

> 2010 First-Half Results

August 26, 2010



Lagardère

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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.

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- Certain risks related to the media industry (including, without limitation, technological risks)
- The cyclical nature of some of the businesses.

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> Key Figures



Lagardère

> Key Figures

▶ 2010 First-Half Results

- > **Net sales virtually unchanged at €3,716m (vs. €3,720m for H1 2009)**
 - Down 2.7% on a like-for-like basis

- > **Lagardère Media recurring EBIT before associates: €183m (vs. €181m for H1 2009)**
 - up 0.6% on a reported basis
 - down 1.8% at constant exchange rates
 - Consolidated recurring EBIT before associates (incl. non-media): €179m (H1 2009: €186m)

- > **Net income:**
 - €80m (vs. €318m for H1 2009)
 - Basic earnings per share: €0.63 (vs. €2.51 for H1 2009)
 - Diluted earnings per share: €0.63 (vs. €2.51 for H1 2009)

- > **Adjusted net income excluding EADS: €97m (H1 2009: €81m), up 20%**

- > **Free Cash Flow* stable at - €47m (vs. - €51m for H1 2009)**

* Net cash used in operating and investing activities, excluding financial assets and short-term investments

> Financial Indicators by Division



Lagardère

> Lagardère Publishing



Lagardère
PUBLISHING

> Changes in scope of consolidation

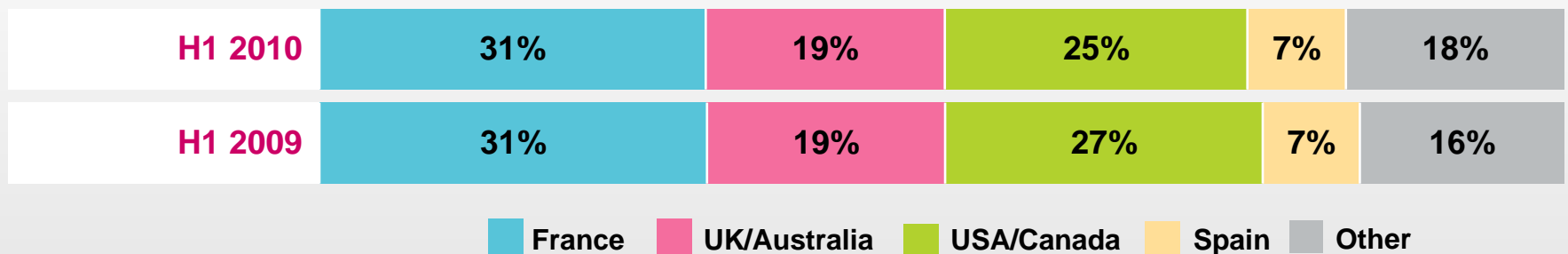
▶ 2010 First-Half Results

- > **Deconsolidation of Brazilian educational publisher Escala Educacional from April 30, 2010, following signature of an agreement to sell the business.**

> Net sales

▶ 2010 First-Half Results

- > H1 2010 net sales: €975m (vs. €1,009m in H1 2009), down 3.4% on a reported basis and down 4.5% on a like-for-like basis (exchange rate effects).
- > Key operating trends:
 - Decline in sales of Stephenie Meyer books
 - Education sales hit by very tough spending cuts in Spain and the UK
 - Good performance from Literature, Teen novels and Art books in France
- > Net sales by geographical area



> Income statement data

▶ 2010 First-Half Results

<i>(€m)</i>	H1 2009	H1 2010	Change
Net sales (a)	1,009	975	-3.4%
Recurring EBIT before associates (b)	112	101	-10.2%
Income from associates	1	1	
Non-recurring/non-operating items	(1)	(13)	
EBIT	112	89	-20.4%
Operating margin (b) / (a)	11.1%	10.3%	

> Lagardère Active



Lagardère
ACTIVE

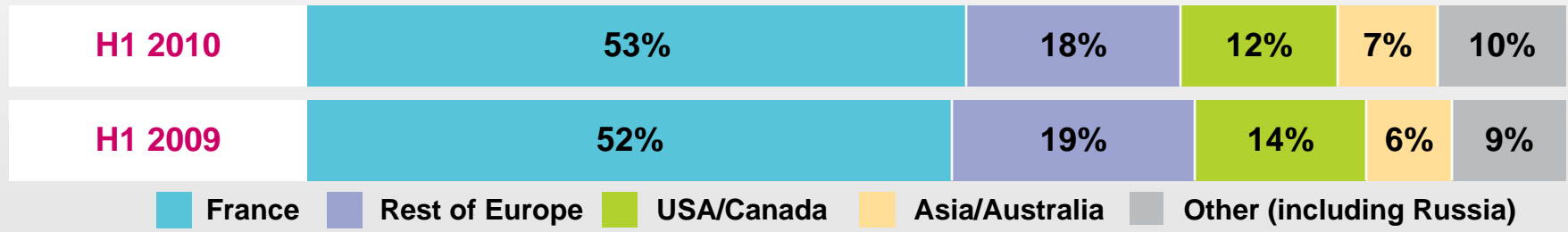
Changes in scope of consolidation

- ▶ **Deconsolidation of the Virgin 17 TV channel from May 31, 2010, following signature of an agreement to sell the business.**
- ▶ **Interest in Canal+ France reclassified to “Held-for-sale assets” in the balance sheet as of June 30, 2010, at the carrying amount of the interest as of December 31, 2009. Consequently, no profit or loss was recognized in the H1 2010 accounts.**

