



Full Year 2002 Results

Analyst Meeting
March 17, 2003



Table of contents

- ✓ 2002 Consolidated statements p. 3 to 30
- ✓ Profitability improvement plan p. 31 to 35
- ✓ Data by business segment p. 36 to 51
- ✓ Significant events p. 52 to 70
- ✓ Lagardère stock performance p. 71 to 73





2002 Consolidated statements



Principal changes in consolidated Companies

Businesses

Book publishing	<u>OCTOPUS</u>
	Balance Sheet : full consolidation (100%) as of December 31, 2001 Income Statement : full consolidation (100%) as of January 1, 2002
	<u>BRUÑO</u>
	Full consolidation (100%) as of January 01, 2002



Principal changes in consolidated Companies

Businesses

Press

Acquisitions

Marie-Claire : Equity method (42%) as of April 1, 2001

Zurban : Full consolidation as of January 1, 2002

*EDIF** : Full consolidation as of January 1, 2002
(Proportional consolidation (50%) in 2001)

* *Elle and Elle Decor publishing activities in Italy*

Hachette Filipacchi U.K.

Attic Futura : Full consolidation as of September 1, 2002

Hachette / EMAP Magazines : Deconsolidation (Proportional consolidation (50%)) as of end of October, 2002

ELLE, ELLE Decor, ELLE Girl and Red : Full consolidation as of end of October, 2002 (Proportionally consolidated (50%) before)

Printing Activities

France**, Belgium** : Deconsolidation as of December 31, 2001

** *Helio Corbeil, Graphic Brochage and Helio Charleroi*



Principal changes in consolidated Companies

Businesses

Distribution Services

VIRGIN

Full consolidation (100%) as of August 1, 2001

NEWSLINK

Proportional consolidation (40%) as of January 1, 2002



Principal changes in consolidated Companies

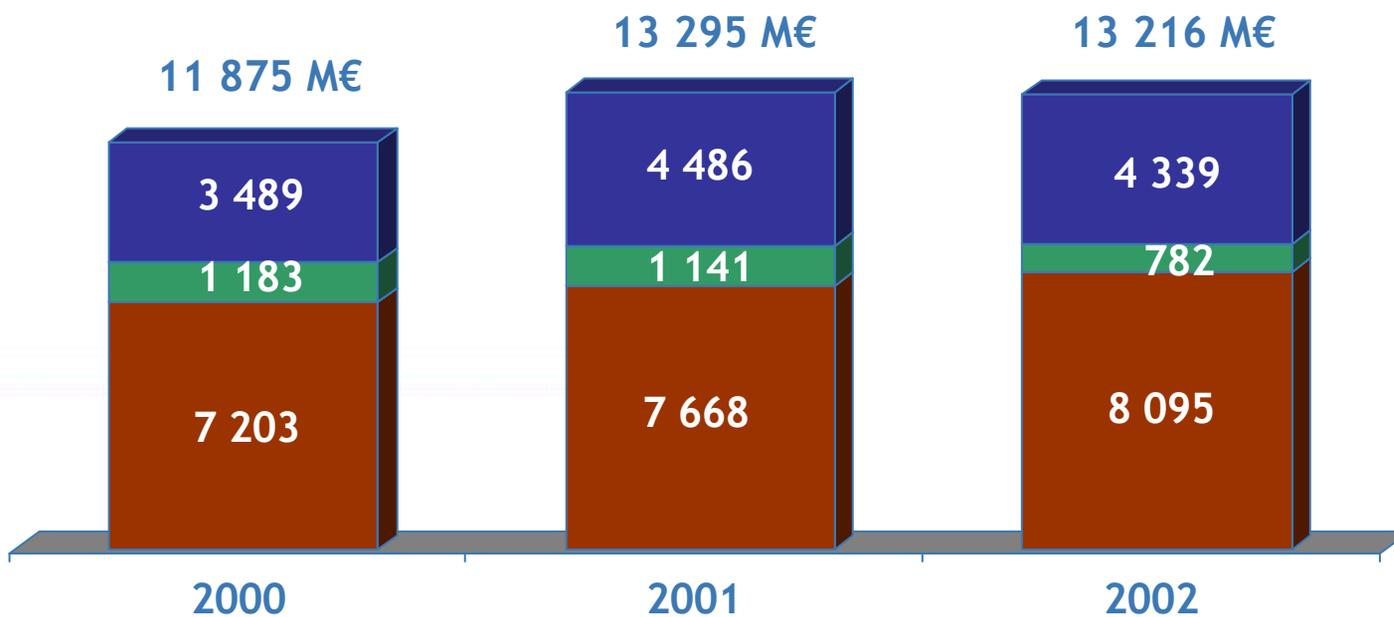
Businesses

Audiovisual	<u>Lagardere Active Broadcast</u>
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Lagardere Active Broadcast	2002 includes January to December (12 months) 2001 included October 2000 to December 2001 (15 months)
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Sales by business segment



■ Lagardère Media ■ Automobile ■ High Technology / EADS

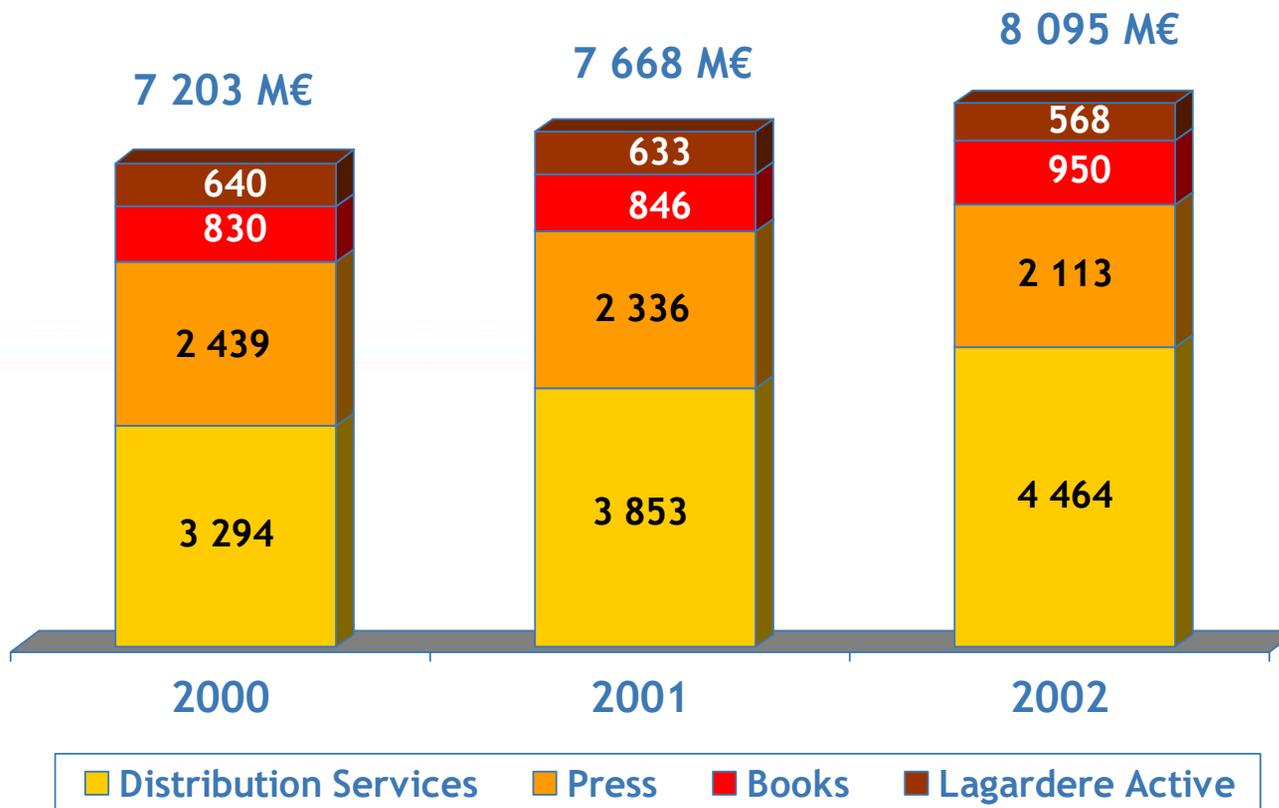


- Stable total revenues (-0.6 %)
- Solid revenue growth for *Lagardère Media* (+5.6 %)



