



First half year results

September 27, 2001



Consolidated financial statements

Principal changes in consolidated Companies

Businesses

Digital	
Lagardere Active Broadcast	<u><i>multiThématiques</i></u> Equity method (27.42%) as of August 1, 2000
Lagardere Active Broadband	<u><i>CanalSatellite</i></u> Equity method (34%) as of July 1, 2000 <u><i>Grolier Inc.</i></u> Deconsolidation as of June 1, 2000

Principal changes in consolidated Companies

Businesses

Press

Marie-Claire

Equity method (42%) as of April 1, 2001

Rotocalcografica (Italy)

Deconsolidation as of January 1, 2001

Heliocolor (Spain)

Deconsolidation as of October 1, 2000

HFM

As of June 30, 2000

- Income statement / full consolidation (66.79%)
- Balance sheet / full consolidation (98.13%)

As of July 1, 2000

- Full consolidation (100%)



Principal changes in consolidated Companies

Businesses

Distribution Services	<u><i>DFA</i></u> Full consolidation (100%) as of August 1, 2000
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Principal changes in consolidated Companies

Businesses

High Technologies

EADS *

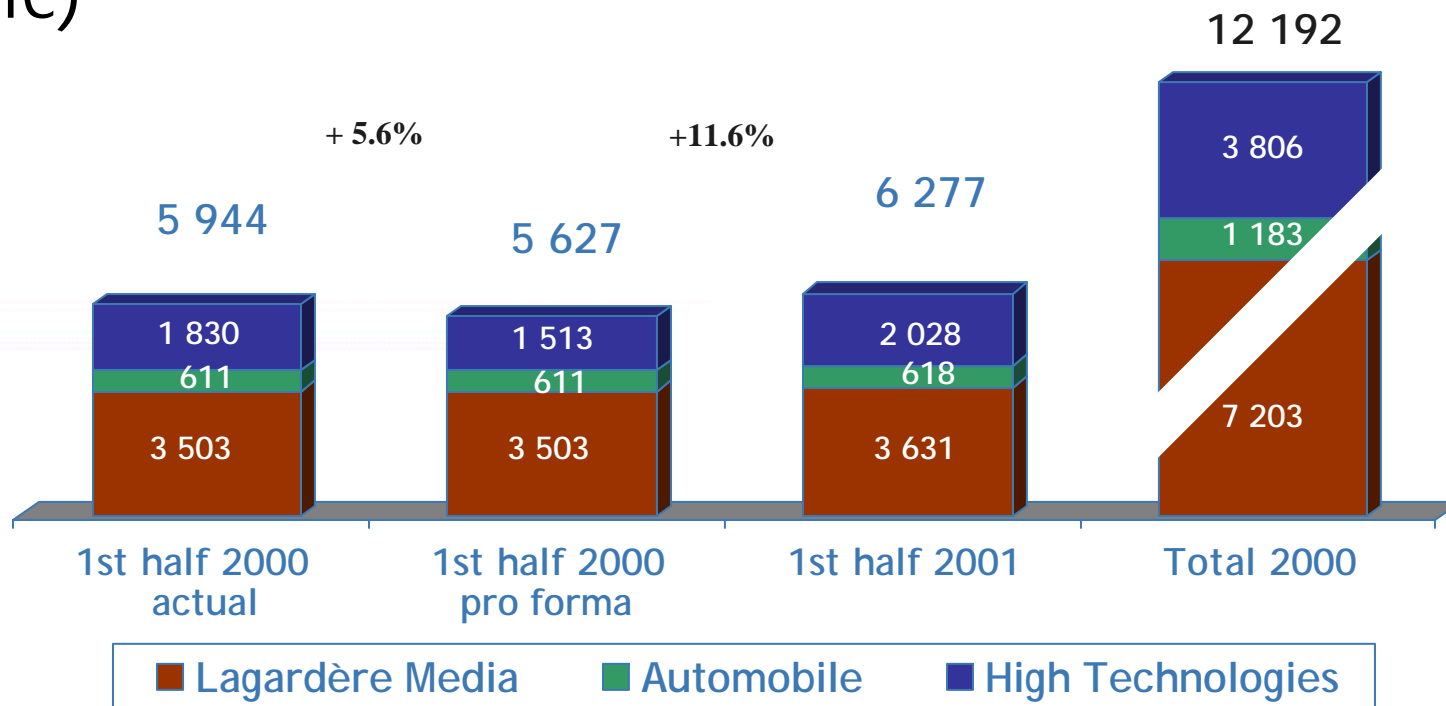
Proportional consolidation (15.14%)
as of July 1, 2000

(Aerospatiale Matra

Proportional consolidation (33%)
from January 1, 1999 to June 30, 2000)

** First half year 2000 EADS pro forma figures (100%) include 80% of Airbus SAS.
They are 15.14% consolidated in Lagardère pro forma consolidated statements over
the same period*

Sales by business segment (In M€)