> Net sales

- > **H1 2010 net sales: €855m (vs. €831m in H1 2009), up 2.9% on a reported basis and up 0.6% on a like-for-like basis:**
 - Magazines: €641m, up 1.1% (down 0.2% on a like-for-like basis)
 - Radio: €130m, up 7.5% (up 1.4% on a like-for-like basis)
 - TV: €84m, up 9.7% (up 6.1% on a like-for-like basis)
- > **Key operating trends in Magazines, Radio and TV:**
 - Magazines: net sales flat in France. Internationally, strong growth in China and Russia offset by a fall in the USA (largely due to discontinuation and divestment of titles)
 - Radio: in France, very strong growth for Europe 1 but a dip in revenue for music stations, despite a better Q2. Internationally, recovery in Poland but further decline in Russia
 - TV: growth at Lagardère Entertainment generated by production of program inventories and reflecting timing differences in program delivery; slight growth for theme channels

> Net sales by geographical area



> Income statement data

▶ 2010 First-Half Results

(€m)	H1 2009	H1 2010	Change
Net sales (a)	831	855	+2.9%
Recurring EBIT before associates (b)	9	36	+287.6%
Magazines	1	28	
Radio	4	11	
TV	4	(3)	
Income from associates before amortization of acquisition-related intangible assets and impairment losses	47	1	
Magazines	2	6	
Radio & TV	45	(5)	
Non-recurring/non-operating items	(308)	32	
EBIT	(252)	69	
Operating margin (b) / (a)	1.1%	4.2%	
Magazines	0.2%	4.4%	
Radio	3.1%	8.6%	
TV	5.5%	-3.9%	

Lagardère Services



Lagardère
SERVICES

> **Changes in scope of consolidation**

▶ 2010 First-Half Results

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

> Net sales

▶ 2010 First-Half Results

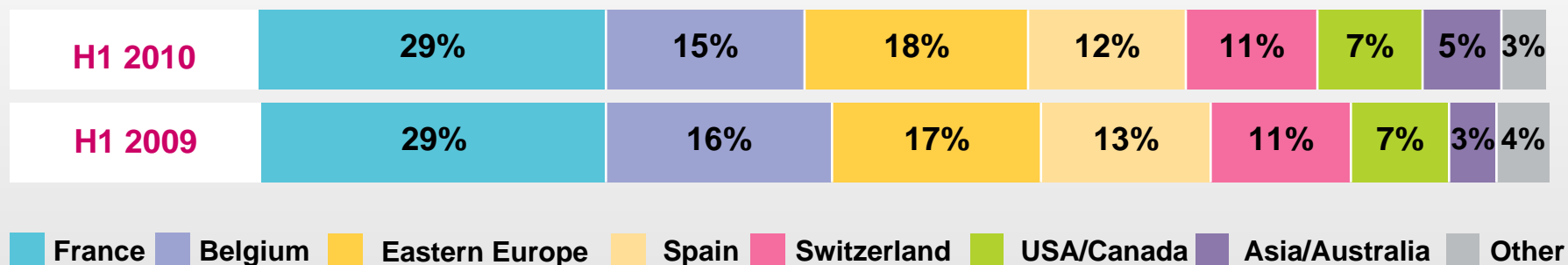
> **H1 2010 net sales: €1,712m (vs. €1,619m for H1 2009), up 5.7% on a reported basis and up 1.6% on a like-for-like basis:**

- Impact of exchange rates: +3.6%
- Impact of changes in scope of consolidation: +0.5%

> **Key operating trends:**

- Very strong trading in France, at Relay and Aelia
- For Lagardère Services as a whole, the decline in distribution revenues (linked to the contraction in press distribution) was more than offset by growth in retail, driven by recovery in air traffic despite the effect of the volcanic ash cloud in April

> **Net sales by geographical area**



> Income statement data

▶ 2010 First-Half Results

<i>(€m)</i>	H1 2009	H1 2010	Change
Net sales (a)	1,619	1,712	+5.7%
Recurring EBIT before associates (b)	27	37	+36.1%
Income from associates	3	4	
Non-recurring/non-operating items	(12)	(7)	
EBIT	18	34	
Operating margin (b) / (a)	1.7%	2.2%	