Lagardère Media

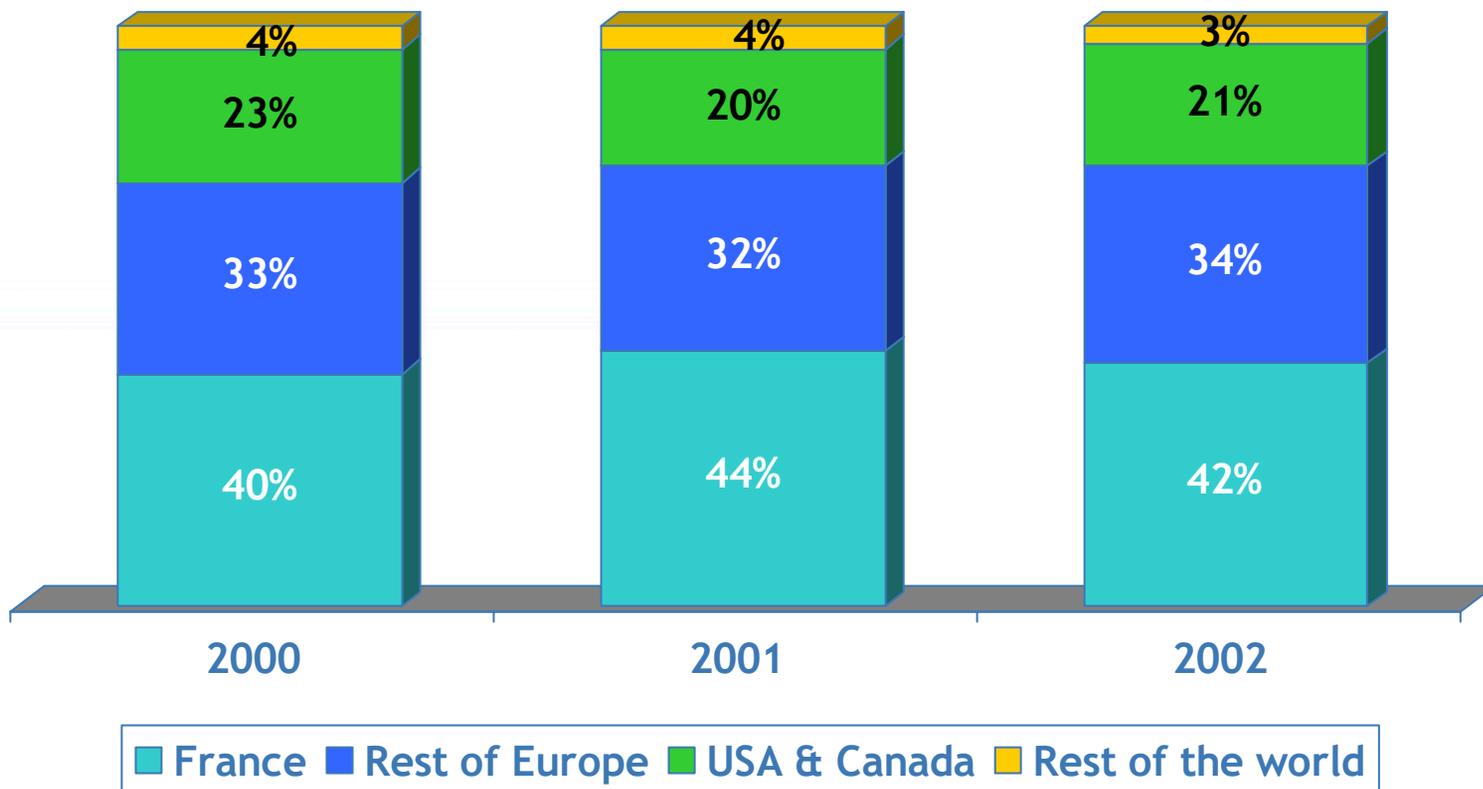
Sale breakdown by division



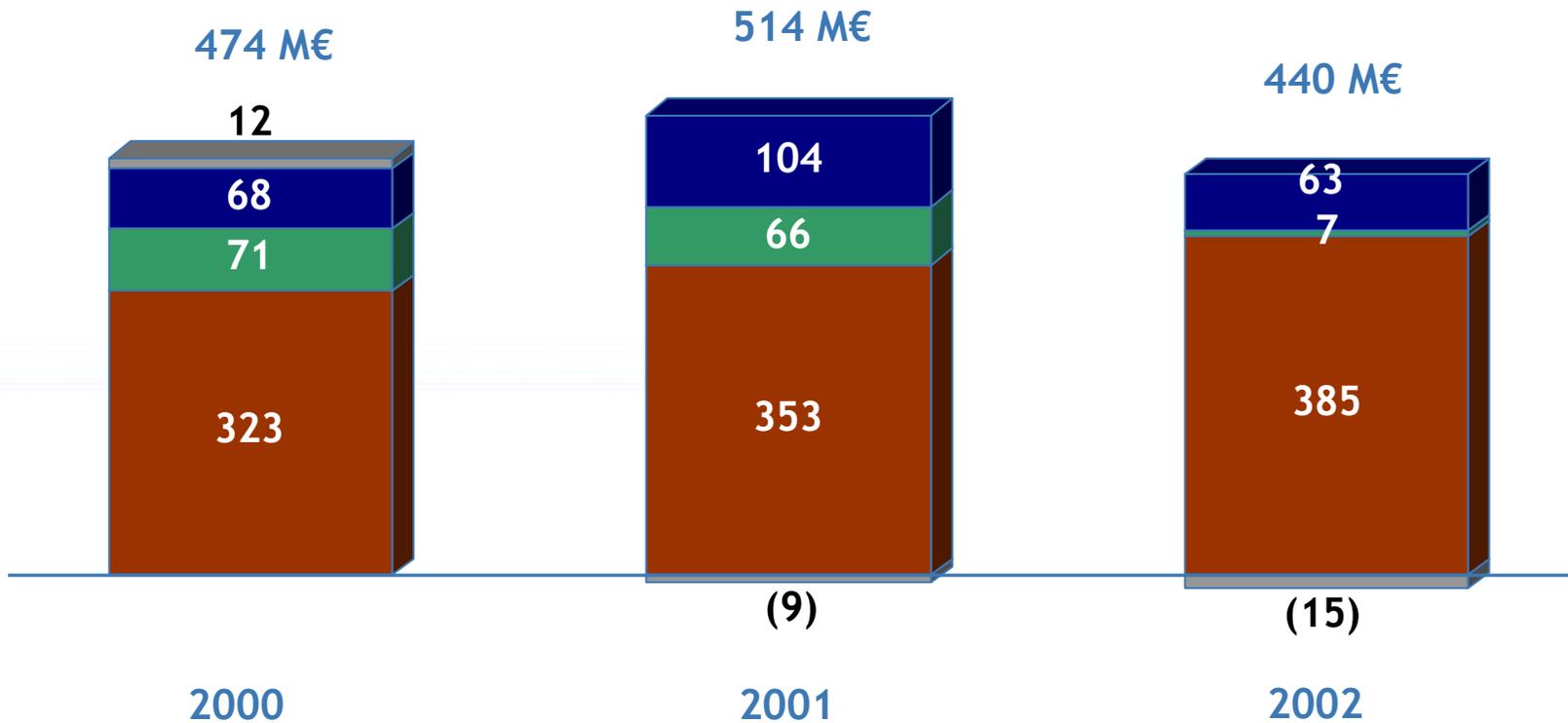
Growth on a like for like basis : +7.8 %

Lagardère Media

Sale breakdown by geographical area



Operating income by business segment

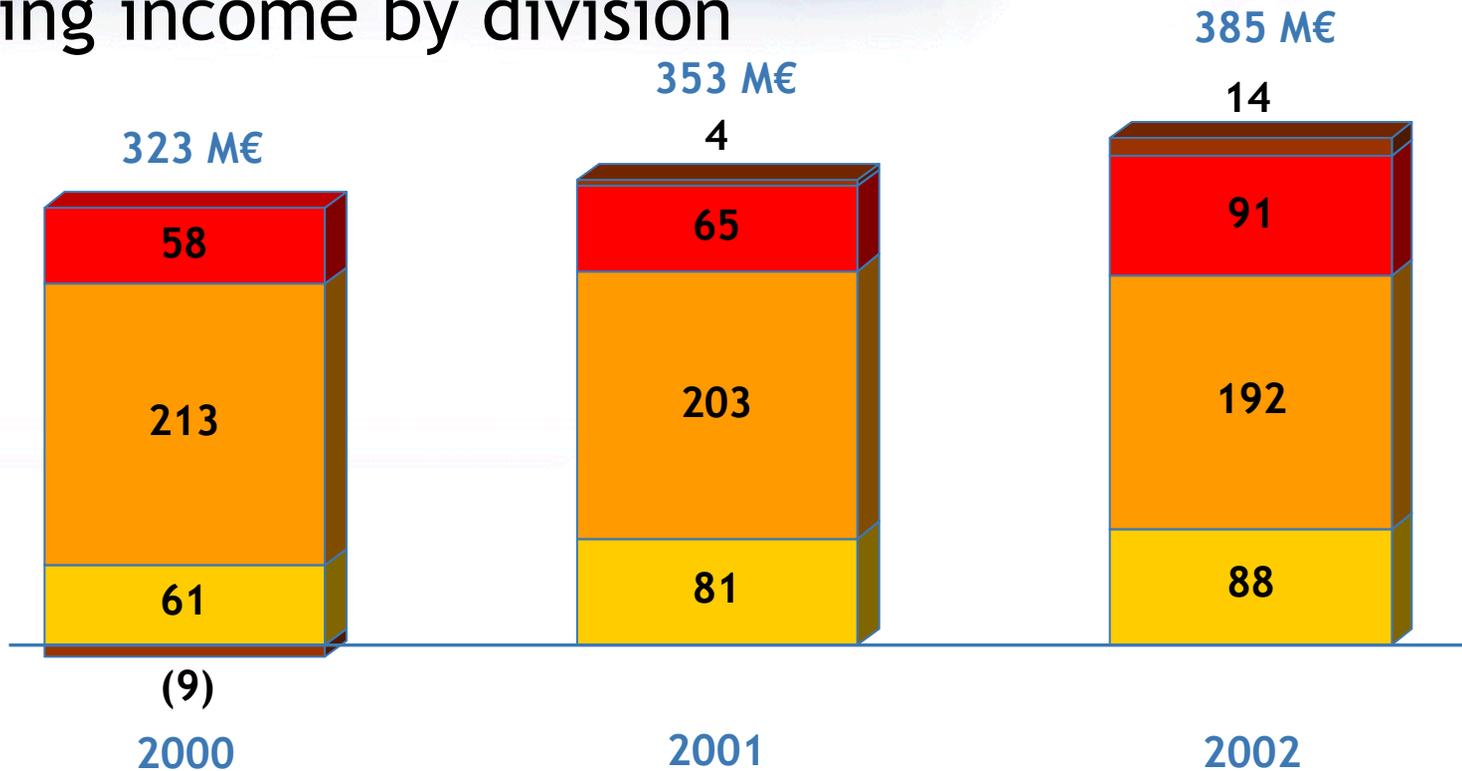


■ Lagardère Media ■ Automobile ■ High Technology / EADS ■ Other

➔ *Lagardère Media* operating income up by 15.6% (when comparing similar periods) despite a severe advertising market downturn, especially in the U.S.

Lagardère Media

Operating income by division

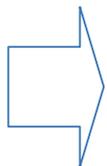


■ Distribution Services

■ Press

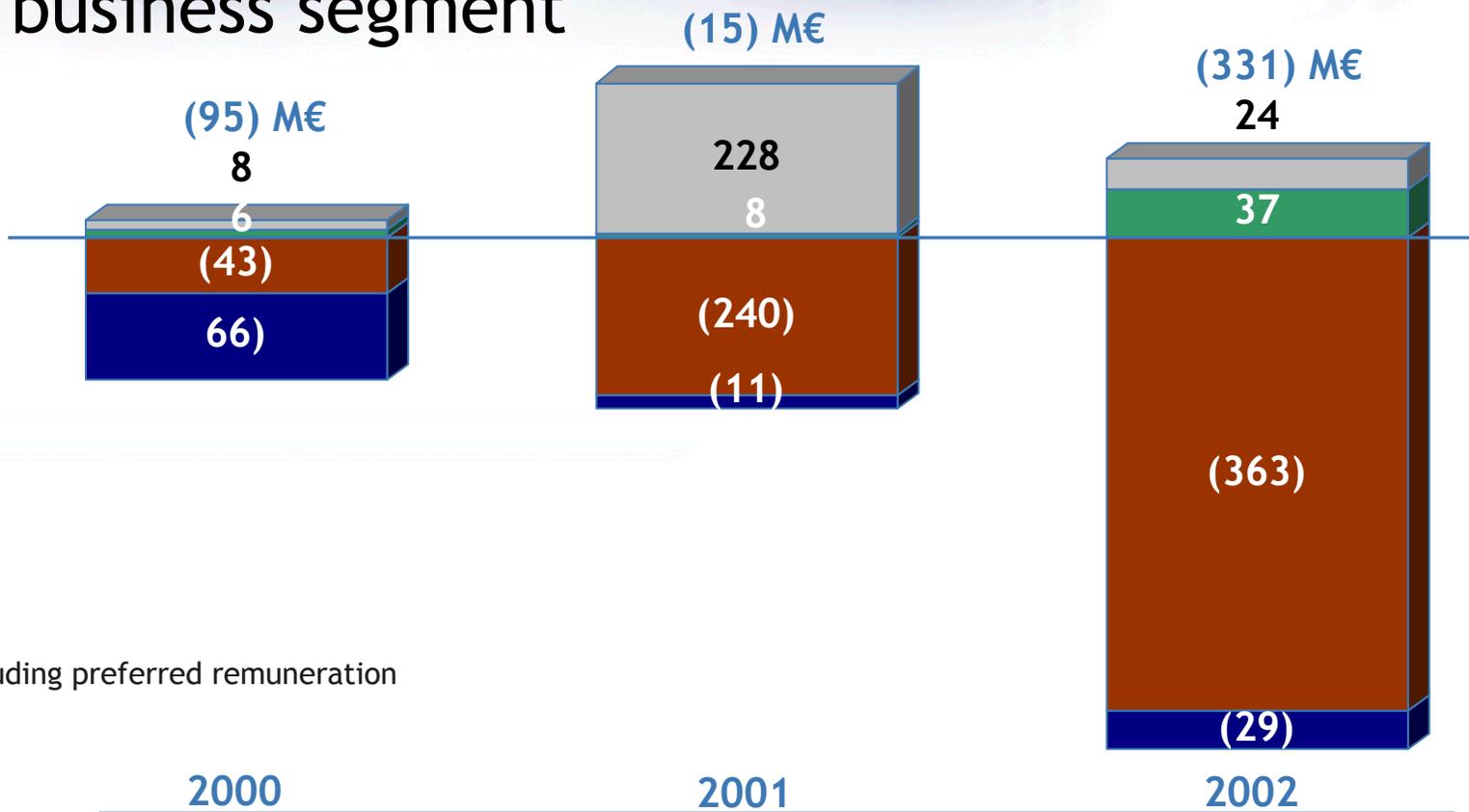
■ Books

■ Lagardere Active



- Impressive growth of the "Books" division + 40%
- "Lagardere Active" continues to restore its profitability
- "Press" improves its margin level 9.1% (vs. 8.7% in 2001)

