

> 2010 Full-Year Results

March 9, 2011



Lagardère

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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.

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> Key figures



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> Valuation of 20% of Canal+ France

▶ 2010 Full-Year Results

- > Due to the planned Canal+ France IPO, the figures published today are provisional (notably the net income attributable to the Group). They include the valuation of the 20% stake in Canal + France as reflected in its book value reported on the balance sheet at the end of 2009, that is, €1,507m.
- > Lagardère SCA may, if necessary, recognise a different value, which will notably be assessed based on the price ranges, which are expected before the end of March 2011.

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Lagardère

> Key figures

▶ 2010 Full-Year Results

- > **Net sales stable at €7,966m (€7,892m in 2009).**
 - Down 1.8% on a like-for-like basis.

- > **Lagardère Media recurring EBIT before associates: €468m (€463m in 2009).**
 - Up 1.0% on a reported basis
 - Down 2.3% at constant exchange rates
 - Consolidated recurring EBIT before associates (incl. non-media) of €462m (€461m in 2009).

- > **Net income attributable to the Group*:**
 - €163m (€137m in 2009);
 - Basic earnings per share*: €1.29 (€1.08 in 2009);
 - Diluted earnings per share*: €1.27 (€1.07 in 2009).

- > **Adjusted net income excluding EADS: €284m (€262m in 2009), up 8.4%.**

- > **Stable Free Cash Flow** of €313m (€324m in 2009).**

**Provisional result.*

***Net cash generated by operating and investing activities, excluding financial assets and short-term investments.*

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> Financial indicators by division



Lagardère

> Lagardère Publishing



Lagardère
PUBLISHING

> Changes in scope of consolidation

▶ 2010 Full-Year Results

- > Disposal of the 51% stake held in Lagardère's Brazilian publishing subsidiary Escala Educacional and deconsolidation on April 30, 2010. Net sales of €5m in 2010 and €26m in 2009.

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Lagardère
PUBLISHING

> Net sales

▶ 2010 Full-Year Results

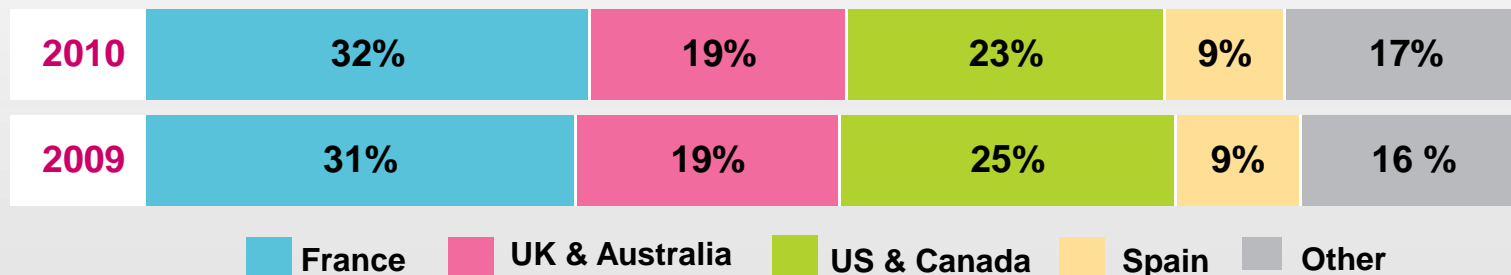
> **FY 2010 net sales: €2,165m (€2,273m in 2009), down 4.8% on a reported basis and down 6.3% on a like-for-like basis:**

- impact of exchange rates: +2.5%;
- impact of changes in scope of consolidation: -1.0%.

> **Key operating trends:**

- Expected changes in view of the exceptional level in 2009 :
 - decline in the US, UK and in Illustrated Books in France, related to the Stephenie Meyer phenomenon;
 - decline in Literature in France following the success of Dan Brown, despite receiving a number of literature prizes;
 - growth in the field of Education (in France), Larousse and Illustrated Books, excluding Stephenie Meyer and Astérix.
- Sound performance in the fourth quarter

> **Net sales by geographical area**



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Lagardère
PUBLISHING

> Income statement data

▶ 2010 Full-Year Results

(€m)	2009	2010	Change
Net sales (a)	2,273	2,165	-4.8%
Recurring EBIT before associates * (b)	301	250	-16.8%
Income from associates	3	3	
Non-recurring/non-operating items	(15)	(19)	
EBIT	289	234	-18.8%
Operating margin (b)/(a)	13.2%	11.6%	

* Recurring EBIT before associates of €243m in 2008.

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PUBLISHING

Lagardère Active



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ACTIVE



Changes in scope of consolidation

▶ 2010 Full-Year Results

- > **Disposal and deconsolidation of the Virgin 17 TV channel from May 31, 2010.**

- > **Reclassification in balance sheet of December 31, 2010 as “assets / liabilities held for sale”:**
 - **the 20% stake in Canal+ France** which until December 31, 2009 was accounted for by the equity method and shown at its book value in 2009. Consequently, no profit contributed by Canal+ France has been recognised in the financial statements;
 - **assets and liabilities associated with international magazine publishing activities** referred in the firm offer from Hearst Corporation in January 2011. These activities remain consolidated in the 2010 income statement and beyond until their effective disposal date.

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> Net sales

▶ 2010 Full-Year Results

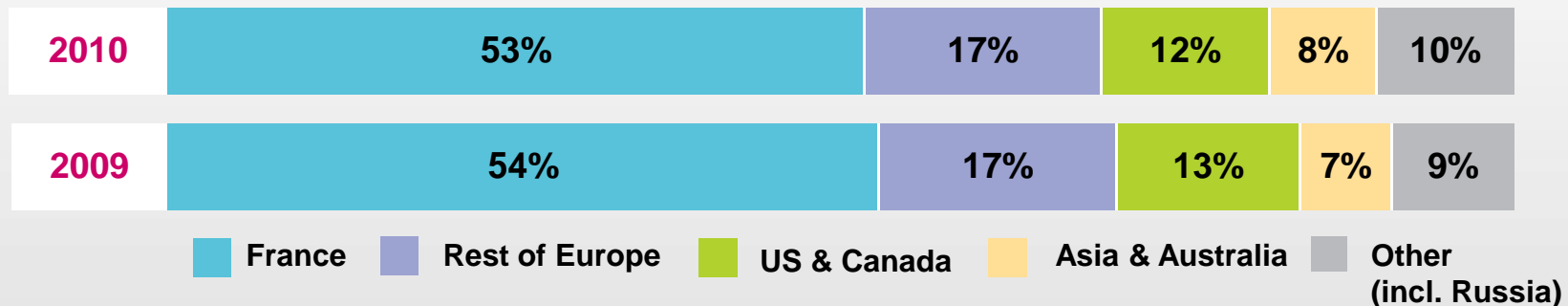
> FY 2010 sales: €1,826m (€1,725m in 2009)