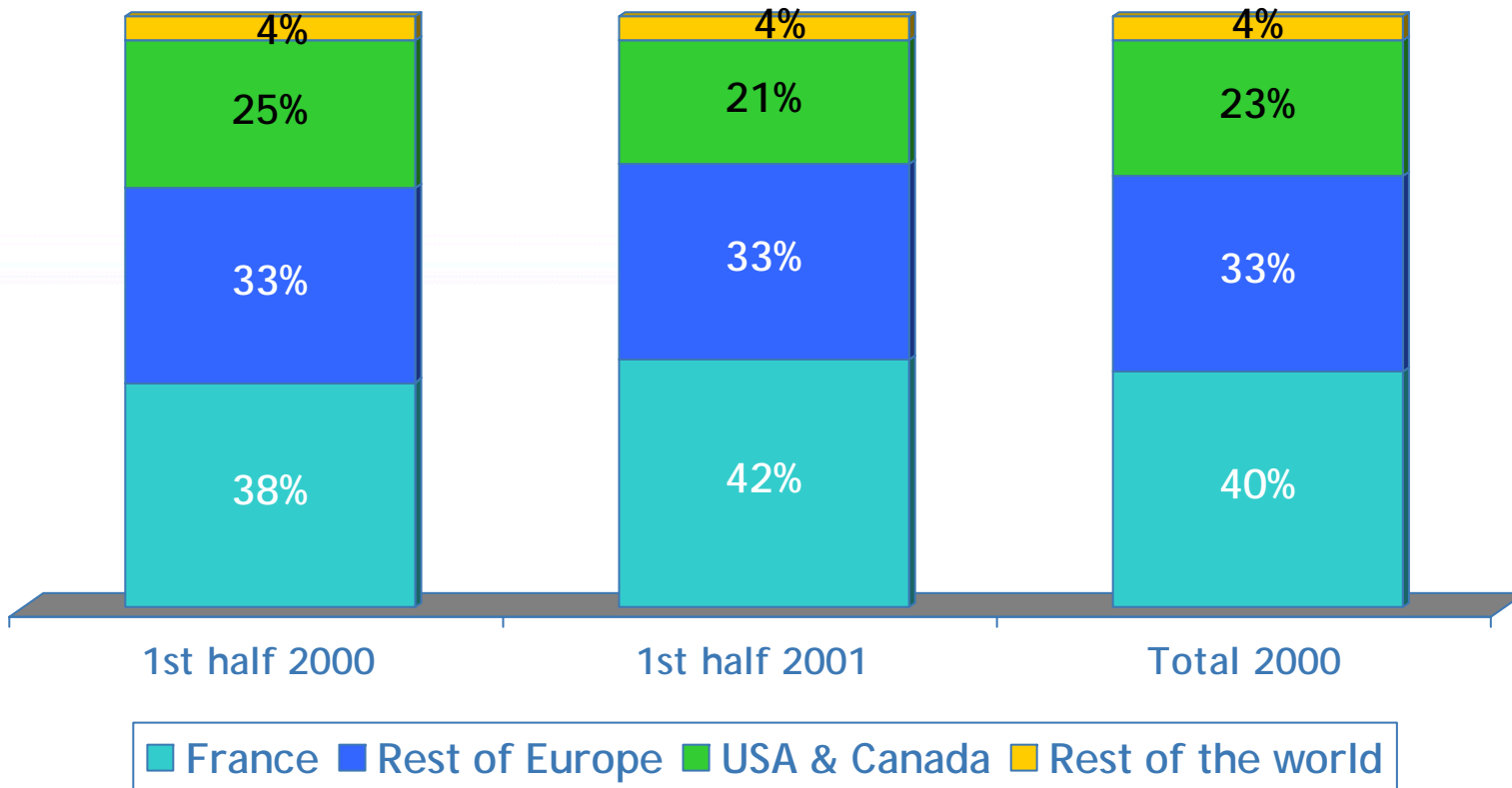


Growth continuing

+11,6% vs. 1st half year 2000 pro forma figures
(+ 5,6% vs. actual)

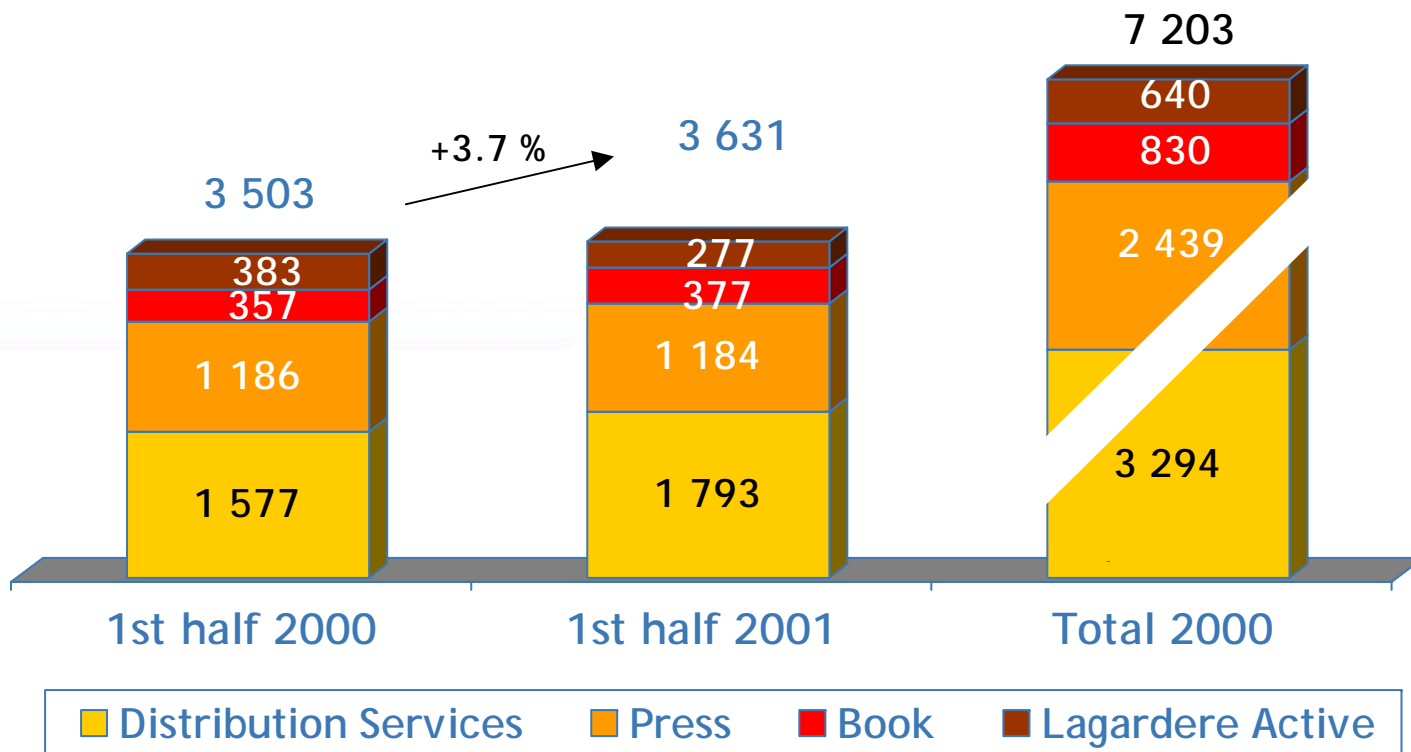
Lagardère Media

Sale breakdown by geographical area



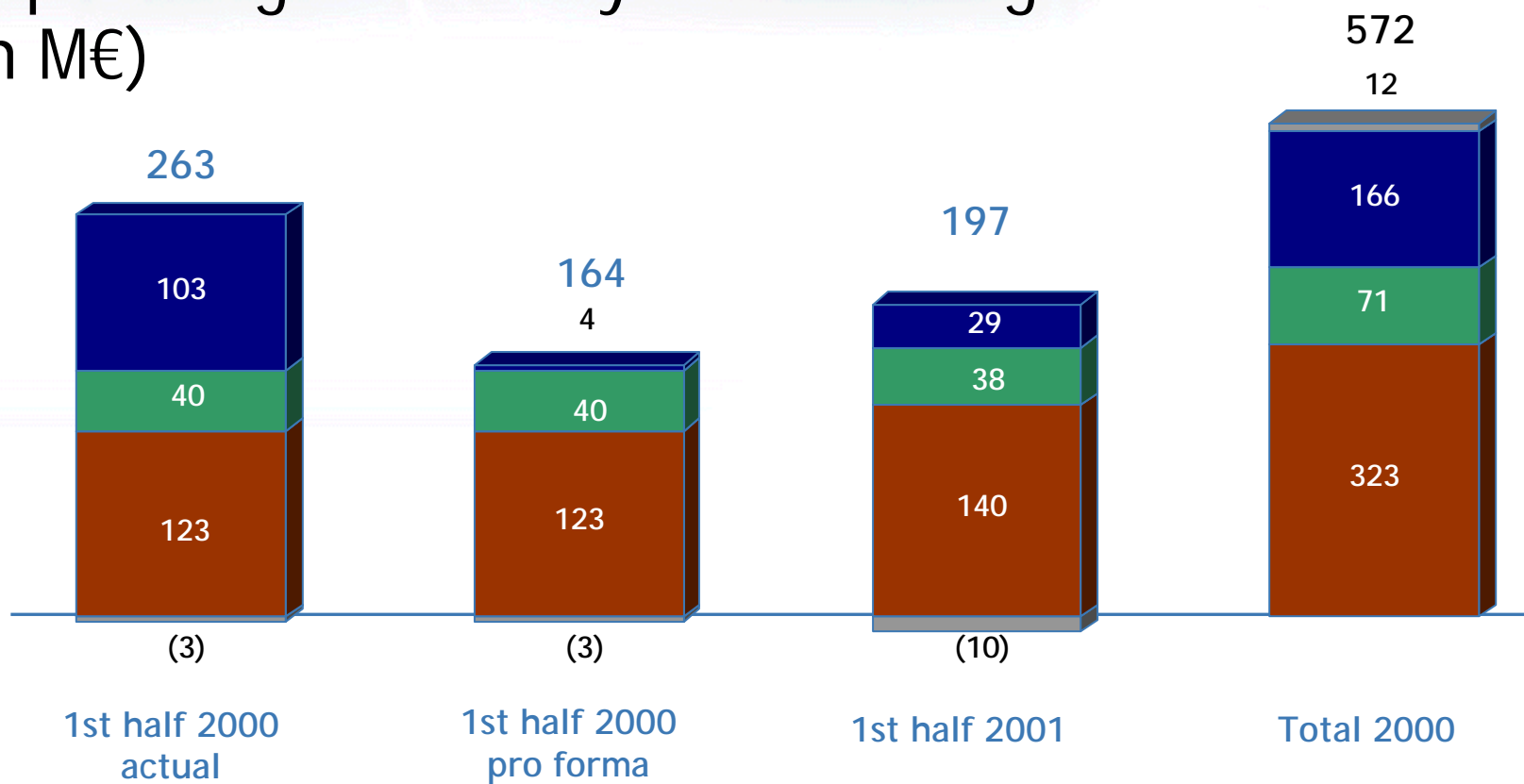
Lagardère Media

Sale breakdown by division (In M€)



