2009 First-Half Results

August 27, 2009

Disclaimer

Certain of the statements contained in this document are not historical facts but rather are statements of future expectations and other forward-looking statements that are based on management's beliefs. These statements reflect such views and assumptions as of the date of the statements and involve known and unknown risks and uncertainties that could cause future results, performance or future events to differ materially from those expressed or implied in such statements.

When used in this document, words such as "anticipate", "believe", "estimate", "expect", "may", "intend" and "plan" are intended to identify forward-looking statements which address our vision of expected future business and financial performance. Such forward-looking statements include, without limitation, projections for improvements in process and operations, revenues and operating margin growth, cash flow, performance, new products and services, current and future markets for products and services and other trend projections as well as new business opportunities.

These forward-looking statements are based upon a number of assumptions which are subject to uncertainty and trends that may differ materially from future results, depending on a variety of factors including without limitation:

- **General economic and labor conditions, including in particular economic conditions in Europe and North America**
- **Legal, financial and governmental risks (including, without limitation, certain market risks) related to the businesses**
- **Certain risks related to the media industry (including, without limitation, technological risks)**
- **The cyclical nature of some of the businesses.**

Please refer to the most recent Reference Document (Document de Référence) filed by Lagardère SCA with the French Autorité des marchés financiers for additional information in relation to such factors, risks and uncertainties.

Lagardère SCA disclaims any intention or obligation to update or review the forward-looking statements referred to above. Consequently Lagardère SCA is not responsible for any consequences that could result from the use of any of the above statements.

Contents

Key Figures

Key Figures

Net sales down 3.5% on a like-for-like basis at €3,720m

- Down 2.2% on a reported basis (vs. €3,804m for H1 2008)

Recurring EBIT before associates:

- Consolidated recurring EBIT before associates (incl. non-media activities): €186m, vs. €255m for H1 2008
- Recurring EBIT before associates from Media activities (excl. Lagardère Active): €172m, vs. €144m for H1 2008
  - up 19.4% on a reported basis
  - up 14.5% at constant exchange rates (versus guidance in a range from zero growth to a fall of no more than 10% at constant exchange rates)

Net income:

- €318m (vs. €572m for H1 2008)
- Adjusted net income excluding EADS: €129m (vs. €159m for H1 2008), down 18.9%

Earnings per share:

- Basic: €2.51 (vs. €4.39 for H1 2008)
- Diluted: €2.51 (vs. €4.36 for H1 2008)

Net cash generated by/(used in) operating and investing activities:

- +€662m (vs. -€34m for H1 2008)

Lagardère

Financial Indicators by Division

Lagardère Publishing

Changes in scope of consolidation

- **Full consolidation with effect from January 1, 2009 of Éditions Albert René, publisher of the *Astérix* albums, in which we acquired a 60% interest at end 2008.**

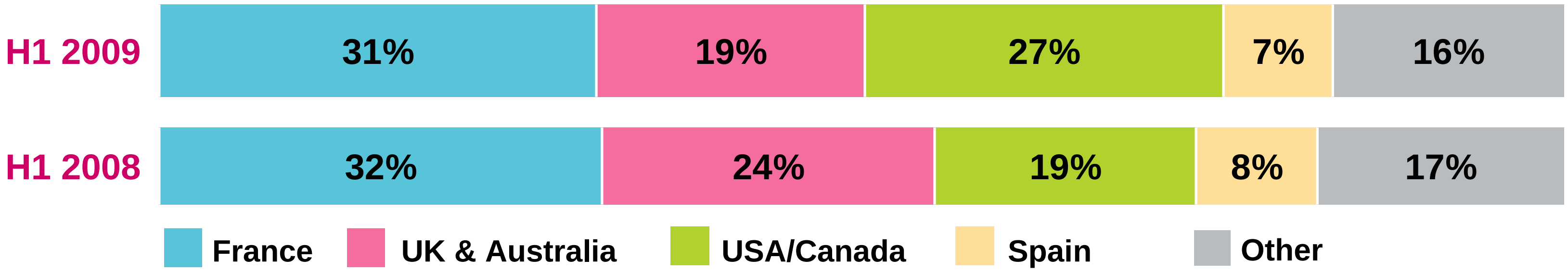
Lagardère PUBLISHING

Net sales

- **2009 first-half net sales: €1,009m (vs. €908m for H1 2008), up 11.1% on a reported basis and 11.5% on a like-for-like basis**
  - Impact of exchange rates: -0.9%
  - Impact of changes in scope of consolidation: +0.5%

- **Key growth drivers:**
  - Strong growth in regions where we sell Stephenie Meyer's *Twilight* saga: United States, United Kingdom and France (Illustrated)
  - Decline in Education and Literature in France
  - Decline in sales of partworks

- **Net sales by geographical area**



Lagardère PUBLISHING

Income statement data

(€m)	H1 2008*	H1 2009	Change
Net sales (a)	908	1,009	+11.1%
Recurring EBIT before associates (b)	69	112	+61.1%
Income from associates	1	1	
Non-recurring/non-operating items	(1)	(1)	
EBIT	69	112	+61.6%
Operating margin (b) / (a)	7.7%	11.1%	

* After royalties charged by Non-Media activities based on the rules applied in 2009

Lagardère Active

Changes in scope of consolidation

- **Acquisition by the Japanese group Sumitomo of a 34% interest in Fujingaho via a sale of shares, recognized in the accounts on May 31, 2009.**

  This deal is part of a strategic alliance to build an e-commerce business around the *Elle* brand. We will continue to fully consolidate Fujingaho's activities except for the e-commerce division, which will be accounted for as an associate by the equity method.

