

Lagardère



2011 First-Half Results

August 31, 2011

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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.

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Key figures

Key figures

- > **Stable net sales of €3,724m (€3,716m at June 30, 2010).**
 - Down 0.1% like-for-like.
- > **Recurring EBIT before associates of Lagardère Media: €168m (€183m at June 30, 2010).**
 - Down 7.9% on a reported basis;
 - Down 6.9% at constant exchange rates.
 - Consolidated recurring EBIT before associates (incl. non-media): €160m (€179m at June 30, 2010).
- > **Net income attributable to the Group: €28m (€80m at June 30, 2010).**
- > **Adjusted net income excluding EADS: €57m (€97m at June 30, 2010).**
- > **Free Cash Flow* of -€159m (-€47m at June 30, 2010).**
- > **Net debt: €1,737m (€2,199m at June 30, 2010).**

*Net cash generated by operating and investing activities (tangible and intangible assets).

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Financial indicators by division



Lagardère
PUBLISHING

Significant events

- > **Acquisition of an additional 40% stake in Éditions Albert René (which own all rights related to Astérix), now 100% controlled by Lagardère Publishing.**
- > **Strong growth in digital books in English-speaking countries:**
 - **continued rise of e-books in the United States and the United Kingdom, where it represented 20% and 8% of "trade" revenue in H1 2011, doubling in a single year;**
 - **E-books represent 5% of total revenue for the Lagardère Publishing division.**

Net sales

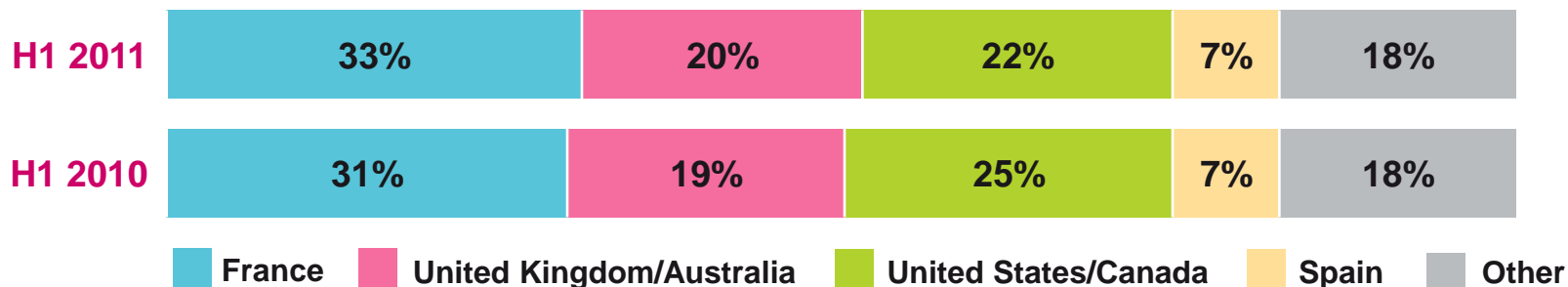
> **H1 2011 net sales: €900m (€975m at June 30, 2010), down 7.7% on a reported basis and down 6.0% on a like-for-like basis.**

- Impact of exchange rates: -1.2%.
- Impact changes in scope of consolidation: -0.5%.

> **Key operating trends:**

- drop in sales, as expected, in the United States, the United Kingdom and in Illustrated Books in France, primarily associated with the decline in the Stephenie Meyer phenomenon;
- excluding Stephenie Meyer, sales are stable in the United States and the United Kingdom, and increased in France;
- good performance of Literature, Education (in France) and Larousse.

> **Net sales by geographical area**



Income statement data

(€m)	H1 2010	H1 2011	Change
Net sales (a)	975	900	-7.7%
Recurring EBIT before associates (b)	101	71	-29.6%
Income from associates	1	-	
Non-recurring/non-operating items	(13)	(1)	
EBIT	89	70	
Operating margin (b)/(a)	10.3%	7.9%	



Lagardère
ACTIVE

Significant events

> Disposal of International Magazine Publishing (PMI):

- deconsolidation on May 31, 2011, of the disposed operations of the International Magazine Publishing in the following 13 countries: the United States, Italy, Spain, Japan, the Netherlands, Hong Kong, Mexico, Taiwan, Canada, Germany, Russia, Ukraine and the Czech Republic;
- these divestments amounted to €471m, including €57m from the deconsolidation of debt carried by the divested assets;
- activities located in the United Kingdom were sold on July 29, 2011;
- the sale of activities in China is expected to close before the end of 2011.