> Lagardère Unlimited



Lagardère
UNLIMITED®

> Changes in scope of consolidation

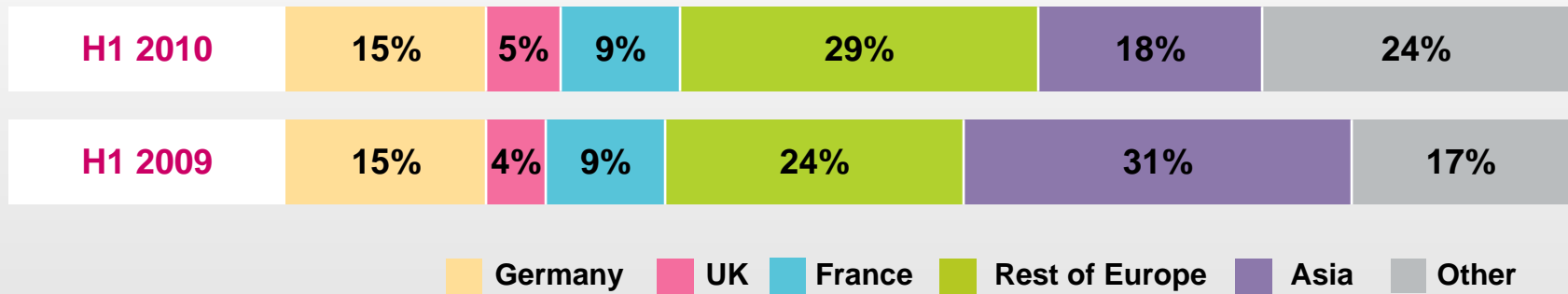
▶ 2010 First-Half Results

- > Acquisition of Best, a U.S. company specializing in athlete and celebrity representation, to be consolidated from H2 2010.

> Net sales

- > H1 2010 net sales: €174m (vs. €261m in H1 2009), down 33.1% on a reported basis and down 33.8% on a like-for-like basis (exchange rate effects).
- > Key operating trends:
 - Absence of football World Cup qualification matches had a very big impact on Sportfive and WSG
 - Non-recurrence of the World Handball Championship
 - Very good results from the African Cup of Nations and from hospitality at the football World Cup

> Net sales by geographical area



> Income statement data

▶ 2010 First-Half Results

(€m)	H1 2009	H1 2010	Change
Net sales (a)	261	174	-33.1%
Recurring EBIT before associates* (b)	33	9	-72.7%
Income from associates	-	-	
Amortization of acquisition-related intangible assets and other acquisition-related expenses	(13)	(8)	
Non-recurring/non-operating items	-	(3)	
EBIT	20	(2)	NS
Operating margin (b) / (a)	12.6%	5.1%	

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

> Summary Financial Information



Lagardère

> Lagardère Media income statement data

▶ 2010 First-Half Results

(€m)	H1 2009	H1 2010
Recurring EBIT before associates	181	183
Contribution from associates before amortization of acquisition-related intangible assets and impairment losses	51	6
Recurring EBIT	232	189
Restructuring costs	(32)	(14)
Net gains/(losses) on disposals and associated risks	(3)	28
Impairment losses on goodwill and intangible assets		
- consolidated companies	(270)	(1)
- associates	(4)	-
Amortization of acquisition-related intangible assets and other acquisition-related expenses		
- consolidated companies	(15)	(12)
- associates	(10)	-
EBIT	(102)	190

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Lagardère

> EBIT

▶ 2010 First-Half Results

<i>(€m)</i>	H1 2009	H1 2010
Lagardère Media	(102)	190
Non-media	5	(48)
Total excluding EADS	(97)	142
Equity-accounted contribution from EADS	34	15
Gain on disposals of EADS shares	539	-
Total Lagardère Group	476	157

➤ Consolidated income statement

▶ 2010 First-Half Results

(€m)	Lagardère Media	EADS & Non-Media	Total H1 2009	Lagardère Media	EADS & Non-Media	Total H1 2010	Change
Net sales	3,720	-	3,720	3,716	-	3,716	-0.1%
Recurring EBIT before associates	181	5	186	183	(4)	179	-3.7%
Income from associates			85			21	
Excluding EADS*	51	-	51	6	-	6	
EADS	-	34	34	-	15	15	
Non-recurring/non-operating items	(334)	539	205	1	(44)	(43)	
EBIT	(102)	578	476	190	(33)	157	
Net interest expense	(41)	(3)	(44)	(22)	(17)	(39)	
Net income before tax	(143)	575	432	168	(50)	118	
Income tax expense	(115)	19	(96)	(59)	37	(22)	
Consolidated net income	(258)	594	336	109	(13)	96	
attributable to equity holders**	(276)	594	318	93	(13)	80	
attributable to minority interests	18	-	18	16	-	16	

* Before amortization 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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> Adjusted net income (excluding EADS)

▶ 2010 First-Half Results

(€m)	H1 2009	H1 2010
Net income attributable to equity holders of the parent	318	80
Equity-accounted contribution from EADS	(34)	(15)
Equity-accounted contribution from Canal + France	(48)	-
Amortization of acquisition-related intangible assets & other acquisition-related expenses, net of tax	23	9
Net income before amortization of acquisition-related intangible assets	259	74
<i>Restructuring costs, net of tax</i>	22	41
<i>(Gains)/losses on disposals, net of tax</i>	(526)	(19)
<i>Impairment losses on goodwill and intangible assets, net of tax</i>		
- consolidated companies	316	1
- associates	4	-
<i>Interest expense on Mandatory Exchangeable Bond, net of interest income calculated at market rates</i>	6	-
Total non-recurring items	(178)	23
Adjusted net income excluding EADS	81	97
Adjusted earnings per share excluding EADS (€)		
- Basic	0.64	0.76
- Diluted	0.64	0.76

