

**Fourth-quarter revenues sustain and build on third-quarter improvement, with an increase of 3.6% as reported and 0.1% like-for-like<sup>(1)</sup>**

**Full-year revenues came to €7,966m up 0.9% as reported and down 1.8% like-for-like**

-- Paris, February 10, 2011 --

Consolidated revenues totaled €7,966m in 2010, up a slight 0.9% as reported and down 1.8% like-for-like.

Fourth-quarter revenues grew much faster than in the first nine months, rising 3.6% as reported (stable at September 30) and 0.1% like-for-like (down 2.5% at September 30). The increase was led by Lagardère Active, which benefited from a noticeable upturn in the advertising market, as well as by an improved performance from all of the other divisions during the period.

The difference between reported and like-for-like data primarily reflects the favorable currency effect from the appreciation of the United States, Australian and Canadian dollars, British pound, Swiss franc and other currencies against the euro, which added €225m over the full year. Conversely, a negative currency effect hampered performance in 2009. Changes in the scope of consolidation did not have a material impact in 2010.

Key trends in the fourth quarter of 2010 were as follows, on a like-for-like basis:

- **Lagardère Publishing** – The revenue decline eased during the quarter, with prior-year comparatives remaining particularly high due to the 2009 success of Stephenie Meyer's *Twilight* series. Performance in France was good, notably in the Education segment, which made up for postponed demand in the third quarter. New best-sellers helped to improve the trend line in the United States and the United Kingdom compared with the first nine months.
- **Lagardère Active** – The third-quarter upturn in advertising demand continued, driving robust revenue growth in the fourth quarter, with better-than-expected gains both in France and abroad. Lagardère Entertainment (TV programs) also enjoyed strong growth.
- **Lagardère Services** – The division recorded solid growth at year-end, primarily in the Retail business (71% of total revenues) in France and in airports. The revenue downtrend in Press Distribution slowed compared with the third quarter.
- **Lagardère Unlimited** – Business picked up in the fourth quarter thanks to the UEFA Euro 2012™ qualifying matches. However, this did not offset the very negative full-year impact of a paltry sports event calendar and the non-renewal of certain large contracts.

<sup>(1)</sup> At constant scope of consolidation and exchange rates.

## Analysis of 2010 Revenues

in € millions	March 31, 2010	June 30, 2010	Sept. 30, 2010	Dec. 31, 2010	Dec. 31, 2009	Change 2010/2009 (reported)	Change 2010/2009 (like-for-like)
<b>LAGARDÈRE</b>	<b>1,751</b>	<b>3,716</b>	<b>5,820</b>	<b>7,966</b>	<b>7,892</b>	<b>0.9%</b>	<b>(1.8%)</b>
Lagardère Publishing	433	975	1,609	2,165	2,273	(4.8%)	(6.3%)
Lagardère Active	407	855	1,289	1,826	1,725	5.9%	3.3%
Lagardère Services	824	1,712	2,656	3,579	3,387	5.7%	1.7%
Lagardère Unlimited	87	174	266	396	507	(21.9%)	(23.2%)

## Analysis of 4<sup>th</sup> Quarter Revenues

in € millions	Q4 2010	Q4 2009	Change Q4 2010/Q4 2009 (reported)	Change Q4 2010/Q4 2009 (like-for-like)
<b>LAGARDÈRE</b>	<b>2,146</b>	<b>2,072</b>	<b>3.6%</b>	<b>0.1%</b>
Lagardère Publishing	556	580	(4.1%)	(4.7%)
Lagardère Active	536	499	7.6%	5.8%
Lagardère Services	922	870	6.0%	2.0%
Lagardère Unlimited	131	124	5.4%	(14.0%)

## I – Revenues

### **Lagardère Publishing**

Revenues amounted to €2,165m in 2010, down 4.8% as reported and 6.3% like-for-like. The decline was expected after an exceptional 2009 shaped by three best sellers: Stephenie Meyer's *Twilight* series (*Twilight*, *New Moon*, *Eclipse* and *Breaking Dawn*), which sold around 11 million copies in 2010 versus 45 million in 2009; and in France the latest Asterix comic book and Dan Brown's *The Lost Symbol* (published by the JC Lattès imprint), which sold 1.1 million copies in fourth-quarter 2009.