Financial (expense)/income* by business segment

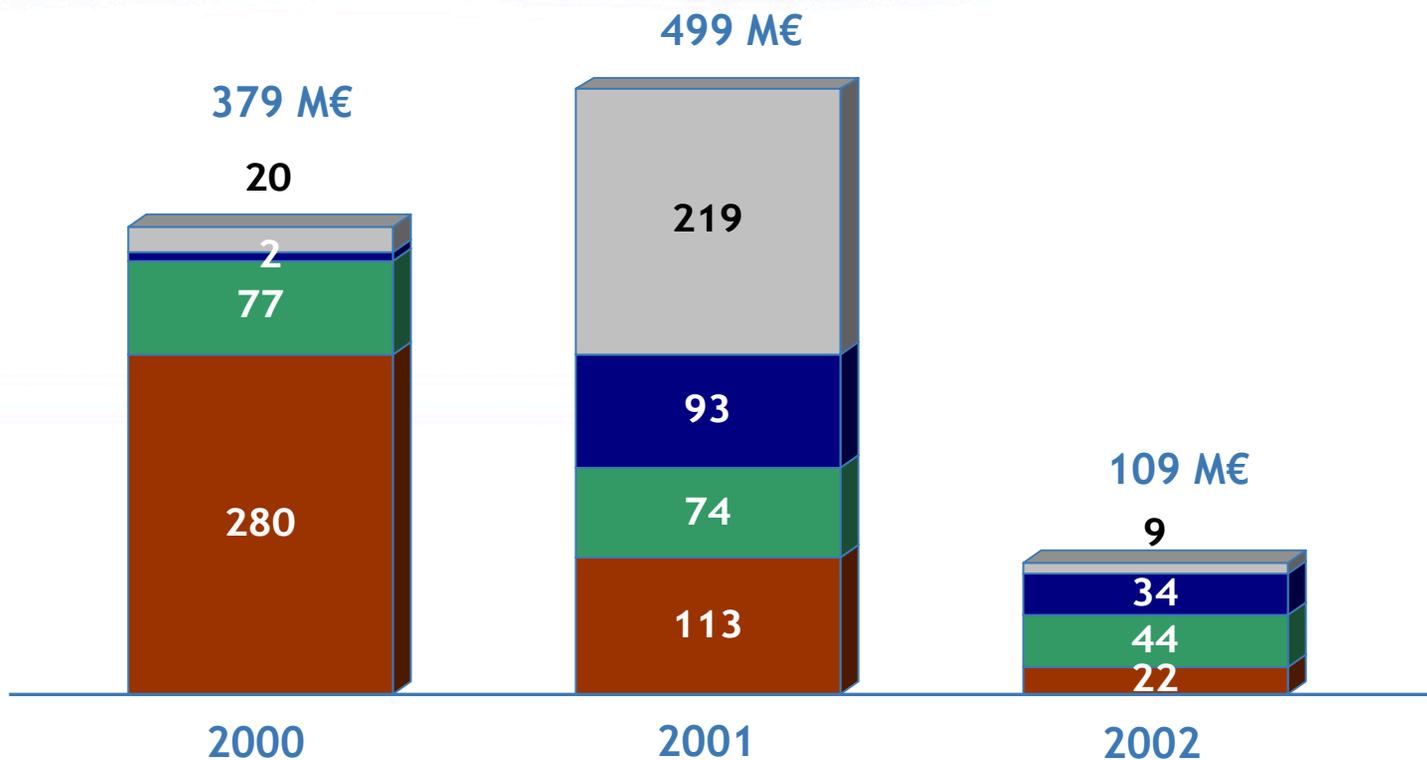


* Excluding preferred remuneration

■ Lagardère Media
 ■ Automobile
 ■ High Technology / EADS
 ■ Other

- Additional *T-Online* shares depreciation -278 M€ (-157 M€ en 2001)
- Capital gain on *EADS* « Excess Shares » in 2001 : +210 M€

Current income* by business segment



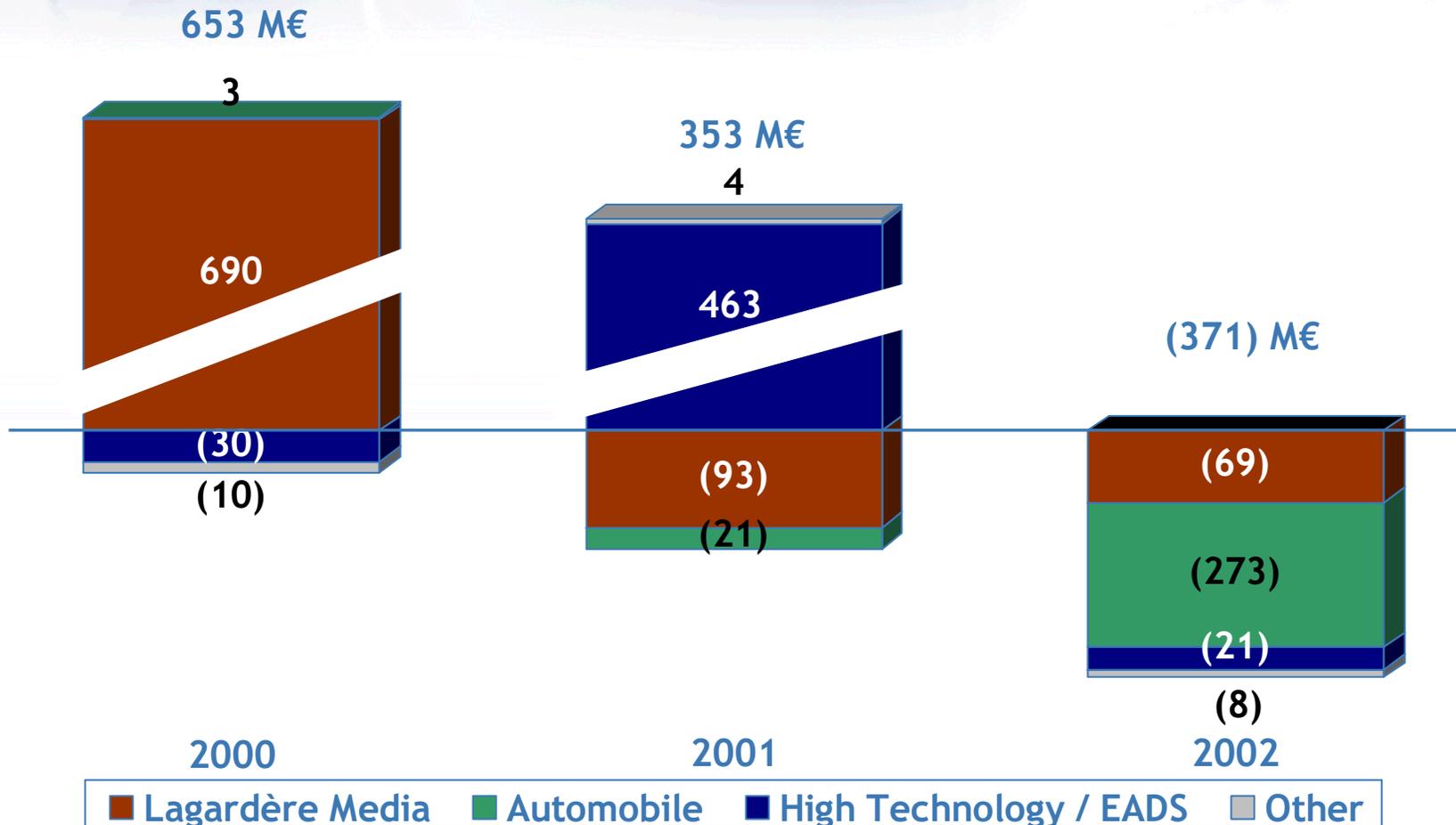
* Excluding preferred remuneration

■ Lagardère Media
 ■ Automobile
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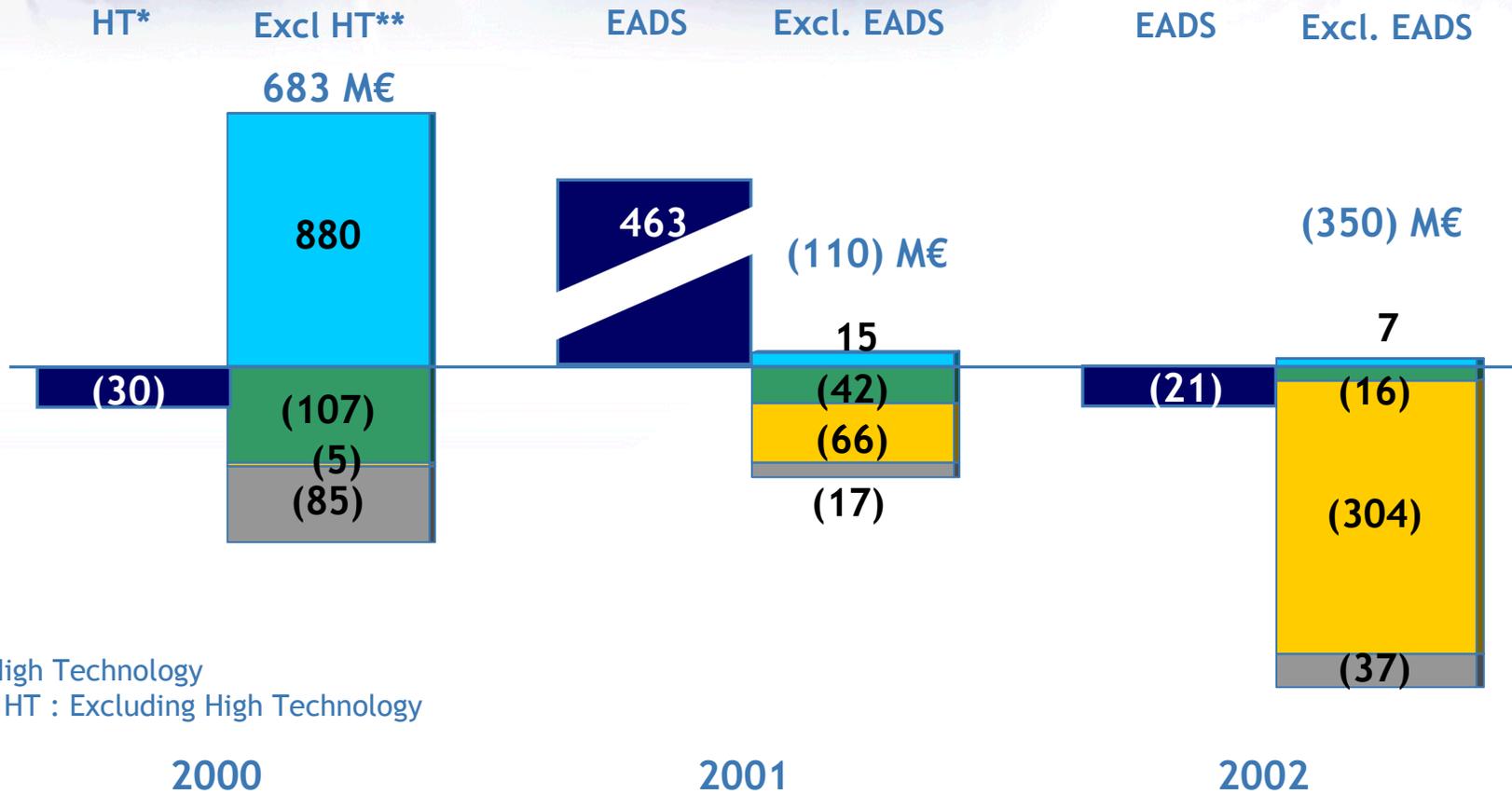


Exceptional items (by division)