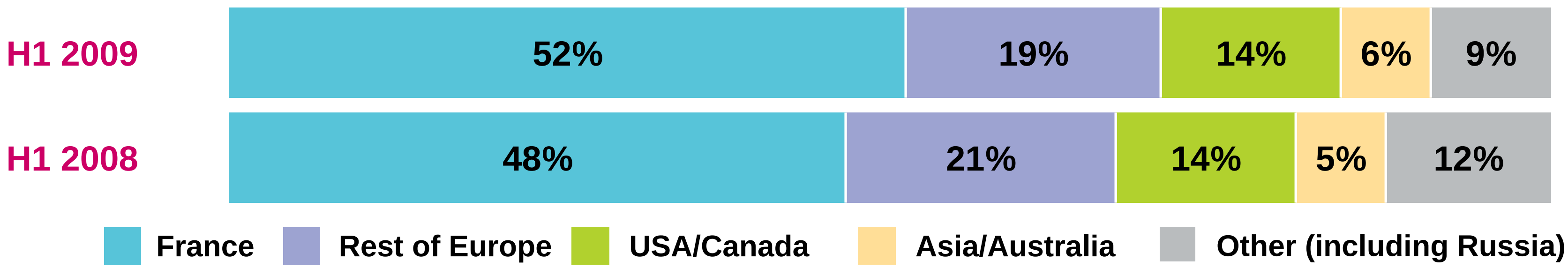
- **Sale of 5 specialist magazine titles by Hachette Filipacchi Media US, and of *Onze Mondial* magazine by Lagardère Active.**

- **Full consolidation over the whole of H1 2009 of the Massin Group, which in 2008 was consolidated with effect from May 1.**

- **Full consolidation over the whole of H1 2009 of the Psychologies Magazine group, which in 2008 was accounted for as an associate by the equity method until May 31, when we raised our interest from 51% to 100%.**

Net sales

- **2009 first-half net sales: €831m (vs. €1,018m for H1 2008), down 18.3% on a reported basis and 17.7% on a like-for-like basis**
  - Magazines: €633m, down 18.7% (down 18.5% on a like-for-like basis)
  - Radio: €121m, down 23.0% (down 19.4% on a like-for-like basis)
  - TV: €77m, down 5.8% (down 7.2% on a like-for-like basis)
- **Digital revenues: €61m, or 7.4% of Lagardère Active net sales (vs. 6.4% for H1 2008)**
- **Key factors in Magazines, Radio and TV:**
  - Magazines: Significant decline in advertising across all regions, less marked decline in circulation (down 4.8%) on same-titles basis
  - Radio: Sharp fall in revenues internationally (down 30%), but to a lesser extent in France (down 15%)
  - TV: Drop in revenues for theme channels and drama production (timing difference in delivery schedules)
- **Net sales by geographical area**



Income statement data

(€m)	H1 2008*	H1 2009	Change
Net sales (a)	**1,018**	**831**	**- 18.3%**
Recurring EBIT before associates (b)	**112**	**9**	**- 91.7%**
Magazines	*59*	*1*	
Radio	*41*	*4*	
TV	*12*	*4*	
Income from associates (before amortization of acquisition-related intangible assets and impairment losses)	**41**	**47**	
Magazines	*13*	*2*	
Radio & TV	*28*	*45*	
Non-recurring and non-operating items	**(114)**	**(308)**	
EBIT	**39**	**(252)**	
Operating margin (b) / (a)	**11.0%**	**1.1%**	
Magazines	*7.6%*	*0.2%*	
Radio	*26.0%*	*3.1%*	
TV	*14.7%*	*5.5%*	

* After royalties charged by Non-Media activities based on the rules applied in 2009

Lagardère Services

Lagardère SERVICES

Changes in scope of consolidation

- **Full consolidation with effect from January 1, 2009 of NGSI, an operator of airport retail outlets in the United States, acquired at end 2008.**

- **Consolidation over the whole of H1 2009 of Purely Group and Delstar, both acquired during 2008 and consolidated with effect from March 1, 2008 and September 1, 2008 respectively.**

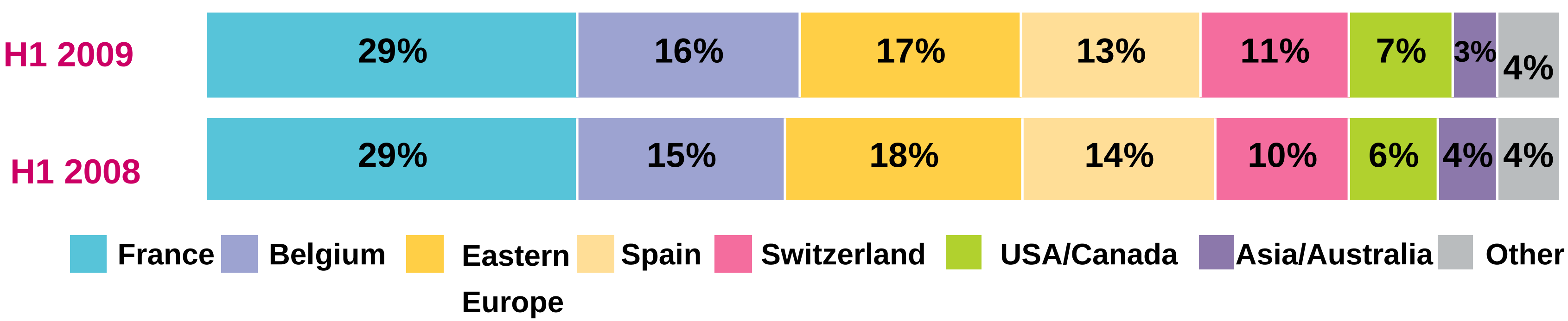
Lagardère SERVICES

Net sales

- **2009 first-half net sales: €1,619m (vs. €1,681m for H1 2008), down 3.7% on a reported basis and 2.6% on a like-for-like basis**
  - Impact of exchange rates: -2.3%
  - Impact of changes in scope of consolidation: +1.2%