- up 5.9% on a reported basis
- up 3.3% on a like-for-like basis

> Key operating trends in Magazines, Radio and TV:

- Magazines: robust growth in advertising, very marked in France, but more mixed in international markets. Circulation slightly down at comparable structure;
- Radio: double-digit growth for advertising for Europe 1. Sound performance of international radio stations (Russia). Ongoing negative trends for music stations;
- TV: good growth thanks to the delivery of several programmes.

> Net sales by geographical area



March 9, 2011

Lagardère
ACTIVE

> Income statement data

▶ 2010 Full-Year Results

<i>(€m)</i>	2009	2010	Change
Net sales (a)	1,725	1,826	+5.9%
Recurring EBIT before associates (b)	15	85	
Income from associates before amortisation of acquisition-related intangible assets and impairment losses	67	12	
Non-recurring/non-operating items	(571)	23	
EBIT	(489)	120	
Operating margin (b)/(a)	0.9%	4.6%	

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Provisional result

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Pro forma figures excluding PMI* sold and non recurring losses

▶ 2010 Full-Year Results

(€m)	2009				2010			
	Lagardère Active recurring	PMI sold	Virgin 17	Be***	Lagardère Active recurring	PMI sold	Virgin 17 sold at end May 2010	Be***
Sales **	1 026	680	19	/	1 074	742	10	/
Recurring EBIT before associates **	26	5	(14)	(2)	58	50	(9)	(14)

* International magazine publishing activities.

** Contribution of Lagardère Active to the Group.

*** Launch of the Be brand in 2009 on the web and in 2010 as a magazine .

Reminder: PMI* sales at the level of Lagardère Active

2009: €712m

2010: €774m

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Lagardère Services



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SERVICES



Changes in scope of consolidation

▶ 2010 Full-Year Results

- > **Full consolidation with effect from February 1, 2010 of Aelia CZ, which operates airport retail outlets in the Czech Republic.**

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SERVICES

> Net sales

▶ 2010 Full-Year Results

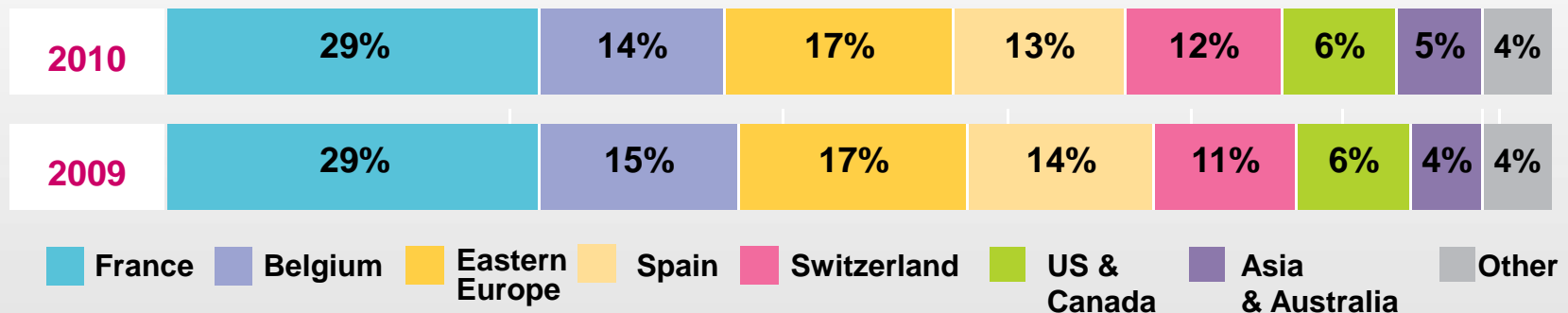
> **FY 2010 net sales: €3,579m (€3,387m in 2009), up 5.7% on a reported basis and up 1.7 % on a like-for-like basis:**

- impact of exchange rates: +3.3%;
- impact of changes in scope of consolidation: +0.7%.

> **Key operating trends:**

- significant growth in Retail, very marked in France and more mixed in international markets;
- decline in Distribution activities, but to a lesser extent than in 2009, amid an ongoing difficult market.

> **Net sales by geographical area**



March 9, 2011

> Income statement data

▶ 2010 Full-Year Results

(€m)	2009	2010	Change
Net sales (a)	3,387	3,579	+5.7%
Recurring EBIT before associates (b)	91	105	+15.1%
Income from associates	8	7	
Non-recurring/non-operational items	(20)	(16)	
EBIT	79	96	
Operating margin (b)/(a)	2.7%	2.9%	

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SERVICES

> Lagardère Unlimited



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> Changes in scope of consolidation

▶ 2010 Full-Year Results

- > **Acquisition of Best, a US company specializing in athlete and celebrity representation, to be fully consolidated with effect on April 23, 2010.**