➤ Consolidated statement of cash flows

▶ 2010 First-Half Results

(€m)	H1 2009	H1 2010
Cash flow from operations before interest, taxes & changes in working capital	277	244
Changes in working capital	(94)	(142)
Cash flow from operations	183	102
Interest paid and received, and income taxes paid	(135)	(47)
Cash generated by/(used in) operating activities	48	55
Investments	(115)	(165)
<i>Property, plant & equipment and intangible assets</i>	(110)	(105)
<i>Financial assets</i>	(5)	(60)
Asset disposals	686	23
<i>Property, plant & equipment and intangible assets</i>	11	3
<i>Financial assets</i>	675	20
(Increase)/decrease in short-term investments	43	(7)
Cash generated by/(used in) investing activities	614	(149)
Net cash generated by/(used in) operating and investing activities	662	(94)

> Change in net debt H1 2009 vs. H1 2010

▶ 2010 First-Half Results

<i>(€m)</i>	H1 2009	H1 2010
Net debt at start of period	(2,619)	(1,824)
Net cash generated by/(used in) operating and investing activities	662	(94)
Purchase of treasury shares	(3)	2
Dividends	(194)	(192)
Increase/(decrease) in short-term investments	(43)	7
Liabilities arising from commitments to buy out minority interests	10	(1)
Fair value remeasurement of financial liabilities	3	(33)
Effects of exchange rates, changes in scope of consolidation & other effects	41	(64)
Net debt at end of period	(2,143)	(2,199)

> Consolidated balance sheet

▶ 2010 First-Half Results

<i>(€m)</i>	Dec. 31, 2009	June 30, 2010
Non-current assets (other than investments in associates)	5,206	5,381
Investments in associates	2,169	272
<i>EADS</i>	395	0
<i>Other associates</i>	1,774	272
Current assets (other than short-term investments and cash)	2,908	3,022
Short-term investments and cash	842	798
Held-for-sale assets	-	1,507
TOTAL ASSETS	11,125	10,980
Stockholders' equity	4,082	3,725
Non-current liabilities (other than debt)	899	917
Non-current debt	2,174	2,336
Current liabilities (other than debt)	3,478	3,341
Current debt	492	661
TOTAL LIABILITIES AND EQUITY	11,125	10,980

> Stockholders' equity and net debt

▶ 2010 First-Half Results

<i>(€m)</i>	Dec. 31, 2009	June 30, 2010
Stockholders' equity	4,082	3,725
Net debt	(1,824)	(2,199)
Gearing	44.7%	59.0%

> Appendices



Lagardère

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

▶ 2010 First-Half Results

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

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

▶ 2010 First-Half Results

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

> Contribution from associates by division

▶ 2010 First-Half Results

(€m)	H1 2009	H1 2010
Lagardère Publishing	1	1
Lagardère Active	33	1
- <i>Broadcast*</i>	31	(5)
- <i>Press</i>	2	6
Lagardère Services	3	4
Total Lagardère Media	37	6
Non-media	34	15
TOTAL	71	21

* Includes €10m negative impact of amortization of acquisition-related intangible assets in H1 2009

> Principal associates

▶ 2010 First-Half Results

(€m)	2009		2010	
	Balance sheet (Dec. 31, 2009)	Income statement (H1 2009)	Balance sheet (June 30, 2010)	Income statement (H1 2010)
EADS	395	34	0	15
Canal+ France*	1,507	38	-	-
Marie-Claire**	128	1	126	1
Other associates	139	(2)	146	5
Total	2,169	71	272	21

* Reclassified in "Held-for-sale assets" as of June 30, 2010

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

> Cash flow statement data

▶ 2010 First-Half Results

<i>(€m)</i>	H1 2009	H1 2010
Cash flow from operations before interest, taxes & changes in working capital	120	107
Changes in working capital	(111)	(114)
Cash flow from operations	9	(7)
Interest paid & received, and income taxes paid	(33)	(50)
Cash generated by/(used in) operating activities	(24)	(57)
Investments	(2)	(14)
<i>Property, plant & equipment and intangible assets</i>	(11)	(9)
<i>Financial assets</i>	9	(5)
Asset disposals	1	5
<i>Property, plant & equipment and intangible assets</i>	-	-
<i>Financial assets</i>	1	5
(Increase)/decrease in short-term investments	-	-
Cash generated by/(used in) investing activities	(1)	(9)
Net cash generated by/(used in) operating & investing activities	(25)	(66)

➤ Cash flow statement data

▶ 2010 First-Half Results

(€m)	Broad- cast	Press	H1 2009	Broad- cast	Press	H1 2010
Cash flow from operations before interest, taxes & changes in working capital	16	(9)	7	11	29	40
Changes in working capital	19	35	54	(14)	19	5
Cash flow from operations	35	26	61	(3)	48	45
Interest paid & received, and income taxes paid	(10)	(39)	(49)	(17)	(14)	(31)
Cash generated by/(used in) operating activities	25	(13)	12	(20)	34	14
Investments	(13)	(8)	(21)	(12)	(9)	(21)
<i>Property, plant & equipment and intangible assets</i>	(8)	(10)	(18)	(3)	(5)	(8)
<i>Financial assets</i>	(5)	2	(3)	(9)	(4)	(13)
Asset disposals	1	16	17	3	3	6
<i>Property, plant & equipment and intangible assets</i>	1	7	8	-	-	-
<i>Financial assets</i>	-	9	9	3	3	6
(Increase)/decrease in short-term investments	-	-	-	-	-	-
Cash generated by/(used in) investing activities	(12)	8	(4)	(9)	(6)	(15)
Net cash generated by/(used in) operating & investing activities	13	(5)	8	(29)	28	(1)

