



Paris, May 31, 2011

Lagardère SCA finalises the sale of most of its international magazine business

Lagardère SCA closed the sale of the majority of its international magazine business to Hearst Corporation in the following countries: the United States, Italy, Spain, Japan, the Netherlands, Hong Kong, Mexico, Taiwan, Canada and Germany.

The finalisation of the deal in Russia, Ukraine and the United Kingdom is expected very shortly, once the approvals granted.

In the Czech Republic, the businesses will not be sold to Hearst Corporation, but to a local partner (at an identical price) who wishes to exercise his pre-emptive right.

All of the businesses of this first phase will be withdrawn from the consolidation scope of Lagardère's accounts at the end of June, and are expected to represent some EUR 606 million, comprised of EUR 546 million in enterprise value and EUR 60 million in cash.

The disposal of the Group's assets in China should take place towards the end of the year and will complete the whole transaction.

The deconsolidation of the international magazine business as of the dates stated above should have a negative impact of around EUR 35 million on Lagardère Media recurring EBIT before associates in 2011, thus impacting the guidance provided last march (increase of around 10% in 2011 versus 2010 at constant exchange rate and including the international magazine business for the full year).

The terms of the deal have improved very slightly from those previously announced:

- around one hundred titles sold in fifteen countries;
- total enterprise value of EUR 654 million, adjusted for the cash holdings of the assets in question at the time of the finalisation;
- real estate assets used by the international magazine businesses, and still controlled by Lagardère, with a total value of around EUR 40 million, which is higher than the initial estimate;
- annual royalties from the use of the ELLE brand (still controlled by Lagardère) by Hearst (perpetual licence) in the following areas: magazines, Internet, mobile phones and all digital and audiovisual media.

Based on 2010 figures, these royalty payments should contribute (net of associated costs) about EUR 8 million per year to Lagardère Active's recurring EBIT before associates.

*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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