's electric vehicle efforts. Prior to the IPO, BOL has spent an estimated €1.7 billion developing the technology through acquisitions, battery related research and factory construction.⁶³ The battery technology, called lithium metal polymer (LMP), used by Blue Solutions works differently from traditional batteries in that it uses layers of thin film. Mr. Bolloré claims that these batteries are safer than traditional lithium batteries, and have longer storage life.⁶⁴

BOL controls both Blue Applications and BLUE, and over 95% of BLUE's revenue is attributable to Blue Applications.⁶⁵ BLUE also has agreed a long-term supply contract with a Blue Applications-related entity, Blue Car, which extends until December 2022. In addition, Blue Solutions has seven call options that enable it to acquire all of the entities of the Blue Applications group from BOL. These are excisable from September 1st 2016 to June 30th 2018.⁶⁶ Since listing, BLUE's shares have increased 87.9%.

Risks

- BOL is highly opaque, and therefore leaves a decent bit to be desired in the governance department. The company provides very little granular information on its various businesses and investments, and it could therefore be hard to anticipate a downturn in its logistics operations. Ordinarily, we would shy away from investing in a company this opaque; however, the market's lack of understanding of its corporate structure creates too compelling of an arbitrage opportunity. Increasing transparency could further close the valuation gap.
- Our thesis mainly has to do with the value of assets that each share owns, and we use theoretical dividend distributions to illustrate this concept. With so many entities, there could be adverse tax consequences if BOL were to distribute assets or cash (which we do not expect it to do in the foreseeable future). Our valuation and analysis is therefore theoretical in that it ignores tax consequences, which are beyond our understanding. However, we trust that nobody would be more motivated than Mr. Bolloré to manage tax exposure, and hopefully he will do so effectively.
- Many of BOL's operations are in frontier markets where business practices are unsavoury and corruption is endemic. We generally assume companies that are successful on a large scale in such markets, at least to some extent, play by these local rules. There are developed world anti-corruption laws that prohibit

⁶⁰ http://dealbook.nytimes.com/2013/06/21/mediobanca-to-sell-stakes/?_r=0

⁶¹ http://www.ansa.it/english/news/2014/09/29/mediobanca-board-to-include-daughter-of-key-investor_7df536fc-a30d-4743-a1a2-249057cec2eb.html

⁶² Blue Solutions is 71.2% owned by Bolloré Énergie and 17.8% owned by Bolloré Participations

⁶³ <http://www.wsj.com/articles/SB10001424052702304470504579165854067761242>

⁶⁴ <http://www.usinenouvelle.com/article/bolloré-le-secret-est-dans-la-batterie.N205128>

⁶⁵ <http://uk.reuters.com/article/2013/10/29/idUSnHUGdm65+70+ONE20131029>

⁶⁶ <http://uk.reuters.com/article/2013/10/29/idUSnHUGdm65+70+ONE20131029>

such practices, and to the extent a company runs afoul of them, it can be punished. If BOL were found to be violating such laws, it could be penalized. However, we are unaware of any truly material penalty imposed on companies found to have engaged in corrupt practices overseas.

- BOL is exposed to macro risks, both at the business and share price level. As we discuss in the logistics section, a slowdown in GDP growth will negatively impact trade volumes, and to some extent, the businesses. However, the ports business has shown as recently as 2009 that it weathers contractions well. For non-euro reference currency investors, the situation with the possible “Grexit” poses risk to the value of euro-denominated assets, including BOL.