> Downturn in the advertising market:

- advertising revenues excluding PMI were slightly down (down 0.4%) in H1 due to a Q2 market slowdown.

> Erosion of magazine circulation in France (down 1.6%) despite the good performances of *Paris Match* and *Elle*.

Net sales

- > **H1 2011 net sales: €807m (€855m at June 30, 2010).**
- > **H1 2011 net sales excluding PMI: €482m (€504m at June 30, 2010), down 4.6% on a reported basis and down 3.1% on a like-for-like basis.**
 - Impact of exchange rates: +0.1%.
 - Impact changes in scope of consolidation: -1.6%.
- > **Key operating trends excluding PMI:**
 - Magazines: slight decline in France, linked to the decrease in circulation observed in the entire market;
 - Radio: sustained growth in Russia and Poland; decline in activity in France, mainly by Europe 1;
 - TV: punctual drop in activity of Lagardère Entertainment, related to shifts in the delivery schedule of the first half; slight growth among theme channels.

Income statement data

(€m)	H1 2010	H1 2011	Change
Net sales (a)	855	807	-5.6%
Recurring EBIT before associates (b)	36	52	+46.4%
Income from associates before amortization of acquisition-related intangible assets and Impairment losses	1	10	
Non-recurring/non-operating items	32	1	
EBIT	69	63	
Operating margin (b)/(a)	4.2%	6.5%	
Net sales excluding PMI (c)	504	482	-4.6%
Recurring EBIT before associates excluding PMI (d)	18	20	+16.7%
Operating margin (d)/(c)	3.5%	4.3%	

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Lagardère
SERVICES

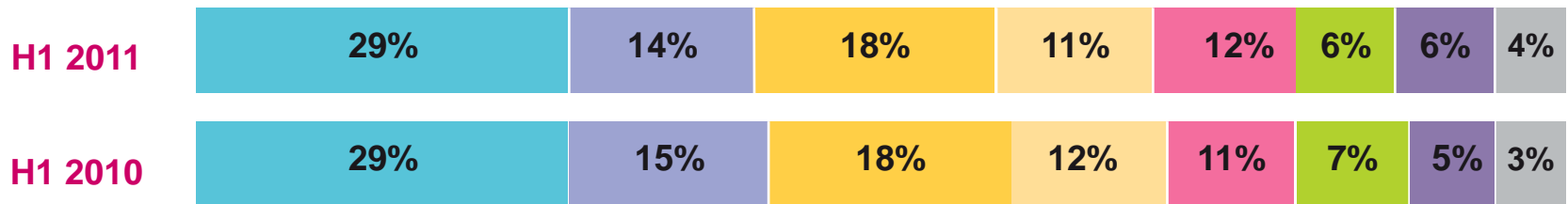
Significant events

- > **Full consolidation:**
 - on January 1, 2011, of Retail activities in Bulgaria and Singapore;
 - on March 1, 2011, of Food services activities in the Czech Republic (Coffeeheaven acquisition);
 - on April 1, 2011, of Travel Retail activities in New Zealand (acquisition of airport outlets).
- > **Acquisition of 49% stake held by minority shareholders in Purely Group's Australian airport retail outlets.**
- > **Increase in passenger traffic worldwide (up 5.8%) and in Europe (up 10.1%).**
- > **Continued decline in Distribution (down 3.4% on a like-for-like basis) and an increase in Retail activities (up 4.4% on a like-for-like basis).**

Net sales

- > **H1 2011 net sales: €1,804m (€1,712m at June 30, 2010), up 5.4% on a reported basis and 2.1% on a like-for-like basis.**
 - Impact of exchange rates: +2.0%.
 - Impact changes in scope of consolidation: +1.3%.
- > **Key operating trends:**
 - for Lagardère Services as a whole, the decline in Distribution activities, linked to the decline in newspaper circulation, was more than offset by increased Retail activities, supported by air traffic growth, despite bad weather in North America and Australia, as well as the events of March in Japan;
 - activity still very strong in France, with Relay and Aelia.