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> Net sales

▶ 2010 Full-Year Results

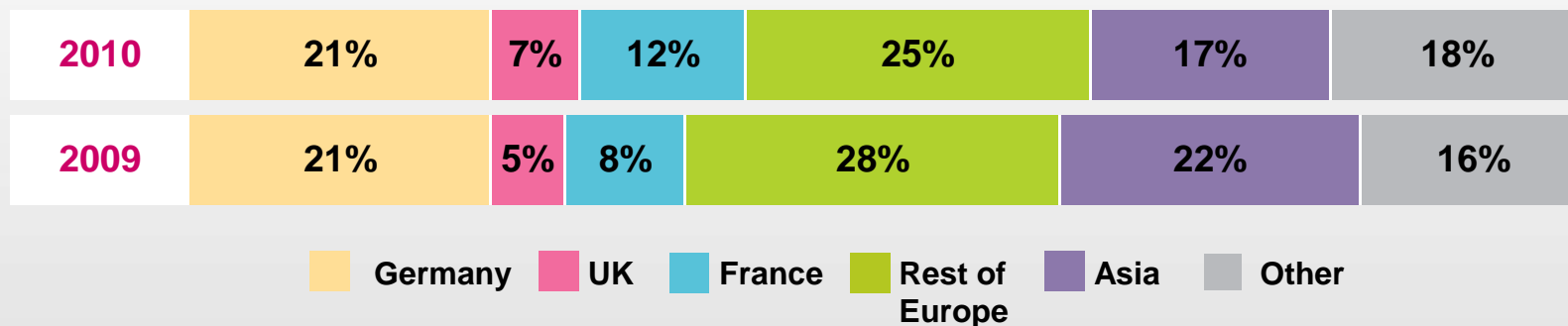
> **FY 2010 net sales: €396m (€507m in 2009), down 21.9% on a reported basis and down 23.2% on a like-for-like basis:**

- impact of exchange rates: +1.6%;
- impact of changes in scope of consolidation: -0.3%.

> **Key operating trends:**

- mixed performance but was expected with respect to 2009, due to:
 - expected calendar effects;
 - the non-renewal of some contracts;
 - the impact of the economic crisis.

> **Net sales by geographical area**



March 9, 2011

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> Income statement

▶ 2010 Full-Year Results

(€m)	2009	2010	Change
Net sales (a)	507	396	-21.9%
Gross margin*	371	313	-15.6%
Recurring EBIT before associates** (b)	56	28	
Income from associates	-	-	
Amortisation of acquisition-related intangible assets and other acquisition-related expenses	(42)	(27)	
Non-recurring/non-operational items	(9)	(97)	
EBIT	5	(96)	
Operating margin (b)/(a)	11.0%	7.1%	

*Net sales less amortisation of acquired sports rights, 2009 figure on a pro forma basis (unaudited).

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

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> Summary financial information



Lagardère



Lagardère Media income statement data

▶ 2010 Full-Year Results

(€m)	2009	2010
Recurring EBIT before associates	463	468
Contribution from associates before amortisation of acquisition-related intangible assets and impairment losses	78	22
Recurring EBIT	541	490
Restructuring costs	(92)	(40)
Net gains/(losses) on disposals	(15)	38
Impairment losses on goodwill and intangible assets		
- consolidated companies	(449)	(100)
- associates	(35)	-
Amortisation of acquisition-related intangible assets and other acquisition-related expenses		
- consolidated companies	(46)	(34)
- associates	(20)	-
EBIT	(116)	354

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Provisional result

Lagardère

> EBIT

▶ 2010 Full-Year Results

<i>(€m)</i>	2009	2010
Lagardère Media	(116)	354
Non-Media activities	(5)	(54)
Total excluding EADS	(121)	300
Equity-accounted contribution from EADS	(49)	43
Gain on disposals of EADS shares	539	-
Total – Lagardère group	369	343

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Provisional result

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Consolidated income statement

2010 Full-Year Results

(€m)	Lagardère Media	EADS & Non- Media	Total FY 2009	Lagardère Media	EADS & Non- Media	Total FY 2010	Change
Net sales	7,892	-	7,892	7,966	-	7,966	+0.9%
Recurring EBIT before associates	463	(2)	461	468	(6)	462	
Income from associates			29			65	
Excluding EADS*	78	-	78	22	-	22	
EADS	-	(49)	(49)	-	43	43	
Non-recurring & non-operating items	(657)	536	(121)	(136)	(48)	(184)	
EBIT	(116)	485	369	354	(11)	343	
Net interest expense	(71)	(11)	(82)	(46)	(36)	(82)	
Net income before tax	(187)	474	287	308	(47)	261	
Income tax expense	(175)	52	(123)	(142)	75	(67)	
Consolidated net income	(362)	526	164	166	28	194	
Attributable to equity holders**	(389)	526	137	135	28	163	
Attributable to minority interests	27	-	27	31	-	31	

*Before amortisation of acquisition-related intangible assets and other acquisition-related expenses, and impairment losses.

**Attributable to equity holders of the parent company.

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Provisional result

Lagardère



Adjusted net income (excluding EADS)

2010 Full-Year Results

(€m)	2009	2010
Net income attributable to equity holders of the parent	137	163*
Equity-accounted contribution from EADS	49	(43)
Equity-accounted contribution from Canal+ France	(62)	-
Amortisation of acquisition-related intangible assets and impairment losses – net of tax	54	25
Net income before amortisation of acquisition-related intangible assets	178	145*
<i>Restructuring costs, net of tax</i>	70	84
<i>Gains on disposals, net of tax</i>	(513)	(44)
Impairment losses on goodwill and intangible assets, net of tax		
- consolidated companies	486	99
- associates	35	-*
<i>Interest expense on Mandatory Exchangeable Bond, net of interest income calculated at market rates</i>	6	-
Total non-recurring items	84	139*
Adjusted net income excluding EADS	262	284
Adjusted earnings per share excluding EADS (€)		
- Basic	2.06	2.24
- Diluted	2.05	2.22

*Provisional result.