Exit related costs for *Automobile* activities -266 M€

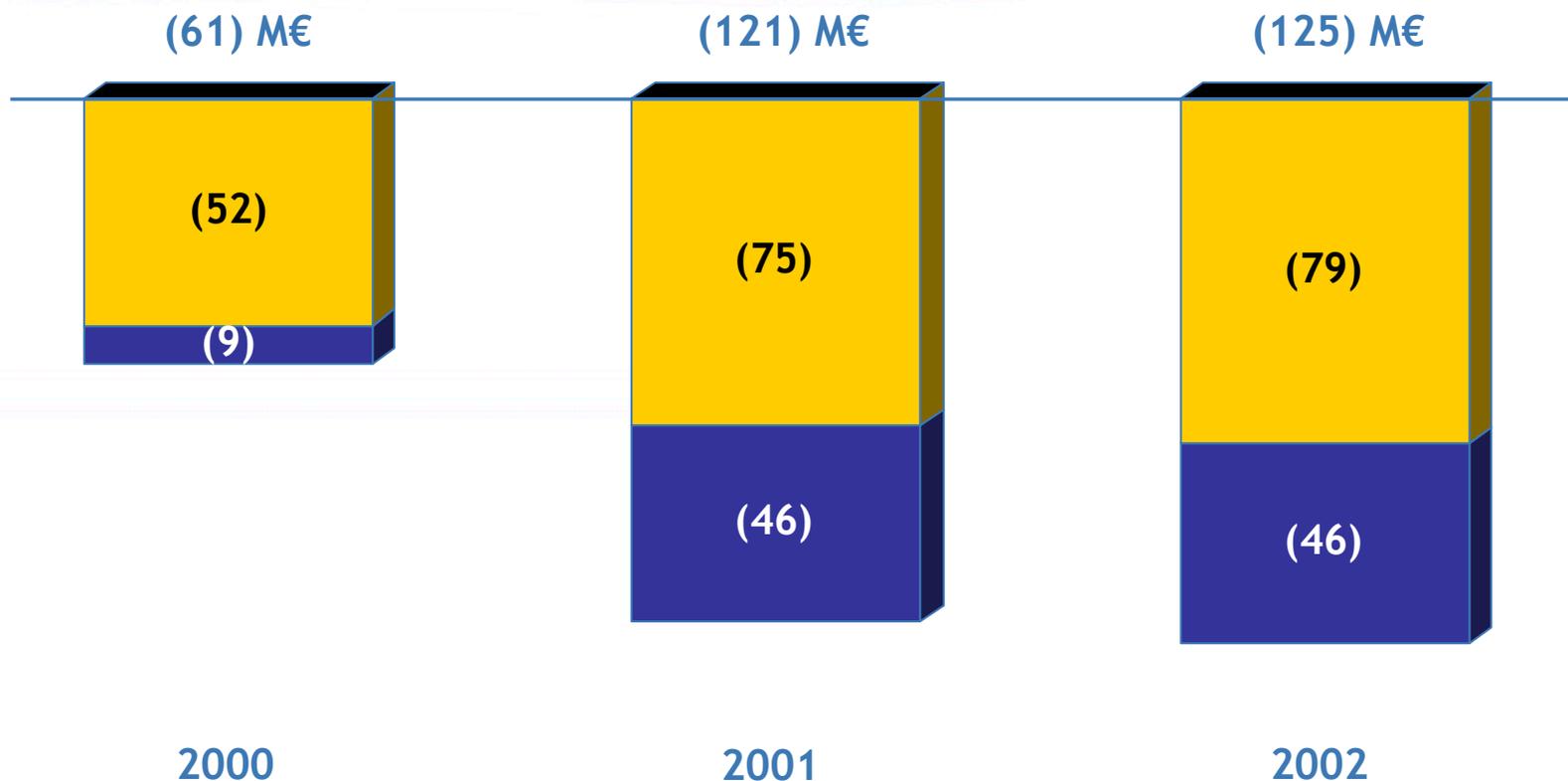
Exceptionnall items (by type)



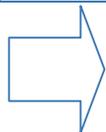
* HT : High Technology
 ** Excl. HT : Excluding High Technology

- High Technology / EADS (including *Airbus* 441 M€ in 2001)
- Net capital gains
- Amort. & special write-downs of goodwill and other intangibles
- Restructuring Costs (including *Matra Auto* -266 M€ in 2002)
- Other