> Net sales by geographical area



■ France ■ Belgium ■ Eastern Europe ■ Spain ■ Switzerland ■ United States/Canada ■ Asia/Australia ■ Other

Income statement data

<i>(€m)</i>	H1 2010	H1 2011	Change
Net sales (a)	1,712	1,804	+5.4%
Recurring EBIT before associates (b)	37	41	+9.2%
Income from associates	4	2	
Non-recurring/non-operating items	(7)	1	
EBIT	34	44	
Operating margin (b)/(a)	2.2%	2.3%	



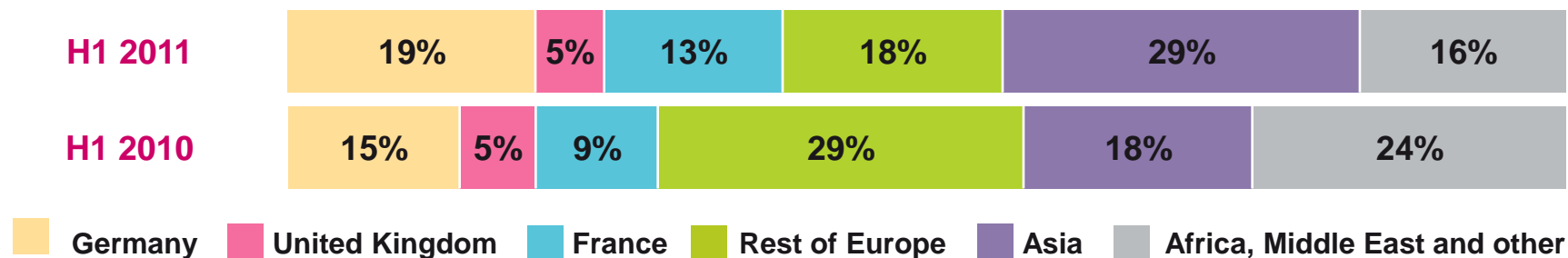
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UNLIMITED®

Significant events

- > Return to growth in sales and new contracts won (Confederation of African Football and China Football Association).
- > Poor income performance related to non-recurring events.
- > Change in management.

Net sales

- > **H1 2011 net sales: €213m (€174m at June 30, 2010), up 22.5% on a reported basis and up 6.3% on a like-for-like basis.**
 - Impact of exchange rates: -0.1%.
 - Impact changes in scope of consolidation: +16.3%.
- > **Key operating trends:**
 - very good half-year for World Sport Group related to the Asian Cup (soccer) in January 2011, performance partially countered by the absence of income from the Indian Premier League (cricket) and the African Cup of Nations not being contested this year which negatively impacted Sportfive sales.
- > **Net sales by geographical area**



Income statement data

(€m)	H1 2010	H1 2011	Change
Net sales (a)	174	213	+22.5%
Gross margin*	125	155	+23.1%
Recurring EBIT before associates** (b)	9	4	
Income from associates	-	1	
Amortization of acquisition-related intangible assets and other acquisition-related expenses	(8)	(21)	
Non-operating items	(3)	(7)	
EBIT	(2)	(23)	
Operating margin (b)/(a)	5.1%	2.0%	

*Net sales less amortization of acquired sports rights.

**Before amortization of acquisition-related intangible assets and other acquisition-related expenses.

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Summary financial information

Lagardère Media income statement data

<i>(€m)</i>	H1 2010	H1 2011
Recurring EBIT before associates	183	168
Contribution from associates before amortization of acquisition-related intangible assets and impairment losses	6	13
Recurring EBIT	189	181
Restructuring costs	(14)	(11)
Net gains/(losses) on disposals	28	10
Impairment losses on goodwill and intangible assets	(1)	-
Amortization of acquisition-related intangible assets and other acquisition-related expenses	(12)	(26)
EBIT	190	154

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EBIT

<i>(€m)</i>	H1 2010	H1 2011
Lagardère Media	190	154
Non-media activities	(48)	(8)
Total excluding EADS	142	146
Equity-accounted contribution from EADS	15	9
Total Lagardère	157	155