- **Key factors:**
  - Further growth in Eastern Europe (Romania and Czech Republic), and at Relay in France
  - Contraction in press distribution (in Spain, Belgium, and the United States, and at airports)

- **Net sales by geographical area**



Income statement data

(€m)	H1 2008*	H1 2009	Change
Net sales (a)	1,681	1,619	- 3.7%
Recurring EBIT before associates (b)	46	27	- 40.0%
Income from associates	4	3	
Non-recurring items	(2)	(12)	
EBIT	48	18	
Operating margin (b) / (a)	2.7%	1.7%	

* After royalties charged by Non-Media activities based on the rules applied in 2009

Lagardère Sports

Changes in scope of consolidation

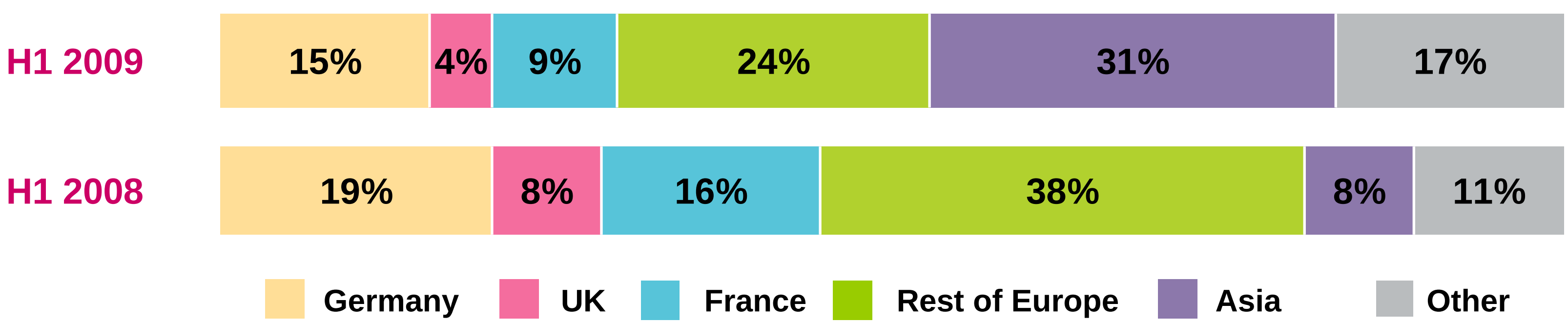
- **Full consolidation with effect from January 1, 2009 of World Sport Group (WSG), which had been accounted for as an associate by the equity method from July 1, 2008. This change in method was due to an amendment to the shareholder agreement at the start of 2009.**

Net sales

- **2009 first-half net sales: €261m (vs. €197m for H1 2008), up 31.9% on a reported basis but down 7.6% on a like-for-like basis**
  - Impact of exchange rates: -1.8%
  - Impact of changes in scope of consolidation: +41.3%

- **Key factors:**
  - Very negative impact of event timings (H1 2008 included Euro 2008 and African Cup of Nations football finals; the 2009 World Handball Cup did not make up for non-recurrence of these events)
  - Development of new activities (e.g. skiing and triathlon)

- **Net sales by geographical area**



Income statement data

(€m)	H1 2008*	H1 2009	Change
Net sales (a)	197	261	+31.9%
Recurring EBIT before associates** (b)	29	33	+12.7%
Income from associates	-	-	
Amortization of acquisition-related intangible assets	(24)	(13)	
Non-recurring items	-	-	
EBIT	5	20	NS
Operating margin (b) / (a)	14.7%	12.6%	

* After royalties charged by Non-Media activities based on the rules applied in 2009

** Before amortization of acquisition-related intangible assets

Summary Financial Information

Lagardère

Lagardère Media income statement data

(€m)	H1 2008*	H1 2009
Recurring EBIT before associates	**256**	**181**
Contribution from associates before amortization of acquisition-related intangible assets and impairment losses	46	51
Recurring EBIT	**302**	**232**
Restructuring costs	(7)	(32)
Net gains/(losses) on disposals	(4)	(3)
Impairment losses on goodwill and intangible assets		
- consolidated companies	(93)	(270)
- associates	-	(4)
Amortization of acquisition-related intangible assets		
- consolidated companies	(27)	(15)
- associates	(10)	(10)
EBIT	**161**	**(102)**

* After royalties charged by Non-Media activities based on the rules applied in 2009

EBIT

(€m)	H1 2008	H1 2009
Lagardère Media	161	(102)
Non-Media activities	(1)	5
Total excluding EADS	160	(97)
Equity-accounted contribution from EADS	52	34
Gain on disposals of EADS shares	466	539
Total Lagardère Group	678	476

On March 24, 2009, in accordance with the January 26, 2009 amendment to the issue terms of the Mandatory Exchangeable Bond, Lagardère sold 2.5% of the capital of EADS to the bondholders in redemption of the final one-third tranche of the issue.