Goodwill Amortization

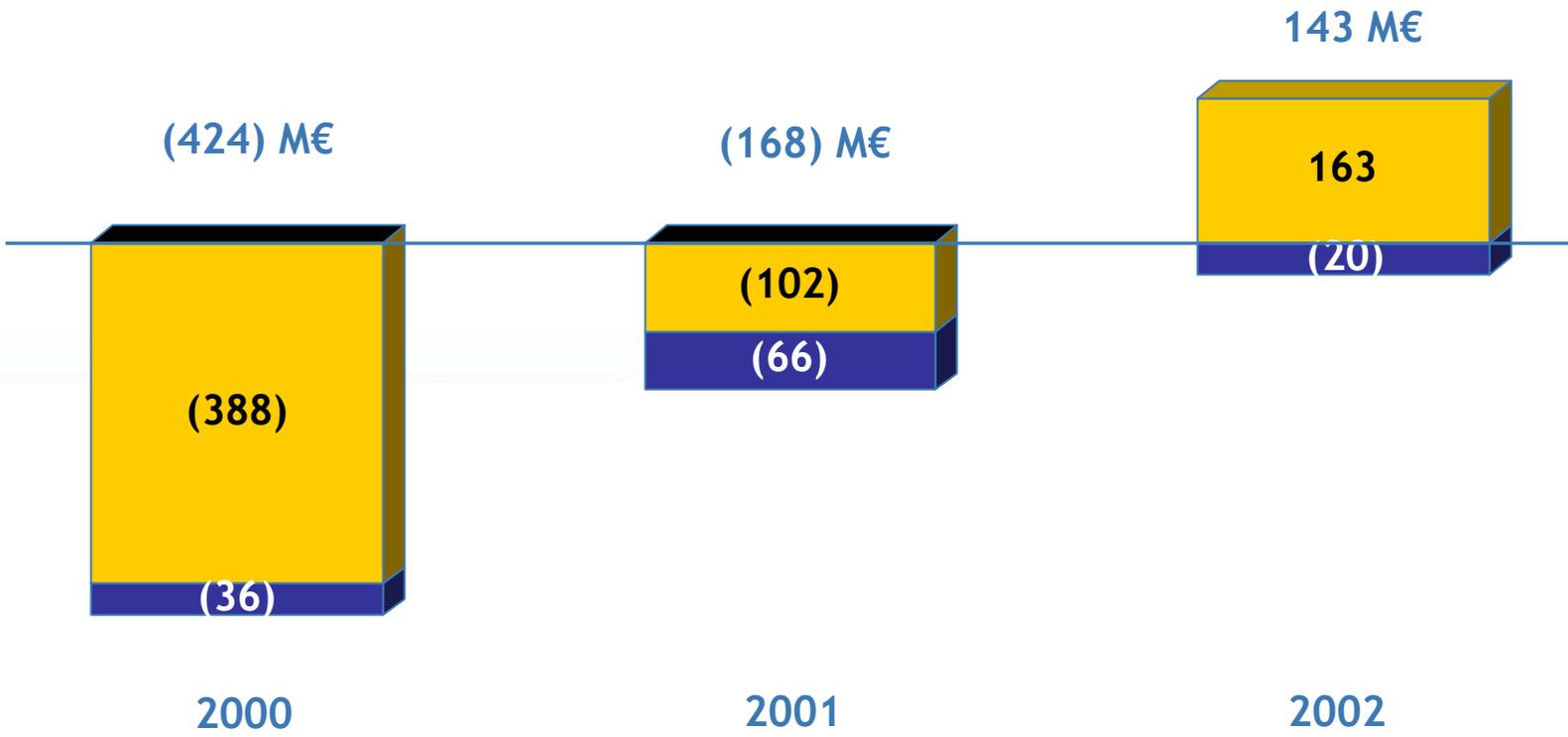


■ Lagardère excl. High Technology / EADS ■ High Technology / EADS



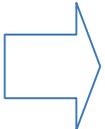
Acquisitions of *Virgin* and *Octopus*

Income tax

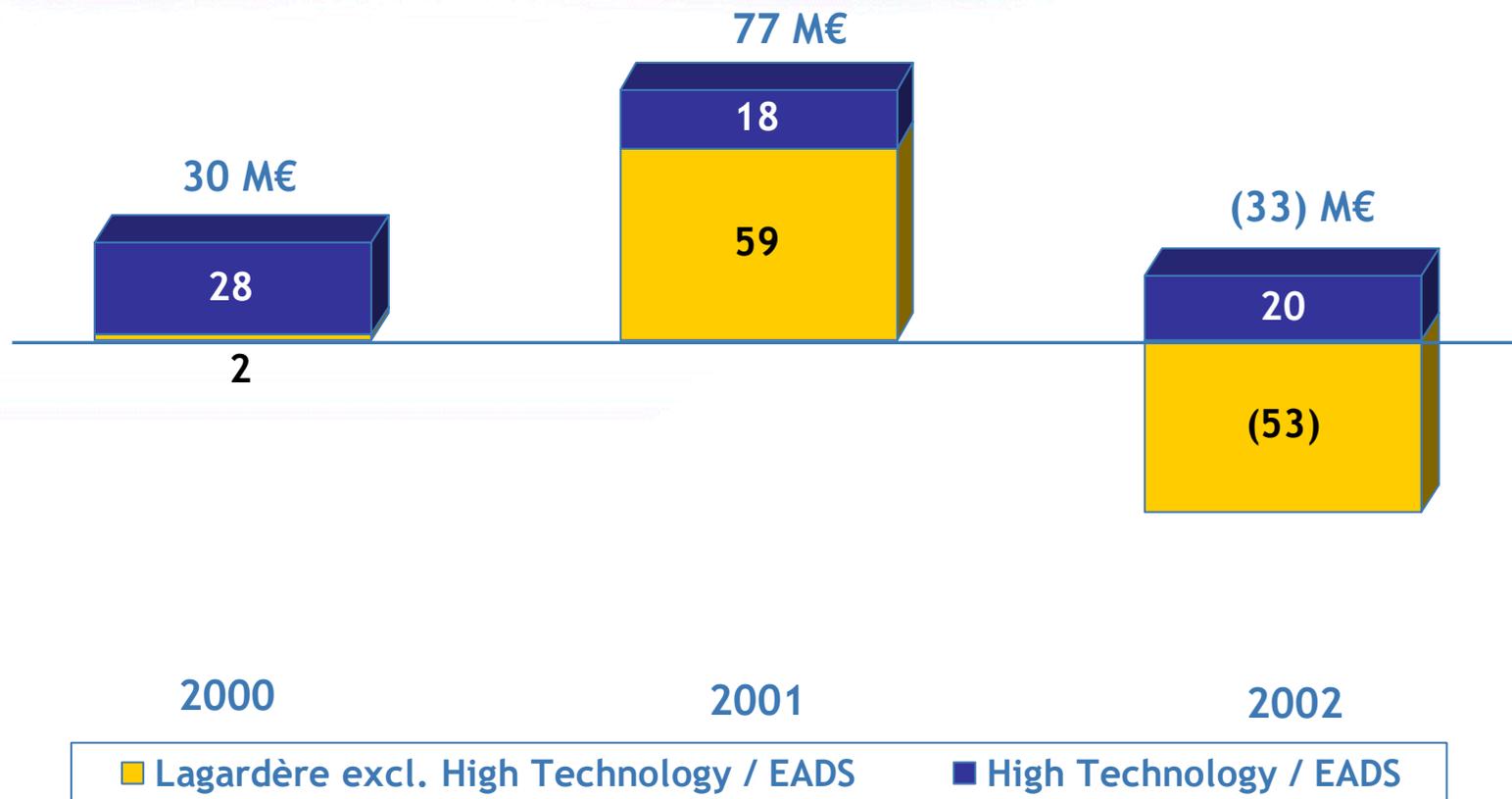


■ Lagardère excl. High Technology / EADS ■ High Technology / EADS

T-Online capital gain related tax adjustment +195 M€



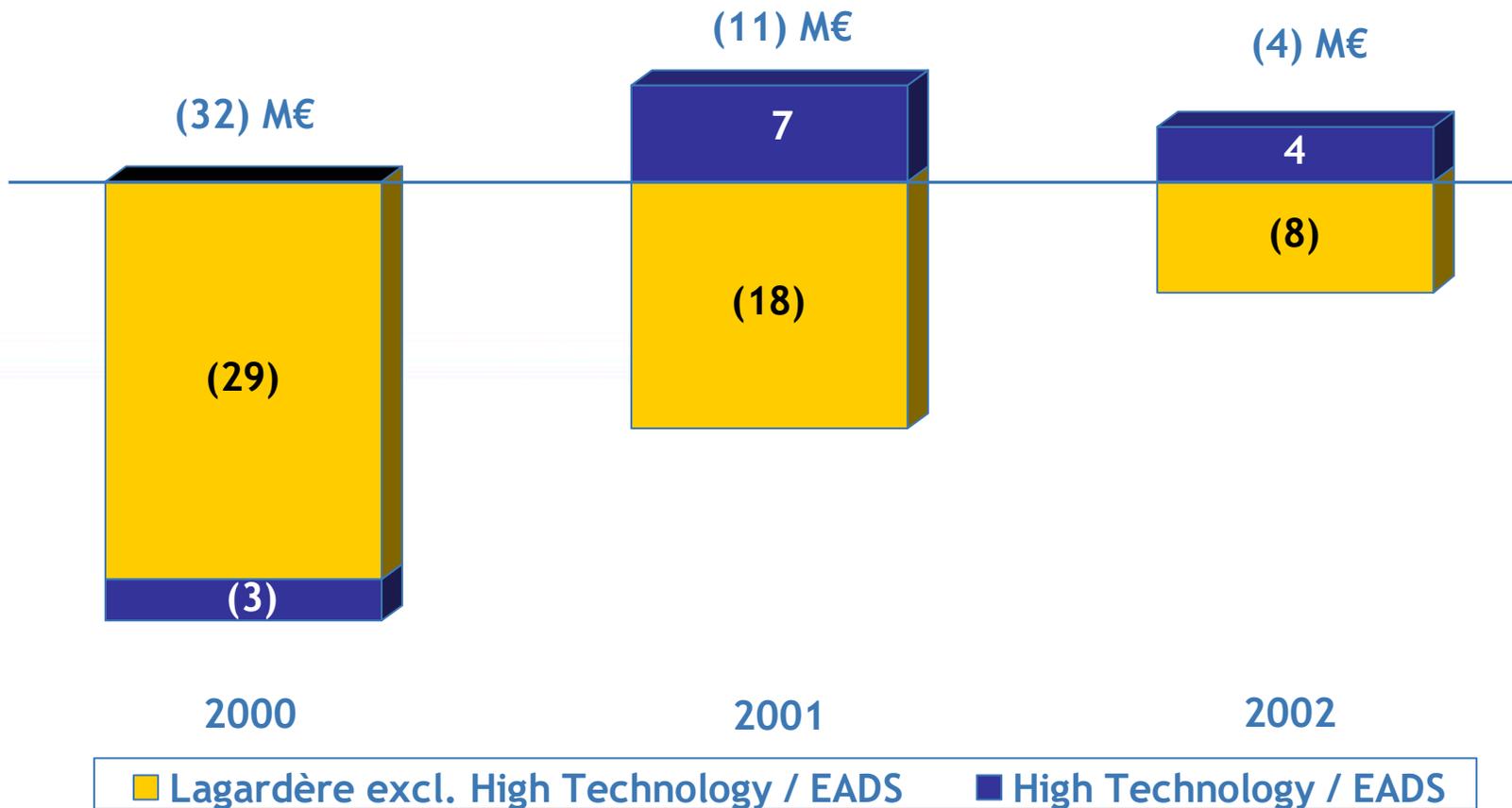
Net income from Companies accounted for by the equity method



- *multiThématiques* equity stake depreciation -68 M€ in 2002

- Lagardère's share of exceptional items recorded by *CanalSatellite* in 2001 : +39 M€

Minority interest



Consolidated Income Statement

(In M€)	2000 *			2001			2002		
	Excl. HT **	HT**	Total	Excl. EADS	EADS	Total	Excl. EADS	EADS	Total
Sales	8 386	3 489	11 875	8 809	4 486	13 295	8 877	4 339	13 216
Operating Income	406	68	474	410	104	514	377	63	440
Interest Income	(29)	(66)	(95)	(4)	(11)	(15)	(302)	(29)	(331)
Current Income	377	2	379	406	93	499	75	34	109
Non-oper. Income	683	(30)	653	(110)	463	353	(350)	(21)	(371)
Other	(454)	(18)	(472)	(132)	(93)	(225)	21	(46)	(25)
Net Income before minority interest	606	(46)	560	164	463	627	(254)	(33)	(287)
Minority interest	(29)	(3)	(32)	(18)	7	(11)	(8)	4	(4)
Net income	577	(49)	528	146	470	616	(262)	(29)	(291)

* For the first half of 2000, 15.14% of EADS are substituted for 33% of Aerospatiale Matra in the pro forma figures

21 ** Excl HT - Excl High Technology / HT - High Technology

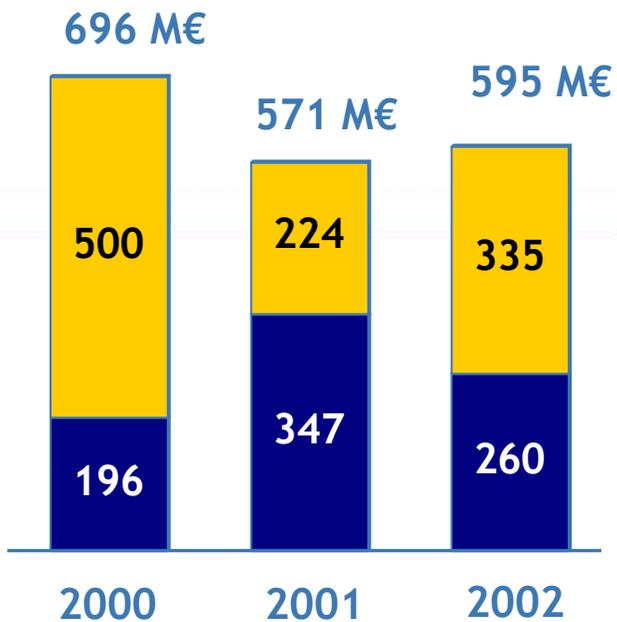
Net income - excl. non recurring items

Excl. EADS

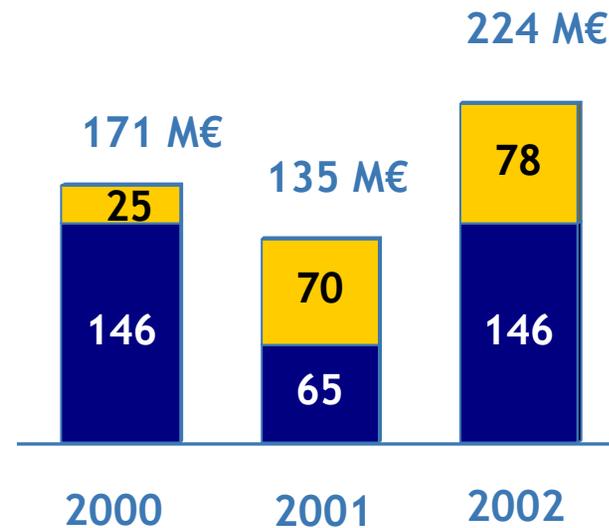
(In M€)	2001	2002
Net income	146	(262)
T-Online	130	83
- financial	157	278
- tax	(27)	(195)
''Excess Shares''	(172)	
- financial	(210)	
- tax	38	
Matra Automobile	(34)	246
- net income		
Net income excl. non-recurring items (before Restatt Intangible Assets depreciation)	70	67
Intangible Assets depreciation	42	84
Net income excl. non-recurring items (after Restatt Intangible Assets depreciation)	112	151

Operating Cash Flows & Investing Activities

Cash flow from operations



Change in working capital



 Lagardère excl. High Technology / EADS

 High Technology / EADS

Statement of Cash Flows

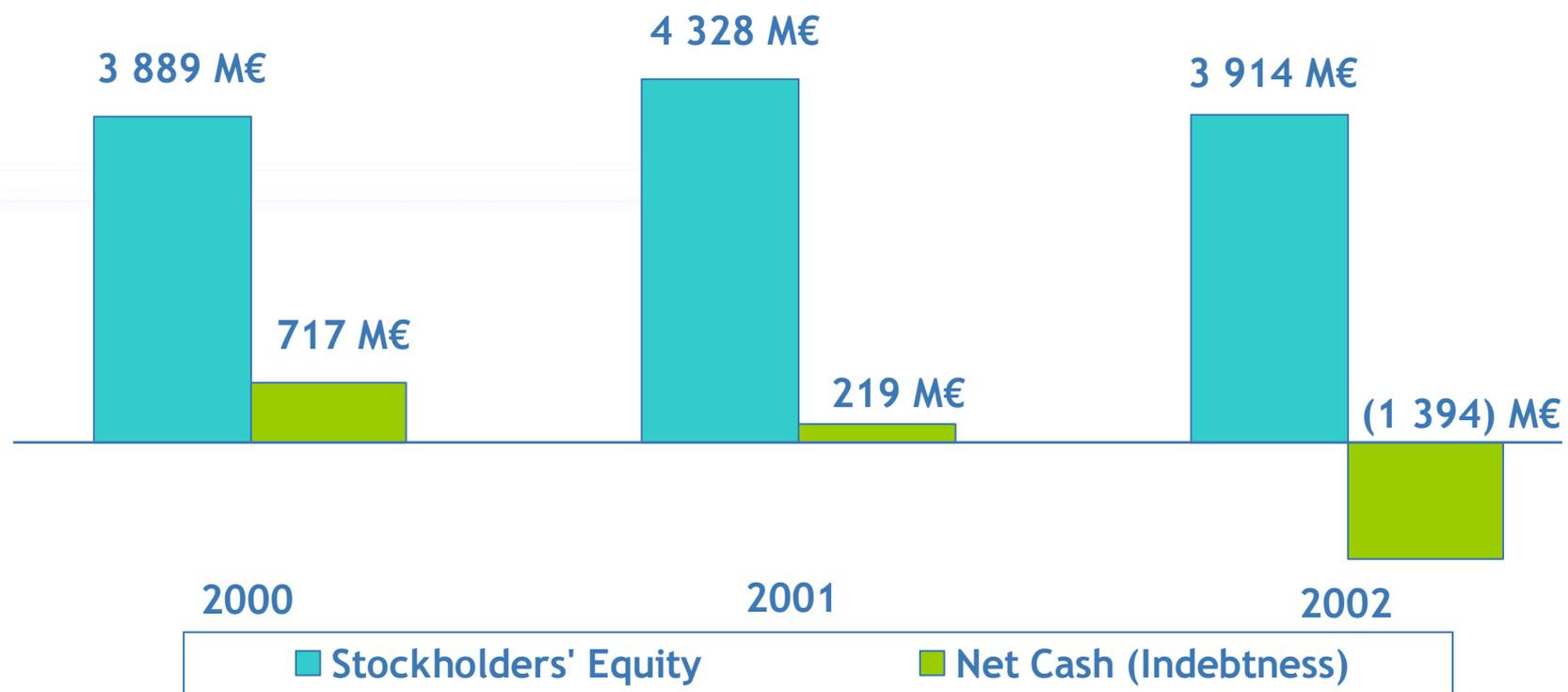
(In M€)	2001			2002		
	Excl. EADS	EADS	Total	Excl. EADS	EADS	Total
Cash flow from oper.	224	347	571	335	260	595
Change in work. capital	70	65	135	78	146	224
Total operating cash flow	294	412	706	413	406	819
Investments	(760)	(501)	(1 261)	(1 692)	(632)	(2 324)
<i>Tangible & intangible Inv.</i>	(296)	(332)	(628)	(262)	(349)	(611)
<i>Financial Inv.</i>	(464)	(169)	(633)	(1 430)*	(283)	(1 713)*
Divestitures	150	214	364	63	185	248
Cash equivalents	306	(59)	247	-	(63)	(63)
Investing activities	(304)	(346)	(650)	(1 629)	(510)	(2 139)
Net cash flow from oper. & invest. activities	(10)	66	56	(1 216)	(104)	(1 320)