9 New acceleration of organic growth +4,7%
(vs. +3,9% one year earlier)

Operating income by business segment (In M€)



■ Lagardère Media

■ Automobile

■ High Technologies

■ Other

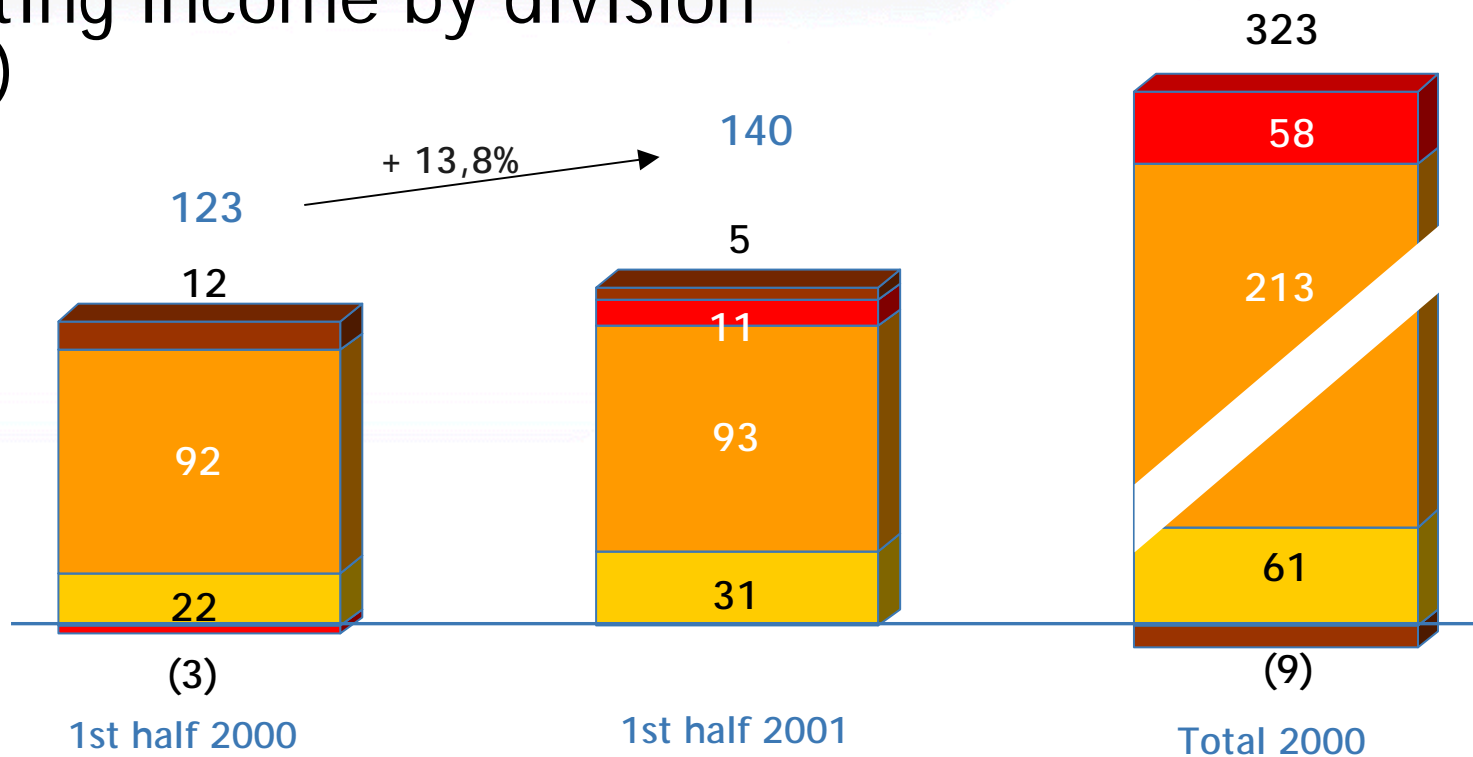
Lagardère Media operating income up by 13.8%

Consolidated operating income up by 20% vs. pro forma H1 2000



Lagardère Media

Operating income by division (In M€)



