PRESS RELEASE

2010 FULL-YEAR RESULTS

Recurring EBIT before associates from Media activities exceeds March 2010 guidance.
Gradual return to growth starting in H2 in a brighter economic climate.

- **Consolidated net sales: up 0.9% at €7,966m**
- **Recurring EBIT before associates from Media activities up 1% to €468m, or a decrease of 2.3% at constant exchange rates**
- **Adjusted net income(1) attributable to the Group: €284m or an increase of 8.4%**
- **Free Cash Flow stable(2) at €313m**

Paris, March 9, 2011

At its meeting of March 9, 2011, the Supervisory Board reviewed the consolidated financial statements of **LAGARDÈRE SCA** for the year ended December 31, 2010 as presented by Arnaud Lagardère, General and Managing Partner.

Due to the planned Canal+ France IPO, the net income attributable to the Group published today is provisional. It includes 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.
However, the indicators presented above are final.

Key figures for the 2010 reporting year:

> **Economic recovery accompanied by 0.9% growth in consolidated net sales**, or a 1.8% decline to €7,966m on a like-for-like basis. The effect of translation of foreign operations had a positive impact of €225m, unlike 2009. The impact of changes in the scope of consolidation was immaterial.

> **1% increase in recurring EBIT before associates from Media activities, which stands at €468m**. At constant foreign exchange rates, the change in recurring EBIT before associates (down 2.3%) exceeded the variation guidance announced in March 2010 (projected 10% decrease). Total Group recurring EBIT stood at €462m (compared to €461m in 2009).

> **Significant negative impact from non-recurring/non-operating items** (a loss of €184m, versus a loss of €121m in 2009). The gains realised in 2010 due to certain disposals (notably Virgin 17) did not offset the impairment losses against various assets (-€100m), restructuring costs (-€90m), and amortisation of acquisition-related intangible assets (-€34m).

> **Solid 8.4% growth in net adjusted income attributable to the Group** (excluding contribution from EADS and non-recurring/non-operating items), totalling €284m, compared to €262m in 2009.

> **Modest decline in indebtedness to €1,772m, and stable Free Cash Flow at €313m.** Net gearing (net debt to equity) was stable at approximately 44% as of the end of 2010.

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(1) *Excluding contribution from EADS and non-recurring and non-operating items.*
(2) *Net cash from operating and investing activities.*

GROUP CONSOLIDATED NET SALES

For the 2010 business year, net consolidated sales amounted to €7,966m, reflecting a slight increase of 0.9% on a reported basis and a 1.8% decline on a like-for-like basis. There was a pronounced recovery in revenue in H2, notably in advertising income.

The differences between reported and comparative data are due primarily to a positive foreign exchange effect of €225m. In 2009, the trend in foreign exchange was inverted and negatively impacted the Group's performance. The impact of changes in the scope of consolidation was immaterial in 2010.

- Lagardère Publishing – **Revenues "returned to normal", reaching a level exceeding that for 2008, after a spectacular 2009 (success of Stephenie Meyer's Twilight saga), thanks to new best-sellers.** Net sales totalled €2,165m, down 4.8% on a reported basis and 6.3% on a like-for-like basis. This result was expected due to the unusually high revenues of 2009, marked by three major successes: Stephenie Meyer's Twilight saga, with 45 million copies sold in 2009 compared to 11 million in 2010 and, in France, a new Astérix comic book and the Dan Brown novel, *The Lost Symbol*. Revenue reported in 2010 was modestly above that for 2008, reflecting the excellent resiliency of Lagardère Publishing's markets.

- Lagardère Active – **Strong growth in net advertising sales at the end of the year in France and abroad.** Sales were up 5.9% to €1,826m on a reported basis, which translates into an increase of 3.3% on a like-for-like basis. Income from advertising grew solidly by 6.6% on a like-for-like basis and on a constant title activity basis. Digital revenue, which accounted for 7.5% of Lagardère Active's sales in 2010, was up 6.7%.