Lagardère

Consolidated income statement

(€m)	Lagardère Media*	EADS & Non-Media*	Total H1 2008	Lagardère Media	EADS & Non-Media	Total H1 2009	Change
Net sales	**3,804**	**-**	**3,804**	**3,720**	**-**	**3,720**	**-2.2%**
Recurring EBIT before associates	**256**	**(1)**	**255**	**181**	**5**	**186**	**-27.0%**
Income from associates			**98**			**85**	
excluding EADS**	46	-	*46*	51	-	*51*	
EADS	-	52	*52*	-	34	*34*	
Non-recurring & non-operating items	**(141)**	**466**	**325**	**(334)**	**539**	**205**	
EBIT	**161**	**517**	**678**	**(102)**	**578**	**476**	**-29.7%**
Net interest expense	(85)	6	(79)	(41)	(3)	(44)	
Net income before tax	**76**	**523**	**599**	**(143)**	**575**	**432**	**-27.8%**
Income tax expense	(19)	6	(13)	(115)	19	(96)	
Consolidated net income	**57**	**529**	**586**	**(258)**	**594**	**336**	**-42.6%**
- attributable to equity holders***	43	529	572	(276)	594	318	
- attributable to minority interests	14	-	14	18	-	18	

* After royalties charged by Non-Media activities based on the rules applied in 2009

** Before amortization of acquisition-related intangible assets and impairment losses

*** Attributable to equity holders of the parent company

Lagardère

Adjusted net income (excluding EADS)

(€m)	H1 2008	H1 2009
Net income attributable to equity holders of the parent	**572**	**318**
Equity-accounted contribution from EADS	(52)	(34)
Amortization of acquisition-related intangible assets, net of tax	28	23
Net income before amortization of acquisition-related intangible assets	**548**	**307**
Restructuring costs, net of tax	*5*	*22*
Net gains on disposal, net of tax	*(453)*	*(526)*
Impairment losses on goodwill and intangible assets, net of tax		
- consolidated companies	53	*316*
- associates	-	*4*
Interest expense on Mandatory Exchangeable Bond, net of interest income calculated at market rates	6	6
Total non-recurring items	**(389)**	**(178)**
Adjusted net income excluding EADS	**159**	**129**
Adjusted earnings per share excluding EADS (€)**:**		
- Basic	1.22	1.02
- Diluted	1.21	1.02

Consolidated statement of cash flows

(€m)	H1 2008	H1 2009
Cash flow from operations before interest, taxes and changes in working capital	264	277
Changes in working capital	(327)	(94)
Cash flow from operations	**(63)**	**183**
Interest paid and received, and income taxes paid	(208)	(135)
Cash generated by/(used in) operating activities	**(271)**	**48**
Investments	**(504)**	**(115)**
Property, plant & equipment and intangible assets	*(89)*	*(110)*
Financial assets	*(415)*	*(5)*
Asset disposals	**742**	**686**
Property, plant & equipment and intangible assets	*17*	*11*
Financial assets	*725*	*675*
(Increase)/decrease in short-term investments	**(1)**	**43**
Cash generated by/(used in) investing activities	**237**	**614**
Net cash generated by/(used in) operating & investing activities	**(34)**	**662**

Change in net debt, H1 2008 vs. H1 2009

(€m)	H1 2008	H1 2009
Net debt at start of period	**(2,570)**	**(2,619)**
Net cash generated by/(used in) operating & investing activities	(34)	662
Purchase of treasury shares	-	(3)
Dividends	(196)	(194)
Increase/(decrease) in short-term investments	1	(43)
Liabilities arising from commitments to buy out minority interests	58	10
Fair value remeasurement of financial liabilities	(49)	3
Effect of exchange rates, changes in scope of consolidation and other effects	59	41
Net debt at end of period	**(2,731)**	**(2,143)**

Lagardère

Consolidated statement of financial position

(€m)	Dec 31, 2008	June 30, 2009
Non-current assets (other than investments in associates)	**5,361**	**5,326**
Investments in associates	**2,443**	**2,286**
EADS	*571*	*485*
Other associates	*1,872*	*1,801*
Current assets (other than short-term investments & cash)	**3,575**	**3,049**
Short-term investments and cash	**952**	**858**
TOTAL ASSETS	**12,331**	**11,519**
Stockholders' equity	**4,446**	**4,247**
Non-current liabilities (other than debt)	**778**	**917**
Non-current debt	**2,380**	**2,520**
Current liabilities (other than debt)	**3,536**	**3,354**
Current debt	**1,191**	**481**
TOTAL LIABILITIES AND EQUITY	**12,331**	**11,519**

Lagardère

Stockholders' equity and net debt

(€m)	Dec. 31, 2008	June 30, 2009
Stockholders' equity	4,446	4,247
Net debt	(2,619)	(2,143)
Gearing	58.9%	50.4%
Net debt excluding Mandatory Exchangeable Bond	(1,927)	(2,143)
Gearing excluding Mandatory Exchangeable Bond	43.3%	50.4%

Appendices

Lagardère

Analysis of non-recurring/non-operating items – H1 2009

(€m)	Lagardère Publishing	Lagardère Active	Lagardère Services	Lagardère Sports	Non-Media	Total
Restructuring costs	-	(20)	(12)	-	(1)	(33)
Gains/(losses) on disposals	-	(4)	1	-	540	537
Impairment losses on goodwill and intangible assets:						
- consolidated companies	-	(270)	-	-	-	(270)
- associates	-	(4)	-	-	-	(4)
Amortization of acquisition-related intangible assets:						
- consolidated companies	(1)	-	(1)	(13)	-	(15)
- associates	-	(10)	-	-	-	(10)
TOTAL	(1)	(308)	(12)	(13)	539	205

Lagardère

Analysis of non-recurring/non-operating items – H1 2008

(€m)	Lagardère Publishing	Lagardère Active	Lagardère Services	Lagardère Sports	Non-Media	Total
Restructuring costs	-	(5)	(2)	-	-	(7)
Gains/(losses) on disposals	(1)	(3)	-	-	466	462
Impairment losses on goodwill and intangible assets:						
- consolidated companies	-	(93)	-	-	-	(93)
- associates	-	-	-	-	-	-
Amortization of acquisition-related intangible assets:						
- consolidated companies	-	(3)	-	(24)	-	(27)
- associates	-	(10)	-	-	-	(10)
TOTAL	(1)	(114)	(2)	(24)	466	325

Contribution from associates by division

(€m)	H1 2008	H1 2009
Lagardère Publishing	**1**	**1**
Lagardère Active	**31**	**33**
- Broadcast*	***18***	***31***
- Press	***13***	***2***
Lagardère Services	**4**	**3**
Total Lagardère Media	**36**	**37**
Non-media activities	**52**	**34**
TOTAL	**88**	**71**