■ Distribution Services

■ Press

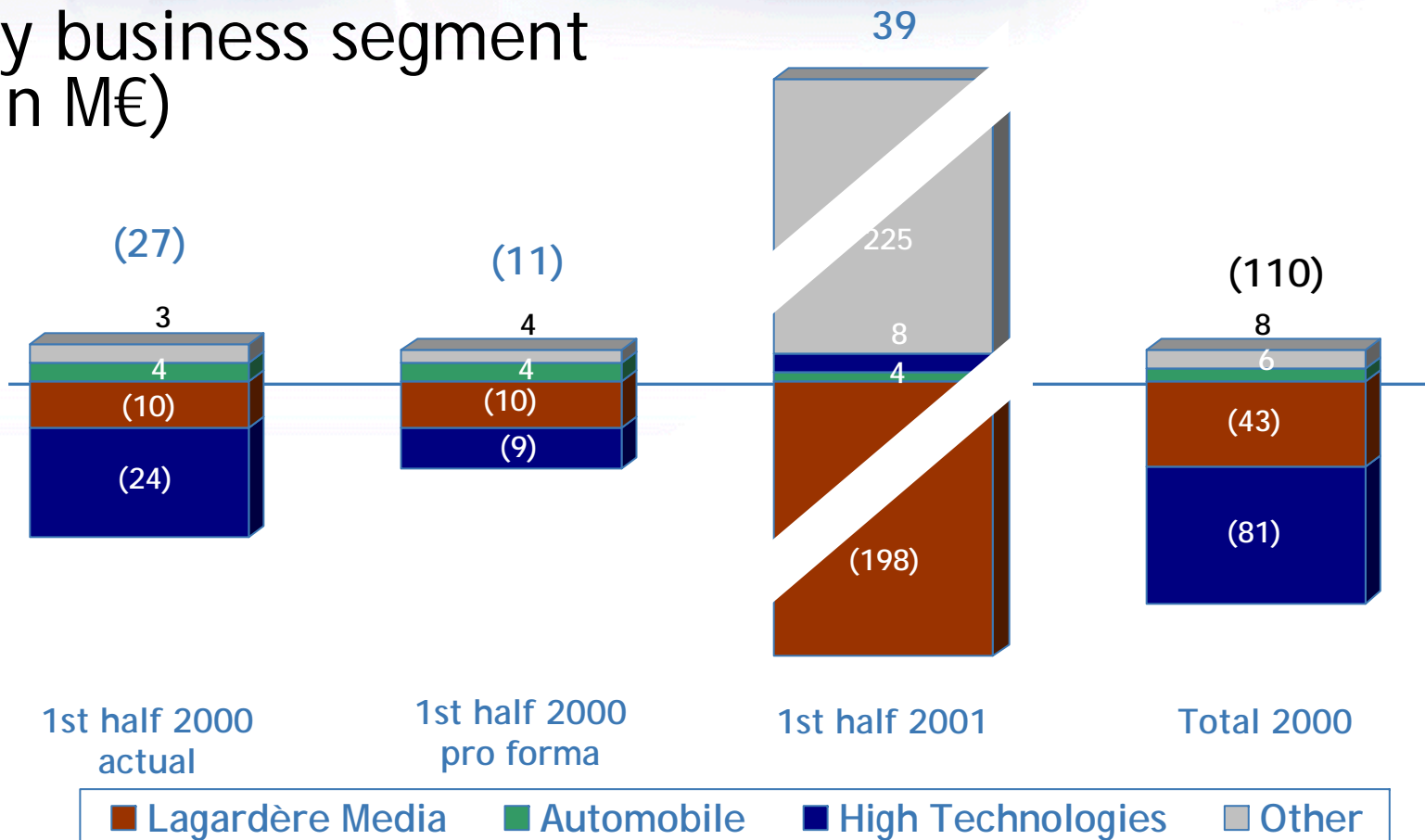
■ Book

■ Lagardere Active

«Book» and «Distribution & services» segments contribution improving strongly.

« Press» segment holding up very well.

Financial (expense)/income* by business segment (In M€)



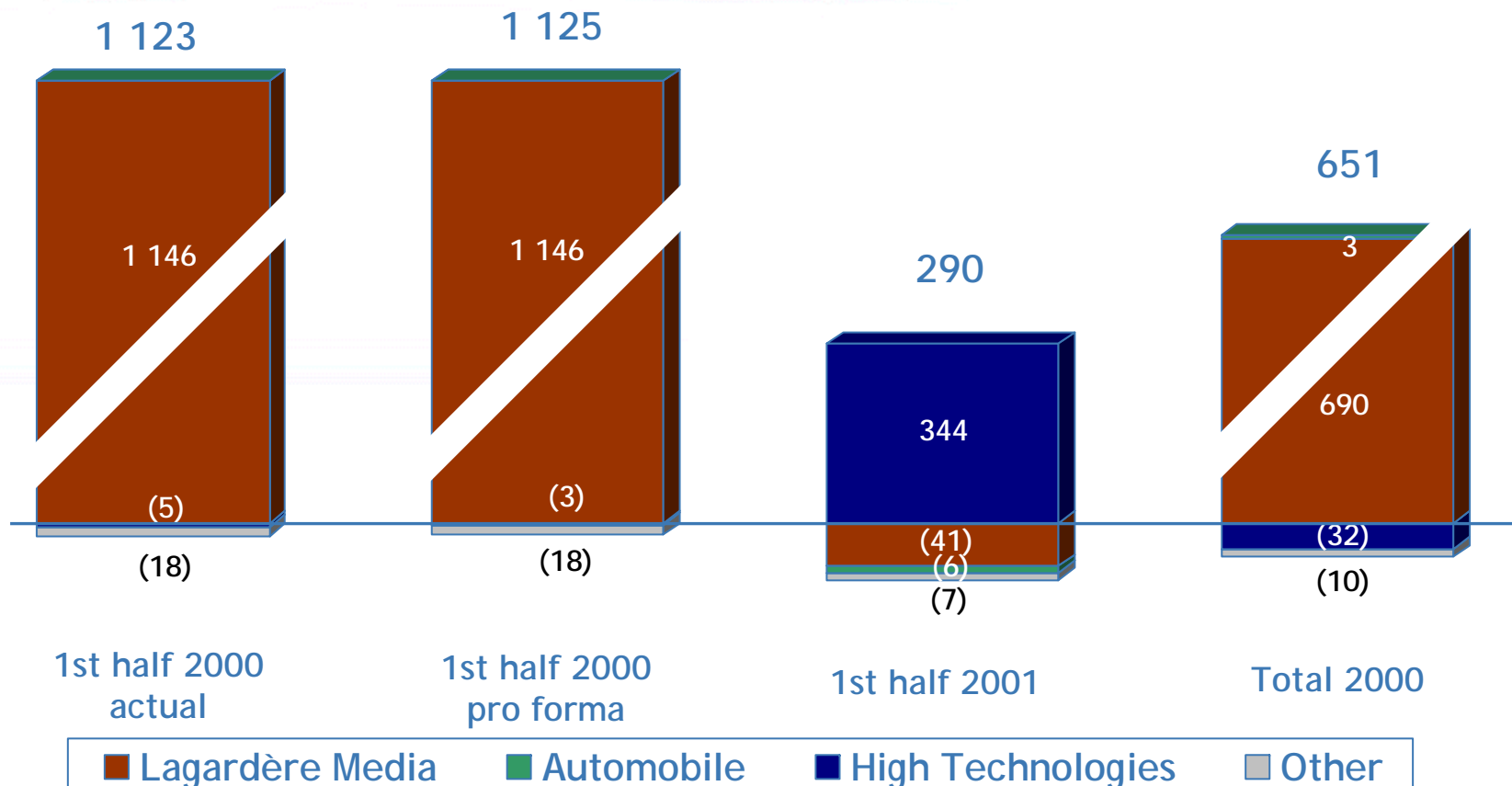
Lagardère Media : T-Online shares depreciation (-157 M€)

Other : capital gain on EADS « Excess Shares » disposal (210 M€)

* Excluding preferred remuneration

Exceptional items (by division)

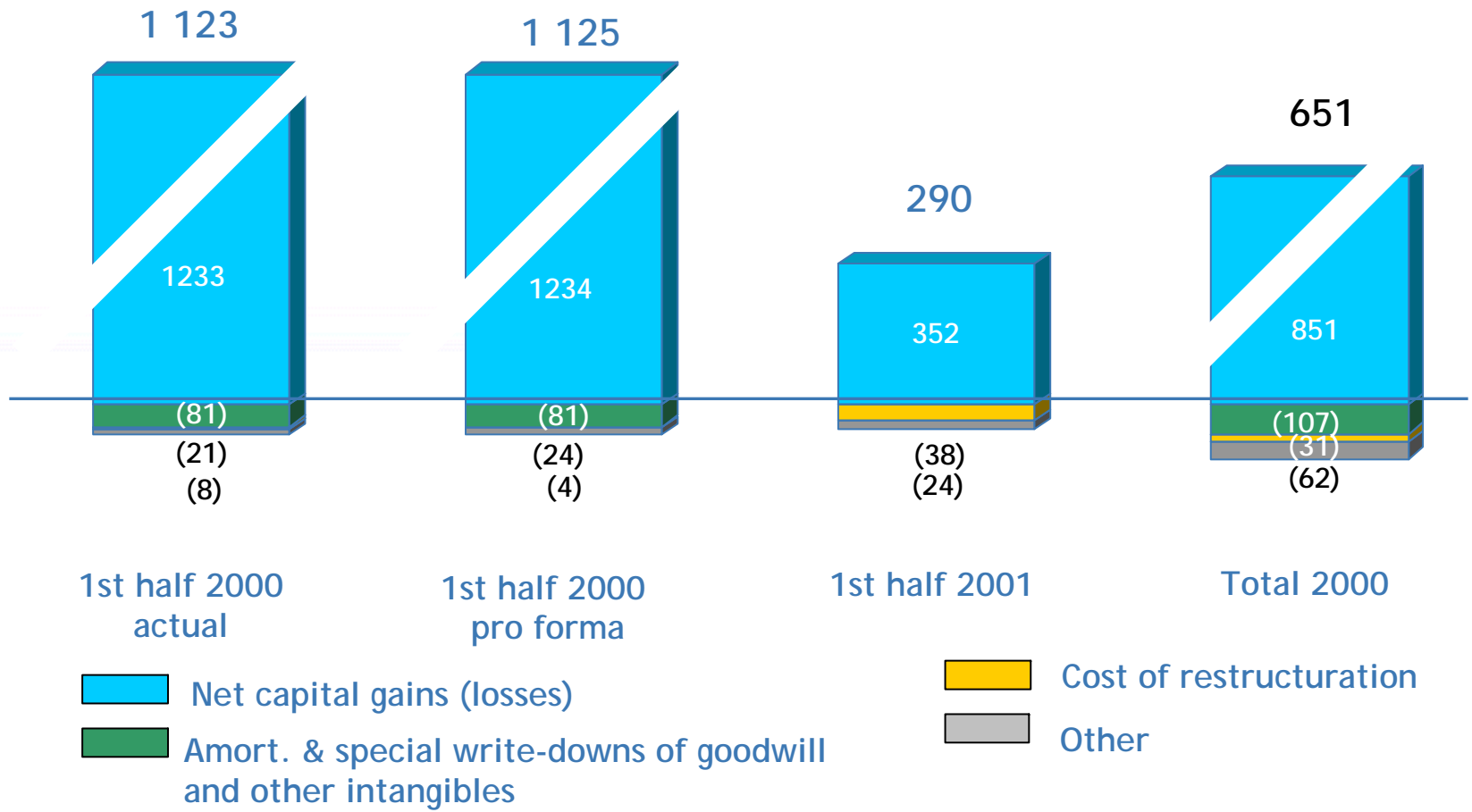
(In M€)