Bollere SA (BOL FP) - Standardized

In Millions of EUR except Per Share 12 Months Ending	FY 2011 2011-12-31	FY 2012 2012-12-31	FY 2013 2013-12-31
Transport and Logistic	4871.8	5416.1	5469.3
Petroleum Distribution	3185.5	3643.1	3287.7
Other Activities - Communication,Media	159.6	811.2	1843.3
Plastic Film, Battery	225	214.6	222.7
Other Activities - Communication,Media	48.6	24.3	25.5
Revenue	8,490.5	10,109.4	10,848.5
- Operating Expenses	8,194.7	9,717.5	10,262.0
Operating Income	295.9	391.9	586.5
- Interest Expense	80.5	99.4	120.9
- Foreign Exchange Losses (Gains)	--	--	--
- Net Non-Operating Losses (Gains)	-273.6	-687.8	-190.5
Pretax Income	489.0	980.3	656.0
- Income Tax Expense	111.4	175.9	211.2
Income Before XO Items	377.7	804.4	444.8
- Extraordinary Loss Net of Tax	0.0	-8.3	-5.0
- Minority Interests	57.0	143.6	179.7
Net Income	320.7	669.0	270.1
- Total Cash Preferred Dividends	0.0	0.0	0.0
Net Inc Avail to Common Shareholders	320.7	669.0	270.1
Abnormal Losses (Gains)	-140.7	-1.1	0.5
Tax Effect on Abnormal Items	46.9	0.4	-0.1
Normalized Income	226.8	660.0	265.4
Basic EPS Before Abnormal Items	0.11	0.28	0.11
Basic EPS Before XO Items	0.15	0.28	0.11
Basic EPS	0.15	0.29	0.11
Basic Weighted Avg Shares	2,152.0	2,333.7	2,453.7
Diluted EPS Before Abnormal Items	0.11	0.28	0.11
Diluted EPS Before XO Items	0.15	0.28	0.11
Diluted EPS	0.15	0.29	0.11
Diluted Weighted Avg Shares	2,160.8	2,337.8	2,459.1
Special EPS	0.20	0.36	0.20
Reference Items			
Accounting Standard	IAS/IFRS	IAS/IFRS	IAS/IFRS
EBITDA	500.2	717.4	937.9
EBITDA Margin (T12M)	5.89	7.10	8.65
Operating Margin	3.48	3.88	5.41
Profit Margin	3.78	6.62	2.49
Actual Sales Per Employee	224,107.37	181,970.59	202,366.98
Dividends per Share	0.03	0.03	0.03
Total Cash Common Dividends	72.0	75.8	76.4
Interest Income	11.2	9.4	8.1
Research & Development Expense	--	--	--
Personnel Expense	1,030.0	1,527.4	2,262.2
Depreciation Expense	173.7	245.7	258.2
Rental Expense	183.1	267.0	334.5