➤ Cash flow statement data

▶ 2010 First-Half Results

<i>(€m)</i>	H1 2009	H1 2010
Cash flow from operations before interest, taxes & changes in working capital	55	53
Changes in working capital	6	(15)
Cash flow from operations	61	38
Interest paid & received, and income taxes paid	(12)	(8)
Cash generated by/(used in) operating activities	49	30
Investments	(41)	(35)
<i>Property, plant & equipment and intangible assets</i>	(30)	(33)
<i>Financial assets</i>	(11)	(2)
Asset disposals	3	5
<i>Property, plant & equipment and intangible assets</i>	3	1
<i>Financial assets</i>	-	4
(Increase)/decrease in short-term investments	43	(7)
Cash generated by/(used in) investing activities	5	(37)
Net cash generated by/(used in) operating & investing activities	54	(7)

> Cash flow statement data

▶ 2010 First-Half Results

<i>(€m)</i>	H1 2009	H1 2010
Cash flow from operations before interest, taxes & changes in working capital	81	55
Changes in working capital	(32)	(18)
Cash flow from operations	49	37
Interest paid & received, and income taxes paid	(30)	(7)
Cash generated by/(used in) operating activities	19	30
Investments	(46)	(85)
<i>Property, plant & equipment and intangible assets</i>	(48)	(47)
<i>Financial assets</i>	2	(38)
Asset disposals	1	4
<i>Property, plant & equipment and intangible assets</i>	-	2
<i>Financial assets</i>	1	2
Cash generated by/(used in) investing activities	(45)	(81)
Net cash generated by/(used in) operating & investing activities	(26)	(51)

> Debt by maturity

▶ 2010 First-Half Results

(€m) as of June 30, 2010	< 1 year	1-5 years	> 5 years	Total
Bond issues	189	1,255	-	1,444
Bank borrowings	22	1,025	-	1,047
Finance lease obligations	1	2	-	3
Liabilities arising from commitments to buy out minority interests	-	40	1	41
Other debt	449	6	7	462
TOTAL	661	2,328	8	2,997

➡ Short-term investments and cash: €798m

> Off balance sheet commitments

▶ 2010 First-Half Results

(€m)	Dec. 31, 2009	June 30, 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	69
- guarantees in favor of third parties or non-consolidated companies*	79	81
- other commitments given	12	13
Mortgages and pledges	-	-

* Counter-guarantees relating to commitments made by Lagardère: €36m at 06/30/2010, €42m at 12/31/2009

> Significant events



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> Lagardère Publishing



Lagardère
PUBLISHING

> Overview

▶ 2010 First-Half Results

> 2010 first-half performance

- Net sales: €975m: down 3.4% on a reported basis
down 4.5% on a like-for-like basis
- Recurring EBIT before associates: €101m on a reported basis
- Operating margin: 10.3% for H1 2010, vs. 11.1% for H1 2009

> Stephenie Meyer

▶ 2010 First-Half Results

- > **Marked decline in sales of Volumes 1 to 4 in all markets, partly offset by substantial international rights sales in the first quarter.**
- > **Worldwide release of the Manga version of *Twilight*.**
- > **Worldwide release in June 2010 of the spin-off, *Bree Tanner*, a short novella not to be regarded as a Volume 5.**
 - Initial print runs:
 - USA: 2 million
 - France: 300,000
 - UK/Australia: 1 million

> France

▶ 2010 First-Half Results

- > Net sales and recurring EBIT before associates in line with budget, and ahead of the first half of 2008.
- > Change versus H1 2008 almost entirely due to lower *Twilight* sales.
- > Excellent first half for Kids/Teens, Livre de Poche, Literature and Larousse.
- > Lower revenues for Extra-curricular and Lifestyle.
- > Tough second half expected in School Textbooks due to long delays in French secondary school curriculum changes.

- > **HBG (USA) ahead of 2008 and budget, in terms of net sales and recurring EBIT before associates.**
 - 90 titles in the New York Times bestsellers list, versus 131 over 2009 as a whole.
 - Strong rights sales for *Twilight*.

- > **Hachette UK ahead of budget thanks to resilient Stephenie Meyer sales, despite a decline in secondary school textbooks.**
 - Excellent conditions in the Australian market.
 - Measures to adapt the Illustrated Books business (Octopus) to market conditions.

- > **Difficult first half for Anaya, due to the recession and public spending cuts.**
 - Net sales and recurring EBIT before associates down in Latin America (except Mexico).
 - Sale of Hachette Livre's stake in its Brazilian subsidiary.

> Partworks

▶ 2010 First-Half Results

- > **Net sales and recurring EBIT before associates ahead of budget.**
 - Good performances in the Italian and Japanese markets.
 - Excellent start-up in Russia.

