

# > 2010 Full-Year Results

March 9, 2011



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> 2010

**Gradual return to growth starting in H2  
in a brighter economic climate**



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## > 2010: a pivotal year

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- > In 2009, the Group withstood the crisis by adapting and reducing costs in its most cyclical businesses, while maintaining its market positions...
- > ...which allowed it to take advantage of the recovery in the economic backdrop and in advertising by leveraging its strengths (brands, audience, presence in emerging markets, etc.).
- > Restructuring the business portfolio, which has been maturing for the past few years, picked up due to several factors:
  - contractual timetable enabling the disposal of Canal + France's equity stake in an IPO (shareholder agreement with Vivendi);
  - improved asset valuation environment (end of crisis and recovery of capital markets);
  - opportunistic strategy, offer at attractive price for its international magazine publishing business was accepted.



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- > **A soft landing was experienced in 2010 after an exceptional 2009 (Stephenie Meyer's Twilight saga).**
  - 2008: 35 million copies sold worldwide
  - 2009: 45 million copies sold worldwide
  - 2010: 11 million copies sold worldwide
  
- > **Leadership positions affirmed on main markets.**
  
- > **Digital books:**
  - e-book sales rocketed in the US (8% of sales);
  - agreement with Apple (iPad) under an agency contract;
  - memorandum of understanding with Google to digitise out-of-print French works that impose copyright protection.



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- > **In France and abroad, the advertising market recovered.**
- > **Launch of Be:** website in January 2010 followed by the magazine in March 2010.
- > **Europe 1:** strong year, both in terms of audience and advertising revenue.
- > **Elle:** leadership strengthened. Magazine's earnings were excellent for circulation and advertising, and very solid performance of the Elle.fr website.
- > **Digital:**
  - record 16.6 million unique visitors in December 2010 (all sites combined);
  - Lagardère is #2 for web media and the #1 media group for mobile internet;
  - the Brand Content business was launched, in collaboration with Lagardère Unlimited, including the creation of the Rugbynews website;
  - Doctissimo was rolled out internationally with the launch of 3 new websites in English, Spanish and Italian;
  - the Elle iPhone application was rolled out in 7 countries in November 2010.



## > Development continues:

- **acquisitions:** CSA's (a Czech airline) duty free business and duty free in Spanish ports;
- **development of new banners:** La Cure Gourmande, Nature & Découvertes, Chez Jean, Costa, Paul, Trib's, hubiz, etc.
- **calls for tender won** (notably in Duty Free and Specialty): Berlin, Malaga, Singapore, Nouméa (New Caledonia).

> **Retail:** solid performance driven by the pick-up in air traffic at the end of the year, international development and commercial efficiency.

> **Distribution:** improved profitability thanks to the cost cutting plans implemented in 2009 and 2010.



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- > **Acquisition of the American company Best, specialised in representing athletes and celebrities.**
  
- > **2010 was marked by:**
  - expected calendar effects: fewer qualification matches for European and Football World Cup tournaments (only partially offset by the World Cup in South Africa) and no final round of the Handball World Championships;
  - the non-renewal of certain contracts (Fédération Française de Football, International Handball Federation, Europa League);
  - the lagging effect of the economic and financial crises.
  
- > **Strong performance of World Sport Group activity:**
  - Circuit OneAsia (golf);
  - Commonwealth Games.



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## > 2011 outlook



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## > The advantages of diversity

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- > **The Lagardère group's current structure features a balanced and diversified portfolio:**
  - **Branches with steady growth, benefiting from their strong positioning and leadership on solid markets with good fundamentals:**
    - Lagardère Publishing;
    - Retail.
  - **Businesses with complementary profiles:**
    - Press Distribution: mature activity, down slightly but significant cash flow generation;
    - Sports: cyclical business and events held irregularly, but benefiting from positive underlying trends;
    - Magazine publishing in France: leadership affirmed on a cyclical market.
  - **Markets with various patterns:**
    - BtoC with Lagardère Publishing and Lagardère Services;
    - BtoB with Lagardère Active and Lagardère Unlimited.



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## > Branches' strategic opportunities/growth drivers

### Lagardère Publishing

- Digital
- Growth of publishing business
- Growth in emerging markets

### Lagardère Active

- Advertising market's recovery continues
- Digital

### Lagardère Services

- Global air traffic growth
- Business diversification continues (product mix, new sites)
- Growth in emerging markets

### Lagardère Unlimited

- Diversification into new sports and new regions
- New contracts won
- New activities with greater recurring activity developed



## > 2011 outlook and guidance

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- > **Based on the company's structure of January 1, 2011, including the assets of International Magazines planned for disposals, the Lagardère Media recurring EBIT before associates is expected to increase by around 10% in 2011, at constant exchange rates.**



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