

Paris, January 31, 2011

Reception by Lagardère SCA of a binding offer for its international magazine business

1/ Lagardère SCA is pleased to announce it has received a fully binding offer from Hearst Corporation, not subject to any further due diligence, for its international magazine business with an attached share purchase agreement. The companies have extended the exclusive period which began on December 31, 2010.

- **Hearst has made a firm cash offer of €651M for Lagardère Active's international magazine business.** The perimeter to be sold includes 102 titles in 15 countries (The United States, Russia & Ukraine, Italy, Spain, UK, China, Japan, The Netherlands, Czech Republic, Hong Kong, Mexico, Taiwan, Canada and Germany).
- **The transaction includes a Master License Agreement (MLA) relating to the ELLE trademark in the 15 countries mentioned above.** Lagardère will grant a license to Hearst for magazines, internet, mobile, and all digital and audiovisual supports, which will not cover merchandising licensing. As a result, Lagardère will be entitled to receive an annual recurring royalty payment from Hearst, based on *ELLE* net sales generated by Hearst in the above 15 countries:
 - Based on 2010 unaudited financials, this recurring royalty payment (net of associated expenses) will be **c.€8M in Resop¹ for Lagardère Active** ;
 - These above future payments are equivalent to an estimated **c.€70M (post tax) value on a net present basis**
- **Lagardère will retain, in some European countries, real estate assets, currently used by the international magazine business, worth around €30M.**

As the owner of the ELLE trademark, Lagardère will continue to oversee the brand consistency through the ELLE network management.

This binding offer is subject to some customary governmental approvals and to antitrust clearances in some countries.

In compliance with regulatory requirements in some jurisdictions and prior to signing transaction documentation, Lagardère will initiate an information and consultation procedure with the relevant workers' councils.

Closing of the transaction is expected by Q3 2011.

¹ Recurring EBIT before associates.

2/ International magazine key figures

On a pro forma basis¹, the key figures of the international magazine business would be:

Figures not yet audited

€M	2009pf	2010pf
Consolidated revenue	712	774
Consolidated pre-tax RESOP²	4,9	49,6
- Minority Interests Share of RESOP	-7.2	-13.6
+ Share of pre-tax RESOP of equity-consolidated JVs	-0.2	1.7
Implied proportionate RESOP	-2.5	37.7

¹ Pro forma including the new royalties as per the MLA agreement.

² Recurring EBIT before associates.

3/ Conference call

A conference call is scheduled at 9am today (French time): Dominique D'Hinnin and Didier Quillot will comment today's announcement. A presentation is available on our website: www.lagardere.com

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About Hearst Corporation

Hearst Corporation (www.hearst.com) is one of the US largest diversified media companies. Its major interests include ownership of 15 daily and 38 weekly newspapers, including the Houston Chronicle, San Francisco Chronicle, San Antonio Express-News and Albany Times Union; more than 200 magazines around the world, including Good Housekeeping, Cosmopolitan and O, The Oprah Magazine; 29 television stations, which reach a combined 18% of U.S. viewers; ownership in leading cable networks, including Lifetime, A&E, History and ESPN; as well as business publishing, including a minority joint venture interest in Fitch Ratings; Internet and marketing services businesses, television production, newspaper features distribution and real estate.

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).

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