Consolidated statement of cash flows

▶ 2010 Full-Year Results

(€m)	2009	2010
Cash flow from operations before interest, taxes & changes in working capital	655	591
Changes in working capital	127	81
Cash flow from operations	782	672
Interest paid and received, and income taxes paid	(230)	(141)
Cash generated by/(used in) operating activities	552	531
Investments	(303)	(310)
<i>Property, plant & equipment and intangible assets</i>	(240)	(228)
<i>Financial assets</i>	(63)	(82)
Asset disposals	700	104
<i>Property, plant & equipment and intangible assets</i>	12	10
<i>Financial assets</i>	688	94
(Increase)/decrease in short-term investments	37	(29)
Cash generated by/(used in) investing activities	434	(235)
Net cash generated by/(used in) operating and investing activities	986	296

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Change in net debt, FY 2010 vs. FY 2009

▶ 2010 Full-Year Results

(€m)	2009	2010
Net debt at start of period	(2,619)	(1,824)
Net cash generated by/(used in) operating and investing activities	986	296
Disposal (acquisition) of treasury shares	(2)	5
Dividends	(202)	(200)
Increase/(decrease) in short-term investments	(37)	29
Liabilities arising from commitments to buy out minority interests	(16)	10
Fair value remeasurement of financial liabilities	10	(7)
Current net cash position reclassified as assets and liabilities held for sale	-	(99)
Debt reclassified as liabilities held for sale	-	54
Effects of exchange rates, changes in scope of consolidation & other effects	56	(36)
Net debt at end of period	(1,824)	(1,772)

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Lagardère

> Consolidated balance sheet

▶ 2010 Full-Year Results

(€m)	2009	2010	Reclassifi- cation*	2010 reclassi- fied
Non-current assets (excl. Investments in associates)	5,206	5,074	(741)	4,333
Investments in associates	2,169	2,061	(1,514)	547
<i>EADS</i>	395	271		271
<i>Other associates</i>	1,774	1,790	(1,514)	276
Current assets (excl. Short-term investments and cash)	2,908	2,945	(250)	2,695
Short-term investments and cash	842	821	(99)	722
Held-for-sale assets	-	-	2,604	2,604
TOTAL ASSETS	11,125	10,901		10,901
Stockholders' equity	4,082	4,018		4,018
Non-current liabilities (excl. debt)	899	735	(119)	616
Non-current debt	2,174	1,953		1,953
Current liabilities (excl. debt)	3,478	3,600	(226)	3,374
Current debt	492	595	(54)	541
Head-for-sale liabilities	-	-	399	399
TOTAL LIABILITIES AND EQUITY	11,125	10,901		10,901

*Reclassification of assets and liabilities for sale (Canal+ France and PMI)

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Provisional figures

Lagardère



Stockholders' equity and net debt

▶ 2010 Full-Year Results

<i>(€m)</i>	2009	2010
Stockholders' equity	4,082	4,018
Net debt	(1,824)	(1,772)
Gearing	44.7%	44.1%

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Provisional figures

Lagardère

> Appendices



Lagardère



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

2010 Full-Year Results

(€m)	Lagardère Publishing	Lagardère Active	Lagardère Services	Lagardère Unlimited	Non- media	Total
Restructuring costs	(3)	(22)	(7)	(8)	(50)	(90)
Gains/(losses) on disposals	(12)	50	-	-	2	40
Impairment losses on goodwill and intangible assets:						
- consolidated companies	(3)	(5)	(3)	(89)	-	(100)
- associates	-	-	-	-	-	-
Amortisation of acquisition- related intangible assets & other acquisition-related expenses:						
- consolidated companies	(1)	-	(6)	(27)	-	(34)
- associates	-	-	-	-	-	-
TOTAL	(19)	23	(16)	(124)	(48)	(184)

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Provisional result

Lagardère



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

2010 Full-Year Results

(€m)	Lagardère Publishing	Lagardère Active	Lagardère Services	Lagardère Unlimited	Non- media	Total
Restructuring costs	(9)	(61)	(14)	(8)	(1)	(93)
Gains/(losses) on disposals	-	(14)	(1)	-	539	524
Impairment losses on goodwill and intangible assets:						
- consolidated companies	(5)	(441)	(2)	(1)	(2)	(451)
- associates	-	(35)	-	-	-	(35)
Amortisation of acquisition- related intangible assets & other acquisition-related expenses:						
- consolidated companies	(1)	-	(3)	(42)	-	(46)
- associates	-	(20)	-	-	-	(20)
TOTAL	(15)	(571)	(20)	(51)	536	(121)

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Lagardère



Contribution from associates by division

▶ 2010 Full-Year Results

<i>(€m)</i>	2009	2010
Lagardère Publishing	3	3
Lagardère Active	12	12
Lagardère Services	8	7
Total Lagardère Media	23	22
Non-media activities	(49)	43
TOTAL	(26)	65

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Provisional result

Lagardère

> Principal associates

▶ 2010 Full-Year Results

(€m)	2009		2010	
	Balance sheet	Income statement	Balance sheet	Income statement
EADS	395	(49)	271	43
Canal+ France*	1,507	42	-	-
Marie Claire**	128	(27)	127	3
Other associates	139	8	149	19
Total	2,169	(26)	547	65

* Reclassified as "Held-for-sale assets" in 2010.

** After recognition of impairment losses of €121m at December 31, 2009.

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Provisional result

Lagardère

> Cash flow statement data

▶ 2010 Full-Year Results

(€m)	2009	2010
Cash flow from operations before interest, taxes & changes in working capital	323	276
Changes in working capital	52	27
Cash flow from operations	375	303
Interest paid & received, and income taxes paid	(85)	(87)
Cash generated by/(used in) operating activities	290	216
Investments	(22)	(24)
<i>Property, plant & equipment and intangible assets</i>	(28)	(20)
<i>Financial assets</i>	6	(4)
Asset disposals	2	6
<i>Property, plant & equipment and intangible assets</i>	1	-
<i>Financial assets</i>	1	6
(Increase)/decrease in short-term investments	-	-
Cash generated by/(used in) investing activities	(20)	(18)
Net cash generated by/(used in) operating & investing activities	270	198

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Lagardère
PUBLISHING



Cash flow statement data

▶ 2010 Full-Year Results

(€m)	2009	2010
Cash flow from operations before interest, taxes & changes in working capital	33	122
Changes in working capital	62	22
Cash flow from operations	95	144
Interest paid & received, and income taxes paid	(83)	(60)
Cash generated by/(used in) operating activities	12	84
Investments	(56)	(53)
<i>Property, plant & equipment and intangible assets</i>	(38)	(18)
<i>Financial assets</i>	(18)	(35)
Asset disposals	25	51
<i>Property, plant & equipment and intangible assets</i>	8	3
<i>Financial assets</i>	17	48
Increase/(decrease) in short-term investments	-	-
Cash generated by/(used in) investing activities	(31)	(2)
Net cash generated by/(used in) operating & investing activities	(19)	82

