



2009 objectives confirmed
Lagardère SCA 2009 full-year consolidated revenues:
down 3.9% on a reported basis and down 4.0% on a like-for-like basis ⁽¹⁾

-- Paris, February 11, 2010 --

Lagardère SCA consolidated revenues for the year ended December 31, 2009 were €7,892m, down just 3.9% on a reported basis and 4.0% on a like-for-like basis.

Sales trends for the fourth quarter of 2009 were more favorable than those to end September for Lagardère Active and Lagardère Services, while Lagardère Sports was affected by a tougher-than-expected environment. Finally, despite a slowdown in growth in the fourth quarter of 2009 due to a very high comparative base, the performance from Lagardère Publishing was better than expected, and exceptionally good over the full year.

The difference between the reported-basis and like-for-like fall in revenues was marginal over the year as a whole. The positive effect of changes in the scope of consolidation (€131m), mainly due to the full consolidation of WSG from January 1, 2009, were cancelled out by adverse exchange rate effects (€132m, with the fall in sterling and some Eastern European currencies against the euro partially offset by the rise in the U.S. dollar).

Key trends during the fourth quarter of 2009 on a like-for-like basis were:

- **Lagardère Publishing** – Slight rise in sales for the fourth quarter of 2009, despite a particularly high comparative base. Excellent performance in France thanks to Illustrated Books (Children, Travel, Lifestyle) and General Literature, compensating for the sharp slowdown in U.S. revenues on a decline in Stephenie Meyer sales.
- **Lagardère Active** – Less marked drop in revenues than to end September, following three consecutive quarters of deterioration. Pick-up in advertising revenue trends in France, especially in Magazines but also in Radio. Decline in International advertising revenues close to the figure for the first nine months of the year, but with wide disparities between regions.
- **Lagardère Services** – Slight improvement at the end of the year, mainly in airport retail. Distribution revenues down by just under 8% (or down 5.8% excluding the closure of operations in Poland) in the fourth quarter, with retail reporting growth of around 1%.
- **Lagardère Sports** – Only a limited drop in revenues at year-end, with lower-than-expected sponsorship income and much tougher conditions in the European media rights market.

⁽¹⁾ Excluding changes in scope of consolidation and the effect of exchange rates

Given the level of our 2009 full-year sales, we expect to be close to the top end of our guidance for the year-on-year change in recurring EBIT before associates (excluding Lagardère Active), which was in a range from zero growth to a 10% fall at constant exchange rates.

	Revenues (€m)						
	2009 Q1	2009 H1	2009 9 months	2009 full year	2008 full year	Change FY 2009/ FY 2008 (reported)	Change FY 2009/ FY 2008 (like-for-like)
LAGARDERE	1,778	3,720	5,820	7,892	8,214	(3.9%)	(4.0%)
- Lagardère Publishing	463	1,009	1,694	2,273	2,159	5.3%	6.5%
- Lagardère Active	399	831	1,226	1,725	2,111	(18.3%)	(16.6%)
o Press	310	633	940	1,271	1,591	(20.1%)	(17.9%)
o Broadcast	89	198	286	454	520	(12.8%)	(12.7%)
- Lagardère Services	782	1,619	2,517	3,387	3,500	(3.2%)	(2.3%)
- Lagardère Sports	134	261	383	507	444	14.2%	(10.1%)

I – Revenues

Lagardère Publishing

Full-year revenues for 2009 were €2,273m, up 5.3% on a reported basis or 6.5% on a like-for-like basis. Despite a particularly dynamic fourth quarter of 2008, when like-for-like growth reached 5.8% on the back of the Stephenie Meyer saga (8 million copies sold in December 2008 alone), Lagardère Publishing managed to grow sales by 0.2% on a like-for-like basis in the fourth quarter of 2009.

Full-year sales were dented by negative exchange rate effects of €33m, with the effect of the decline in sterling not fully compensated by that of the rising U.S. dollar.