Source: Bloomberg

Bollere SA (BOL FP) - Standardized

In Millions of EUR except Per Share 12 Months Ending	FY 2011 2011-12-31	FY 2012 2012-12-31	FY 2013 2013-12-31	S1 2014 2014-06-30
Assets				
+ Cash & Near Cash Items	502.9	973.8	1,400.2	1,138.3
+ Short-Term Investments	84.5	129.5	178.5	314.7
+ Accounts & Notes Receivable	1,418.1	3,101.6	3,120.5	4,046.0
+ Inventories	241.2	288.2	349.1	359.3
+ Other Current Assets	540.4	1,395.6	1,224.3	520.6
Total Current Assets	2,787.1	5,888.8	6,272.6	6,378.9
+ LT Investments & LT Receivables	2,420.0	4,111.1	5,976.0	6,726.3
+ Net Fixed Assets	1,180.2	1,510.6	1,608.6	1,638.9
+ <i>Gross Fixed Assets</i>	<i>2,411.1</i>	<i>3,111.0</i>	<i>3,354.5</i>	<i>3,455.9</i>
- <i>Accumulated Depreciation</i>	<i>1,230.8</i>	<i>1,600.4</i>	<i>1,745.9</i>	<i>1,817.0</i>
+ Other Long-Term Assets	2,731.3	4,450.8	4,641.6	4,767.9
Total Long-Term Assets	6,331.6	10,072.5	12,226.3	13,133.1
Total Assets	9,118.7	15,961.3	18,498.8	19,512.0
Liabilities & Shareholders' Equity				
+ Accounts Payable	1,827.4	4,347.8	4,317.3	4,323.0
+ Short-Term Borrowings	726.1	962.1	1,218.9	1,881.0
+ Other Short-Term Liabilities	284.0	596.7	677.8	703.2
Total Current Liabilities	2,837.5	5,906.6	6,214.0	6,907.1
+ Long-Term Borrowings	1,755.1	2,094.3	2,155.1	1,444.8
+ Other Long-Term Liabilities	413.4	695.7	814.2	707.2
Total Long-Term Liabilities	2,168.6	2,790.0	2,969.3	2,152.0
Total Liabilities	5,006.1	8,696.6	9,183.3	9,059.1
+ Total Preferred Equity	0.0	0.0	0.0	0.0
+ Minority Interest	316.8	1,396.5	1,566.9	1,601.1
+ Share Capital & APIC	689.1	806.0	945.6	976.0
+ Retained Earnings & Other Equity	3,106.7	5,062.2	6,803.1	7,875.8
Total Equity	4,112.6	7,264.7	9,315.5	10,452.9
Total Liabilities & Equity	9,118.7	15,961.3	18,498.8	19,512.0
Reference Items				
Accounting Standard	IAS/IFRS	IAS/IFRS	IAS/IFRS	IAS/IFRS
Shares Outstanding	2,180.4	2,444.7	2,463.4	2,510.5
Number of Treasury Shares	329.0	269.1	270.8	231.0
Amount of Treasury Shares	352.0	170.5	184.9	136.4
Pension Obligations	115.3	197.7	206.1	226.0
Operating Leases	400.3	696.7	651.5	--
Options Granted During Period	0.0	59.4	59.4	--
Options Outstanding at Period End	74.4	59.4	59.4	--