***** Includes the negative impacts of (i) amortization of acquisition-related intangible assets of €10m in 2009 and 2008 and (ii) an impairment loss of €4m in 2009

Lagardère

Principal associates

(€m)	2008 Balance sheet Dec. 31, 2008	2008 Income statement H1 2008	2009 Balance sheet June 30, 2009	2009 Income statement H1 2009
EADS	571	52	485	34
Canal+ France	1,465	20	1,503	38
Marie-Claire	156	8	156	1
World Sport Group	96	-	-	-
Other associates	155	8	142	(2)
Total	2,443	88	2,286	71

Cash flow statement data

(€m)	H1 2008	H1 2009
Cash flow from operations before interest, taxes & changes in working capital	**82**	**120**
Changes in working capital	(179)	(111)
Cash flow from operations	**(97)**	**9**
Interest paid & received, and income taxes paid	(36)	(33)
Cash generated by/(used in) operating activities	**(133)**	**(24)**
Investments	**(25)**	**(2)**
Property, plant & equipment and intangible assets	*(15)*	*(11)*
Financial assets	*(10)*	*9*
Asset disposals	**1**	**1**
Property, plant & equipment and intangible assets	*-*	*-*
Financial assets	*1*	*1*
(Increase)/decrease in short-term investments	**-**	**-**
Cash generated by/(used in) investing activities	**(24)**	**(1)**
Net cash generated by/(used in) operating & investing activities	**(157)**	**(25)**

Cash flow statement data

(€m)	Broad-cast	Press	H1 2008	Broad-cast	Press	H1 2009
Cash flow from operations before interest, taxes & changes in working capital	**37**	**39**	76	**16**	**(9)**	7
Changes in working capital	(26)	(24)	(50)	19	35	54
Cash flow from operations	**11**	**15**	**26**	**35**	**26**	**61**
Interest paid & received, income taxes paid	(58)	(47)	(105)	(10)	(39)	(49)
Cash generated by/(used in) operating activities	**(47)**	**(32)**	**(79)**	**25**	**(13)**	**12**
Investments	**(90)**	**(226)**	**(316)**	**(13)**	**(8)**	**(21)**
Property, plant & equipment and intangible assets	*(10)*	*(10)*	*(20)*	*(8)*	*(10)*	*(18)*
Financial assets	*(80)*	*(216)*	*(296)*	*(5)*	*2*	*(3)*
Asset disposals	**3**	**7**	**10**	**1**	**16**	**17**
Property, plant & equipment and intangible assets	-	*1*	*1*	*1*	*7*	*8*
Financial assets	*3*	*6*	*9*	-	*9*	*9*
(Increase)/decrease in short-term investments	-	-	-	-	-	-
Cash generated by/(used in) investing activities	**(87)**	**(219)**	**(306)**	**(12)**	**8**	**(4)**
Net cash generated by/(used in) operating & investing activities	**(134)**	**(251)**	**(385)**	**13**	**(5)**	**8**

Lagardère SERVICES

Cash flow statement data

(€m)	H1 2008	H1 2009
Cash flow from operations before interest, taxes & changes in working capital	**69**	**55**
Changes in working capital	(33)	6
Cash flow from operations	**36**	**61**
Interest paid & received, and income taxes paid	(14)	(12)
Cash generated by/(used in) operating activities	**22**	**49**
Investments	**(48)**	**(41)**
Property, plant & equipment and intangible assets	*(34)*	*(30)*
Financial assets	*(14)*	*(11)*
Asset disposals	**73**	**3**
Property, plant & equipment and intangible assets	*23*	*3*
Financial assets	*50*	*-*
(Increase)/decrease in short-term investments	**(1)**	**43**
Cash generated by/(used in) investing activities	**24**	**5**
Net cash generated by/(used in) operating & investing activities	**46**	**54**

Cash flow statement data

(€m)	H1 2008	H1 2009
Cash flow from operations before interest, taxes & changes in working capital	**37**	**81**
Changes in working capital	(65)	(32)
Cash flow from operations	**(28)**	**49**
Interest paid & received, and income taxes paid	(26)	(30)
Cash generated by/(used in) operating activities	**(54)**	**19**
Investments	**(113)**	**(46)**
Property, plant & equipment and intangible assets	*(18)*	*(48)*
Financial assets	*(95)*	*2*
Asset disposals	**1**	**1**
Property, plant & equipment and intangible assets	*-*	*-*
Financial assets	*1*	*1*
Cash generated by/(used in) investing activities	**(112)**	**(45)**
Net cash generated by/(used in) operating & investing activities	**(166)**	**(26)**

Lagardère

Debt by maturity

(€m) As of June 30, 2009	< 1 year	1-5 years	> 5 years	Total
Mandatory Exchangeable Bond	-	-	-	-
Other bond issues	-	172	255	427
Bank borrowings	34	2,043	-	2,077
Finance lease obligations	-	31	2	33
Liabilities arising from commitments to buy out minority interests	-	2	6	8
Other debt	432	16	8	456
TOTAL	466	2,264	271	3,001

Short-term investments and cash: €858m

Lagardère

Off balance sheet commitments

(€m)	Dec. 31, 2008	June 30, 2009
Commitments to purchase shares from third parties (other than minority interests)	2	-
Commitments given in connection with ordinary activities		
- guarantees and performance bonds *	59	66
- guarantees in favor of third parties or non-consolidated companies	95	84
- other commitments given	15	13
Mortgages and pledges	2	-
Capital expenditure and investment commitments	41	40

*Counter-guarantees relating to guarantees given by Lagardère: €45m at June 30, 2009 and €59m at December 31, 2008