The revenue figures were slightly higher than in 2008, the first year of the *Twilight* series' success, demonstrating the very firm resilience of Lagardère Publishing's sales base.

2010 revenues were lifted by a €61m positive currency effect stemming from the strong rise of the British pound and US dollar against the euro.

Business gained faster momentum at the end of the year than in the first nine months, with fourth-quarter revenues down 4.1% as reported, to €556m, and 4.7% like-for-like despite a particularly unfavorable basis of comparison.

Fourth-quarter trends by region were as follows:

- **France**

Revenues in France declined by more than 7% in the fourth quarter, primarily as a result of an unfavorable comparison with fourth-quarter 2009, when sales were lifted by the popularity of the Dan Brown novel.

- **General literature:** Several prestigious French literary awards were won during the year. The Renaudot Prize went to Virginie Despentes for *Apocalypse bébé* from the Grasset imprint, the Femina Foreign Literature Prize went to Sofi Oksanen for *Purge* from the Stock imprint and the French Academy's Novel Grand Prize went to Eric Faye for *Nagasaki*, also from Stock. However, fourth-quarter revenue was down on the year-earlier period, which benefited from the popularity of the Dan Brown novel.
  - **Education:** High school textbook deliveries, which had been postponed from the third quarter to the fourth, drove a strong upturn in sales.
  - **Illustrated books:** The quarter saw a very good performance (excluding the impact of Stephenie Meyer sales) from all of the Group's imprints, notably Hachette Jeunesse, Larousse and Marabout.
- **International**
    - In the **United States**, the 14% decline in fourth-quarter revenues reflected the huge success of the Stephenie Meyer series in the prior-year period, which was partially offset by good sales during the year for Jon Stewart's *Earth: The Book*, Chelsea Handler's *Chelsea Bang Bang* and Keith Richards' *Life*.
    - Sales in the **United Kingdom and Commonwealth** countries picked up in the fourth quarter, limiting the decline over the period to 7%, thanks to bestsellers from authors like Martina Cole, Maeve Binchy and David Nicholls in fiction and from Keith Richards and others in non-fiction.
    - The Education market in **Spain** had a difficult year due to austerity measures. Sales in Mexico and Argentina, on the other hand, rose by nearly 10%.
  - Partworks saw a slight improvement in 2010, in particular with very strong sales in Russia.
  - Lastly, e-books accounted for 8% of revenues in the United States, versus 3% in 2009. They continued to make initial headway in the United Kingdom, with 1% of 2010 sales, but remained marginal in France.

## Lagardère Active

Revenues rose 5.9% to €1,826m as reported in 2010, or by 3.3% like-for-like.

Exchange rate fluctuations, primarily for the US dollar, the ruble and the yen, had a positive €43m impact.

Advertising revenue increased by a robust 6.6% on a like-for-like and same-titles basis.

Digital activities rose by 6.7% and accounted for 7.5% of the division's full-year revenues.

Revenue growth gained further momentum in the fourth quarter, rising 7.6% as reported and 5.8% like-for-like to €537m, reflecting the sharp upturn in the advertising market and a good quarter for Lagardère Entertainment.

- **Press**

Sales by the Magazine business, which account for three-quarters of the division's revenues, increased by 5.2% to €1,337m in 2010, or by 2.3% like-for-like.

In the fourth quarter, advertising revenues confirmed the gradual upturn in demand observed throughout the year both in France and abroad. Over the full year, operations in China and Russia enjoyed double-digit gains, with the other countries reporting overall growth on a same-titles basis.

Circulation revenues declined by 2.3% on a same-title basis over the full year, with a more favorable trend outside France.

The International Magazine business, which is in the process of being sold, contributed €742m to 2010 consolidated revenues, up 9% from the €680m contributed in 2009.

- **Broadcast**

Full-year broadcast revenues totaled €489m, up 7.7% as reported and 6.0% like-for-like.

