

Paris, 25 January 2011

Lagardère raises again its guidance for 2010 Media recurring EBIT before associates

Lagardère SCA is organizing a meeting with the financial community today, Tuesday, January 25, 2011, in order to present Lagardère Unlimited. This branch gathers the activities in Sport and Entertainment. The meeting will be webcasted on the Internet site www.lagardere.com.

1. Guidance for 2010 Media recurring EBIT before associates

At the meeting Lagardère has raised its guidance, with Media recurring EBIT before associates now expected in 2010 unchanged to down 5% versus 2009, primarily due to the upturn in advertising market at Lagardère Active.

In March 2010, the guidance for 2010 Media recurring EBIT before associates had been announced to decline by around 10% year-on-year, at constant exchange rates. When the interim 2010 results were released, the guidance was significantly raised, with the target set at around a 5% decline compared with 2009.

2. Lagardère group news

Separately, Lagardère SCA management provides further information concerning:

- **Disposal of the international magazines business:** the negotiations with Hearst are continuing, under the exclusive agreement announced on December 31, 2010 and in effect until January 30, 2011.
- **Canal+ France initial public offering:** the process is proceeding apace, with the IPO still scheduled for the second quarter 2011.

3. Lagardère Unlimited Investor Day

Today's Investor Day is designed to present the strategy and outlook for Lagardère Unlimited, the Group's Sports and Entertainment business.

Sport, a fast growing market

The Lagardère group's strategic decision to develop a new business was based on the observation that the sports and entertainment market offered attractive growth prospects, exceeding the pace of GDP growth in most countries.

Depending on the definition, the addressable sports market has been estimated at between €13 billion (for the addressable media and marketing rights and sponsoring markets) and €45 billion (for the entire marketing and media rights, sponsoring and ticket sales market). Between 2005 and 2009, this €45 billion world market grew by an average 6% a year, outperforming global GDP.

According to *A.T. Kearney*, this same market is expected to expand by an average 4% per year between 2009 and 2015.

Football (soccer), where Lagardère Unlimited holds strong positions, will remain the major sport in the years ahead.

Lagardère Unlimited today

Officially created in 2010, Lagardère Unlimited comprises a variety of units set up or acquired since 2006:

- Sportfive, which enjoys a solid presence in the European media and marketing rights market, particularly in football.
- IEC in Sports, which manages sporting rights, primarily in the Olympic disciplines.
- Upsolut, a German marketing agency that organizes mass-participation sports events such as triathlons and cycle races.
- PR Event, which has developed expertise in organizing international tennis tournaments.
- World Sport Group, a sports marketing agency for such major events in Asia as the Asian Football Cup, the Indian Premier League Cricket competition and the Asian Golf Tour.
- Best, a US-based company that represents sports personalities and celebrities.
- Sport Academies (Lagardère Paris Racing, Saddlebrook)

Since 2008, Lagardère Unlimited has expanded into new sports and new geographies, while extending its presence along the value chain. In 2010, for example, football accounted for only 73% of the revenue stream, compared with 86% in 2008.

The sports value chain is based on four key links: sports events (properties), media and marketing rights management, event management and content aggregation.

Lagardère Unlimited wants to extend this value chain to the entertainment market, which shares a number of features with sports.

Lagardère Unlimited's recent performance and outlook

With revenue of €396 million¹ and recurring EBIT before associates of around €28 million¹ Lagardère Unlimited had a more muted performance in 2010 than in 2009, for the following reasons:

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

Lagardère Unlimited's performance in 2010 was impacted by the lack of a contribution from three un-renewed sporting rights contracts:

- **Handball:** the IHF - International Handball Federation's 2010 public tender for the biennial World Handball Championships (2009 and 2011) was lost.
- **Europa League:** the contract was terminated after UEFA decided to centralize rights marketing.
- **French Football Federation:** the contract was not renewed in June 2010, in line with the FFF's commitment to insourcing media and marketing rights management. .

From 2011 to 2013, the schedule of the major sports events will have a positive impact:

- In 2011
 - UEFA qualifying matches.
 - IAAF World Championships.
 - AFC Asian Cup, in football
 - The AFC Pre-Olympic Tournament.