High Technologies :
 Extraordinary gain from Airbus SAS formation (349 M€)

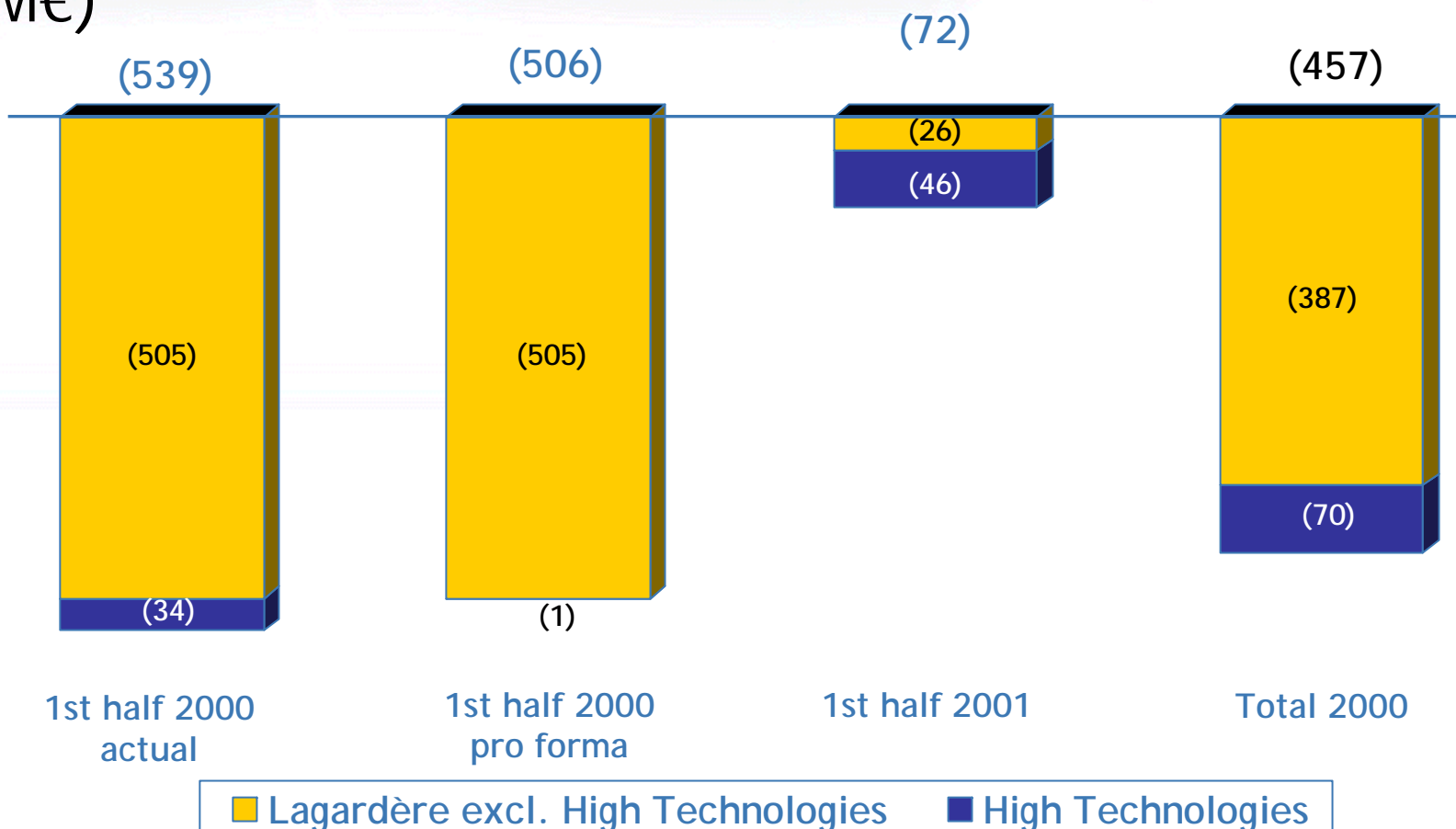
Exceptional items (by type)

(In M€)



H1 2001 : restructuring costs related to Lagardère Media (28 M€)

Income tax (In M€)