Advertising revenues for the French Radio business rose 3.7% in 2010, with double-digit growth at Europe 1 offset by negative trends at the music stations, albeit less so in the fourth quarter. The International Radio business turned in a solid performance for the year, with advertising revenues increasing by more than 20% in the fourth quarter, thanks in particular to operations in Russia.

Lagardère Entertainment revenues surged 17.4% in the fourth quarter due to the delivery of a large number of programs during the period.

## Lagardère Services

In 2010, revenues from Lagardère Services rose 5.7% to €3,579m as reported and 1.7% like-for-like, with a good fourth quarter, at €923m (up 6.1% as reported and 2.0% like-for-like). Fourth-quarter performance represented an improvement on the first nine months, thanks in particular to a good month of December.

Reported revenues were lifted by the €110m positive currency effect, stemming from the euro's depreciation against the Swiss franc, Australian dollar and Canadian dollar. The acquisition of Aelia in Spain and the Czech Republic contributed €23m to revenues for the year.

Retail accounted for 70.6% of revenues for the year, compared with 68.3% in 2009. Over the full year, these operations grew by 4.2% on a like-for-like basis, while Press Distribution revenues declined by 3.8%.

According to the latest published figures, air traffic had risen by 6% worldwide as of the end of October, of which 4% in Europe, 2% in North America and 12% in the Asia-Pacific region.

The main trends in the fourth quarter were as follows:

- **The Retail business in France** continued to enjoy tangible growth, gaining 9% over the period. Aelia reported a very sharp 17.4% increase in revenues, led by rising passenger traffic and higher average spend per passenger. Despite the persistently challenging print media market, Relay France managed to increase revenues by 4.5% during the period, reflecting both new outlet openings, particularly in hospitals, and a sustained 2.7% increase on a same-store basis.
- **Outside France, performance in the Retail business** again showed disparities between regions. The pace of growth was satisfactory in Western Europe (Switzerland, Belgium, Germany, Spain) and Central Europe (Czech Republic, Romania and Poland). Performance in the Asia-Pacific region was more modest, however, as the December opening of a new outlet in Singapore has not yet offset the decline in average spend per passenger (due primarily to the rise in the Australian dollar) and the loss of concessions. Revenues in North America were stable for the period.
- **The Press Distribution business** continued to decline, in line with a market shaped by a steady erosion in newsstand sales.

## Lagardère Unlimited

Lagardère Unlimited reported revenues of €396m in 2010, down 21.9% as reported and 23.2% like-for-like. The decline from 2009 was expected, due to:

- **The expected calendar effect**, reflecting the fewer number of European and World Cup qualifying matches (only very partially offset by the FIFA Football World Cup South Africa) and the fact that 2010 was an off-year for the World Handball Championship finals.
- **The loss of the contracts** with the French Football Federation, the International Handball Federation and the Europa League.
- **The impact of the economic and financial crisis** that weakened certain customers, diminished the success of certain events and hindered the development of new projects.

Fourth-quarter revenues stood at €131m, up 5.4% as reported and down 14% like-for-like. Performance for the period reflected the consolidation of Best, a US-based company that represents athletes and celebrities.

The fourth-quarter decline in like-for-like business was caused by the lack of certain sports events this year and the termination of certain contracts that had contributed to fourth-quarter 2009 revenues. These factors were not offset by the growth in WSG's business (the One Asia golf tournament, the Commonwealth Games, etc.)

## II – Outlook

As announced last January 25, the revenue growth at the end of 2010 has enabled the Lagardère Group to raise its guidance for Media recurring EBIT before associates, which is now expected to have ended 2010 unchanged to down 5% on the prior year, at constant exchange rates, primarily due to the faster-than-expected year-end upturn in advertising demand at Lagardère Active.

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### Investor calendar

Consolidated results for the year will be released on March 9 at 5:40 pm CET, at a meeting to be held at the same time in Levallois-Perret.

The Annual Shareholders' Meeting will be held at 10:00 am (CET) on May 10, 2011.

*Lagardère is a pure media group (books, press, broadcast, digital, travel retail and press distribution, sport industry and entertainment), and is among the world leaders in the sector.  
Lagardère shares are listed on Euronext Paris (Compartment A).*

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