Trends in the various regions during the fourth quarter of 2009 were as follows:

- In the United States, which posted double-digit growth to end September, sales fell by about 20% in the final quarter. During 2008, the Stephenie Meyer saga (*Twilight*, *New Moon*, *Eclipse* and *Breaking Dawn*) was a huge success, selling over 28 million copies, including 8 million in December alone. Consequently, the drop in Stephenie Meyer sales depressed revenue growth in the final part of 2009, with the impact only partly cushioned by the success of books by Edward Kennedy (*True Compass*), Uwem Akpan (*Say You're One of Them*) and Malcolm Gladwell (*Outliers* and *What the Dog Saw*). U.S. sales of e-books increased sharply during the year, reaching around 5% of total revenues in December.
- There was further sales growth in the United Kingdom as the Stephenie Meyer phenomenon continued, while sales were also higher in Latin America.
- There was an excellent end to the year in France, as the pace of growth remained strong thanks to Illustrated Books (Children, Travel, Lifestyle, Art Books) and an acceleration in General Literature. This performance was underpinned by a number of successful titles like Dan Brown's *The Lost Symbol* (published in French by Lattès as *Le symbole perdu*), Frédéric Beigbeder's *Un roman français* (published by Grasset) and the latest *Astérix* album (1.1 million copies sold).
- Partworks, which are more sensitive to economic conditions than books, again saw a decline in revenues, but with an upturn in Japan towards the end of the year.

Lagardère Active

Lagardère Active saw 2009 full-year revenues fall by 18.3% on a reported basis to €1,725m, equivalent to a like-for-like drop of 16.6%. The pace of the like-for-like decline slowed in the fourth quarter to 13.2%, against 17.9% for the first nine months of 2009, pointing to a more positive trend for the first time since the start of the year.

Exchange rates had a negative effect of €29m (mainly due to trends in the Russian rouble, the Polish zloty and sterling, partly offset by the U.S. dollar and the yen), while changes in scope of consolidation had a negative effect of €21m.

The pace of decline in advertising revenues slowed significantly relative to the third quarter of 2009, settling at 20% in the fourth quarter, due mainly to a less marked fall in advertising revenues in France. Bear in mind that advertising revenues fell by just 3% in the fourth quarter of 2008, and did not begin to fall sharply until the first quarter of 2009. The pick-up in the trend was weaker internationally, in both Magazines and Radio. Circulation revenues remained sluggish, with revenues again falling less in France than internationally.

Over the year as a whole, Lagardère Active advertising revenues reported a sharp fall of 24%.

Digital activities accounted for 7.3% of Lagardère Active's 2009 revenues (versus 6.2% in 2008), in line with our target of 5%-10% of sales in 2009.

Press

Revenues for the Magazines business (which accounts for three-quarters of Lagardère Active revenues) fell by 17.9% on a like-for-like basis over 2009 as a whole, versus a 19.1% fall to end September. On a reported basis, full-year revenues were down 20.1%, at €1,271m.

The main trends in advertising revenues during the fourth quarter of 2009 were:

- Resilience from Magazine Publishing France, with revenues down by just 5% in the fourth quarter; after three consecutive quarters of deterioration, this represents an improvement in the trend. After cuts in advertising spend by the fashion industry which hit September revenues hard, most advertisers began spending again at the end of the year.
- Internationally, there was also a slight improvement, though to a lesser extent than in France. The main countries to slow the pace of decline in revenues relative to the third quarter of 2009 were Spain and the United States.

There was no change in the trend in circulation revenues, which fell by approximately 5% on a same-titles basis in the fourth quarter of 2009. The trend remained more favorable in France than internationally.

Some magazines performed exceptionally well, such as *ELLE*, which reported its highest ranking in France in terms of paid-for circulation for 30 years. And despite of a tough advertising market, *Elle* maintained its advertising rates per page, demonstrating the power of the brand.

Broadcast

Full-year 2009 broadcast revenues totaled €454m, down by 12.8% on a reported basis and by 12.7% on a like-for-like basis (versus a fall of 13.5% to end September).

• Radio

In France, after a double-digit drop in revenues to end June 2009, the uptrend seen in the third quarter of 2009 was confirmed in the final quarter, despite a contraction at Virgin Radio. The main factor was rising audience shares for Europe 1 and RFM, which was reflected in increased advertising revenues for these stations in the fourth quarter of 2009. By contrast, International Radio activities again posted a contraction of over 20%.