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Lagardère
ACTIVE

> Cash flow statement data

▶ 2010 Full-Year Results

(€m)	2009	2010
Cash flow from operations before interest, taxes & changes in working capital	137	158
Changes in working capital	50	10
Cash flow from operations	187	168
Interest paid & received, and income taxes paid	(24)	(23)
Cash generated by/(used in) operating activities	163	145
Investments	(119)	(77)
<i>Property, plant & equipment and intangible assets</i>	(66)	(69)
<i>Financial assets</i>	(53)	(8)
Asset disposals	5	10
<i>Property, plant & equipment and intangible assets</i>	3	5
<i>Financial assets</i>	2	5
Increase/(decrease) in short-term investments	37	(29)
Cash generated by/(used in) investing activities	(77)	(96)
Net cash generated by/(used in) operating & investing activities	86	49

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Lagardère
SERVICES

> Cash flow statement data

▶ 2010 Full-Year Results

<i>(€m)</i>	2009	2010
Cash flow from operations before interest, taxes & changes in working capital	148	100
Changes in working capital	(30)	(11)
Cash flow from operations	118	89
Interest paid & received, and income taxes paid	(50)	(18)
Cash generated by/(used in) operating activities	68	71
Investments	(98)	(140)
<i>Property, plant & equipment and intangible assets</i>	(101)	(107)
<i>Financial assets</i>	3	(33)
Asset disposals	3	7
<i>Property, plant & equipment and intangible assets</i>	-	2
<i>Financial assets</i>	3	5
Cash generated by/(used in) investing activities	(95)	(133)
Net cash generated by/(used in) operating & investing activities	(27)	(62)

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> Debt by maturity

▶ 2010 Full-Year Results

<i>(€m) as of December 31, 2010</i>	< 1 year	1 to 5 years	> 5 years	Total
Bond issues	169	1,249	-	1,418
Bank borrowings	181	664*	-	845
Finance lease obligations	2	0	-	2
Liabilities arising from commitments to buy out minority interests	-	29	1	30
Other debt	189	2	8	199
TOTAL	541	1 944	9	2,494

➡ Short-term investments and cash: €722m

*€612m corresponds to a 2005 syndicated loan maturing in 2012, replaced in January 2011 by a new syndicated loan of €1,645m for five years.

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Off balance sheet commitments

▶ 2010 Full-Year Results

(€m)	2009	2010
Commitments to purchase shares from third parties (other than minority interests)	14	14
Commitments given in connection with ordinary activities:		
- contract guarantees and performance bonds	81	70
- guarantees in favour of third parties or non-consolidated companies*	79	77
- other commitments given	12	13
Mortgages and pledges	-	-

*Counter-guarantees relating to commitments made by Lagardère: €32m at December 31, 2010 and €42m at December 31, 2009.

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> Significant events



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> Lagardère Publishing



Lagardère
PUBLISHING

> Stephenie Meyer

▶ 2010 Full-Year Results

- > In 2008, 35 million copies were sold worldwide.
- > In 2009, 45 million copies were sold worldwide.
- > We experienced a soft landing in 2010 (11 million copies sold worldwide).
- > **2011 will be a year of lukewarm success:**
 - Stephenie Meyer's official guide to the saga and a film;
 - this disappointing comparison will end in the second quarter of 2011.

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PUBLISHING

> France

▶ 2010 Full-Year Results

> Illustrated Books

- Very fine performance by Illustrated Books (Marabout, Disney, Larousse).

> General Literature

- An impressive recovery in General Literature (Grasset, Stock, Calmann-Lévy, Livre de Poche):
 - *Femina* Prize for a foreign work: *Purge*, by Sofi Oksanen;
 - Prix Renaudot: *Apocalypse Bébé*, by Virginie Despentes;
 - Prix de l'Académie Française: *Nagasaki*, by Éric Faye.

> Education

- An excellent year for Hachette Éducation and Hatier, despite the delay in advertising the secondary education programmes.

March 9, 2011

Lagardère
PUBLISHING

> International

▶ 2010 Full-Year Results

- > **An excellent year in the United States, after a record 2009:**
 - Net sales: up 11%, excluding Stephenie Meyer;
 - 155 titles in *The New York Times* lists (up 20%);
 - Three titles among the best sellers of 2010 (across all publishers) in the "Essays and Documents" category;
 - Two titles in the "Novel" category.

- > **In the United Kingdom, market share reached 15.2% (1.4 % ahead of the runner-up).**
 - 154 titles in the *Sunday Times* list.

- > **In Spain, a year of decline due to cuts in public spending, which impacted orders for textbooks.**

- > **Sales up by 8.6% in Argentina and Mexico.**

- > **The China and Lebanon joint ventures are starting up operations.**

March 9, 2011

Lagardère
PUBLISHING

> Partworks

▶ 2010 Full-Year Results

- > A slide in mature markets (France, United Kingdom and Spain).
- > Very fine performance in Russia (six million copies sold of *The Human Body*, after the success of *Bismarck* in 2009).

> Digital

- > Significant pick-up in sales of e-books in the United States (10% of the Hachette Book Group's net sales in December).
- > Agreement with Apple (iPad) under an agency contract (retail price set by the publisher).
- > Memorandum of Understanding with Google to digitise out-of-print French works imposing a copyright obligation.

March 9, 2011

Lagardère
PUBLISHING

Lagardère Active



Lagardère
ACTIVE

> Magazines - France

▶ 2010 Full-Year Results

> **Lagardère Active launched the magazine, *Be*, in March 2010 with the intension of conquering a new market segment in France: generational upscale women's weeklies.**

> Circulation

- Magazines in France gained ground in its strategic segments and, in particular, in upscale women's and news magazines, as well as in its major weeklies.
- The magazine, *Elle*, broke a new record, with a dramatic increase in circulation for the fifth consecutive year.
- *Paris Match* experienced improved sales relative to the numbers within its competitive category and sales copies in France are stable compared to 2009.

> Advertising

- In a magazine market which has recovered by an estimated 3%, Magazines in France delivered very strong performance in 2010, with sales up by nearly 10%.
- Magazines in France posted gains in market share in its main segments: the women's segment and the other major weeklies.

