



PRESS RELEASE

**Net sales, fourth-quarter 2012: €2,018m
an increase of +3.5% on a reported basis, +0.1% on a like-for-like basis⁽¹⁾**

**Net sales for FY 2012: €7,370m
-3.7% on a reported basis, -0.2% on a like-for-like basis**

2012 Recurring EBIT⁽²⁾ from Media activities target confirmed, thanks to healthy activity

Paris, February 7, 2013

In 2012, the Lagardère group activity held up well, virtually stable on a like-for-like basis, with net sales of €7,370m. The development strategy for growing business lines (in particular Digital and Travel Retail) bore fruit, offsetting a still-difficult economy.

The difference between like-for-like and reported data is primarily due to a negative scope effect of -€392 m, notably caused by the 2011 disposals of International Magazine Publishing (PMI) and Radio activities in Russia and, to a lesser extent, Relay's businesses at Paris' and Lyon's airports now being consolidated using the equity method. This scope effect was partially offset by a positive foreign exchange effect of €119 million.

Fourth-quarter 2012:

Activity is up +3.5%, with positive scope (+€22m) and exchange (+€44m) effects. On a like-for-like basis, activity is virtually stable (+0.1%), thanks notably to the continued growth in Travel Retail activities at Lagardère Services, as well as the slight upward trend at Lagardère Active, which posted good performances in its Radio and Audiovisual Production operations.

- **Lagardère Publishing:** €546m in net sales (+1.6% on a reported basis and -0.8% on a like-for-like basis, with essentially a positive exchange effect). Very good quarter in France (+6.0%), specifically in General Literature, Larousse, Illustrated Books and Distribution. Partworks were also up strongly (+2.1%). The good performance of Trade⁽³⁾ activities in the United Kingdom and the United States is offset by an unfavourable comparison effect with a strong fourth quarter 2011 (release of Steve Jobs' biography in the UK notably), that also benefited from non-recurring items.
- **Lagardère Active:** €342m in net sales (+0.9% on a like-for-like basis), thanks to deliveries made in Audiovisual Production, up 8.8%. Advertising revenues were down somewhat less (-2.4% compared to -7.4% at end-September), with good performance in Radio (+7.5%). Magazine circulation is stable in subscriptions but continues its downward trend in newsstands.
- **Lagardère Services:** €980m in net sales, up sharply: +7.9% on a reported basis and +1.7% on a like-for-like basis, with the difference reflecting positive scope effects (integration of airport activities in Rome and Prague and duty-free in the Pacific) and foreign exchange. The quarter was also marked by the disposal of the Book Distribution activity (OLF) in Switzerland. Travel Retail continued its growth pattern at +18.2% (+7% on a like-for-like basis), while Distribution was down 3.6% (-4.5% on a like-for-like basis).
- **Lagardère Unlimited:** €150m in net sales: +8.6% on a reported basis and -9.2% on a like-for-like basis, with the difference essentially reflecting a positive scope effect. The decline in activity was due to both the football federations' activities in Europe, affected by an unlucky draw, and, to a lesser extent, the end of contracts for media rights to some football championships in Europe.

⁽¹⁾At constant scope and exchange rates.

⁽²⁾Recurring EBIT before associates. See definition at the end of the press release.

⁽³⁾Books meant for the general public.

I. GROUP CONSOLIDATED NET SALES AND ACTIVITY

	Net sales (in €m)		Change	
	At December 31, 2011	At December 31, 2012	Reported change 2012/2011	Like for like change 2012/2011
LAGARDÈRE	7,657	7,370	-3.7%	-0.2%
Lagardère Publishing	2,038	2,077	1.9%	-1.2%
Lagardère Active	1,441	1,014	-29.6%	-3.9%
Lagardère Services	3,724	3,809	2.3%	2.2%
Lagardère Unlimited	454	470	3.5%	-5.9%

	Net sales (in €m)		Change	
	Q4 2011	Q4 2012	Reported change 2012/2011	Like for like change 2012/2011
LAGARDÈRE	1,951	2,018	3.5%	0.1%
Lagardère Publishing	537	546	1.6%	-0.8%
Lagardère Active	367	342	-6.8%	0.9%
Lagardère Services	909	980	7.9%	1.7%
Lagardère Unlimited	138	150	8.6%	-9.2%

> Lagardère Publishing

Net sales came to €2,077m in 2012, up 1.9% on a reported basis, down slightly (-1.2%) on a like-for-like basis, with the difference essentially due to a positive foreign exchange effect (€73m, specifically on the US dollar and the pound sterling).