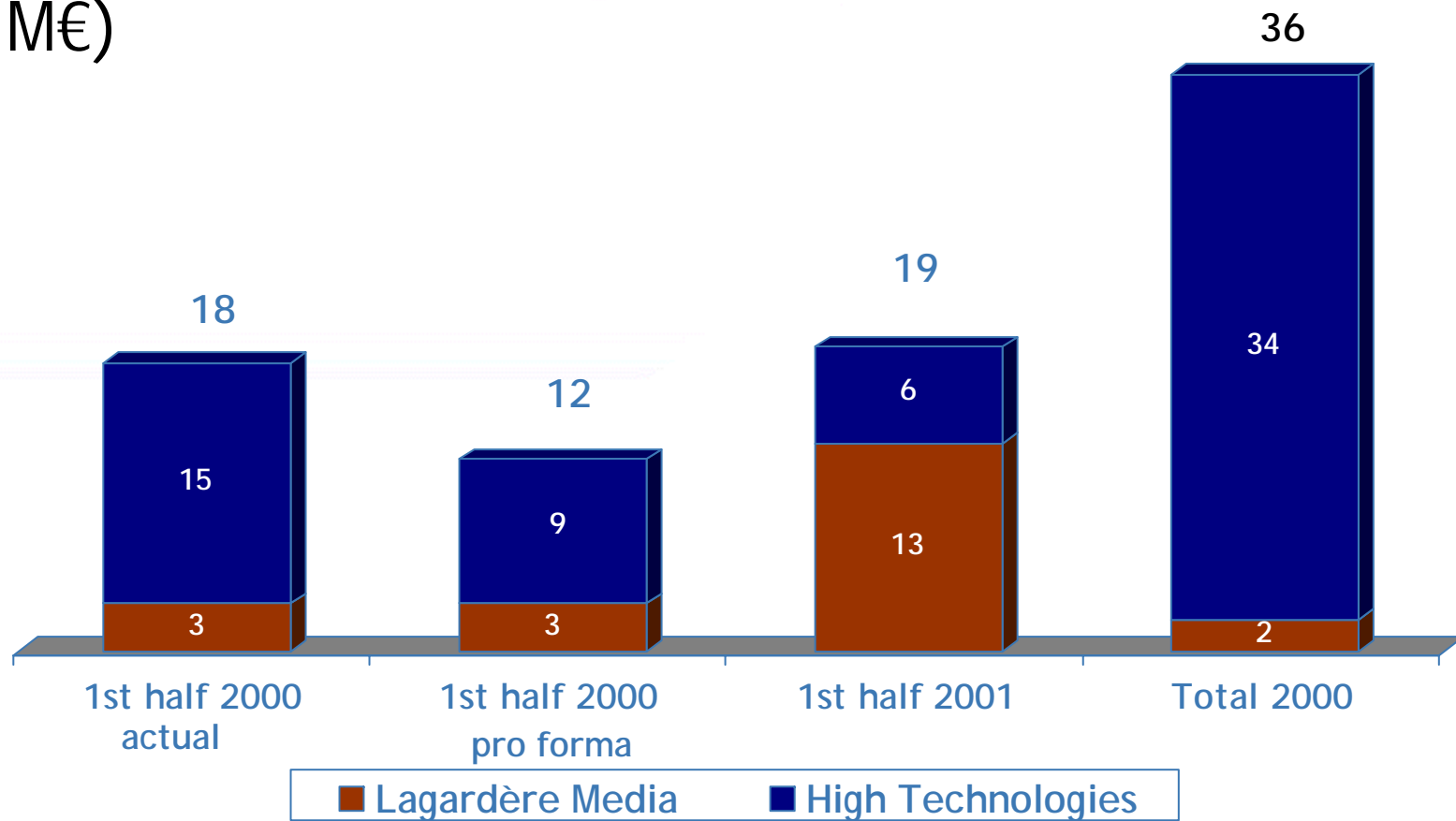


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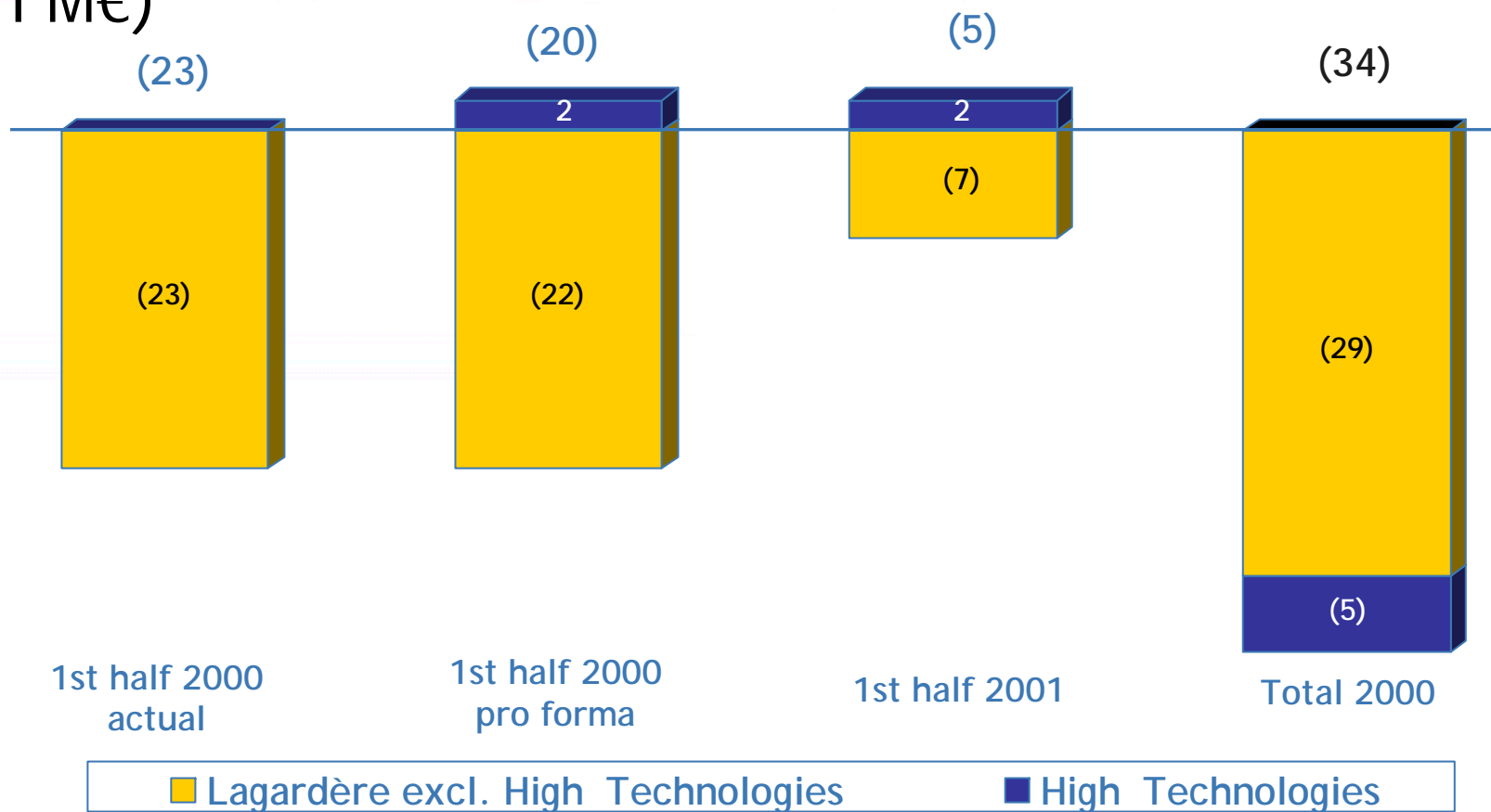
Tax provision reduction associated with decrease in capital gain on T-Online shares

Share in net income of equitized Cies (In M€)



16  Contribution from CanalSatellite improving significantly

Minority interest (In M€)



HFM minority interest buy out (as of July 1, 2000)



Consolidated Income Statement (in M€)

	1st half 2000			1st half 2001			Total 2000		
	Excl. HT *	HT ** pro forma	Total pro forma	Excl. HT *	HT **	Total	Excl. HT *	HT ** pro forma	Total pro forma
Sales	4 114	1 513	5 627	4 249	2 028	6 277	8 386	3 489	11 875
Oper. Income	160	4	164	168	29	197	406	68	474
Interest Income	(2)	(9)	(11)	31	8	39	(29)	(66)	(95)
Current Income	158	(5)	153	199	37	236	377	2	379
Non-oper. Income	1 128	(3)	1 125	(54)	344	290	683	(30)	653
Other	(526)	4	(522)	(58)	(59)	(117)	(454)	(18)	(472)
Net Income before minority interest	760	(4)	756	87	322	409	606	(46)	560
Minority interest	(23)	2	(20)	(7)	2	(5)	(29)	(3)	(32)
Net income	737	(2)	736	80	324	404	577	(49)	528

Consolidated Income Statement (in M€)

	1st half 2000			1st half 2001			Total 2000		
	Excl. HT *	HT ** actual	Total actual	Excl. HT *	HT ** actual	Total	Excl. HT *	HT ** actual	Total actual
Sales	4 114	1 830	5 944	4 249	2 028	6 277	8 386	3 806	12 192
Oper. Income	160	103	263	168	29	197	406	166	572
Interest Income	(2)	(25)	(27)	31	8	39	(29)	(81)	(110)
Current Income	158	78	236	199	37	236	377	85	462
Non-oper. Income	1 128	(5)	1 123	(54)	344	290	683	(32)	651
Other	(526)	(22)	(548)	(58)	(59)	(117)	(454)	(44)	(498)
Net Income before minority interest	760	51	811	87	322	409	606	9	615
Minority interest	(23)	0	(23)	(7)	2	(5)	(29)	(5)	(34)
Net income	737	51	788	80	324	404	577	4	581