> *Elle* increased its dominance

- Excellent results for this magazine in terms of circulation and advertising.
- Very strong performance by the Elle.fr website: readership reached 2.5 million unique visitors (UV) and sales were up 41% compared to 2009.

> **This performance, coupled with efficient cost control, allowed Magazines in France to substantially improve its operating results.**

March 9, 2011

Lagardère
ACTIVE

> Magazines - International

▶ 2010 Full-Year Results

> Magazines - International

- Internationally, Magazines were bolstered by the recovery in advertising, thanks to the positioning of our titles (at the top of the list are *Elle* titles) and the large-scale cost-cutting plans introduced in 2008 and 2009.
- Emerging markets (Russia and China) remain two important focuses for development.
- Advertising sales up approximately 10%.
- Digital sales up more than 10%, driven by new partnerships (Yahoo in Japan and MSN in the United States, etc.).

> United States

- Although the advertising market is still weak, US HFM titles continued to grow (up 6% in volume). *Elle* won 0.3 percentage points in market share and *Elle Decor* became the leader in its segment. The October 2011 edition (25th anniversary) of *Elle* was a major advertising success in conjunction with the launch of the *Elle* US iPad app.

> Russia

- Once again, Russia was a strong growth area for the Group division (double-digit growth). Revenue received a boost from the recovery in the advertising market. On a constant activity basis, advertising sales increased along the lines of 10% for upscale magazines and substantially more than 10% for other titles.

March 9, 2011

Lagardère
ACTIVE



Magazines - International (2/3)

▶ 2010 Full-Year Results

> Italy

- Struggling in a tight advertising market in 2010, this subsidiary was nonetheless able to stabilise sales, thanks to the excellent positioning of *Elle* and *Marie Claire*.

> Spain

- Solid performance in magazine advertising in a market that is still weak, driven by *Elle* and *Que me Dices* and *Diez Minutos*.
- Robust growth in Digital: net sales up nearly 20%.

> United Kingdom

- Advertising revenue up by close to 10%. The market share of our titles is also increasing.
- Circulation revenue up compared to 2009 for all titles in the portfolio.
- Strong growth in Digital revenues thanks to excellent performance by Digital Spy.



Magazines - International (3/3)

▶ 2010 Full-Year Results

> Japan

- Despite a media market that continues to decline, advertising revenue was resilient. A more aggressive circulation policy driven by ground-breaking promotional campaigns gave some momentum to circulation revenue growth, up by nearly 10%.
- Digital revenue is growing solidly thanks to partnerships with Yahoo on *Elle* and *25 Ans* and the development of *Elle Girl*.

> China

- China is a significant growth driver for this Group division and maintained its growth momentum in 2010. Advertising market share for all HFP titles grew. Advertising revenue is up sharply.
- As in 2009, special focus is being placed on development of digital.

> Television Channels

- Net TV sales are resilient on a constant activity basis (excluding Virgin 17).
- The DTT channel Virgin 17 was sold to Bolloré Média in May 2010.
- Gulli had the 3rd highest rating among DTT viewers aged 4 and over in 2010.
- Launch of Mezzo Live HD in April 2010.
- Start-up of the License business in September 2010. Goal of boosting diversification sales revenue in 2010.

> Lagardère Entertainment

- Lagardère Entertainment revenue was up almost 10% thanks to the acquisition of Carson and to organic growth, especially in fiction.
- The Atlantic Productions subsidiary began filming the celebrity series, *The Borgia*, will be released in autumn 2011.

> Radio

▶ 2010 Full-Year Results

- > **Radio net sales up 6% on a like-for-like basis:**
 - Radio advertising sales in France grew in 2010 (up 5%). Advertising revenue from Europe 1 experienced double-digit growth (> 10%) while the music radio registered negative performance, however, the downward trend eased in the 4th quarter;
 - Internationally, Radio posted solid growth in net sales, along the lines of +10% on a like-for-like basis, and there was a pick-up in momentum in the 4th quarter, with growth in excess of 20%, notably thanks to Russia, Poland and the Czech Republic.

- > **Médiamétrie audience figures for January-December 2010 up (listeners aged 13 years of age and older), compared to the same period last year:**
 - Europe 1: 2010 aggregate audience share remained almost unchanged compared to 2009. Europe 1's audience has grown younger; the 25-40 audience share grew by 6.9%, reaching 6.2% in 2010.
 - Music radio:
 - Virgin Radio (audience share 2.6%) is declining. Repositioning initiated on January 1, 2011 to a wider Top 40 format ("Un Maxx de tubes") directed at a potentially larger audience;
 - RFM (audience share 2.9%) is stable with relative to 2009.

March 9, 2011

Lagardère
ACTIVE

> France

- All-time record of 17.1 million total unique site visitors in November 2010.
- All-time record of 4.9 million total unique site visitors for Première in December 2010.
- Europe 1 has been the leader in downloaded podcasts since August 2010 (4.5 million per month).
- The Be.com web site was launched in January 2010.
- A "Brand Content" business was launched with the creation of the Rugbynews site in partnership with Lagardère Unlimited.
- Lagardère Active is the media group that ranks 1st overall in mobile Internet, with 3.4 million unique visitors (1st Médiamétrie audience figure, Q3 2010).

> International

- Doctissimo was rolled out internationally with the launch of three new websites (in English, Spanish and Italian).
- Lagardère Active strengthened its position in the Women's segment with the December 2010 launch of the Red website in the United Kingdom and the April 2010 launch of the lifestyle website, Glo, in the United States in partnership with MSN and BermanBraun.
- The *Elle* iPhone app was rolled out in seven countries in November 2010.