Consolidated income statement

(€m)	Lagardère Media	EADS & Non-Media	Total H1 2010	Lagardère Media	EADS & Non-Media	Total H1 2011
Net sales	3,716	-	3,716	3,724	-	3,724
Recurring EBIT before associates	183	(4)	179	168	(8)	160
Income from associates			21			22
Excluding EADS	6	-	6	13	-	13
EADS	-	15	15	-	9	9
Non-recurring/non-operational items	1	(44)	(43)	(27)	-	(27)
EBIT	190	(33)	157	154	1	155
Net interest expense	(22)	(17)	(39)	(22)	(23)	(45)
Net income before tax	168	(50)	118	132	(22)	110
Income tax expense	(59)	37	(22)	(77)	11	(66)
Consolidated net income	109	(13)	96	55	(11)	44
Attributable to equity holders	93	(13)	80	39	(11)	28
Attributable to minority interests	16	-	16	16	-	16

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Adjusted net income (excluding EADS)

<i>(€m)</i>	H1 2010	H1 2011
Net income attributable to equity holders of the parent	80	28
Equity-accounted contribution from EADS	(15)	(9)
Amortization of acquisition-related intangible assets other acquisition-related expenses – net of taxes	9	22
Net income before amortization of acquisition-related intangible assets	74	41
<i>Restructuring costs, net of tax</i>	41	11
<i>Gains/losses on disposals, net of tax</i>	(19)	6
<i>Impairment losses on goodwill and intangible assets, net of taxes</i>	1	(1)
Total non-recurring items	23	16
Adjusted net income excluding EADS:	97	57
<i>Adjusted earnings per share excluding EADS (in €)</i>	0.76	0.45
<i>Adjusted diluted earnings per share excluding EADS (in €)</i>	0.76	0.44

Consolidated statement of cash flows

(€m)	H1 2010	H1 2011
Cash flow from operations before interest, taxes & changes in working capital	244	282
Changes in working capital	(142)	(278)
Cash flow from operations	102	4
Interest paid and received, income taxes paid	(47)	(62)
Cash generated by/(used in) operating activities	55	(58)
Investments	(165)	(201)
<i>Property, plant & equipment and intangible assets</i>	(105)	(121)
<i>Financial assets</i>	(60)	(80)
Asset disposals	23	524
<i>Property, plant & equipment and intangible assets</i>	3	20
<i>Financial assets</i>	20	504
(Increase)/decrease in short-term investments	(7)	-
Cash generated by/(used in) investing activities	(149)	323
Net cash generated by/(used in) operating & investing activities	(94)	265

Change in net debt, H1 2010 vs. H1 2011

<i>(€m)</i>	H1 2010	H1 2011
Net debt at start of period	(1,824)	(1,772)
Net cash generated by/(used in) operating and investing activities	(94)	265
Disposal (acquisition) of treasury shares	2	(2)
Dividends	(192)	(193)
Increase/(decrease) in short-term investments	7	-
Liabilities arising from commitments to buy out minority interests	(1)	7
Fair value remeasurement of financial liabilities	(33)	(78)
Effects of exchange rates, changes in scope of consolidation and other effects	(64)	36
Net debt at end of period	(2,199)	(1,737)

Consolidated balance sheet

<i>(€m)</i>	Dec. 31, 2010	June 30, 2011
Non-current assets (other than investments in associates)	4,333	4,230
Investments in associates	2,054	2,245
<i>EADS</i>	271	456
<i>Other associates</i>	1,783	1,789
Current assets (other than short-term investments and cash)	2,695	2,786
Short-term investments and cash	722	696
Held-for-sale assets	1,097	290
TOTAL ASSETS	10,901	10,247
Stockholders' equity	4,018	3,965
Non-current liabilities (other than debt)	616	634
Non-current debt	1,953	2,043
Current liabilities (other than debt)	3,374	3,134
Current debt	541	390
Debts for sale	399	81
TOTAL LIABILITIES AND EQUITY	10,901	10,247

Stockholders' equity and net debt

<i>(€m)</i>	June 30, 2010	Dec. 31, 2010	June 30, 2011
Stockholders' equity	3,725	4,018	3,965
Net debt	(2,199)	(1,772)	(1,737)
<i>Gearing</i>	59.0%	44.1%	43.8%