Activity in **France** was up slightly (+0.5%), despite the dip in Education (-3.8%) related to the end of the renewal of school curricula, which had contributed significantly to net sales and earnings in 2010 and 2011. It was offset by the good momentum in General Literature (+2%), with notably the publication of best-sellers by J.K. Rowling and E L James, and in Illustrated Books (+0.9%).

Despite commercially successful books, sales trends in the **United Kingdom** is down slightly (-1.9%), due to the strong increase in digital activities, that generate less sales (with no negative impact on margins), to still-difficult international market trends (Australia) and to the disposal of publisher's lists in Education.

In the **United States**, sales trends (-3.4%) reflects the growing share of digital activities. Activity is slightly up in volumes (+1.2%).

Spain is still suffering from the economic crisis.

However, **Partworks** performed well (+3.1%) in Japan and the UK notably.

For Lagardère Publishing, the year was marked by continued growth in **digital books**, which now make up 7.7% of net sales. Note, though, a marked slowdown of this growth in the United States (+15% versus 2011), while the United Kingdom still enjoys sustained growth (x2). Thus, at end-December 2012, Digital represented in both countries 23% and 15%, respectively, of net sales (21% of Adult trade⁽⁴⁾ net sales in the United Kingdom). In France, as in other Lagardère Publishing's markets, digital books still make up less than 2% of sales.

Fourth-quarter 2012:

Net sales were up on a reported basis (+1.6%), down slightly on a like-for-like basis (-0.8%), with the difference attributable to the positive foreign exchange effect (+€17m).

⁽⁴⁾Books meant for the general public – adult.

Performance was very good in **France** (+6.0%), specifically by General Literature (+7.5%), with, among other things, the publication of novels by J.K. Rowling and E L James. Activity was also up strongly in Distribution (+5.2%), Larousse (+8.6%) and Illustrated Books (+2.5%).

The **United Kingdom** (-4.8%) performs an excellent year-end in trade publishing, with strong presence in fiction best sellers lists (notably the books by K. Moss, M. Binchy and I. Rankin). This does not offset the negative impact on sales of growing digital shares (lower unit prices), difficult international trends (Australia and New-Zealand) and the disposal of publisher's lists in Education. It should also be reiterated that Steve Jobs' biography hit the shelves during the fourth quarter of 2011, in comparison to the third quarter of 2012 for J.K. Rowling's novel.

The **United States** was down 5.7% due to the negative effect on net sales of digital growth on the one hand, and to the negative comparison effect with a strong fourth quarter 2011 (+12.8%) on the other hand. Besides, the fourth quarter 2011 had also benefited from non-recurring items, related notably to the reversal of a provision for returns. Excluding these items, sales would be up.

In **Spain**, the economic environment continued to penalise activity, with consequences for public orders and consumption.

Finally, **Partworks** showed solid momentum (+2.1%) in Japan and the UK notably.

The **digital book** continues to grow, representing in the fourth quarter 21% of sales in the US, 19% of Adult trade market in the UK, i.e. 7.9% of total sales for Lagardère Publishing.

> Lagardère Active

Net sales in 2012 were down 3.9% on a like-for-like basis and 29.6% on a reported basis. The difference between the reported basis and the like-for-like basis is mainly due to a negative scope effect of -€386m, primarily associated with the sale of PMI and Radio activities in Russia.

Note a significant improvement in trends compared to end-September (-6.3%) thanks to a fourth quarter up by 0.9%.

Advertising was overall down by 5.9%, more pronounced for magazines (-7.5%) than for radio (-3.8%) thanks to the good performance of RFM. Throughout the year, magazines circulation decreased substantially (-7%), affected by disruptions in distribution in newsstands. Still, the Group division's titles did better than its competitors, with the resulting improvement in market share.