Lagardère Services



Lagardère
SERVICES

> The business climate for Lagardère Services in 2010 was marked by:

- Continued decline in single-copy print media sales at a rate slightly higher than that prior to the crisis;
- A 6.3% jump in air traffic* in terms of worldwide passenger numbers in late November 2010, with:
 - A 4.4% increase in Europe (but +1.1% in France), a 2.3% increase in North America and 11.8% jump in the Asia-Pacific region;
 - The adverse impact on air traffic caused by the Icelandic volcano in April (worldwide traffic down -0.9% in April), which led to a drop in sales estimated to be €9 million.
- Continued development:
 - Acquisitions:
 - CSA Czech Airlines' duty-free business, including five duty-free outlets and the contract for on-board sales;
 - A company operating duty-free outlets in Spanish airports.
 - Development of new banners:
 - La Cure Gourmande, Nature & Découvertes, Chez Jean, Costa, Paul, Trib's, Hubiz, etc.
 - Calls for tender won (especially in duty-free and speciality): Berlin, Malaga, Singapore, Nouméa.

*Source: ACI.
March 9, 2011

> France (1/2)

▶ 2010 Full-Year Results

> Relay France

- **Net sales growth of 4.7%.**

- Same-store sales up 2.7%:

- Falls in print media (down 3.6%) and phonecards (down 6.6%);
- Strong growth in tobacco products (up 7.8%);
- Expansion in food sales (up 7.6%).

- Non same-stores sales contributed 2 percentage points of growth, due in particular to:

- Openings of new outlets (including the opening of 12 hospital cafeterias);
- Pursuing the diversification of the sales mix: opening of two Chez Jean outlets and two La Cure Gourmande outlets.

- Overall, the network has 866 outlets, i.e. 8 outlets more than in 2009.

March 9, 2011

Lagardère
SERVICES

> France (2/2)

▶ 2010 Full-Year Results

> Aelia

- **Net sales up 12.2%** (including an 11.3% increase in same-store sales), with:
 - Airports up 12.2% thanks to a sharp rise in net sales per passenger (especially alcohol, tobacco products and perfume) and to a modest recovery in air traffic (up 1.1% in France);
 - Euronord up 7.8% with good performance in the 2nd quarter of 2010;
 - In-flight up 48.5% thanks to new contracts in 2010 with Iberia and Alitalia for on-board sales.
- **The network continues to grow** (6 more outlets), and, as of late 2010 totalled 157 outlets, including 69 outlets in partnership with ADP as part of the SDA JV (equity method consolidation). After gains in competitive bidding, the opening of 3 alcohol-tobacco-perfume-cosmetics outlets in Nice Airport and a Longchamp outlet at Heathrow.
- **Aelia continues to develop internationally** in partnership with Group subsidiaries in Poland, Spain, Czech Republic, and the Asia-Pacific region

March 9, 2011

Lagardère
SERVICES

> Europe (1/2)

▶ 2010 Full-Year Results

> Spain

- **Distribution sales down 3.4%**, including a 6% decline in magazines due to adverse trends on the print media market, while book sales are up 7%.
- **Retail up 7.9% due to network diversification:**
 - Press sales outlets down 0.6%. There were 157 outlets by the end of 2010;
 - Launch of several diversification projects, delivering 8.5% growth.

> Germany

- **Revenues up 6.0%** due to good performance of same-store sales (up 4.5%) and continued network expansion, with 4 new outlets, increasing the network size to 80 outlets as of the end of 2010.
- **Competitive bid won** for the new Berlin airport and gains of outlet concessions in six train stations.

March 9, 2011

Lagardère
SERVICES

> Europe (2/2)

▶ 2010 Full-Year Results

> Belgium

- **Modest 0.6% growth in Retail** despite the 0.9% decline in print media sales thanks to good tobacco sales (up 3.7%). There are now 275 outlets in the network.
- **Circulation down 3.4 %:** print media and phonecards are down 2.6% and 1.4%, respectively. This factors in the curtailment of book distribution in mid-2009.

> Switzerland

- **Retail slightly up 1.7%** despite the decline in print media, thanks to good performance by tobacco products and phonecards and the impact of Football World Cup on Panini stickers. Network now totals 171 outlets.
- **Net Circulation managed sales down 0.4%** because of the resiliency of non-print media, while print media fell slightly.
- **3.4% increase in Payot bookstore sales**, thanks to diversification through Nature & Découvertes (two outlets).

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SERVICES

> Eastern Europe

▶ 2010 Full-Year Results

> Poland

- **Overall, sales in Poland increased by 7.4%**, with a total network of 671 outlets and growth in each of 3 activities: Relay/Inmedio, Empik Café and duty free.

> Hungary

- Retail sales down 3.1% because of continuing kiosk closures while Relay is expanding.
- Circulation sales down 8.1% owing primarily to the drop in phonecard sales rather than to lower print media sales.

> Czech Republic

- **Net sales growth of 26.6%:**
 - Excluding acquisitions, revenue up 1.2% thanks to the opening of 13 new outlets;
 - The February acquisition of five duty-free outlets in partnership with Aelia generated sales of €17.5 million.

> Romania

- **Further growth in retail at a solid rate: + 24.2%.**

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Other countries

▶ 2010 Full-Year Results

> North America

- **Retail sales in Canada and in the United States down 3.4%:**
 - Same-store sales up 0.8%, driven by the good performance of airport sales;
 - The closure of unprofitable outlets and non-renewed concession contracts dragged results down by 4.2%.
- **Circulation in the United States:** after the bankruptcy of the four largest wholesalers (Anderson) in the first half of 2009; the market has stabilised but it is considerably down. Against this backdrop, consolidated net sales by the Curtis brokerage unit stabilised at -0.5%.

> Asia-Pacific

- Expansion in Australia, Hong Kong, Singapore, China and Taiwan through 168 outlets (including 105 in Australia, 12 in Hong Kong, 18 in Singapore, 27 in China and 6 in Taiwan) compared to 167 outlets at the end of 2009.
- **Net sales stable and up 0.4%** due to the loss of a portion of the Hong Kong concession.
- Opening of an 800 m² fashion duty-free outlet in Singapore's Changi Airport in late 2010.

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Lagardère
SERVICES

> Lagardère Unlimited



Lagardère
UNLIMITED®

> Organisation

▶ 2010 Full-Year Results

> A year marked by several organisational changes:

- Launch of Lagardère Unlimited, a new Group's Sport industry and Entertainment division (in the process of organisation);



- Operational merger of **PR Event** into **IEC**;
- Launch of an **effort to streamline the expansion of Lagardère subsidiaries** in Asia;
- Launch of the new **Lagardère Unlimited Stadium Solutions (LUSS)** organisation.