Net Debt	1,893.9	1,953.0	1,795.4	1,872.9
Net Debt to Equity	46.05	26.88	19.27	17.92
Tangible Common Equity Ratio	30.99	17.83	27.04	32.22
Current Ratio	0.98	1.00	1.01	0.92
Inventory - Raw Materials	89.7	88.9	97.7	--
Inventory - Work in Progress	2.0	36.0	38.0	--
Inventory - Finished Goods	149.4	163.3	213.5	--
Pure Retained Earnings	3,106.7	5,062.2	6,803.1	7,875.8
Goodwill	1,084.4	2,730.0	2,754.1	2,769.6
Investments in Associated Companies	1,163.2	654.1	654.9	712.0
Number of Employees	37,886.00	55,555.00	53,608.00	--

Source: Bloomberg

Bollere SA (BOL FP) - Standardized

In Millions of EUR except Per Share 12 Months Ending	FY 2011 2011-12-31	FY 2012 2012-12-31	FY 2013 2013-12-31
Cash From Operating Activities			
+ Net Income	320.7	669.0	270.1
+ Depreciation & Amortization	204.4	325.5	351.5
+ Other Non-Cash Adjustments	-61.7	-421.5	102.2
+ Changes in Non-Cash Capital	-50.1	170.0	-118.5
Cash From Operations	413.3	743.0	605.3
Cash From Investing Activities			
+ Disposal of Fixed Assets	8.7	22.5	11.8
+ Capital Expenditures	-281.8	-424.6	-381.6
+ Increase in Investments	-271.3	-740.3	-229.3
+ Decrease in Investments	283.7	723.0	428.3
+ Other Investing Activities	-189.5	205.8	-204.9
Cash From Investing Activities	-450.2	-213.7	-375.6
Cash from Financing Activities			
+ Dividends Paid	-64.5	-76.5	-2.5
+ Change in Short-Term Borrowings	--	--	--
+ Increase in Long-Term Borrowings	1,067.4	932.3	903.4
+ Decrease In Long-Term Borrowings	-565.8	-1,115.8	-593.1
+ Increase in Capital Stocks	60.2	395.7	130.6
+ Decrease in Capital Stocks	--	--	--
+ Other Financing Activities	-51.8	-65.3	-202.1
Cash from Financing Activities	445.5	70.4	236.2
Net Changes in Cash	408.6	599.8	465.9
Reference Items			
EBITDA	500.2	717.4	937.9
Trailing 12M EBITDA Margin	5.89	7.10	8.65
Cash Paid for Taxes	96.9	159.8	201.4
Cash Paid for Interest	48.7	88.5	90.1
Free Cash Flow	131.5	318.4	223.7
Free Cash Flow to Firm	193.6	399.9	305.7
Free Cash Flow to Equity	641.8	157.4	545.8
Free Cash Flow per Basic Share	0.06	0.14	0.09
Price to Free Cash Flow	24.80	18.88	46.80
Cash Flow to Net Income	1.29	1.11	2.24
Direct Method Cashflow			