- Lagardère Services – **Very good progress at the end of the year, thanks to brisk retail sales, especially in France and at airports, and network expansion.** Sales are up 5.7% on a reported basis (up 1.7% on a like-for-like basis) and stood at €3,579m.
    - **Retail** accounted for 70.6% of Lagardère Services' 2010 net sales, compared to 68.3% in 2009. This revenue was up 4.2% on a like-for-like basis across the entire year while **Press Distribution** declined 3.8%.
    - In late November 2010 (last published figures[3]), **airline traffic** increased 6% worldwide, including 4% in Europe, 2% in North America and 12% in the Asia-Pacific region.

- Lagardère Unlimited – **2010 results were mixed due to predicted calendar effects, loss of contracts and the latent effects of the crisis.** Lagardère Unlimited posted a decline in sales of 21.9% in 2010 on a reported basis to €396 million, or a decline of 23.2% on a like-for-like basis. Three reasons account for this development:
    - **predicted calendar effects**: a decrease in the number of European and Football World Cup qualification matches (which was only partially offset by the World Cup in South Africa) and no final phase of the Handball World Championships;
    - **the non-renewal of some contracts** (French Football Federation, International Handball Federation, Europa League);
    - **the effects of the economic and financial crisis**, which weakened some customers, penalised the success of some events and halted new project development.

[3] *Source: ACI.*

RECURRING EBIT BEFORE ASSOCIATES

Recurring EBIT before associates from Media activities grew to €468m, up 1.0%. This trend, at constant foreign exchange rates (down 2.3%) is in line with the Group's guidance. It is emphasised that this target, originally set in March 2010, was raised when the results of the first six months of 2010 were announced and once more in January 2011.

Total recurring EBIT before associates was stable at €462m.

Divisional trends were as follows:

- **Lagardère Publishing**: a fall in profitability was expected after 2009's spectacular results. Recurring EBIT before associates stood at €250m, that is, a net margin percentage of 11.6% compared to 13.2% in 2009 due to a change in product mix (lower contribution from blockbusters in 2010) and investments in Digital. H1 2010 included high sales of works by Stephenie Meyer. However, 2010's net profit ratio[(4)] was higher than that of 2008 (growth of 11.3%), reflecting the excellent resiliency of Lagardère Publishing in terms of profitability.

- **Lagardère Active**: recurring EBIT before associates of €85m (compared to €15m in 2009), reflecting the strong recovery in advertising income and the effects throughout the year of the cost-cutting programmes introduced in 2009. The net profit ratio stood at 4.6% compared to 0.9% in 2009.

It is underscored that the Group has announced plans to proceed with the disposal of International Magazines (PMI) and that Virgin 17 was sold in 2010. In order to consolidate its leadership on the women's magazine sector in France, Lagardère Active launched the *Be* brand. The investment related to this launch was booked as expenses and appears in the column of the table below:
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€m	2009 Lagardère Active recurring	2009 PMI sold	2009 Virgin 17	2009 Be	2010 Lagardère Active recurring	2010 PMI sold	2010 Virgin 17	2010 Be
Consolidated net sales*	**1,026**	**680**	**19**	**-**	**1,074**	**742**	**10**	**-**
Recurring EBIT before associates*	**26**	**5**	**(14)**	**(2)**	**58**	**50**	**(9)**	**(14)**

** Contribution to Lagardère figures.*

- **Lagardère Services :** recurring EBIT before associates was €105m (compared to €91m in 2009), driven by the recovery in consumption in general and in air traffic. The net profit ratio stood at 2.9% compared to 2.7% in 2009 due to two factors:
  - the fine performance of Retail in France and at airports.
  - a pickup in Press Distribution, thanks to the cost-cutting programmes instituted in 2009.

- **Lagardère Unlimited :** recurring EBIT before associates was €28m, compared to €56m in 2009. This decline in operating margin was due to the drop in sales (adverse calendar effect) and tight market conditions. The net profit ratio stood at 7.1% compared to 11.0% in 2009.

Non-Media activities posted lower recurring EBIT before associates of -€6m, compared to -€2m in 2009.

(4) *Recurring EBIT before associates/Sales.*

NON-RECURRING/NON-OPERATING ITEMS

Non-recurring/non-operating items generated a net loss of €184m in 2010, versus a net loss of €121m in 2009. They are broken down as follows:

- Impairment losses of €100m on consolidated companies goodwill, property, plant and equipment and intangible assets, including €87m in Lagardère Unlimited; the impairment losses are linked to the loss of major contracts for sports media rights as previously mentioned.