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UNLIMITED®

> Media Rights (1/2)

▶ 2010 Full-Year Results

> A year characterised by the distribution of few major events (bottom of the business cycle):

- **Africa Cup of Nations** (January - Sportfive France & Africa) : contribution up compared to 2008 with rights for ANC 2010 Angola (up 13%);
- **Indian Premier League** (March/April - World Sport Group): distribution of rights to the 3rd annual edition focusing on exposure and audiences for the test match in the United Kingdom (Setanta bankruptcy), disputes over domestic rights;
- **UEFA Euro 2012™ Qualifications** (starting in September - Sportfive International): only a half-season of qualification matches planned, thirty federations in the portfolio. Random draw mildly favourable to Sportfive.

> Distribution of a few events of minor importance or in the process of development:

- **IAFF World Indoor Championships** (March - IEC in Sports): marketing the rights to the Indoor Championship in Doha only three months after acquisition. Ground-breaking partnership with Dailymotion (live broadcast and VOD);
- **OneAsia** (first open in China in April - World Sport Group): second season of this international golf tour. Increase from 5 to 10 tournaments in 5 countries and signature of contracts with leading broadcasters (ESPN Star Sports, America One, Bloomberg TV, etc.). Stiff competition from the Asian Tour, results below expectations.

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> Media Rights (2/2)

▶ 2010 Full-Year Results

> Year characterised by the acquisition of a major contract, UEFA Euro 2012™, and the termination of existing contracts:

- **ATP 250 tennis tournaments** (February/March - IEC in Sports): extension of contracts with several tournaments in the same category, such as Auckland, Bangkok, Bucharest, Casablanca, Lyon, Stuttgart and Vienna;
- **Portuguese Football League** (March - IEC in Sports); renewal of the contract for the distribution of media rights through 2012 but there are marketing issues;
- **UEFA Euro 2012™** (June - Sportfive International) : Sportfive won the media rights to Euro 2012 football in Asia (excludes Japan, Malaysia and Indonesia) and in Oceania. Rights to major football competitions are up sharply in these regions. However, stiff competition has resulted in higher contract award costs;
- **UEFA Euro 2012™ Qualifications** (starting in September - Sportfive International): extension of several contracts won after random draw (partnership with Infront, one-shot deal with England or the Netherlands for secondary media rights...). Issues with marketing because the European market was hit hard (crisis, cartels)
- **French Football Federation and UEFA Europe League**: Non-renewal of contracts and internationalisation by the rights holders (FFF and UEFA).

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> Marketing Rights

▶ 2010 Full-Year Results

> Consolidation of the Sportfive's leadership position in football marketing:

- **Exclusive club marketing** (Sportfive France and International): long-term partnerships signed with AS Saint-Étienne and Lechia Gdansk (Poland);
- **Polish Football Federation** (June - Sportfive International): renewal of the exclusive marketing contract (media, sponsoring, etc.) with the federation until 2020;
- **FIFA 2010 World Cup** (June/July - Sportfive Germany and France): sale of hospitality packages across Europe (except the United Kingdom) for the event by Sportfive.

> Renewed attempts at diversification into new sports disciplines:

- **Mercedes GP** (May - Sportfive Germany): Control of marketing rights for Michael Schumacher's Formula 1 team;
- **Winter sports** (second half of the year - Sportfive Germany): World Cup Skiing trials in Germany and the World Bobsled/Skeleton Championships;
- A slowdown in the development of new sports because of a tight market.

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> **Good resiliency of events in portfolio, but a slowdown in development:**

- **The Sports Promoters** (a Sportfive subsidiary): roll-out of this subsidiary specialised in the organisation of sports events, promotion of the Race of Champions (motor sports) and organising the Summer of Champions (tournament of friendly football matches);
- **Copa del Sol** (January - IEC in Sports): success of the first edition of the football tournament organised in Spain in February 2010 and pitting eight Nordic or Eastern European clubs against one another;
- **Berlin Skoda Velothon** (June - Upsolut): more than 12,000 participants in this 3rd annual event (on the increase);
- **London and Hamburg Triathlons** (July - Upsolut): these two stages of the World Series have proved relatively recession-proof;
- **Bastad Open** (July - PR Event): ATP (results on the increase) and WTA (sliding) tennis tournaments;
- **Vattenfall Cyclassics** (August - Upsolut): a UCI World Tour event, 22,000 participants (on the increase);
- **Stockholm Open** (October - PR Event): participation and victory by Roger Federer and the first sports event broadcast in 3D in Scandinavia.

> Short and Medium-Term Opportunities: existing portfolio

▶ 2010 Full-Year Results

> Marketing or renewal of rights currently in the portfolio:

- Media rights:
 - **Olympic Games** (Sportfive International): sale of media rights for the 2014 and 2016 Olympic Games, voluntarily delayed (notably in Russia) to address pressures on the European audiovisual market;
 - **2011 World Championships in Athletics** (IEC in Sports): sale of media rights to the 2011 (Daegu) and 2013 World Championships (Moscow) in Europe.
- Marketing rights:
 - **Turin's Juventus** (Sportfive France & Africa): sale of the rights to naming the future stadium.
- Events:
 - **OneAsia**: growing number of tournaments (13 scheduled in 2011, 17 in 2012) and prize money, but sharp competition from the Asian Tour;
 - **Upsolut**: organic growth of events in the portfolio, increase in the number of participants (Vattenfall Cycclassics, Skoda Velothon, triathlons).



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> Short and Medium-Term Opportunities: existing portfolio

▶ 2010 Full-Year Results

> New contracts won:

- Media rights:
 - **UEFA:** potential opportunity if UEFA decides to centralise its qualification matches (Euro and World Cup) and grant control of media rights to a single agency.
- Arenas:
 - **Euro 2016 stadiums:** launch of LUSS, a business arrangement to take advantage of the strong potential for naming stadiums in France;
 - **Singapore Sports Hub:** development and launch of the events policy.
- Events:
 - **Ski Classics:** creation of a series of cross-country skiing events in Scandinavia starting in 2011;
 - **Singapore Sports Hub:** development and launch of an events policy.



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