> Digital

- > **Hachette Livre a worldwide partner of Apple for the iPad launch.**
- > **Over 10,000 titles available from the launch date in the USA, UK and France.**
- > **First-half US sales of e-books equivalent to 2009 full-year sales.**
- > **First on-demand digital printing workshop in operation at Maurepas (France).**

> Second-half outlook

▶ 2010 First-Half Results

- > **School and University textbooks in decline in France, the UK, and especially in Spain, due to public spending cuts.**
- > **USA: very tough comparative (the takeoff in *Twilight* sales began in August 2008 and lasted until the end of 2009 thanks to the release of the first *Twilight* movie in November 2009).**
- > **Non-recurrence of the sale of the foreign rights to *Twilight*.**

> Lagardère Active



Lagardère
ACTIVE

> Overview

▶ 2010 First-Half Results

> 2010 first-half performance

- Net sales: €55m: up 2.9% on a reported basis
up 0.6% on a like-for-like basis
- Recurring EBIT before associates: €36m on a reported basis
- Operating margin: 4.2% for H1 2010, vs. 1.1% for H1 2009

> Press 2010 first-half performance

- Net sales: €641m: up 1.1% on a reported basis
down 0.2% on a like-for-like basis
- Recurring EBIT before associates: €28m on a reported basis

> Broadcast 2010 first-half performance

- Net sales: €214m: up 8.3% on a reported basis
up 3.2% on a like-for-like basis
- Recurring EBIT before associates: €8m on a reported basis

> Magazines – France

▶ 2010 First-Half Results

Circulation

- > Circulation revenues were slightly down excluding *Version Femina* and on a same-titles basis (excluding the launch of *Be*).
- > In a market where single-copy sales are generally under pressure, our titles gained or held market share:
 - *Elle* accelerated its pace of growth in kiosk sales (up 12% year on year to end of June).
 - In celebrity mags, *Ici Paris* and *France Dimanche* achieved the best trends in the market apart from *Oops*, while *Public* was affected by tough competition in the younger women's celebrity mag market.
 - Good performers among monthlies included *Campagne Décoration* (up 13.8%) and *Première* (up 15.0%).
- > Subscription revenues were stable overall.
- > *Be* magazine has already matched the circulation figures of its two rivals.

Advertising

- > Advertising revenues advanced during the first half of 2010 on a same-titles basis (excluding the launch of *Be*):
 - *Elle* magazine achieved growth of over 10% in advertising revenues.
 - *Le Journal du Dimanche* also performed very well.

- > **First-half net sales: flat, but growth on a like-for-like basis.**
 - After remaining flat overall in Q1 on a same-titles basis, clear signs of recovery emerged in all countries from April, with an acceleration in emerging markets, China and Russia.
 - Advertising revenues rose by around 4% to end of June on a like-for-like basis.
 - Circulation revenues also reported slight growth over the period.
 - *Elle* made very strong advances both in print and digital, and is gaining market share in virtually all countries.

- > **Russia: rapid mid-market recovery, followed by rally in upscale segments from April.**
 - Circulation revenues are rising, mainly in mass market magazines.
 - Advertising revenues are much higher, especially in the mass market segment.

- > **Spain: recovery in advertising spend during H1 despite economic tensions.**
 - Circulation and advertising revenues returned to growth after a tough 2009. *Elle* achieved strong growth in both advertising and circulation.

> Magazines – International (continued)

▶ 2010 First-Half Results

- > **Italy: the most challenging European market in the first half.**
 - Circulation and advertising revenues were both slightly lower on a like-for-like basis.
- > **United States: return to growth in women's magazines.**
 - Circulation revenues rose slightly but advertising revenues fell slightly, largely due to the auto sector.
- > **United Kingdom: marked recovery in the upscale women's segment.**
 - Circulation revenues increased slightly, but advertising revenues were much higher year-on-year.
- > **Japan: still a difficult market.**
 - Circulation revenues rose on a same-titles basis as the new sales strategy bears fruit, but advertising revenues fell slightly.
 - The new e-commerce business, developed with Sumitomo, reported significant growth.
- > **China: return to growth from the start of 2010.**
 - Circulation and advertising revenues are advancing very strongly, and Lagardère Active is gaining market share.

Digital Terrestrial Television

- > An agreement was signed with Bolloré Média on June 9, 2010 with a view to the sale of Virgin 17 at end of August 2010.
- > Gulli maintained excellent first half viewing figures among kids, and among target adult audiences for evening slots.

Lagardère Entertainment

- > Revenues grew substantially on a like-for-like basis, mainly due to delivery of the *Marion Mazzano* serial (produced by GMT for the France 2 channel).
- > Lagardère Entertainment maintained its French no.2 ranking behind Endemol in non-scripted programs for the 2009/2010 season.

Europe 1

- > **Radio advertising revenues rose sharply in the first half.**
- > **Audiences:**
 - Europe 1 gained further audience share in its key target market (the 25-59 age bracket), attracting a 6.6% share in H1 2010, an increase of 5% versus 2009 (6.3%).
- > **Growth in diversification activities:**
 - Commitments signed by Europe 1 during the first half will generate full-year diversification revenue growth of 50% in 2010 versus 2009.