Operating Cash Flows & Investing Activities

Cash flow from operations

285 M€

325 M€

Change in work. capital

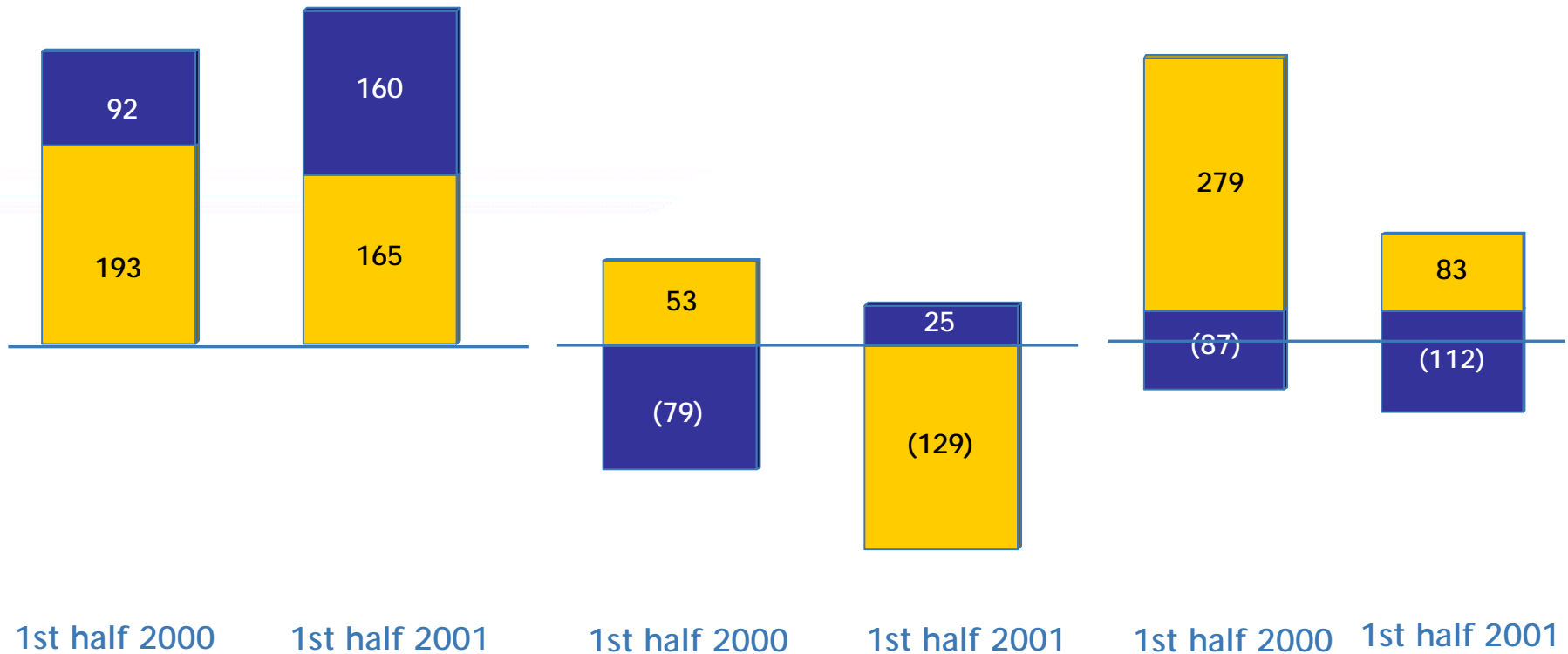
(26) M€

(104) M€

Investing activities

192 M€

(29) M€



Statement of Cash Flows (in M€)

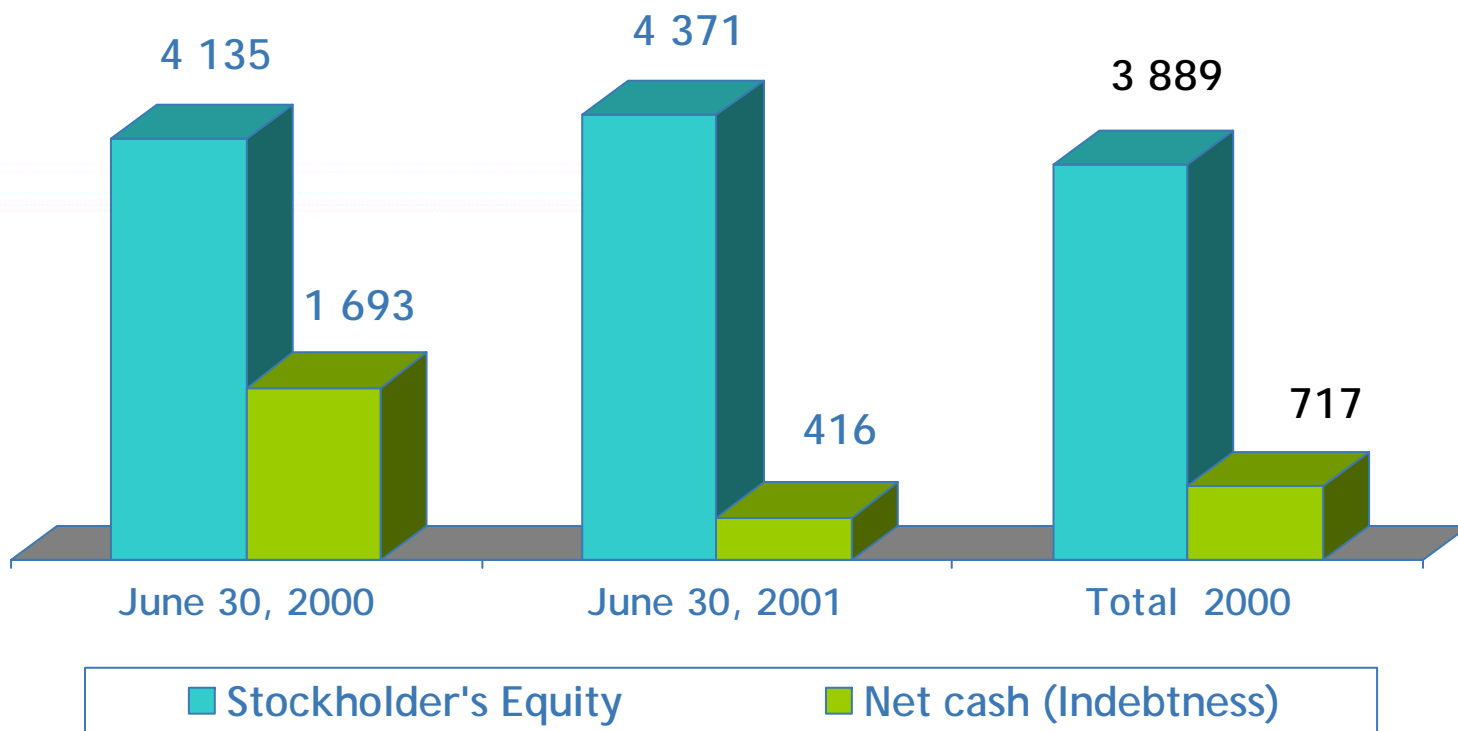
	1st half 2000			1st half 2001			Total 2000		
	Excl. HT *	HT **	Total	Excl. HT *	HT **	Total	Excl. HT *	HT **	Total
Cash flow from oper.	193	92	285	165	160	325	500	196	696
Change in work. capital	53	(79)	(26)	(129)	25	(104)	25	146	171
Total oper. cash flow	246	13	259	36	185	221	525	342	867
Investments	(183)	(94)	(277)	(372)	(110)	(482)	(1 540)	(269)	(1 809)
<i>Tangible & intangible Inv.</i>	<i>(135)</i>	<i>(84)</i>	<i>(219)</i>	<i>(108)</i>	<i>(102)</i>	<i>(211)</i>	<i>(265)</i>	<i>(157)</i>	<i>(422)</i>
<i>Financial Inv.</i>	<i>(48)</i>	<i>(10)</i>	<i>(58)</i>	<i>(264)</i>	<i>(8)</i>	<i>(271)</i>	<i>(1 275)</i>	<i>(112)</i>	<i>(1 387)</i>
Divestitures	1 236	7	1 243	125	(2)	123	1 102	59	1 161
Tax prov. related to cap. gain on Club Internet disp.	426	-	426	-	-	-	289	-	289
Cash equivalents	(1 200)	-	(1 200)	330	-	330	(836)	(86)	(922)
Investing activities	279	(87)	192	83	(112)	(29)	(985)	(296)	(1 281)
Net cash flow from oper. & invest. activities	525	(74)	451	119	73	192	(460)	46	(414)