* including 1 180 M€ cash advance to *Groupe Natexis Banques Populaires* related to currently processed VUP assets acquisition

Balance Sheet

(In M€)	2001			2002		
	Excl. EADS	EADS	Total	Excl. EADS	EADS	Total
Fixed assets	6 105	2 756	8 861	7 101	2 830	9 931
Current assets	4 339	4 813	9 152	3 794	4 445	8 239
<i>of which cash & equiv.</i>	1 790	1 213	3 003	1 500	943	2 443
TOTAL ASSETS	10 444	7 569	18 013	10 895	7 275	18 170
Stockholders' equity	3 859	885	4 744	3 377	953	4 330
Contingencies	1 180	1 189	2 369	1 199	1 162	2 361
Financial debts	2 090	982	3 072	3 374	750	4 124
Current liabilities	3 315	4 513	7 828	2 945	4 410	7 355
TOTAL LIABILITIES & STOCKHOLDER'S EQUITY	10 444	7 569	18 013	10 895	7 275	18 170

Stockholder's Equity* & Net Cash (Indebtness) *



Net Debt Position*

(In M€)	12.31.2001	2002 Changes	12.31.2002
EADS	232	(39)	193
T-Online	679	(278)	401
Excl. EADS and T-Online	(692)	(1 296)	(1 988)
<u>Net Debt Position</u>	<u>219</u>	<u>(1 613)</u>	<u>(1 394)</u>

Lagardère - Borrowing maturities (excl. EADS)

(In M€)	12.31.2002	Less than one year	1 to 5 years	over 5 years	Total
Perpetual subordinated notes, 1992		-	-	287	287
Bonds (1)		768	240	423	1 431
Bank borrowings (2)		71	1 119	2	1 192
Leasing contracts		17	34	67	118
Other		55	2	10	67
Short-term borrowings		279	-	-	279
TOTAL		1 190	1 395 (3)	789	3 374

Cash and Cash equivalents(4) (hors EADS) : 1 500 M€

- (1) "less than 1 year" : T-Online Exchangeable bond;
 "1 to 5 years" : Index-linked bond and Private placement (partly) ; "over 5 years" : Private plac (balance)
- (2) Syndicated loan 1 055 M€ (maturity 06/2006)
- (3) Of which 118 M€ maturing from 1 to 2 years
- (4) Incl.T-Online equity stake 401 M€

Commitments and contingent liabilities (excl. EADS)

(In M€)	12.31.02
Operational related Guarantees (incl. 159 M€ related to currently processed VUP assets acquisition)	335
Share repurchase commitments - Commitments to repurchase shares at a fixed price	13
Financial instruments used to hedge positions on currency and interest rates	
- Foreign currency risk (mainly 2001 Private placement)	516
- Interest rate risk (mainly 2001 Private placement and 1998 Index-linked bond)	689
- Perpetual subordinated notes	
. Currencies (1998 Perpetual subordinated notes)	441
. Interest rates	
- 1988 Perpetual subordinated notes	1235
- 1992 Perpetual subordinated notes	419
Commitments received	33

Other informations (excl. EADS)

(In M€)	12.31.02
Rental commitments	696
- 2003	127
- 2004	115
- 2005	99
- 2006	84
- 2007 and beyond	271
Mark to market value of financial instruments (*) (* financial instruments exclusively dedicated to financial assets and liabilities hedging)	(59)
Securitization	
- securitized outstanding receivables	242
- guarantee deposits	93
Unused lines of credit	586



Profitability improvement plan



STATUS AS OF MARCH 17, 2003

- ACTION PLAN REINFORCED IN ORDER TO ACCELERATE THE OPERATING INCOME IMPROVEMENT IN 2001 AND 2002 DESPITE A TOUGH ENVIRONMENT
- 2002 OBJECTIVE IS EXCEEDED (121 MILLION EUROS CUMULATIVE IMPACT VS. 106 INITIALLY PLANNED)
- 2003 ET 2004 OBJECTIVES ARE CONFIRMED (CUMULATIVE IMPACT OF 171 AND 206 MILLION EUROS)

Impact phasing

M€	2001	2002	TOTAL
HACHETTE LIVRE	3	7	10
HACHETTE FILIPACCHI	21	30	51
HACHETTE DISTRIBUTION	8	12	20
LAGARDERE ACTIVE	19	21	40
LAGARDERE MEDIA	51	70	121

Operating income and margin trend...

...by media business segment

M€	2000	2001	2002
HACHETTE LIVRE as a % of revenue	58 7.0%	65 7.7%	91 9.6%
HACHETTE FILIPACCHI as a % of revenue	213 8.7%	203 8.7%	192 9.1%
HACHETTE DISTRIBUTION as a % of revenue	61 1.8%	81 2.1%	88 2.0%
LAGARDERE ACTIVE	(9)	4	14
LAGARDERE MEDIA as a % of revenue	323 4.5%	353 4.6%	385 4.8%

2003-2004 Outlook

M€	TOTAL 2001 -2002	CUMULATIVE IMPACTS IN... *	
		2003	2004
HACHETTE LIVRE	10	13	14
HACHETTE FILIPACCHI	51	79	98
HACHETTE DISTRIBUTION	20	26	33
LAGARDERE ACTIVE	40	53	61
TOTAL	121	171	206

* VS. 2000. ALL THESE FIGURES ARE CUMULATIVE INCLUDING FURTHER ACTIONS IN 2003 AND 2004

Operating Income variance analysis

M€	OP.INC.2002	ACTION PLAN IMPACTS	OTHER *	OP. INC. 2002
	323	121	(59)	385

*** OTHER :**

- ADVERTISING ENVIRONMENT, ESPECIALLY US MAGAZINES
- DEVELOPMENT COSTS
- INFLATION-LINKED COST BASIS INCREASE



Data by business segment

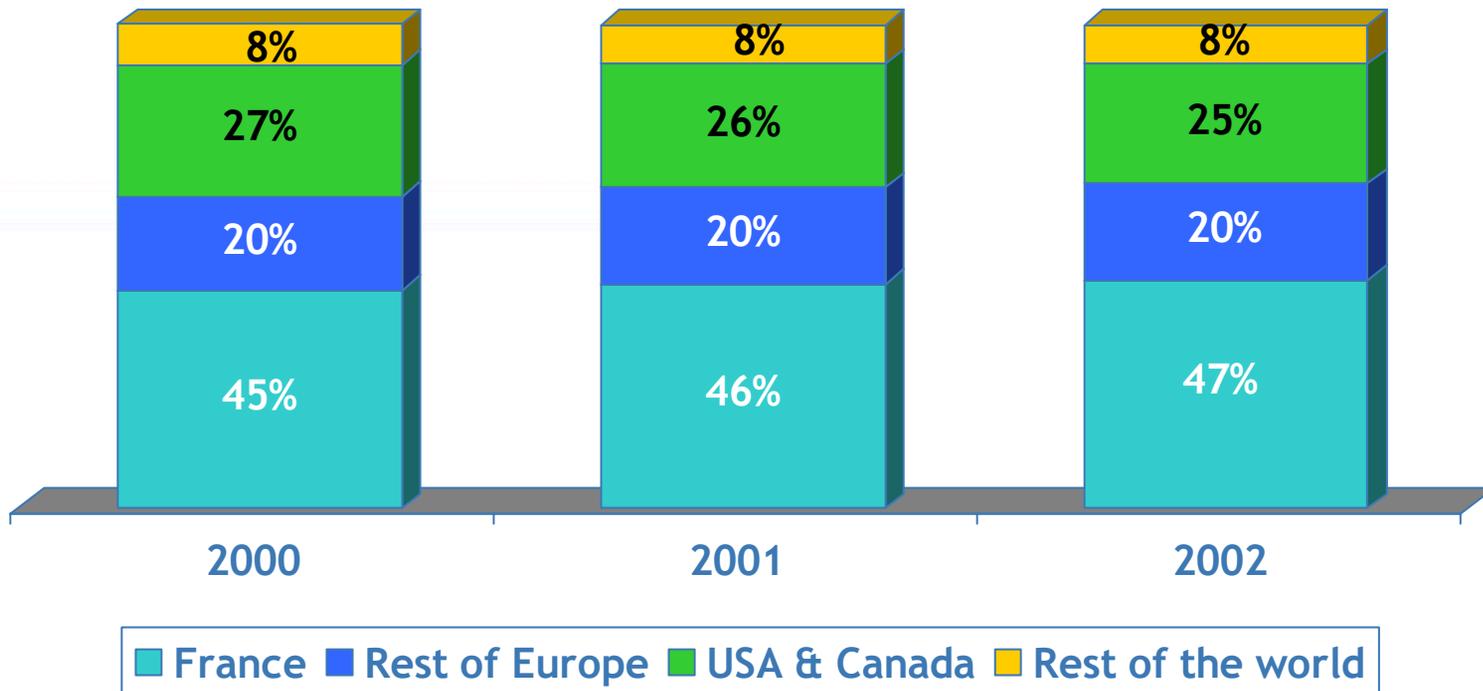
Sales by business segment

(In M€)	2000	2001	2002
Books	830	846	950
Press	2 439	2 336	2 113
Distribution Services	3 294	3 853	4 464
Lagardere Active	640	633	568
Lagardère Media	7 203	7 668	8 095
High Technology / EADS	3 806*	4 486	4 339
Automobile	1 183	1 141	782
TOTAL	12 192	13 295	13 216

* published

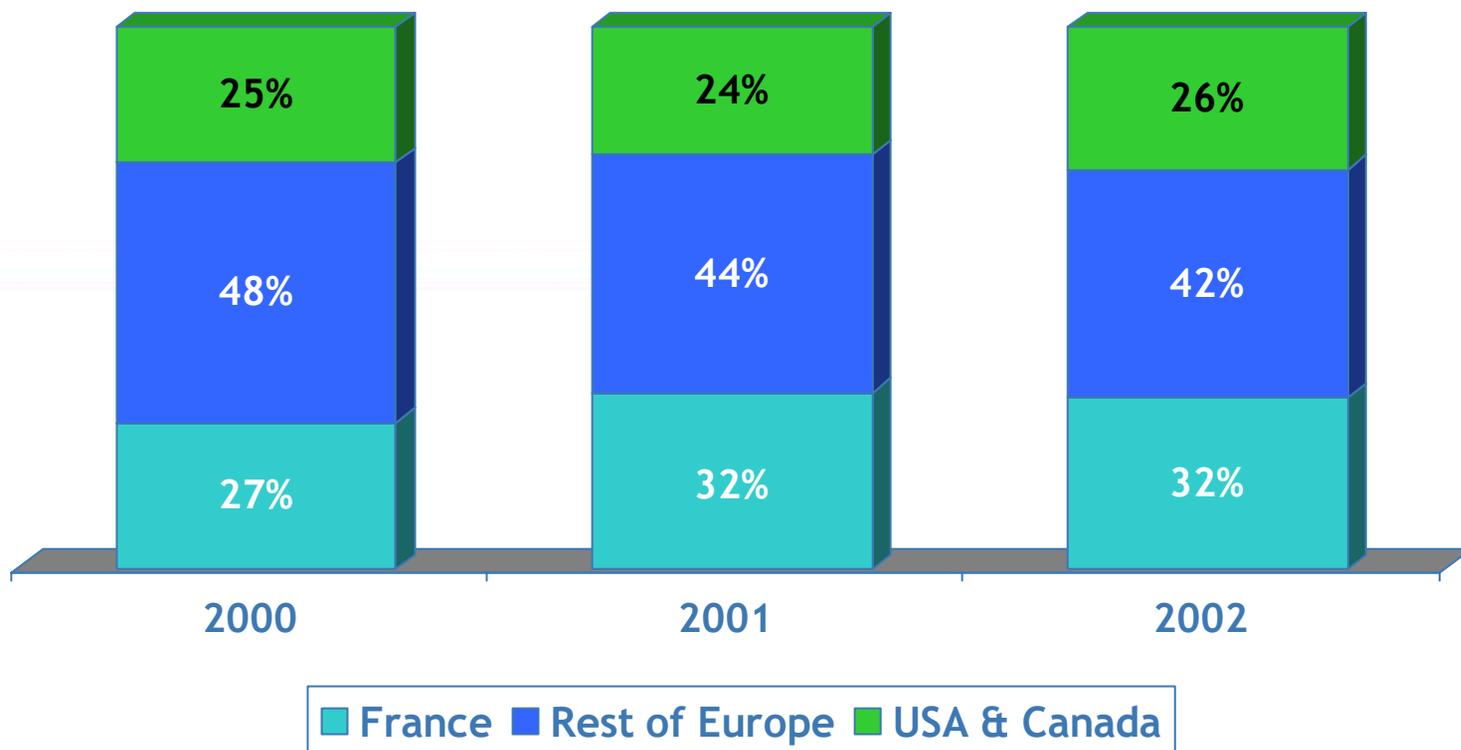
Press

Sale breakdown by geographical area



Distribution Services

Sale breakdown by geographical area



Operating income by business segment

(In M€)	2000	2001	2002
Books	58	65	91
Press	213	203	192
Distribution Services	61	81	88
Lagardere Active	(9)	4	14
Lagardère Media	323	353	385
High Technology / EADS	166*	104	63
Automobile	71	66	7
Books	12	(9)	(15)
Operating income	572	514	440