Royalties charged for brand user rights – 2008 pro forma

(€m)	Reported EBIT*	Pro forma EBIT*	H1 2008 impact	Reported EBIT*	Pro forma EBIT*	FY 2008 impact
Lagardère Publishing	**71**	**69**	**(2)**	**246**	**243**	**(3)**
Lagardère Active	**114**	**112**	**(2)**	**209**	**206**	**(3)**
- Broadcast	*53*	*53*	-	*95*	*95*	-
- Press	*61*	*59*	*(2)*	*114*	*111*	*(3)*
Lagardère Services	**46**	**46**	**-**	**127**	**125**	**(2)**
Lagardère Sports	**29**	**29**	**-**	**75**	**74**	**(1)**
Lagardère Media	**260**	**256**	**(4)**	**657**	**648**	**(9)**
Other Activities	**(5)**	**(1)**	**4**	**(10)**	**(1)**	**9**
Group total	**255**	**255**	**-**	**647**	**647**	**-**

* Recurring EBIT before associates

Significant events

Contents

Lagardère Publishing

Overview

2009 first-half performance:

• Net sales:	up 11.5% on a like-for-like basis up 11.1% on a reported basis
• Recurring EBIT before associates:	€112m on a reported basis
• Operating margin:	11.1% for H1 2009, versus 7.7% for H1 2008

FRANCE

Education

- Set texts: H1 not particularly meaningful. Downturn expected over the full year in secondary education given the lack of any curriculum reforms.
- Distance learning: decline for both Hachette Education and Hatier in a contracting market.

General Literature

- Tough conditions in large format books, with fewer bestsellers.
- Chairman & CEO of Grasset now fulfilling the same role at Fayard as well.
- Acquisition of majority stake in Editions des Deux Terres (foreign literature and thrillers).

FRANCE *(continued)*

Illustrated

- Kids/teens: strong growth, driven by Stephenie Meyers' *Twilight* saga and spin-offs.
- Lifestyle: good performance, especially in cookery and health, in a slightly contracting market.
- Hachette Tourisme: adversely affected by the contraction in tourism, which has been hit hard by the economic situation.
- Cartoons: acquisition of 60% of Éditions Albert-René, publisher of *Astérix*.

FRANCE *(continued)*

Reference

- Larousse: early launch of the illustrated *Petit Larousse* in response to competition from Robert's *Dixel*.
- Promising growth in use of the *Larousse.fr* online collaborative encyclopedia.

Distribution

- Performances in line with H1 2008, with a marked reduction in returns (due to the Stephenie Meyer phenomenon) and distribution contracts with new publishers (in particular, Panini and Editions des Deux Terres) offsetting the loss of Dupuis.
- Digital distribution: contracts signed between Numilog and three of France's largest independent booksellers to set up their e-books websites.

SPAIN – LATIN AMERICA

Spain:

- Good start to the school books season, in a market expected to be weaker than last year due to a lower level of curriculum reforms.
- Decline in trade publishing, especially in Travel, Multimedia and Dictionaries, with markets suffering from the economic downturn.

Latin America:

- Earlier start to the school books season in Mexico, full-year sales growth expected in Brazil.

UNITED KINGDOM

- Strong growth, driven by the performance of Stephenie Meyer books and spin-offs at Little, Brown Book Group in the UK, Australia and New Zealand.
- Good first-half for Orion.
- Contraction in Kids/Teens, as expected, due to erosion of the *Rainbow Magic* series and decline in language tutors.
- Continuation of the downtrend in Illustrated Books in the UK, partly offset by a rise in exports.

Lagardère PUBLISHING

UNITED STATES

- Excellent performance at Little, Brown for Young Readers, with sales trebled as the Meyer phenomenon rolls on.
- Sales also buoyed by reorders of the bestsellers *The Shack* and *Outliers*.
- Strong growth in sales of e-books (less than 2% of revenues).

PARTWORKS

- Sales down in most markets, due to backlist erosion and to less successful launches over the past twelve months in tough market conditions.
- Sales nonetheless up in Germany (thanks to a raft of launches) and in Italy.

Lagardère Active

Overview

2009 first-half performance

• Net sales:	down 17.7% on a like-for-like basis down 18.3% on a reported basis
• Recurring EBIT before associates:	€9.0m on a reported basis
• Operating margin:	1.1% for H1 2009, vs. 11.0% for H1 2008

2009 first-half performance – Press

• Net sales:	down 18.5% on a like-for-like basis down 18.7% on a reported basis
• Recurring EBIT before associates:	€1.0m on a reported basis
• Operating margin:	0.2% for H1 2009, vs. 7.6% for H1 2008

2009 first-half performance – Broadcast

• Net sales:	down 15.0% on a like-for-like basis down 17.1% on a reported basis
• Recurring EBIT before associates:	€8.0m on a reported basis
• Operating margin:	4.0% for H1 2009, vs. 22.2% for H1 2008

Magazines – France

Circulation

- Circulation revenues fell again, but improved relative to the first quarter.
- Our flagship titles (*Elle, Paris Match, Journal du Dimanche, Public, Ici Paris, France Dimanche*) gained market share in kiosk sales versus 2008.
- *Elle* made further advances, with an excellent performance in kiosks.
- Most of our monthlies are outperforming or in line with their competitors.

Advertising

- Tough conditions in the advertising market reduced advertising revenues by nearly 15% on a like-for-like basis.
- Most of our magazines reported a year-on-year decline, but generally resisted better than their competitors, with market share gains for our flagship titles in the TV, Upscale Women, Mass Market Women, News, and Auto segments.
- *Version Fémina, Journal du Dimanche* and *Public* proved particularly resilient in tough conditions.

Lagardère ACTIVE

Magazines – International

United States

- Circulation revenues down, with all titles affected, especially *Woman's Day* and *Elle*.
- Advertising revenues sharply lower, in particular for *Elle*.
- Digital revenues now account for 13.6% of total net sales.