- €90m in restructuring expenses, related to €22m at Lagardère Active and €50m in Non-Media activities, reflecting primarily the Lagardère group's contribution to the restructuring programme and the reconstitution of the equity of Presstalis (Press wholesale Distribution).

- A charge of €34m on the amortisation of acquisition-related intangible assets (mainly Sportfive).

- €40m in net capital gains, resulting primarily from the disposal of Virgin 17.

It is underscored that the 2009 business year was characterised by especially large non-recurring items, notably provisions for impairment losses on property, plant and equipment and intangible assets (a loss of €486m) and by a substantial gain on the sale of a 2.5% stake in EADS (a gain of €539m).

CONTRIBUTION FROM ASSOCIATES(5)

The contribution from associates improved, increasing from €29m in 2009 to €65m in 2010. This improvement is the result of:

- the recovery in the profitability of EADS, which makes a positive contribution to the Group at €43m versus a loss of €49m in 2009;
- removal of Canal+ France from the scope of consolidation in 2010 and its recognition as an "asset held for sale"; it did not therefore contribute to results in 2010 (contribution of €62m in 2009).

Earnings before interest and taxes amounted to €343m, compared to €369m in 2009.

NET INTEREST EXPENSE

Interest expense was stable at -€82m, due to the combined effect of the redemption in March 2009 of the last tranche of the Mandatory Exchangeable Bond (ORAPA), but offset by a modest increase in interest expense (3 months of bonded debt in 2010 at a fixed rate of 4.875%).

Net income before tax came to €261m, compared with €287m in 2009.

INCOME TAX EXPENSE

Income tax expense stood at -€67m after having reached an exceptionally high level (-€123m) in 2009 due to unrecognised tax benefits relating to certain recognised losses by Lagardère Active in the United States.

MINORITY INTERESTS in net income for the year were €31m.

As a result of the factors described above, **PROVISIONAL NET INCOME ATTRIBUTABLE TO THE GROUP** came to **€163m, compared with €137m in 2009.**

PROVISIONAL NET EARNINGS PER SHARE ATTRIBUTABLE TO THE GROUP increased from €1.08 in 2009 to €1.29 in 2010. The number of shares was unchanged in 2010 and stands at 131.1 million.

(5) *Before amortisation of acquisition-related intangible assets and impairment losses.*

CONSOLIDATED INCOME STATEMENT

IN MILLIONS OF EUROS	2009 Reporting Year			2010 Reporting Year		
	MEDIA	NON-MEDIA AND EADS	TOTAL LAGARDÈRE GROUP	MEDIA	NON-MEDIA AND EADS	TOTAL LAGARDÈRE GROUP
Net sales	**7,892**	**/**	**7,892**	**7,966**	**/**	**7,966**
Recurring EBIT before associates	**463**	**(2)**	**461**	**468**	**(6)**	**462**
Non-recurring/non-operating items*	(657)	536	(121)	(136)*	(48)	(184)*
Contribution from equity-accounted associates	78	(49)	29	22	43	65
EBIT*	**(116)**	**485**	**369**	**354***	**(11)**	**343***
Net interest expense	(71)	(11)	(82)	(46)	(36)	(82)
Income tax expense	(175)	52	(123)	(142)	75	(67)
Total net income*	**(362)**	**526**	**164**	**166***	**28**	**194***
Attributable to minority interests	27	/	27	31		31
Net income attributable to the Group*	**(389)**	**526**	**137**	**135***	**28**	**163***

** Provisional.*

ADJUSTED NET INCOME ATTRIBUTABLE TO THE GROUP

Restated net income attributable to the Group (excluding the share in the net income of EADS and non-recurring, non-operating items), for which the calculation is detailed below, stood at €284m, up 8.4%. Adjusted earnings per share were €2.24 (versus €2.06 in 2009), an increase of 8.7%.