Source: Bloomberg

Bolloré SA (BOL FP) - By Measure

In Millions of EUR except Per Share 12 Months Ending	FY 2011 2011-12-31	%	FY 2012 2012-12-31	%	FY 2013 2013-12-31	%
Revenue	8,490.5	100.0	10,109.4	100.0	10,848.5	100.0
Transport and Logistic	4,871.8	57.4	5,416.1	53.6	5,469.3	50.4
Petroleum Distribution	3,185.5	37.5	3,643.1	36.0	3,287.7	30.3
Other Activities - Communication, Media	159.6	1.9	811.2	8.0	1,843.3	17.0
Plastics Film, Battery	225.0	2.7	214.6	2.1	222.7	2.1
Other Activities - Communication, Media	48.6	0.6	24.3	0.2	25.5	0.2
Other Activities - Palm Oil & Rubber Plantation	--	--	--	--	--	--
Thin Papers	--	--	--	--	--	--
Dedicated Terminals and Systems	--	--	--	--	--	--
Inter-Sector Adjustments	--	--	--	--	--	--
Intersegment Revenue	51.3	100.0	67.9	100.0	72.9	100.0
Other Activities - Communication, Media	37.9	73.8	45.9	67.6	49.7	68.1
Other Activities - Communication, Media	6.4	12.4	12.4	18.3	14.5	19.9
Transport and Logistic	4.6	8.9	6.3	9.3	4.8	6.5
Plastics Film, Battery	0.8	1.5	1.6	2.4	2.6	3.5
Petroleum Distribution	1.7	3.4	1.6	2.4	1.4	2.0
Operating Income	287.4	100.0	464.5	100.0	605.7	100.0
Transport and Logistic	414.0	142.0	496.1	106.8	541.5	89.4
Other Activities - Communication, Media	-45.4	-15.6	118.3	25.5	194.3	32.1
Petroleum Distribution	27.6	9.5	39.1	8.4	38.7	6.4
Other Activities - Communication, Media	-4.7	-1.6	-20.6	-4.4	-42.9	-7.1
Plastics Film, Battery	-99.9	-34.3	-168.3	-36.2	-125.9	-20.8
Other Activities	--	--	--	--	--	--
Thin Papers	--	--	--	--	--	--
Dedicated Terminals and Systems	--	--	--	--	--	--
Adjustments / Reconciliation	-4.2	--	--	--	--	--
Inter-Sector Adjustments	--	--	--	--	--	--
Goodwill	1,084.4	100.0	2,730.0	100.0	2,754.1	100.0
Other Activities - Communication, Media	28.0	2.6	1,676.0	61.4	1,703.9	61.9
Transport and Logistic	918.3	84.7	916.4	33.6	908.1	33.0
Petroleum Distribution	104.9	9.7	104.3	3.8	108.8	3.9
Plastics Film, Battery	24.4	2.2	24.4	0.9	24.4	0.9
Other Activities - Communication, Media	8.9	0.8	8.9	0.3	8.9	0.3
Other Activities	--	--	--	--	--	--
Dedicated Terminals and Systems	--	--	--	--	--	--
Depreciation and Amortization	208.0	100.0	337.9	100.0	350.9	100.0
Transport and Logistic	105.2	50.6	139.9	41.4	143.0	40.8
Plastics Film, Battery	72.2	34.7	133.0	39.3	98.1	28.0
Other Activities - Communication, Media	9.4	4.5	48.2	14.3	66.9	19.1
Other Activities - Communication, Media	3.5	1.7	3.1	0.9	24.1	6.9
Petroleum Distribution	17.7	8.5	13.8	4.1	18.7	5.3
Other Activities	--	--	--	--	--	--
Thin Papers	--	--	--	--	--	--
Dedicated Terminals and Systems	--	--	--	--	--	--
Inter-Sector Adjustments	--	--	--	--	--	--
Capital Expenditures	-407.4		-565.3		-572.0	
Petroleum Distribution	-16.1	4.0	-8.1	1.4	-13.2	2.3
Other Activities - Communication, Media	-12.5	3.1	-29.1	5.1	-80.2	14.0
Plastics Film, Battery	-117.3	28.8	-191.9	33.9	-113.3	19.8
Other Activities - Communication, Media	-20.3	5.0	-29.0	5.1	-127.7	22.3
Transport and Logistic	-241.2	59.2	-307.2	54.4	-237.5	41.5
Other Activities	--	--	--	--	--	--
Thin Papers	--	--	--	--	--	--
Dedicated Terminals and Systems	--	--	--	--	--	--
Inter-Sector Adjustments	--	--	--	--	--	--
Number of Employees	37,886.00	100.00	--		53,608.00	100.00
Transport and Logistic	31,627.00	84.63	--		34,251.00	63.89
Other Activities - Communication, Media	--	--	--		15,780.00	29.44
Plastics Film, Battery	1,697.00	4.54	--		2,037.00	3.80
Petroleum Distribution	1,282.00	3.43	--		1,252.00	2.34
Other Activities - Communication, Media	2,766.00	7.40	--		288.00	0.54
Other Activities	--	--	--		--	--
Adjustment	514.00	--	--		--	--
Number of Workdays	--	--	--		--	--
Fixed Average Workdays	214.00	--	--		--	--
Warehousing Scale	610.0	100.0	665.0	100.0	694.0	100.0
Bolloré Logistics - Warehousing Scale	610.0	100.0	665.0	100.0	694.0	100.0
Bulk Cargo Handled (Tonnes)	1,961.0	100.0	510.0	100.0	522.0	100.0
Bolloré Logistics - Tonnes	540.0	27.5	510.0	100.0	522.0	100.0
Bolloré Africa Logistics - Cotton	310.0	15.8	--		--	--
Bolloré Africa Logistics - Cocoa and Coffee	1,111.0	56.7	--		--	--
Container Cargo Handled (TEU)	740.0	100.0	770.0	100.0	790.0	100.0
Bolloré Logistics - Containers	740.0	100.0	770.0	100.0	790.0	100.0