Italy

- Circulation revenues down.
- Deterioration in advertising revenues, especially for women's magazines.
- *Eva* magazine sold in H2 2008.

Spain

- Circulation revenues down.
- Marked fall in advertising revenues, especially for *Elle.*
- Discontinuation of *Teleindiscreta* and *Ragazza* in H2 2008; sale of *Clio* and *Que Leer* in H2 2008 and of *Psychologies* in H1 2009.

United Kingdom

- Deterioration in advertising market, especially in Q2 2009, partly offset by circulation.
- Discontinuation of *Real Homes* in H1 2009.

Magazines – International *(continued)*

Japan

- Circulation and advertising revenues both down.

Russia

- Decline in circulation and advertising revenues.
- Slight growth in digital revenues.
- Launch of *Marie-Claire Ukraine* in H2 2008.

China

- Slight drop in circulation and advertising revenues.
- Launch of *Femina* in H1 2008 and *Mister Modern* in H1 2009.

Television

- **Net sales nearly 10% down on H1 2008 on a like-for-like basis.**
- **Lagardère Entertainment H1 net sales lower year-on-year, with growth in single-transmission programs (primarily Maximal) not enough to offset the decline in drama/documentary (mainly GMT) due to the timing of program deliveries.**
- **Slight drop in theme channel revenues.**

Radio: broadcasting & advertising sales houses

- **Radio revenues down more than 15% on a like-for-like basis**
  - Less marked decline in France than for International Radio.
  - International Radio revenues dropped with a sharp fall in advertising revenues in Russia, Poland and Romania.

- **Audiences: latest Médiamétrie figures (April-June 2009, age 13+), versus the comparable period of 2008:**
  - Europe 1: audience share 8.0%, up 0.6%.
  - Virgin Radio: audience share 2.8%, down 0.2%.
  - RFM: audience share 3.2%, down 0.2%.

Digital

- **Digital revenues slightly lower than in H1 2008 on a like-for-like basis.**
- **Total digital revenues €61.4m, or 7.4% of Lagardère Active total net sales (vs. 6.4% for H1 2008), in line with our Active 2009 plan.**
- **59 million unique visitors, versus 50 million at end 2008.**
- **Market-leading position among French sites (Nielsen UV figures)**
  - 15.4 million unique visitors in France, no.2 among media companies in France.
  - 8.4 million unique visitors for the Doctissimo site.
  - 3.9 million unique visitors for the Première Network.

Lagardère Services

Overview

2009 first-half performance

- Net sales: down 3.7% on a reported basis
  down 2.6% on a like-for-like basis
- Recurring EBIT before associates: €27m on a reported basis
- Operating margin: 1.7% for H1 2009, vs. 2.7% for H1 2008

Split by business line

- Retail: 68.4% of consolidated net sales, vs. 66.3% in H1 2008
- Press Distribution: 31.6% of consolidated net sales

- **Revenues at Lagardère Services were hit hard in H1 2009 by:**

  - **The substantial contraction in the single-copy print media sales market** (down 10% in France, 18% in Spain and 9% in Hungary). Magazine publishers responded to the sharp fall in their advertising revenues by launching fewer new titles, breaking the cycle of product refreshment that had been the main growth driver in this market.

  - **A marked decline in air traffic,** with worldwide passenger numbers down 7.6% to end June (IATA).

- **In response to these adverse conditions, a cost-cutting plan estimated at €35m was launched at the end of Q1 2009, nearly half of which had been completed by end June 2009.**

France

Relay France

- **Net sales growth of 0.7%:**
  - Same-stores sales virtually unchanged:
    - sharp falls in print media (5.9%) and phonecards (9.2%), and reduced airport footfall
    - offset by growth in food and tobacco sales, and renovation/modernization of existing network
  - Expansion of the network, with 7 new outlets opened between June 2008 and June 2009 (total now 849 outlets), in particular hospital cafeterias at Lille, Nîmes, Poitiers, etc.
  - Diversification: opening of 4 *Chez Jean* outlets in Paris, a *Cure Gourmande* outlet, and a gift souvenir outlet in Montmartre.

France *(continued)*

Aelia

- **Net sales down 4.4%.**

- **9.5% drop in same-store sales:**
  - Airports down 6.6% due to reduced air traffic in France and the UK.
  - Euronord down 45.5% following the September 2008 Channel Tunnel fire and the decline in Sterling.

- **Further growth in the network of sales outlets:**
  - Opening in 2008 of 8 new fashion boutiques at Terminal 2E (Roissy-Charles de Gaulle) and 6 new stores in Poland (Warsaw, Poznan and Szczecin).
  - Start of trading for the Irish Ferries concession in May 2009.
  - Acquisition in H2 2009 of the duty free operations of EMS at ports in Spain and Croatia.

Europe

Spain

- **Distribution down by more than 10%, in a market that contracted by 18%:** further market share gains in the magazine segment thanks to distribution deals for RBA-Edipresse, Dispana, Progresa and GPS in 2008 and for a large number of international titles in H1 2009.

- **Retail down 5.5%** due largely to a contraction in airport footfall. Very good launch for the 2 *Cure Gourmande* outlets opened in Madrid (January 2009) and Toledo (March 2009) as part of our diversification strategy.

Germany

- **Net sales up 1.9%** thanks to the opening of 7 new outlets since June 2008. Diversification: opening of the first *Happy* outlet at end June 2009 in Stuttgart train station.

Lagardère SERVICES

Europe *(continued)*

Belgium

- **Retail up 1.9%,** despite a drop of nearly 6.0% in print media sales, thanks to expansion of the store network.
- **Distribution down 4.4% on a managed sales basis** due to a decline in print media. Decision to close the Books business, effective this summer.