• Television

While cable channel revenues fell again in the fourth quarter of 2009, DTT channels remained very buoyant, with growth of close to 15%. Lagardère Entertainment saw a very slight dip in revenues at the end of the year, in line with trends to the end of September.

Lagardère Services

Full-year revenues at Lagardère Services fell by 2.3% on a like-for-like basis in 2009, and by 3.2% on a reported basis, to €3,387m, but with a like-for-like fall of just 1.6% in the final quarter.

Revenues were dented by negative foreign exchange effects of €65m, mostly due to rises in the average rates of the euro against the Polish zloty (+23%) and the Hungarian forint (+11%). Acquisitions, mainly NGSi and Delstar in the United States, contributed €29m to the top line.

Retail accounted for 68.3% of Lagardère Services revenues in 2009, compared with 66.3% in 2008. Over the full year, retail revenues grew by 0.7% on a like-for-like basis, while press distribution revenues fell by 8.1% (or down 6.3% excluding the closure of operations in Poland). The fourth-quarter performance reflects a pick-up in retail, which recorded 3.6% revenue growth in December alone.

The main trends in the fourth quarter of 2009 were:

- After a deterioration in the third quarter of 2009, Aelia saw only a small decline in sales in the final quarter. In December alone, revenue growth at Aelia was nearly 8.0%. Although the print media market is still depressed, fourth-quarter sales at Relay France rose by 1.7%.
- International retail activities again showed wide disparities between regions. There was a clear acceleration in the pace of growth in Asia-Pacific, and a turnaround in Western Europe (Switzerland, Belgium, Germany, Spain). On the downside, there was a further deterioration in some Central European countries (Czech Republic, Hungary), and growth in Central Europe was weaker than to end September. North America disappointed, with a poor December.
- In press distribution, revenues were virtually unchanged in Belgium and Switzerland in the fourth quarter of 2009. Spanish sales slowed by less than in the first nine months of the year, but there was a deterioration in Hungary and North America during the fourth quarter.

Lagardère Sports

Lagardère Sports reported 2009 full-year revenues of €507m, up 14.2% on a reported basis but down 10.1% on a like-for-like basis, the difference being due mainly to the full consolidation of WSG with effect from January 1, 2009.

Fourth-quarter revenues fell by 3.6% on a like-for-like basis, reflecting a smaller number of matches in the Europa League (formerly the UEFA cup) than in 2008 and the discontinuation of the sale of La Liga (the Spanish football league) in Asia. The effect of these changes was only partly offset by the women's World Handball Championships. In addition, market conditions in Europe have become much tougher since the third quarter of 2009, and this has translated into a decline in the value of some media rights (especially in the United Kingdom).

Over 2009 as a whole, in addition to these two factors, Lagardère Sports was penalized by the non-recurrence of the Euro 2008 football finals and of the Africa Cup of Nations football tournament (which takes place every other year). These effects were only partially offset by the sale of the media rights for the men's and women's World Handball Championships.

II – Outlook

Based on trends in 2009 full-year revenues, the Lagardère Group is able to reiterate its guidance for full-year recurring EBIT before associates.

Regarding Lagardère Active, we would point out that:

- Each 1% loss of advertising revenue has a negative impact of between €8m and €10m on full-year recurring EBIT before associates before any cost savings, on top of which come the unavoidable knock-on effects of rises in some operating costs (approximately €35m) and the cost of continuing with our efforts to prepare for the future (approximately €10m).
- Cost savings arising from measures already taken and from the additional measures announced in March 2009 (One Step Further) are expected to have a positive impact slightly ahead of the €90m announced in March 2009.

For other activities, we expect to be close to the top end of our guidance for the year-on-year change in recurring EBIT before associates (excluding Lagardère Active), which was in a range from zero growth to a 10% fall at constant exchange rates.

Lagardère is a pure media group (books, press, broadcast, digital, travel retail and press distribution, sports trading and sports rights), and is among the world leaders in the sector. Lagardère also jointly controls EADS, in which it holds a 7.5% stake. Lagardère shares are listed on Euronext Paris.

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