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Guidance/Outlook

Guidance/Outlook

- > **The deconsolidation of International Magazine Publishing (PMI) during the year (which will have an estimated negative impact of €35m on 2011 recurring EBIT), in addition to the non-recurring events that impacted the Lagardère Unlimited division first-half results, lower than initial forecasts, have led the Group to adjust the recurring EBIT guidance for Lagardère Media in 2011, which is now expected to decline by about 5% to 7% on a constant exchange rate basis, vs. 2010. Without the PMI deconsolidation and given the revision of expected results for Lagardère Unlimited, recurring EBIT for 2011 would have risen slightly.**
- > **Lagardère group is reiterating its intention to sell its stake in Canal+ France as soon as market conditions allow. The planned introductory public offering of Canal+ France does not appear to be feasible on good terms in light of the current market environment.**

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Appendices

Analysis of non-recurring/non-operating items – H1 2011

<i>(€m)</i>	Lagardère Publishing	Lagardère Active	Lagardère Services	Lagardère Unlimited	Non- media	Total
Restructuring costs	-	(1)	(3)	(7)	-	(11)
Gains/(losses) on disposals	-	2	8	-	-	10
Impairment losses on goodwill and intangible assets	-	-	-	-	-	-
Amortization of acquisition- related intangible assets and other acquisition-related expenses	(1)	-	(4)	(21)	-	(26)
TOTAL	(1)	1	1	(28)	-	(27)

Analysis of non-recurring/non-operating items – H1 2010

(€m)	Lagardère Publishing	Lagardère Active	Lagardère Services	Lagardère Unlimited	Non- media	Total
Restructuring costs	-	(8)	(3)	(3)	(30)	(44)
Gains/(losses) on disposals	(12)	40	-	-	(14)	14
Impairment losses on goodwill and intangible assets	-	-	(1)	-	-	(1)
Amortization of acquisition- related intangible assets and other acquisition-related expenses	(1)	-	(3)	(8)	-	(12)
TOTAL	(13)	32	(7)	(11)	(44)	(43)

Contribution from associates by division

<i>(€m)</i>	H1 2010	H1 2011
Lagardère Publishing	1	-
Lagardère Active	1	10
Lagardère Services	4	2
Lagardère Unlimited	-	1
Total Lagardère Media	6	13
Non-media	15	9
TOTAL	21	22

Principal associates

	2010		2011	
	Balance sheet Dec. 31, 2010	Income statement June 30, 2010	Balance sheet Dec. 31, 2011	Income statement June 30, 2011
(€m)				
EADS	271	15	456	9
Canal+ France	1,507	-	1,507	-
Marie Claire	127	1	126	3
Other associates	149	5	156	10
Total	2,054	21	2,245	22

Cash flow statement data – Lagardère Publishing

(€m)	H1 2010	H1 2011
Cash flow from operations before interest, taxes & changes in working capital	107	78
Changes in working capital	(114)	(137)
Cash flow from operations	(7)	(59)
Interest paid & received, income taxes paid	(50)	(28)
Cash generated by/(used in) operating activities	(57)	(87)
Investments	(14)	(35)
<i>Property, plant & equipment and intangible assets</i>	(9)	(14)
<i>Financial assets</i>	(5)	(21)
Asset disposals	5	6
<i>Property, plant & equipment and intangible assets</i>	-	-
<i>Financial assets</i>	5	6
(Increase)/decrease in short-term investments	-	-
Cash generated by/(used in) investing activities	(9)	(29)
Net cash generated by/(used in) operating and investing activities	(66)	(116)

Cash flow statement data – Lagardère Active

<i>(€m)</i>	H1 2010	H1 2011
Cash flow from operations before interest, taxes & changes in working capital	40	72
Changes in working capital	5	(43)
Cash flow from operations	45	29
Interest paid & received, income taxes paid	(31)	(43)
Cash generated by/(used in) operating activities	14	(14)
Investments	(21)	(16)
<i>Property, plant & equipment and intangible assets</i>	(8)	(7)
<i>Financial assets</i>	(13)	(9)
Asset disposals	6	494
<i>Property, plant & equipment and intangible assets</i>	-	1
<i>Financial assets</i>	6	493
(Increase)/decrease in short-term investments	-	-
Cash generated by/(used in) investing activities	(15)	478
Net cash generated by/(used in) operating and investing activities	(1)	464

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Cash flow statement data – Lagardère Services

(€m)