In addition, Television (Channels and Audiovisual Production) made progress (+0.7%), as did Brand Licensing for the division, specifically generated by the Elle brand.

Fourth-quarter 2012:

Business posted 0.9% growth, with expected deliveries in Audiovisual Production (up 8.8%) and a more limited erosion in Advertising (-2.4% vs. -7.4% at end-September) thanks to good performance in Radio, with RFM, Europe 1 and radio stations in Eastern Europe resuming growth.

The change in activity on a reported basis (-6.8%) was essentially due to the negative scope effect tied to the disposal of PMI and Radio in Russia.

Magazine Publishing - France:

Activity was down 4.8% in the fourth quarter, up from September 30 thanks to a shallower decline in Advertising. Circulation was still in a slide, especially in newsstands, that were affected by multiple disruptions.

Radio:

Performance was very good for Radio in the fourth quarter, with overall net sales up 7.5% both in France (+5.8%), thanks to good listener numbers, and internationally.

TV:

Audiovisual Production was up sharply in the fourth quarter (+8.8%), with, as expected, the delivery of *Transporter – The Series*, *Borgia* (season 2) and *Jo* (with Jean Reno in the title role).

TV Channels were virtually stable, with TV subscription rates increasing to balance out advertising trends.

Digital (including digital activities from the above business lines):

Digital net sales were up 23.5% on a reported basis, thanks to the acquisition of LeGuide.com, which is growing well (organic growth of 24%).

> Lagardère Services

Net sales stood at €3,809m in 2012, up 2.3% on a reported basis and 2.2% on a like-for-like basis. The difference was due to a positive foreign exchange effect (+€33m), partially offset by a negative scope effect (-€27m), specifically because Relay's activities at Aéroports de Paris and, to a lesser extent, Duty Free in Lyon

were consolidated using the equity method; and the disposal of OLF (book distribution in Switzerland), which was deconsolidated on October 1, 2012.

In 2012, business still benefited from strong momentum in **Travel Retail**, up 8.2% like-for-like. Growth was especially marked in France in Duty Free (+15% for Aelia) and Central Europe (+14.8% in Poland, +16% in Romania, +22.5% in Bulgaria), as well as the United Kingdom (+10.7%) and Germany (+8.8%). Due to the network's development, the Asia-Pacific area showed real progress at +7.2%, including 32.5% in Asia. North America was down slightly in an unfavourable economy.

Distribution was down -4.5% like-for-like, due to substantial decrease in press-related activities.

Fourth-quarter 2012:

Net sales stood at €980m, up 7.9% on a reported basis and 1.7% on a like-for-like basis, with the difference reflecting positive foreign exchange (+€24m) and scope effects: +€33m, due to the consolidation of activities in the airports of Rome and Prague, and Duty Free in the Pacific, and the deconsolidation of OLF (Book Distribution in Switzerland), whose deconsolidated net sales for the quarter were €12m in 2011.

The division's business mix continued its strategic transformation, ongoing for several years. Travel Retail now represents 58% of the total (up five points on the fourth quarter of 2011), compared with 42% for LS distribution (Integrated Retail and Distribution).

LS travel retail pursued its development policy with the acquisition of the duty-free business in the Rome airports (a 14-year contract).

LS travel retail:

Travel Retail posted +18.2% growth, thanks to acquisitions as well as the solid performance of activities on a like-for-like basis, whose sales were brisk at +7%. This like-for-like growth was carried by the momentum of airport business, specifically in France (+8.6%) and Central Europe (+8.1% in Poland and +10.1% in Czech Republic, which benefited from good performance in Duty Free and development of Food Service activities). Business was up significantly in Asia (+30.5%), thanks to the development of new concepts in Singapore and new concessions gained in Malaysia.

The slight dip compared to September 30 (+8.6%) was due to the end of the positive impact of sporting events (e.g. UEFA Euro 2012TM in Poland), the economic environment, which is starting to weigh on intra-European air traffic, and an unfavourable base effect (a 53-week fiscal year in North America in 2011).

LS distribution:

Distribution was down 4.5% due to the structural decline in print products. However, there was a slight improvement in trends at year's end on all the markets, except Spain, affected by the persistent economic crisis. Hungary was up 4.9%, driven by integrated retail and efforts at diversification.