* published

Lagardère Media - Income Statement

(In M€)	2000	2001	2002
Sales	7 203	7 668	8 095
Operating income	323	353	385
Interest income (exp.)(*)	(43)	(240)	(363)
Current income	280	113	22
Non-operating income	798(**)	(46)	(53)
Income from Associates	2	59	15
Net income before income tax	1 080	126	(16)
Operating margin - Lagardère Media	4,5%	4,6%	4,8%
Operating margin - excl. Distribution Services	6,7%	7,1%	8,2%

(*) of which *T-Online* shares depreciation

(157)

(278)

(**) capital gain on *T-Online*
(*Club Internet* disposal)

820

Lagardère Media - Statement of Cash Flows

(In M€)	2000	2001	2002
Cash flow from operations	359	269	357
Change in working capital	94	27	37
Total operating cash flow	453	296	394
Investments	(1 424)	(721)	(1 643)
<i>Tangible & int. Inv.</i>	(197)	(268)	(228)
<i>Financial Inv.</i>	(1 227)	(453)	(1 415)*
Divestitures	1 263	117	26
Cash equivalents	(836)	-	-
Investing activities	(997)	(604)	(1 617)
Net cash flow from oper. & investing activities	(544)	(308)	(1 223)

* including 1 180 M€ cash advance to *Groupe Natexis Banques Populaires* related to currently processed VUP assets acquisition

Automobile - Income Statement

(In M€)	2000	2001	2002
Sales	1 183	1 141	782
Operating income	71	66	7
Interest income (exp.)	6	8	37
Current income	77	74	44
Non-operating income	3	(21)	(273)
Net income before tax	80	53	(229)
Operating margin	6,0%	5,8%	0,9%

Automobile - Statement of Cash Flows

(In M€)	2000	2001	2002
Cash flow from operations	111	61	(26)
Change in working capital	(29)	(14)	9
Total operating cash flow	82	47	(17)
Investments	(65)	(26)	(33)
<i>Tangible & int. Inv.</i>	<i>(60)</i>	<i>(24)</i>	<i>(33)</i>
<i>Financial Inv.</i>	<i>(5)</i>	<i>(2)</i>	<i>-</i>
Divestitures	5	1	2
Investing activities	(60)	(25)	(31)
Net cash flow from oper. & investing activities	22	22	(48)

EADS - Income Statement ...

... from EADS as reported to Lagardère format

(In M€)	EADS 100% as reported	Reclassifications				EADS 100% Lagardère format
		Capital Gains and Losses	Restructuring Charges	Goodwills Amortiz.	Income from Associates	
Sales	29 901					29 901
Operating income	160	(92)	161	936		1 165
Financial results	27				(109)	(82)
Non-operating income		92	(161)	(350)		(419)
Tax	(453)					(453)
Inc. from Associates					109	109
Goodwill Amortization				(586)		(586)
Minority interest	(33)					(33)
Net income	(299)	0	0	0	0	(299)

EADS - Income Statement restated

(In M€)	EADS 100% Lagardère Format	Forex restat ^{ts}	Goodwill restat ^{ts}	Cash equivalent depreciation (*)	EADS restated 100%	EADS share 15.10%
Sales	29 901	(1 174)			28 727	4 339
Operating income	1 165	(905)	155		415	63
Financial results	(82)	(74)		(41)	(197)	(29)
Non-operating income	(419)		277		(142)	(21)
Tax	(453)	387	(64)		(130)	(20)
Income from associates	109		26		135	20
Goodwill	(586)		284		(302)	(46)
Minority interest	(33)	118	(57)		28	4
Net income	(299)	(474)	621	(41)	(193)	(29)

(*) related to EADS treasury stocks recorded as Cash equivalent

EADS - Contribution to Lagardère Income statement

(In M€)	2000		2001	2002
	published (1)	pro forma (2)		
Sales	3 806	3 489	4 486	4 339
Operating income	166	68	104	63
Financial results	(81)	(66)	(11)	(29)
Current income	85	2	93	34
Non-operating income	(32)	(30)	463	(8)
Income from Associates	34	29	18	20
Net income before tax	87	1	574	46
Operating margin	4,4%	1,9%	2,3 %	1,5%

(1) 1st half : 33% Aerospatiale Matra / 2nd half : 15,14% EADS

(2) 15,14% of EADS from 1.1 to 12.31.2000

EADS - Contribution to Lagardère Statement of Cash Flows

(In M€)	2000	2001	2002
Cash flow from oper.	196	347	260
Change in working capital	146	65	146
Investments	(269)	(501)	(632)
<i>Tangible & int. Inv.</i>	(157)	(332)	(349)
<i>Financial Inv.</i>	(112)	(169)	(283)
Divestitures	59	214	185
Cash equivalents	(86)	(59)	(63)
Investing activities	(296)	(346)	(510)
Net cash flow from oper. & investing activities	46	66	(104)

EADS - Balance sheet restated and Contribution to Lagardère Balance sheet

(In M€)	EADS 100%	Lagardère Restatements	EADS restated 100%	EADS restated 15.10%
Fixed assets	25 173	(6 394)	18 779	2 830
Current assets	22 227	(2 839)	19 388	2 921
<i>of which cash & equiv..</i>	6 200	60	6 260	943
TOTAL ASSETS	47 400	(9 233)	38 167	5 751
Stockholders' equity	14 126	(7 797)	6 329	953
Contingencies	9 146	(1 436)	7 710	1 162
Financial debts	4 976	-	4 976	750
Current liabilities	19 152	-	19 152	2 886
TOTAL LIAB. & STOCKHOLDERS' EQUITY	47 400	(9 233)	38 167	5 751

Lagardère -

«Headquarters & non-operating branch» results

(M€)	2000	2001	2002
Operating income	12	(9)	(15)
Net interest income (exp.) incl. Preferred remunerations	(9)	214(*)	14
Non-operating income	(10)	(1)	(8)
Income from Associates	-	-	-
TOTAL	(7)	204	(9)

(*) including net capital gain on the sale of *EADS* Excess Shares (January 2001, 210 M€)

Lagardère - Results summary

(M€)	2000	2001	2002
Lagardère Media	1 080	126	(16)
High Technology / EADS	87	574	46
Automobile	80	53	(229)
Other	(8)	204	(9)
Tax	(457)	(168)	143
Income before Deprec., Amortization of intangibles and goodwill	1 239	957	(208)
Depreciation, Amortization of intangibles and goodwill	(167)	(162)	(222)
Net income - before min. interest	615	627	(287)
Minority interest	(34)	(11)	(4)
Net income	581	616	(291)



Significant events



Significant events

IMPRESSIVE PERFORMANCES IN 2002

□ Stellar results and growth rates :

Revenues : 950 M€

Growth rates :

+12,3% (as published)

+ 3,1% (on a like-for-like basis)

	2001	2002	Variance
Operating income	65 M€	91 M€	+40%
Net income	40 M€	60 M€	+49%



Significant events

IMPRESSIVE PERFORMANCES ALL ACROSS THE BOARD

□ France : market up 2,3%.

Literature :

- Success evenly shared between all the publishing houses : +4%

Illustrated books :

- Children books, Tourism and "How to" guides progressing strongly: +18%

Education :

- Hatier and Hachette Education holding up well, in a stable market

Distribution :

- Strong revenue and profitability growth

Partworks and Mail Order :

- Steady revenue & profitability growth (+14%)





Significant events

❑ Export :

UK :

Hachette Livre is the 4th largest publisher, with a 7% market share

- ORION : Revenue organic growth 10%
Record-breaking 30 titles on the benchmark Sunday Times bestsellers list
- WATTS : Successful export and right sales
- OCTOPUS : Activity in line with business plan

Spain :

- SALVAT : "Door to door" business suffering
Partwork publishing developing well

Italy, UK and Germany :

Based on the french model and by the virtue of cross fertilization, successful partwork launches in 2002



OUTLOOK

□ 2002, strong profitability improvement

Operating margin :

2001	2002
7,7%	9,6%

□ Ambition and optimism for the future based on :

- the good profitability level
- well-balanced successes all across the different publishing segments





Significant events

GENERAL CONTEXT

- > Impacted by a major slump in advertising sales, especially in the USA
- > Slight decrease in paper prices

SIGNIFICANT EVENTS

- > Acquisition of *Attic Futura*, the 7th-ranked magazine publishing group in the  and regain of control over *ELLE*, *ELLE Decoration*, *ELLE Girl* and *Red* titles formerly part of the JV with EMAP
- > Divested the last production units
- > Brands portfolio growth:
 - in France, with the daily press supplement launch : *Version Femina*
 - internationally, with the launch of *ELLE Croatia*, *ELLE Ukraine* and *ELLE Girl* as well regaining control over – and launching foreign editions of – *Marie Claire*





Significant events

MAGAZINE PUBLISHING — FRANCE

- > Advertising Sales down but market share up
- > Circulation holding steady
- > Acquisition of *Zurban*
- > *Isa*: break-even expected in 2003
- > *Bon Voyage*: harmed by uncertainties in the travel market
- > *Télé 7 Jours*: new format release





Significant events

INTERNATIONAL MAGAZINE PUBLISHING

- > Constitution of Hachette Filipacchi UK, the 6th-largest magazine publisher in the UK
- > New editions of *Marie Claire* (Poland, China) and regain of control over the Italian edition

USA

- > Advertising slump intensified
- Fashion and Decoration particularly badly hit

Italy

- > Control regained over all local editions of *ELLE* and *ELLE Decoration*
- > Control over *Marie Claire* as of 2003

Spain

- > Consolidating position as market leader
- > Acquisition of two decoration titles from a German publishing group

Japan

- > Business remains strong





Significant events

DAILY PRESS and SUPPLEMENTS

- > Financial results similar to 2001
- > Launch of the free title *MarseillePlus*
- > Launch of *Version Femina*, the leading European women's title



PHOTO AND OTHER BUSINESS LINES

Photo:

- > Major cost-savings and reinforced editorial synergies
- > Goal remains to achieve balance by 2004

Licensing continues to develop, but at a slower pace



OUTLOOK

- > Continue to pursue the business restructuring process started three years ago
- > Increase the emphasis on our core activities
- > Rationalize the portfolio of titles
- > Systematic search for alliances
- > Strengthen international activities
- > Establish plans to increase productivity



> Distribution Services



Significant events

- > **Sales: + 14%** based on current coverage and exchange rates
- > **Operating income: +8.8%**

PRESS DISTRIBUTION

The press distribution business grew strongly during 2002

- > Spain: Sales up by 30%
- > Significant business growth experienced in Switzerland (+15.1%) and Hungary (+9%)
- > Strong growth in the USA: Sales up by 43%



> Distribution Services



Significant events

RETAIL SALES

HDS implements its two fold strategy :

1. Outlets in transport locations:

RELAY:

- Retail outlet network consolidation: 1,100 *Relay* stores in 13 countries across Europe and North America
- Spin-off concepts:
 - * *Relay Services*
 - * *Relay Café*
 - * *Relay Livres*

AELIA:

- Sales up by 3.6%
- Consolidating its position as French market leader (partnership with airport operator *ADP*)





Significant events

2. Specialized books, music, video and multimedia stores under the *VIRGIN* brand:

Sales growth in 2002: 15.4% (1.8% on a like-for-like surface area)

Expansion of the network in France: six new stores opened up between November 2001 and September 2002, bringing the number of *Virgin Megastore* to 31

Leveraging the *Virgin* brand in transport locations: new stores in the USA and Australia





> Distribution Services



OUTLOOK FOR 2003

- > Airport traffic levels contingent to the situation in the Middle East
- > Further developing the business in traditional markets – Western Europe and North America – as well as in Asia/Oceania and Central Europe
- > Further leveraging of the *Virgin* brand in France and internationally, launching new concepts in transport locations



Significant events

AUDIOVISUAL

- > 2002 Sales up by 34.7% (as reported and when comparing similar periods)
- > Operating income declined (distribution: Kirch Group's bankruptcy impact and current difficulties in all European markets, development of *Match TV*)
- **Theme channels:**
 - Digital terrestrial television: 3 licences awarded the regulatory body (CSA):
 - iMCM* (free-to-air)
 - CanalJ* (subscription based)
 - Match TV* (subscription based)
 - Increase in the number of *CanalSatellite* subscriber
 - Confirmed leadership positions for *MCM* and *Canal J* (MediaCabSat rating July/December 2002)
 - Disposal of *Santé Vie*
- **Production and Distribution:**
 - High ratings (Fabio Montale: 48.8% of audience share)
 - Acquisition of production company *Les Productions 22* (*Un gars, une fille*)
 - Production of 800 hours of programmes
 - *Lagardere Active*: number 1 producer of primetime fiction (in terms of hours broadcast)
 - 7 of the 30 best ratings during 2002 were achieved by *Lagardere Active* productions





Significant events

RADIOS

- > Sales: +13.9% (as reported and when comparing similar periods)
- > Stable operating income

- **Europe 1:**

Sales holding up well, but promotional campaigns hurt profits

Latest Médiamétrie ratings show an increase in the audience (10.6% cumulative share)

- **Europe 2 and RFM:**

Strong growth experienced in the FM sector, in terms of sales and operating income. This was driven by autumn 2002's successful repositioning of both stations: a younger target, local interest, etc.

Latest available ratings show *Europe 2's* audience at an all-time high (7% cumulative share)

- **Lagardere Active Radio International**

Refocusing on Eastern Europe and South Africa

Positive contribution at the operating income level

Over 20 million listeners





Significant events

ADVERTISING SPACE AND AIRTIME SALES

- > Sales up by 7% (excluding contract with Skyrock terminated in 2001 and when comparing similar periods)
- > Lagardère Active Publicité: the leading radio advertising sales network, with a 23.9% audience share

NEW MEDIA

- > Sales grew by almost 10% on a like-for-like basis
- > Content and mobile services, pay-per-call and SMS in France, Germany and the UK develop well
- > 20 multimedia mobile services using i-mode launched with SFR, Orange and Bouygues Telecom

legion


plurimedia


LAGARDERE



Significant events

ACTIVITY 2002

ESPACE

Production phased out

2002: 32,296 *Espace* manufactured (down from 59,116 the year before)

M72

Development of this new light 2-seater vehicle continued during 2002.

At the end of 2002, in the light of technical and commercial difficulties, decision was made to temporarily freeze the project

AVANTIME

Launched on schedule during the first half of 2002

However, sales proved disappointing and a decision to halt production was made at the end of February 2003



> Pursue strategy implementation towards third party car companies in the fields of **engineering, development and testing**

OUTLOOK FOR 2003

> Implementing a so-called "Plan de sauvegarde de l'emploi" (lay-off plan) for the Romorantin (production) and the Trappes (technical and administration) sites

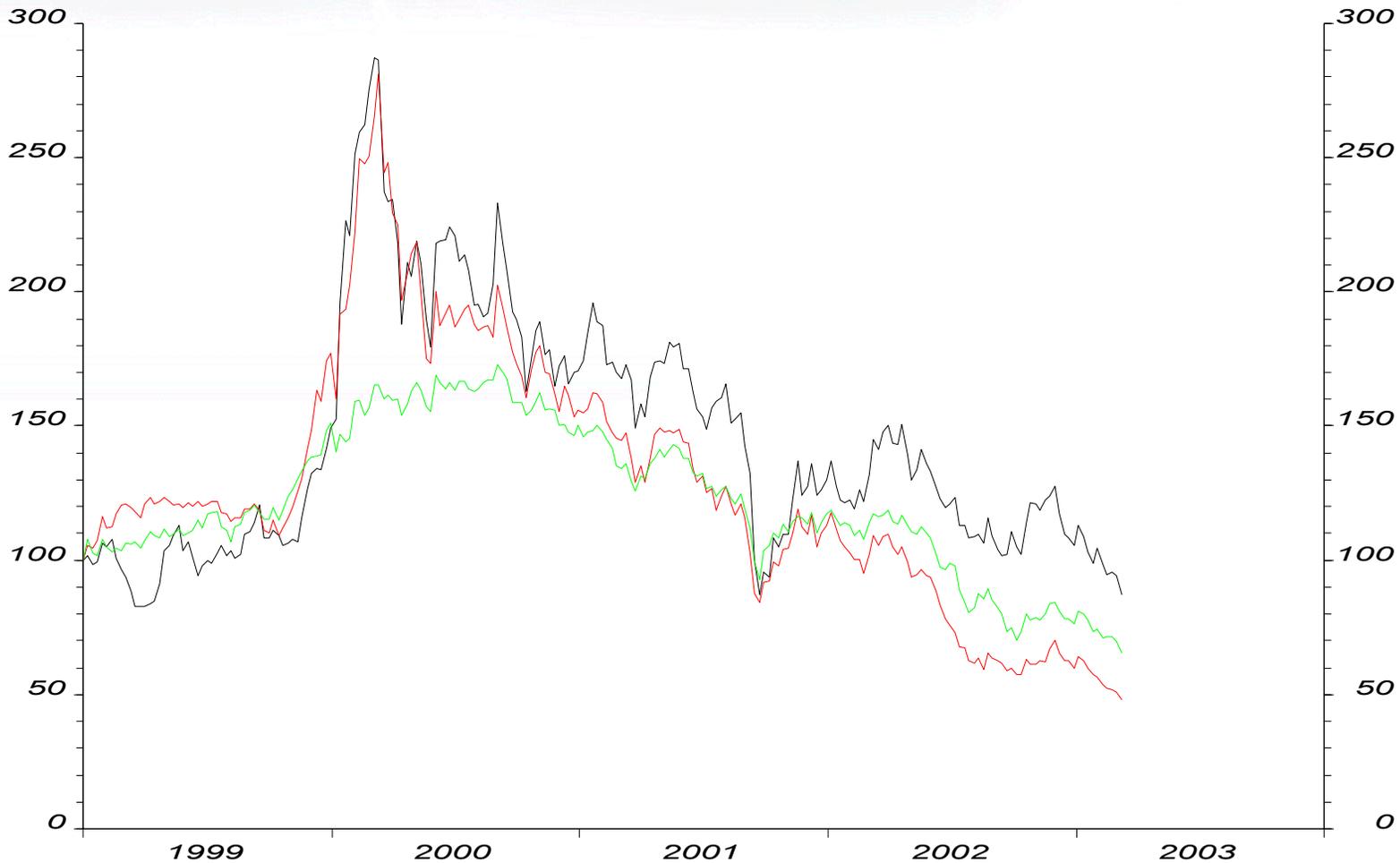
> Engineering service revenues are expected to grow significantly in 2003, following the major sales push undertaken in 2002



Lagardère stock performance

Lagardère share price

January 1999 - March 12, 2003



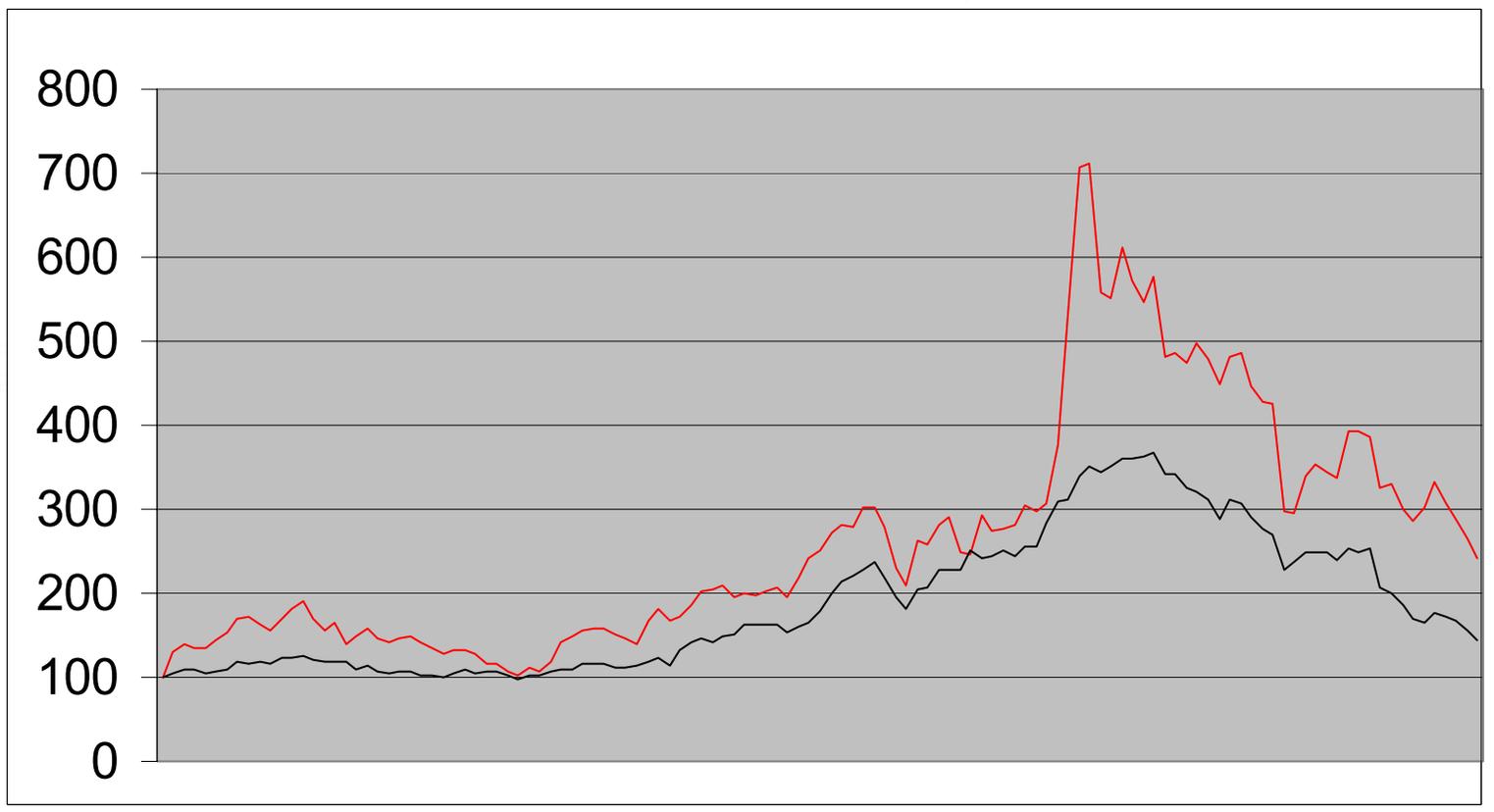
— LAGARDERE
— DJ STOXX MEDIA
— CAC40

Source: DATASTREAM



Lagardère share price

January 1993 - March 12, 2003 (monthly average)



Lagardère
CAC

1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003