	H1 2010	H1 2011
Cash flow from operations before interest, taxes & changes in working capital	53	63
Changes in working capital	(15)	(24)
Cash flow from operations	38	39
Interest paid & received, income taxes paid	(8)	(7)
Cash generated by/(used in) operating activities	30	32
Investments	(35)	(48)
<i>Property, plant & equipment and intangible assets</i>	(33)	(37)
<i>Financial assets</i>	(2)	(11)
Asset disposals	5	13
<i>Property, plant & equipment and intangible assets</i>	1	13
<i>Financial assets</i>	4	-
(Increase)/decrease in short-term investments	(7)	-
Cash generated by/(used in) investing activities	(37)	(35)
Net cash generated by/(used in) operating and investing activities	(7)	(3)

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SERVICES

Cash flow statement data – Lagardère Unlimited

(€m)	H1 2010	H1 2011
Cash flow from operations before interest, taxes & changes in working capital	55	68
Changes in working capital	(18)	(67)
Cash flow from operations	37	1
Interest paid & received, income taxes paid	(7)	(14)
Cash generated by/(used in) operating activities	30	(13)
Investments	(85)	(88)
<i>Property, plant & equipment and intangible assets</i>	(47)	(50)
<i>Financial assets</i>	(38)	(38)
Asset disposals	4	11
<i>Property, plant & equipment and intangible assets</i>	2	6
<i>Financial assets</i>	2	5
Cash generated by/(used in) investing activities	(81)	(77)
Net cash generated by/(used in) operating and investing activities	(51)	(90)

Debt by maturity

(€m) as of June 30, 2011	< 1 year	1 to 5 years	> 5 years	Total
Bond issues	-	1,341	-	1,341
Bank borrowings	155	667	-	822
Finance lease obligations	1	1	-	2
Liabilities arising from commitments to buy out minority interests	-	21	1	22
Other debt	234	3	9	246
TOTAL	390	2,033	10	2,433

➡ Short-term investments and cash: €696m

Off balance sheet commitments

(€m)	Dec. 31, 2010	June 30, 2011
Commitments to purchase shares from third parties (other than minority interests)	14	28
Commitments given in connection with ordinary activities:		
- contract guarantees and performance bonds	70	69
- guarantees in favor of third parties or non-consolidated companies*	77	78
- other commitments given	13	7
Mortgages and pledges	-	-

*Counter-guarantees relating to guarantees given by Lagardère: €28m at June 30, 2011 and €32m at December 31, 2010.

Lagardère



Significant events

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Lagardère
PUBLISHING

France

- > **After a sluggish start to the year, a positive trend in May was confirmed in June:**
 - net sales down 0.2% on a like-for-like basis versus H1 2010;
 - good performance of General Literature, Larousse and Education;
 - Hachette Illustrated suffers from the comparison (release of *The Short Second Life of Bree Tanner* by Stephenie Meyer, in June 2010).

International

- > **Net sales for the United States down 18% in a market characterized by:**
 - a sharp drop in sales for the Twilight series. **If the "Stephanie Meyer effect" is removed, sales are stable;**
 - placement of Borders chain (642 stores) under Chapter 11 bankruptcy protection.

- > **United Kingdom/Commonwealth: down 8%, with an improvement in June. If "Stephanie Meyer effect" is removed, sales are stable in the United Kingdom.**
 - REDgroup bankruptcy in Australia and New Zealand.
 - HMV – Waterstone difficulties in the United Kingdom.

- > **Spain and Latin America: business in line with 2010.**

Partworks

- > **Stability, on a like-for-like basis, of global sales vs 2010:**
 - excellent performance in Japan (despite the tsunami) and continued growth in Russia;
 - resilience in France and Italy;
 - Spain, Portugal and the United Kingdom down.

Digital

- > **Continued growth of digital technology in the United States and the United Kingdom, where it accounted for 20% and 8% (respectively) of "trade" net sales at the end of June 2011, i.e. 5% of total sales of the Lagardère Publishing division.**
- > **The agency contract (price set by the publisher) has been expanded to all countries and all partners.**



Lagardère
ACTIVE

Magazines - France

> Circulation

- Despite structural decline in newsstand sales, Lagardère Active held up well, with circulation sales down only 1.6% compared to H1 2010.
 - **Paris Match**: more than one million copies of the two publications on the two royal weddings were circulated. Single-copy sales were up 8% vs. 2010.
 - **Elle**: in a very competitive world of women's magazines, *Elle* maintained its level of circulation.