French music radio stations

- > **Revenues down overall in the first half, but with an upturn in Q2.**

International Radio

- > **Slight fall in International Radio revenues, mainly due to Russia and Romania, but with some countries (such as Poland and the Czech Republic) reporting growth.**

- **Cumulative worldwide audience of 68m unique visitors with strong positions in the women's segment, especially with *Doctissimo* (8m UVs) and the *Elle* network (17m UVs).**
- **Launch of Spanish, Italian and English versions of *Doctissimo* (April-July 2010).**
- **Deployment of strategic alliances: YouTube/Lagardère Active in video, Yahoo/Hachette Fужingaho (fashion chain).**
- **Launch of the *Glo* lifestyle site in the United States in partnership with BermanBraun and MSN, attracting 5m UVs in the very first month.**
- **Strong expansion on iPhone: 39 apps worldwide, 3.5m downloads in France, market leader among French media groups.**
- **Launch of the iPad versions of *Paris Match* and *Elle à Table*. Other iPad launches are scheduled between now and end 2010.**

Lagardère Services



Lagardère
SERVICES

> 2010 first-half performance

- Net sales: €1,712m: up 5.7% on a reported basis
up 1.6% on a like-for-like basis
- Recurring EBIT before associates: €37m on a reported basis
- Operating margin: 2.2% for H1 2010, vs. 1.7% for H1 2009

> Split by business line

- Retail: 70.1% of net sales (68.4% for H1 2009)
- Press Distribution: 29.9% of net sales (31.6% for H1 2009)

> **Factors influencing Lagardère Services 2010 first-half revenues:**

- The ongoing decline in single-copy print media sales:
Magazine publishers have responded to the sharp fall in advertising revenues by launching fewer new titles, breaking the cycle of product refreshment that had been the main growth driver in this market.
- The upturn in worldwide air traffic:
However, air passenger numbers in 2010 are still below 2008 levels.
- The negative impact of the Icelandic volcano on air traffic in April (0.9% dip in worldwide passenger numbers in the month), costing an estimated €9m in lost revenue.

> **Acquisition early in 2010 of CSA's duty free activities, including:**

- 5 duty free outlets, 4 at Prague airport and 1 at Karlovy Vary airport (7-year contract).
- In-flight sales contract for CSA (Czech Airlines).

> Relay France

- **Net sales growth of 5.1%:**
 - Same-stores sales growth of 4.8%.
 - decline in print media and phonecard sales.
 - strong growth in tobacco product sales.
 - increase in food sales.
 - Expansion of the core store network, especially in hospitals, with 7 more outlets (new openings less closures) at end of June 2010 than a year earlier. Total network now 857 outlets.
- Ongoing diversification, with the opening of 2 *Chez Jean* outlets (in Marseille and Toulouse) and a *La Cure Gourmande* outlet in Paris.

> Aelia

- **Net sales up 5.9%** (or 5.8% on a same-stores basis):
 - airports up 5.5% despite the contraction in air passenger traffic in France.
 - Euronord up 3.4%, with a very good 2010 second-quarter performance.
 - in-flight up 42.8% thanks to the new in-flight sales contract with Iberia, which started in December 2009.
- Further expansion in the store network (4 more outlets) to 155 outlets at end of June, including 68 in partnership with Aéroports de Paris in the SDA joint venture:
 - opening of 3 new “multistore” outlets (alcohol, tobacco products, perfumes and cosmetics) at Nice airport, under the new “Aelia Duty Free” banner.

> Spain

- **Distribution down 1.3%**, with a 5.3% decline for magazines (reflecting adverse trends in the print media market) but 20% growth in book sales.
- **Retail up 4.1%:**
 - press sales outlets down 2.0% on lower downtown and shopping mall footfall.
 - 6.1 points of growth from new activities (*La Cure Gourmande* and the new duty free business).
 - network of 177 outlets at end of June 2010, up 18.

> Germany

- **Net sales up 6.8%:**
 - core business sales up 6.0%, with 4.8% same-stores growth and a further 1.2 percentage points from network expansion.
 - diversifications (*Happy stores*) contributed 0.8 of a point to growth.
- The network now comprises 74 outlets.

> Belgium

- **Sales virtually unchanged (0.1% growth)**, despite a drop of nearly 0.7% in print media sales, thanks to increased tobacco product sales. The network now comprises 280 outlets.
- **Slight drop of 1% in sales for the Distribution business.**

> Switzerland

- **Retail: up 2.1%**, despite a 3.1% fall in print media sales, on good performances from tobacco products and phonecards and the positive effect of the Football World Cup on sales of Panini stickers. Network of 177 outlets.
- **Distribution up 3.7% on a managed sales basis** thanks to good performances from non print media, while print media distribution sales fell by 1.5%.
- **1.9% growth for Payot bookstores**, mainly due to diversification with the opening of a *Nature & Découvertes* outlet in Lausanne.
- **Book distribution sales (OLF) down 3.4%**, in a quiet first half for new books.

> Poland

- **Overall growth of 10.7% in Poland**, with the network now standing at 665 outlets (9 more than at end of June 2009).
- 10.6% growth for the *Relay* and *Inmedio* retail businesses.
- Ongoing diversification with the *Empik Café* concept (55 outlets): sales up 22%.
- Duty free activities (9 outlets) up 7.6%, mainly at regional airports.

> Hungary

- **Sales down 7.2% overall.**
- **Retail down 5.6%:** network of 667 outlets (338 under the *Relay* and *Inmedio* banners, 329 kiosks).
- **Distribution down 9.3%** on a managed sales basis, reflecting a decline in the print media market (especially magazines). Non print media sales also fell.

> Czech Republic

- **First-half sales growth of 22.9%**

- excluding the acquisition, sales rose by 1.3% thanks to the opening of 5 new outlets (including the *Paul* and *Costa* diversifications). The network now stands at 175 outlets.
- the 5 duty free outlets acquired in February generated €7.2m of sales.

> Romania

- **Further rapid growth in retail sales (up 31%),** driven by same-stores growth
- Network of 167 outlets.
- Discontinuation of the *MOA* diversification.