¹ Provisional, unaudited figures

- In 2012
 - Initial qualifying matches for the FIFA Football World Cup in Europe.
 - The AFC Pre-Olympic Tournament.
 - Qualifying matches for the FIFA Football World Cup in Asia.
 - African Nations Cup (ANC) in football.
- In 2013
 - Final qualifying matches for the FIFA Football World Cup in Europe.
 - Qualifying matches for the FIFA Football World Cup in Asia.
 - African Nations Cup (ANC) in football.
 - IAAF World Championships.

In addition to the calendar effect, Lagardère Unlimited has deployed an ambitious growth plan designed to reduce its exposure to the calendar cycle and the economic environment by:

- Consolidating its rights portfolio in the leading sports.
- Extending its presence into new sports, such as golf, rugby and the Olympic disciplines, and into new markets in Asia, Latin America, Africa and other regions.
- Undertaking organic growth initiatives to develop marketing and other synergies.
- Seizing any acquisition opportunities to step up the pace of growth.

Normalized data: gross margin and operating margin

Gross margin

In addition to book revenue, Lagardère will now release gross margin figures for Lagardère Unlimited, corresponding to book revenue less amortization of acquired sporting rights. Currently, book revenue comprises not only agent fees, but also buyout fees (on the purchase and resale of rights to broadcast sports events) that can significantly inflate book revenue.

The notion of gross margin will give a truer picture of Lagardère Unlimited's real value added in these buyout transactions, corresponding to the difference between the purchase and sale price of the rights. It is comparable to the notion of gross margin in the advertising industry.

In addition, to improve the comparability of 2009 and 2010 figures, revenue has to be adjusted for the loss of the FFF and Europa League contracts.

In € millions	2009	2010*
Reported book revenue	507	396
Revenue at 2009 exchange rates (A)	507	391
- Amortization of sporting rights (B)	136	83
Gross margin (C = A-B)	371	308
- Revenue from lost FFF and IHF contracts (D)	50	12
Comparable gross margin, adjusted for lost contracts (C-D)	321	296
Of which Media	163	113
Of which Marketing	148	141
Of which Events and other	10	42

*Provisional, unaudited figures

2011-2012 profitability

Due to the major impact of sports events scheduling, Lagardère Unlimited's future margins should be estimated by comparing even years (2010 and 2012) and odd years (2009 and 2011).

Profitability may be estimated on the basis of the following normalized data:

In 2009 and 2011

- | | |
|-----------------------------------------------|--------------------------------------|
| - Gross margin: | Up to market growth |
| - Media recurring EBIT before associates: | Recurring margin between 30% and 40% |
| - Marketing recurring EBIT before associates: | Recurring margin between 10% and 15% |
| - Overheads & other activities rec EBIT: | Between -17M€ and -23M€ |

In 2010 and 2012

- | | |
|-----------------------------------------------|--------------------------------------|
| - Gross margin: | +3% to + 8% growth |
| - Media recurring EBIT before associates: | Recurring margin between 20% and 30% |
| - Marketing recurring EBIT before associates: | Recurring margin between 15% and 20% |
| - New events & other opportunities: | Further EBIT improvement |
| - Overheads & other activities rec EBIT: | Between -17M€ and -23M€ |

In 2012, recurring EBIT margin should significantly exceed the above range thanks to the favorable impact of major events that year, particularly in Asia.

Lagardère Unlimited's vision for 2015

Lagardère Unlimited is strategically committed to becoming the leader of the global sports market, which is currently fragmented and served by mostly local participants.

Compared with its main competitors, Lagardère Unlimited enjoys the following competitive strengths:

- Expertise in managing media and marketing rights.
- A long-term relationship with major rights-holders, giving it a presence across the entire value chain and in the leading sports disciplines.
- Sound finances, with the backing of the Lagardère group.
- Strong positions in football in Europe, Asia, Africa and the Middle East.

In the end, Lagardère Unlimited's outlook will enable it to act as a new source of growth in 2011, in a close fit with the Group's other three business lines.

Investor calendar

The Lagardère group will release its 2010 revenue figures at 8:00 am on February 10, 2011. A conference call will be held at noon the same day.

Consolidated results for the year will be released at 5:45 pm on March 9, 2011, with a meeting to follow at 6:00 pm.

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

Media Contacts

Thierry Funck-Brentano Phone: +33 (0)1 40 69 16 34 tfb@lagardere.fr

Ramzi Khiroun Phone: +33 (0)1 40 69 16 33 rk@lagardere.fr

Investor Relations Contact

Anthony Mellor Phone: +33 (0)1 40 69 18 02 amellor@lagardere.fr