> Advertising

- Advertising revenue was stable compared to 2010 in the first half.
- Lagardère Active maintained its leading positions or posted gains in market share in its main segments:
 - **Elle** confirmed its leading position (10-point ahead of its nearest rival in terms of market share) and stabilized both volume and value;
 - **Be**, launched in March 2010, delivered a very strong advertising performance;
 - **Version Femina** recorded a 4-point increase in its market share, through the implementation of a new commercial policy;
 - **Paris Match** delivered a good first half with 5% increase in page count.

> *Le Journal du Dimanche*

- **Le Journal du Dimanche** has undergone significant change in 2011, with the withdrawal of the Saturday edition and the launch of a new formula, enabling significant savings. Circulation remains stable.

Television

- > **Net TV sales up 2% on a constant perimeter basis (excluding Virgin 17):**
 - particularly strong growth in advertising revenues for Gulli (associate);
 - diversification sales revenue continues to drive sales growth in the TV division.
- > **Gulli had the 5th highest rating among DTT viewers aged 4 and over and the highest rating nationally among viewers aged 4-10 years, ahead of TF1.**

TV production and distribution

- > **Revenues in line with forecasts and should reach double-digit growth for full-year 2011.**
- > **Lagardère Entertainment confirmed its growth in international series production business with an autumn delivery scheduled for *Borgia* on Canal+ and six episodes of *Transporter* by the end of the year.**

Radio

> France

- Europe 1 had a schedule change mid-season which dragged down audience figures.
- Half-year audiences (January-June 2011) represented a market share of 9% (cumulative audience), vs. 9.4% in H1 2010.
- Diversification sales revenue (sale of records, merchandising, etc.) is stable in 2011 after having risen sharply in 2010.

> International

- In a context of exiting a crisis, Radio achieved solid international performance with growth in sales, due notably to Russia (up 34%) and Poland (up 6%).

Digital

> Solid performance of websites:

- Public.fr site, relaunched in February, saw its audience sky-rocket (1.3 million unique visitors - Source: Nielsen);
- The site Premiere.fr confirmed its attractiveness.



Lagardère
SERVICES

Context

- > **The business climate for Lagardère Services in H1 2011 was marked by:**
 - disruptions due to bad weather in North America and Australia, the events in Arab countries and Côte d'Ivoire, the nuclear accident in Japan, and natural disasters affecting New Zealand and southern Australia;
 - despite those events, air traffic* continued to grow worldwide: up 5.8% at end of May 2011, including:
 - up 10.1% in Europe;
 - up 2.8% in North America and up 5% in Asia/Pacific.
 - continued decline in single-copy print media sales at a pace faster than that prior to the crisis.

*Source: ACI.

> In this context, growth is supported through:

- the extension and strengthening of partnership with Aéroports de Paris (ADP):
 - extension of contract with ADP until 2019 (in which Lagardère Services in partnership with ADP is the exclusive marketer of alcohol, tobacco, perfumes, cosmetics and gastronomy at the Paris Charles-de-Gaulle and Paris-Orly airports);
 - creation of a new joint venture operating News, Convenience and Souvenir outlets;
 - the purchase is underway of Nuance's 50% stake in a joint venture operating fashion outlets in Paris airports.
- acquisitions:
 - acquisition of REDgroup's Travel Retail activities in New Zealand (including 11 outlets in four major airports);
 - acquisitions of two chains of retail outlets in the Czech Republic (13 Coffeeheaven outlets and 22 newsstands in the Prague metro);
 - acquisition of Euro-Excellence in North America;
 - purchase of 49% Purely Group minority interest in Australia.

> In this context, growth is supported through:

- continued deployment of new concepts:
 - La Cure Gourmande, Nature & Découvertes, Costa, Paul, Trib's, Hubiz, etc.
- numerous calls for tender won:
 - in Duty free and Specialty:
 - London City Airport, Nouméa, Singapore (confectionery and fashion);
 - renewal of Lyon (in a joint venture with the airport) and Grenoble outlets.
 - in News and Gifts:
 - Edmonton, Dallas, Shenzhen Metro, Beijing-Shanghai High-Speed Railway.
 - in Food services:
 - Montpellier airport, Rhin-Rhône High-Speed Railway.