IN MILLIONS OF EUROS	2009	2010
Provisional net income attributable to the Group*	**137**	**163***
Equity accounted contribution from EADS	49	(43)
Equity accounted contribution from Canal+ France	(62)	/
Amortisation of acquisition-related intangible assets, net of taxes	54	25
Net income (excluding EADS), before amortisation of acquisition-related intangible assets	**178**	**145***
Restructuring costs (net of taxes)	70	84
Net gains on disposals (net of taxes)	(513)	(44)
Impairment losses on goodwill and intangible assets (net of taxes)		
- Consolidated companies	486	99
*- Associates**	35	/*
Impact of Mandatory Exchangeable Bond on interest expense, net of interest income calculated at market rates	6	/
Restated net income attributable to the Group	**262**	**284**

** Provisional.*

In the event that there is a decrease in the value of the stake in Canal+ France, this adjustment will be recognised on the *Impairment losses on goodwill and intangible assets - Associates* line. There will therefore be no impact on the adjusted net income attributable to the Group.

NET CASH GENERATED BY OPERATING AND INVESTMENT ACTIVITIES

The difference between 2009 and 2010 cash flows from operating activities and investments is insignificant because of the non-recurring disposal in 2009 totalling €664m representing a 2.5% stake in the capital of EADS associated with the Mandatory Exchangeable Bond (ORAPA). In 2010, cash flows from operating activities and investments were €296m with the following principal elements:

- decrease in cash flow to €591m (compared to €655m in 2009) due to the increase in expenses related to restructuring Non-Media activities (primarily Presstalis), which was not offset by the improvement in Lagardère Media's cash flow (up €15m);

- positive trend in Working Capital Requirements (€81m versus €127m in 2009), due to the active management of working capital requirement line items by the divisions;

- the drop in paid interest and taxes (-€141m compared to -€230m in 2009) allowed the Group to generate cash from operating activities of €531m (compared to €552m in 2009);

- free Cash Flow[(6)] amounted to €313m versus €324m in 2009. Investments were limited (-€82m), as in 2009. This was mainly due to the acquisition of Best in the United States by Lagardère Unlimited. Disposals of assets amounted to only €104m in 2010 (versus €700m in 2009) and mainly related to the Virgin 17 TV channel in France. In total, net cash from investing activities was -€235m.

DEBT

Net financial debt was down slightly (€1,772m at the end of 2010 versus €1,824m at the end of 2009); the various elements offset one another: operating cash flow up €296m, distribution of dividends (unchanged at -€200m), reclassification of liquid assets and debt on assets held for sale; the impact of translation of foreign operations and changes in the scope of consolidation.
In January 2011, Lagardère agreed to a new syndicated 5-year lending facility totalling €1,645m, replacing the former syndicated line of credit due to expire in 2012.

Gearing fell from 44.7% to 44.1%, reflecting the health of the Lagardère SCA balance sheet.

GUIDANCE ON RECURRING EBIT BEFORE ASSOCIATES FROM MEDIA ACTIVITIES

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

DIVIDEND

The proposed dividend for the 2010 business year, to be distributed in 2011, will be announced when the final financial statements are released.

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Next scheduled financial disclosure dates:

May 3, 2011:	Announcement of Q1 2011 sales (*8:00 a.m.*)
May 10, 2011:	Annual Shareholders' Meeting for the 2010 reporting year (*10:00 a.m.*)
August 31, 2011:	Announcement of Q1 2011 results (*5:40 p.m.*)

The statutory auditors are in the process of finalising their audit of the financial statements.

The meeting at which the results are announced is broadcast live on the Internet at www.lagardere.com.

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).

(6) *Net cash generated by operating and investing activities.*

Important Notice:

Certain statements contained in this document do not relate to known historical facts but rather represent projections, estimates and other forward-looking data based upon the opinion of management. These statements reflect opinions and assumptions prevailing as of the date on which they were made. They are subject to known and unknown risks and uncertainties which may cause future results, performances or events to differ significantly from those indicated in or implied by these statements.

You should refer to the most recent French-language "Document de référence" filed by Lagardère SCA with the Autorité des marchés financiers to obtain further information about these factors, risks and uncertainties.

Lagardère SCA has no intention and is under no obligation to update or modify the aforementioned forward-looking statements. Consequently, Lagardère SCA accepts no liability for any consequences arising from any use that may be made of these statements.

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