Source: Bloomberg

Appendix A

Comparable Tables for Valuation

	Market Cap (EUR)	EV (EUR)	EV/EBITDA		EV/EBIT		P/E		Margins	
			FY2014	FY2015	FY2014	FY2015	FY2014	FY2015	EBITDA	EBIT
OPERATORS										
DP WORLD LTD	15,273	17,348	13	12	19	17	27	23	40%	28%
ADANI PORTS AND SPECIAL ECON	9,882	11,543	20	16	24	19	32	25	62%	49%
HUTCHISON PORT HOLDINGS TR-U	5,381	10,174	13	12	22	20	26	24	55%	33%
CHINA MERCHANTS HLDGS INTL	8,369	9,889	18	17	32	29	17	16	46%	30%
ASCIANO LTD	4,263	6,480	8	8	12	11	16	14	23%	13%
INTL CONTAINER TERM SVCS INC	4,547	5,345	14	12	19	17	31	27	41%	29%
COSCO PACIFIC LTD	3,741	4,663	11	10	20	17	13	11	49%	24%
DALIAN PORT (PDA) CO LTD-H	2,717	3,712	17	16	31	28	15	13	22%	11%
TIANJIN PORT DVLP HLDS LTD	1,057	3,038	9	9	19	16	12	11	13%	9%
PORT OF TAURANGA LTD	1,583	1,746	19	17	22	20	29	28	45%	36%
HAMBURGER HAFEN UND LOGISTIK	1,436	1,653	6	6	11	10	26	22	25%	15%
SANTOS BRASIL PARTICIPA-UNIT	516	560	6	6	14	12	22	20	29%	15%
Average	4,897	6,346	13	12	20	18	22	19	37%	24%
MEDIAN	4,002	5,004	13	12	19	17	24	21	41%	26%
NON ASSET BASED TRANSPORT										
KUEHNE & NAGEL INTL AG-REG	15,153	14,418	15	15	18	18	25	24	6%	5%
C.H. ROBINSON WORLDWIDE INC	9,304	10,110	13	12	14	13	21	19	6%	6%
EXPEDITORS INTL WASH INC	7,749	6,934	12	11	13	12	24	22	10%	9%
DSV A/S	4,896	5,687	12	12	15	14	18	16	6%	5%
PANALPINA WELTRANSPORT -REG	2,820	2,548	14	12	21	16	33	24	3%	2%
JSL SA	737	1,864	6	5	11	9	24	18	N/A	8%
Average	6,776	6,927	12	11	15	14	24	21	6%	6%
MEDIAN	6,322	6,311	13	12	14	13	24	21	6%	5%
ASSET BASED TRANSPORT										
UNION PACIFIC CORP	94,677	102,854	10	9	12	11	19	16	44%	36%
UNITED PARCEL SERVICE-CL B	82,596	87,899	10	10	13	12	20	18	12%	9%
AP MOELLER-MAERSK A/S-B	38,898	46,372	5	5	8	7	11	10	24%	12%
FEDEX CORP	43,810	45,796	8	7	12	10	20	16	14%	8%
CSX CORP	31,318	38,550	9	8	11	10	17	15	38%	29%
NORFOLK SOUTHERN CORP	29,607	36,262	9	8	11	10	16	14	39%	31%
DEUTSCHE POST AG-REG	35,064	38,205	9	8	13	12	17	16	8%	5%
DAQIN RAILWAY CO LTD -A	21,737	21,544	7	6	9	8	10	9	N/A	30%
AURIZON HOLDINGS LTD	7,067	8,989	9	8	14	12	17	15	45%	30%
HUNT (JB) TRANSPRT SVCS INC	8,508	9,275	10	9	15	13	23	20	15%	10%
RYDER SYSTEM INC	4,361	8,046	5	5	13	12	15	13	23%	7%
YAMATO HOLDINGS CO LTD	8,779	8,280	10	9	17	16	28	26	8%	5%
CONTAINER CORP OF INDIA LTD	3,938	3,616	20	16	26	20	28	23	21%	17%
ALL AMERICA LATINA LOGISTICA	1,144	2,719	4	4	6	5	31	19	49%	34%
LANDSTAR SYSTEM INC	2,690	2,645	11	10	12	11	20	18	8%	7%
TNT EXPRESS NV	3,333	2,929	8	6	12	10	22	18	3%	1%
Average	26,095	28,999	9	8	13	11	20	17	23%	17%
MEDIAN	15,258	15,409	9	8	12	11	19	16	21%	11%

Source: Bloomberg

Appendix B Circular Ownership Mapping Diagram