> Other countries

▶ 2010 First-Half Results

> North America

- **Retail in Canada and the United States down 4.9%**, but stable on a same-stores basis with good performances in airport retail.
- **Distribution in the United States:** the market has stabilized following the bankruptcy of one of America's top 4 wholesalers (Anderson) in the first half of 2009 but it is still contracting slightly, resulting in a 2.5% drop in sales for the Curtis brokerage business.

> Asia/Pacific

- Presence in Australia (116 outlets), Hong Kong (12 outlets), Singapore (19 outlets), China and Taiwan, with 157 outlets in all (versus 156 at end of June 2009).
- **Overall sales growth of 2.1%** at constant exchange rates, with Australia up 5.4% but Asia down 20% on the partial loss of the Hong Kong concession.
- Opening of a 750m² duty free fashion outlet at Changi Airport (Singapore) scheduled for the end of 2010.

> Lagardère Unlimited



Lagardère
UNLIMITED®

> Overview

▶ 2010 First-Half Results

> H1 2010 performance

- **Net sales:** €174m: down 33.1% on a reported basis
down 33.8% on a like-for-like basis
- **Recurring EBIT before associates:** €9m on a reported basis
- **Operating margin:** 5.1% for H1 2010, vs. 12.6% for H1 2009

> Media Rights (distribution/sale)

▶ 2010 First-Half Results

- > **Media revenues represent around 59% of divisional net sales**
- > **Successful distribution of media rights to a number of major events held in early 2010:**
 - **African Cup of Nations** (January - Sportfive France/Africa): rights to the 2010 tournament in Angola were sold for more than those for the 2008 tournament.
 - **IAAF World Athletics Championships** (March - IEC in Sports): rights to the Doha Indoor Championship were sold just 3 months after they were acquired. Innovative partnership deal signed with Dailymotion (live streaming and VoD). Start of negotiations for the 2011 and 2013 World Outdoor Championships.
 - **Indian Premier League** (March/April - WSG): we distributed the rights to the 3rd season of this premium cricket competition, with the emphasis on raising its profile and audiences.
 - **OneAsia** (first tournament in China in April - WSG): in its second season, this international golf tour expanded from 5 to 11 tournaments in 5 Asian countries. Deals were signed with prestigious broadcasters such as ESPN Star Sports, America One and Bloomberg TV.

> Media Rights (acquisitions)

▶ 2010 First-Half Results

- > **A number of important contracts were obtained or renewed during the first half of 2010:**
 - **Portuguese Football League** (March - IEC in Sports): renewal of the media rights distribution contract until 2012.
 - **ATP 250 tournaments** (February-May - IEC in Sports): extensions to contracts with a number of ATP 250 tennis tournaments, including Auckland, Bangkok, Bucharest, Casablanca, Lyon, Stuttgart and Vienna.
 - **UEFA EURO 2012** (June - Sportfive International): Sportfive obtained the media rights to the EURO 2012 football tournament for Asia (excluding Japan, Malaysia and Indonesia) and Oceania. The value of rights to major football tournaments is rising rapidly in these territories.
- > **The draw for the EURO 2012 qualifying groups took place in February. Sportfive will manage the media rights of around thirty of the national football federations involved in this competition, which starts in September 2010.**

- > **Marketing activities represent around 36% of divisional net sales.**
- > **Sportfive consolidated its leading position in football:**
 - Expansion of the **portfolio of clubs** under exclusive marketing contracts: long-term partnerships agreed with AS Saint-Etienne (France), Zenit St Petersburg (Russia), and Lechia Gdansk (Poland).
 - **Polish Football Federation** (June): following the renewal of its contract, Sportfive will manage the federation's marketing rights until 2014.
- > **Lagardère Unlimited also continued its gradual diversification into other sports:**
 - **Mercedes GP** (May - Sportfive Germany): management of marketing rights for Michael Schumacher's Formula 1 team.
 - **Allianz Lyon Open Golf** (May - Sportfive France/Africa): sale of marketing rights for this round in the European Challenge Tour.

> Events

▶ 2010 First-Half Results

- > High level of participation in the 3rd **Skoda Berlin Velothon**, organized by Upsolut.
- > Success of the first **Copa del Sol**, a football tournament organized in Spain by IEC in Sports, in February 2010.
- > Promotion by World Sport Group of the **Luxehills Championships** (Chengdu, China), the first round of the OneAsia golf series.
- > Rollout of **The Sports Promoters**, a Sportfive subsidiary specializing in sports event organization:
 - Promotion of the Race of Champions, a race involving the greatest champions in motor sport, to be held in Düsseldorf in November 2010.
 - 2-year deal signed with Ajax Amsterdam to organize their pre-season tournaments, plus deals with Valencia and Liverpool for their 2010 pre-season matches.
 - Organization of the Summer of Champions, a friendly tournament involving 5 German clubs plus Liverpool, Valencia, Chelsea and Manchester City.

> Events

▶ 2010 First-Half Results

- > **Acquisition of Best, an American company that represents sports stars and celebrities, in May 2010.**
- > **Creation of Lagardère Unlimited to replace Lagardère Sports. We are now active in 6 business lines across the sport and entertainment world: artist and athlete representation, sports academy management, event promotion and organization, management and distribution of media rights, marketing and consulting.**