Switzerland

- **Retail up 1.0%** despite a decline in print media sales, thanks to good performances from newly-opened outlets. Discontinuation of the *Paul* business (5 outlets).
- **Distribution down 3.3% on a managed sales basis**, with non print media sales proving resilient (up 0.4%).
- **Payot bookstores reported a modest rise in sales.** Book distribution revenues fell in H1 2009 due to a weak flow of new titles.

Eastern Europe

Poland

- **Withdrawal from distribution, which began at end 2008, will be completed this summer.**
- **Strong growth of 17.7% in retail**, with store openings continuing at a rapid pace (64 more outlets than in June 2008). Development of diversification with the opening of 11 outlets (*Empik Café* concept, joint venture with Empik s.a.).

Hungary

- **Retail down 5.4%**: Growth for stores operating under the *Relay* and *Inmedio* banners failed to offset the decline in sales from the kiosk network, mainly as a result of the closure of 87 kiosks. Development of the *Costa Coffee* franchise, with the opening of 2 outlets.
- **Distribution down 5.5%** due to a contracting print media market, mainly in magazines. Non print media sales fell by a more modest 2.5% thanks to growth in phonecard sales.

Eastern Europe *(continued)*

Czech Republic

- **Net sales growth of 5.7%** in H1 2009, thanks to rapid expansion in the store network (including the *Paul* and *Costa Coffee* diversification concepts).

Romania

- **Further robust growth in Retail of 39.2%**, driven by the opening of 34 new outlets since June 2008. Diversification: MOA outlets, with 8 outlets at end June 2009.

Lagardère SERVICES

Other Countries

North America

- **Retail activities in Canada and the United States: net sales up 17.9%** thanks to the end-2008 acquisition of two American companies, Delstar (17 outlets) and NGSI (40 outlets). Excluding acquisitions, net sales were down year-on-year.

- **Distribution in the United States:** The market has now stabilized following the bankruptcy of Anderson, one of America's top 4 wholesalers, in February 2009. The contracting print media market, and the disruption caused by the Anderson bankruptcy, dragged revenues down by more than 10% at the Curtis brokerage business.

Asia-Pacific

- **Expansion in Australia, Hong Kong, Singapore, China and Taiwan** (156 outlets at end June 2009, vs. 133 at end June 2008), following successful bids for a number of concessions.

- **Net sales up 4.8% at constant exchange rates,** including the favorable impact of the March 2008 acquisition of Purely Group in Australia.

Lagardère Sports

Overview

2009 first-half performance

• Net sales:	down 7.6% on a like-for-like basis up 31.9% on a reported basis
• Recurring EBIT before associates :	up 12.7% on a reported basis at €33m
• Operating margin:	12.6% for H1 2009, vs. 14.7% for H1 2008

H1 2009 Highlights

Media Rights

- Media activities account for approximately 63% of Lagardère Sports revenues.
- As expected, the timing of non-annual sporting events calendar was less favorable for Sportfive in 2009 than in 2008:
  - ✓ Two major football tournaments in H1 2008 (African Cup of Nations, Euro 2008)
  - ✓ Not offset in H1 2009 by qualifying matches for the 2010 Football World Cup and by the 2009 World Handball Cup.
- Full consolidation of World Sport Group's media activities, mainly in football and cricket.
- Good performance by WSG in a buoyant Asian market.
- Recognition of deterioration in customer risk, especially as regards European broadcasters (e.g. Setanta).

H1 2009 Highlights

Media Rights (continued)

The first half of 2009 saw a number of significant commercial achievements:

- January 2009:
  - ✓ Exclusive agreement to market media rights for La Liga (Spanish football league) in Eastern Europe for the next three seasons (from 2009/2010 to 2011/2012).
- February 2009:
  - ✓ Contract for the distribution of media rights to the 2014 and 2016 Olympic Games in Europe (40 territories)
  - ✓ Sportfive appointed exclusive partner of FIFA for the exploitation of fixed media rights (DVDs, videos, etc).
- April 2009:
  - ✓ Renewal of the exclusive agreement with the Polish Football Federation for a further 10 years (2010-2020).
- May 2009:
  - ✓ Success for WSG with the 2nd Indian Premier League cricket series, despite relocation of the tournament to South Africa, with growth in both advertising revenues and audience figures
  - ✓ IEC was awarded the production contract for Axpo Super League, the Swiss football league.
- June 2009:
  - ✓ IEC represented Manchester United in the sale of TV rights for the club's Asian tour.

H1 2009 Highlights

Sports Marketing

- Marketing activities account for approximately 36% of Lagardère Sports revenues
- Marketing held up well in Europe, despite a tough environment with poor visibility
- Full consolidation of WSG's marketing activities (mainly in football), which are in line with expectations
- Recognition of the deterioration in customer risk, especially in Italy
- Good commercial achievements for the year to date:
  - ✓ March 2009: signature of a 9-year comprehensive marketing agreement with Toulouse Football Club (France)
  - ✓ April 2009:
    - Launch of The Sports Promoters, a new Sportfive subsidiary specializing in the organization of sporting events at stadia and multisport complexes
    - Signature of a 10-year comprehensive marketing agreement with Dynamo Dresden football club (Germany)
  - ✓ June 2009: WSG appointed promoter of the Australian Open Golf championship for the next six years

H1 2009 Highlights

Events

Highlights of the first half of 2009 included:

- The scheduled launch of new events in a challenging economic environment:
  - ✓ the Washington and London triathlons, part of the World Championship Series
  - ✓ the inaugural Swedish Women's Open tennis tournament, at Bastad
- Good resilience from established events (in particular the Skoda Velothon)

Summer 2009 events include the Hamburg Triathlon and the Swedish Open tennis tournaments at Bastad in July, and the Vattenfall Cyclassics bike race and London Triathlon in August.