Lagardère
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Organization

- > **New management and reorganization of the Lagardère Unlimited division:**
 - **Alain Lemarchand, Seamus O'Brien and Kevin O'Connor have been appointed Chief Operating Officers** of Lagardère Unlimited, respectively for the Europe/Africa region, the Asia-Pacific/Middle-East region and the United States/South America region.
- > **Creation of a new unit within the Lagardère Unlimited division in early April 2011: Lagardère Unlimited Live Entertainment.**
 - This unit brings together the Group's activities relating to production of live performances and events (Cinderella, Dracula, etc.), venue management (stake in the Zenith concert hall in Paris) and artist representation.

Media Rights (1/2)

- > **Media activity sales represent around 51% of sales for Lagardère Unlimited.**
- > **Acquisitions**
 - Contract signed with the **Confederation of African Football** for the Africa Cup of Nations qualifiers in 2012, 2013 and 2015.
 - Also, notably, the following contracts were extended/gained:
 - **Football: Chelsea Asian Tour and Real Madrid Asia Tour**, distribution of international media rights for the two competitions in 2011;
 - **Tennis:** contract extension for the Gerry Weber Open until 2014 and rights for WTA Guangzhou obtained until 2013;
 - **Rugby: HSBC Asian 5 Nations tournament**, extension of contract for the distribution of media rights;
 - **Beach Volleyball: CEV European Championship**, distribution of media rights for this competition;

Media Rights (2/2)

> Distribution/sales

- The marketing of media rights following major events has begun:
 - **IAAF World Athletics Championships:** sale of rights for 2011 and 2013 Championships in major markets (France, Italy, Germany, Turkey);
 - **2014 and 2016 Olympic games:** beginning of marketing of rights, with sales signed in Norway, Sweden and Austria;
 - **UEFA Euro 2012™:** sale of rights for Euro 2012 in 49 territories in Asia and Oceania;
 - **Asian football:** through a partnership with One World Sports, the rights for the AFC Champions League, the J. League and the CFA Super League were sold in the United States.
- Note the non-recognition by World Sport Group (WSG) of revenues and results related to the 2011 edition of the Indian Premier League (cricket, international rights for the IPL), following the dispute between WSG and the Board of Control for Cricket in India (BCCI). All of the revenue is held under Indian law in an escrow account pending the resolution of this dispute.

Sports Marketing

- > **Marketing sales represent around 39% of sales for Lagardère Unlimited.**
- > **Consolidation of the Sportfive's leadership position in European football:**
 - expanding the **portfolio of clubs** under exclusive marketing contracts: long-term partnerships signed with Karlsruher SC (Bundesliga 2) and Eintracht Braunschweig (Bundesliga 3);
 - **Chelsea:** Sportfive was entrusted with the marketing of players' image rights;
 - **UEFA Euro 2012™ hospitality:** Sportfive obtained marketing exclusivity for the corporate hospitality program for Euro 2012 in Germany and France.
- > **Moreover, Lagardère Unlimited continued its gradual diversification into emerging markets:**
 - **China Football Association (CFA):** appointment of World Sport Group as exclusive marketing agency of the CFA in May 2011 for a period of three years.

Talents

- **Development of Lagardère Unlimited talents portfolio:**
 - **Rugby:** Thierry Dusautoir, Alexis Palisson, Lionel Nallet, Alexandre Lapandry;
 - **Motorsports:** Charles Pic (21 years of age, GP2), Barwa Addax (GP2);
 - **Tennis:** Caroline Wozniacki (No.1 worldwide), the Radwanska sisters (14th and 138th), Christian Lindell (299th), Donna Vekic (No.1 junior).

Events

- **Increased number of participants in the Skoda Velothon Berlin (13,000 cyclists) and in the London Triathlon (sold-out event with record 4,500 entries at the close of registrations), two events organized by Upsolut.**
- **The OneAsia Tour (golf), with which World Sport Group is the marketing partner and sponsor of five events, now includes 12 events and has seen its prize money increase by obtaining new partners and distributors.**
- **Launch of a new WTA tennis tournament in July 2011, the Citi Open in Washington, organized by Lagardère Unlimited USA.**