> Lagardère Unlimited

Net sales for 2012 came to €470 million, up on a reported basis (+3.5%) but down on a like-for-like basis (-5.9%), with the difference reflecting a positive scope effect (€30m) due to these acquisitions: Gaylord in the United States (talent management, specifically in golf) and Zaechel in Germany (hospitality). The foreign exchange effect was also positive (€14m).

The downturn at Sportfive was due largely to the impact of the unlucky draw for the European federations' qualification matches for the 2014 Football World Cup, as well as the mid-year expiry of contracts for media rights to certain football championships in Europe. These known items were partially offset by the occurrence of the ACN⁽⁵⁾, and by good performances with football clubs in Germany. Also notable at World Sport Group was the AFC⁽⁶⁾ contract's transformation into a commission contract (vs. the previous buy-out), which reduces the posted net sales amount (with no impact on the gross margin), partially offset by the new UAFA⁽⁷⁾ contract.

Fourth-quarter 2012:

Net sales came out to €150m, up on a reported basis (+8.6%) and down on a like-for-like basis (-9.2%), with the difference reflecting a positive scope effect (€22m).

The downturn in business primarily reflects lower revenues on football federations' activities in Europe (unlucky draw). Note also the continued negative impact of the expiration of contracts for media rights to certain football championships in Europe.

⁽⁵⁾Africa Cup of Nations.

⁽⁶⁾Asian Football Cup.

⁽⁷⁾Union of Arab Football Associations.

II. Recurring EBIT from Media activities - 2012 Target

The trends at year's end enable the Group to maintain its target for Recurring EBIT from Media activities, in the conditions set out on March 8 of last year: not including provisions for risks related to the contract with the IOC (€22m, recorded in the first half 2012) and at constant scope (not including PMI and Radio in Russia disposed in 2011, and LeGuide.com and Roma airports activities acquired in 2012) and exchange rates, Recurring EBIT from Media activities in 2012 should be stable compared to 2011.

Note: there has been no news in the settlement of the dispute with the Board of Control for Cricket in India, which is still pending.

Investor calendar

- **Announcement of 2012 results**

2012 full-year results will be released on March 7, 2013 at 5:35 p.m. A presentation meeting will take place on the same day at 6:00 p.m.

- **2013 Annual General Meeting**

The General Meeting will be held on May 3, 2013 at 10:00 a.m. at the Carrousel du Louvre in Paris.

- **Announcement of Q1 2013 net sales**

First-quarter net sales will be released on May 14, 2013 at 8:00 a.m. A conference call will be held at 10:00 a.m. on the same day.

FOR THE RECORD - DEFINITION OF RECURRING MEDIA EBIT

Recurring Media EBIT of consolidated companies is defined as the difference between result before financial charges and tax and the following items of the profit and loss statement:

- contribution of associates;
- gains or losses on disposals of assets;
- impairment losses on goodwill, property, plant and equipment and intangible assets;
- restructuring costs;
- items related to business combinations:
 - expenses on acquisitions;
 - gains and losses resulting from acquisition price adjustments;
 - amortization of acquisition-related intangible assets.

*Lagardère is a world-class pure-play media group (Book and e-Publishing; Press, Audiovisual, Digital and Advertising Sales Brokerage; Travel Retail and Distribution; Sport Industry and Entertainment).
With a holding of around 7.5%, Lagardère jointly controls EADS.
Lagardère shares are listed on Euronext Paris.*

Important Notice:

Some of the statements contained in this document are not historical facts but rather are statements of future expectations and other forward-looking statements that are based on management's beliefs. These statements reflect such views and assumptions as of the date of the statements and involve known and unknown risks and uncertainties that could cause future results, performance or future events to differ materially from those expressed or implied in such statements.

Please refer to the most recent Reference Document (Document de référence) filed by Lagardère SCA with the French Autorité des marchés financiers for additional information in relation to such factors, risks and uncertainties.

Lagardère SCA disclaims any intention or obligation to update or review the forward-looking statements referred to above. Consequently Lagardère SCA is not responsible for any consequences that could result from the use of any of the above statements.

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