21 * Excl. HT : excluding High Technologies ** HT : High Technologies

Balance Sheet (in M€)

	06/30/2000			0630/2001			Total 2000		
	Excl. HT	HT	Total	Excl. HT	HT	Total	Excl. HT	HT	Total
Fixed assets	4 613	1 109	5 722	5 957	2 860	8 817	5 776	1 823	7 599
Current assets	5 438	4 407	9 845	4 242	4 830	9 072	4 595	4 116	8 711
<i>Of which cash & equiv.</i>	<i>3 201</i>	<i>739</i>	<i>3 940</i>	<i>1 700</i>	<i>1 220</i>	<i>2 920</i>	<i>2 032</i>	<i>1 197</i>	<i>3 229</i>
TOTAL ASSETS	10 051	5 516	15 567	10 199	7 690	17 889	10 371	5 939	16 310
Stockholder's equity	3 871	680	4 551	3 935	851	4 786	3 832	473	4 305
Contingencies	1 401	619	2 020	1 388	1 271	2 659	1 427	1 063	2 490
Financial debts **	1 787	746	2 533	1 770	1 021	2 791	1 924	875	2 799
Current liabilities	2 992	3 471	6 463	3 106	4 547	7 653	3 188	3 528	6 716
TOTAL LIABILITIES & STOCKHOLDER'S EQUITY	10 051	5 516	15 567	10 199	7 690	17 889	10 371	5 939	16 310

Stockholder's Equity* & net Cash (Indebtness) * (In M€)





Significant events



Significant events

First half year 2001: the positive trends of 2000 confirmed.

Indicators on the rise:

- Sales up by +6.4%
- Sharp growth in operating income

In a French growing market

Within a context of international consolidation



Significant events

A DYNAMIC BUSINESS

Performance:

- In France: sales up by +3% in publishing across all segments.
Hachette Collection: +30%
- In England: strong growth in the publishing business

Developments

- Digitization:
Hachette.com
Hachette-diffusion.fr
- Acquisition of Bruño, a text-book publisher in Spain.





Significant events

OUTLOOK

Keeping on improving profitability

Reaching the size necessary to become a major player on the world market (international development):

- With existing backings accross promising new language markets (Great Britain and Spain),
- In segments with high growth potential (Education, How-to-guides).



Significant events

Despite a difficult economic situation

- > advertising slowdown, especially in the United States
- > paper price increase, except in the USA and Japan

Slight improvement in earnings



Equity stake (42%) acquired in HEP group (Marie Claire Group) coming with a joined development plan outside France

From now on a unified international ad space sale network under a single brand : Interdeco



Significant events

France's Magazine Press:

Subscriptions are increasing in line with the growth policy implemented, almost offsetting newstands sales erosion.

Magazine readership still growing (+1.6%)

French advertising market slightly up H1 2001.



Significant events

International Magazine Press:

United States:

- > Gradual slowdown of the advertising market.
HFM successfully manages to protect its market share in this adverse environment
- > ELLE Girl USA on the verge of being launched

Other Countries:

- > Advertising holding up
- > New launches completed: *Maxim* in Poland and *Quark* in Italy
- > New launches being prepared : ELLE Girl in UK, ELLE in Hungary, Anna Rosa in Spain and Marie Claire in Russia



Significant events

Regional Daily Press:

- > overall circulation is up
- > growth in local advertising better than offsetting the drop in non-local advertising
- > Weekly supplements increased advertising and circulation (Femina : agreement with « La Dépêche du Midi »)

Other Business Lines:

- > Merchandising: ongoing restructuring
- > Printing activities : exit transaction finalized, but subject to european competition regulatory body approval yet



Significant events

OUTLOOK FOR MAGAZINES

France

Continuing

- Editorial
- Profitability

improvements

Initiatives

International

- Speeding up combined development of ELLE and MARIE-CLAIRE
- Reinforcing our lookout for potential acquisitions in France and abroad



> Distribution Services



Significant events

A Mission:

Providing everybody, all over the world, with optimum access to the products and services which epitomize the diversity of cultures and ideas

A specialized international group:

HDS is a company dedicated to marketing media and entertainment products all over the world (3,600 stores in sixteen countries)

HDS is the leading press distributor worldwide.



Significant events

- > *Sales: + 15%*
(+ 13% excluding the effects of exchange rates)
- > *Operating Income: + 42%*

France: Significant growth in sales of non-press products

Launch of innovative commercial formats ("Découvrir" shops, Press Cafe, Hospital concept)

Rapid growth of specialized outlets in airports, thanks to AELIA



Europe: Belgium: sales grew by 6.7% owing to diversification of our retailing businesses.

Poland and Hungary: RELAY network expanding rapidly

North America:

Sales up 4.4% excluding the effects of exchange rates



Significant events

> Retailing of cultural products:



With the purchase of VIRGIN's stores in July 2001, HDS gets the second-leading French retailer position of cultural and leisure products (multimedia stores, sales of €365 million revenues)

> Expansion of the RELAY network in Poland and the Czech Republic

> Acquisition of Newslink in Australia

> Impact of the terrorist attacks in the USA on airport sales (airport travel retail operations on a worldwide basis do represent ~ 15% of HDS sales)





Significant events

LAGARDERE ACTIVE BROADCAST

Audiovisual

A Growing Business and a Broader Scope

-> Production and Distribution:

- * increasing programming production activity (570 hrs. up from 327 hrs. in 2000)
- * pursuing acquisition policy
- * significant purchases of rights by Europe Images International

-> Theme Channels:

- * leadership of MCM and Canal J confirmed in their category (Mediacabsat)
- * two channels launched: TiJi (December 2000) and MCM 2 (April 2001)
- * dossier being prepared for Digital Terrestrial TV (to be submitted to the CSA in November 2001)





Significant events

LAGARDERE ACTIVE BROADCAST (continued)

Advertising Space and Airtime Sales

- Lagardère Active Publicité #1 in radio advertising and airtime sales ahead of IP Radio and NRJ Régies
- Business extended to Television in 2000 and Internet in 2001
- Marketing of eleven radio stations, 29 TV channels, 40 web sites, and Lagardere Active iTV services

Radio

Europe 1: The only general-format station with a growing audience.
10.6% of audience gained in the April/June 2001 survey (+6% in one year)

FM: Campaign to win back listeners

Europe 2 programming grid being adjusted and promotion campaigns being planned

Europe Développement International: turnaround making good progress after refocusing business in Eastern Europe



Significant events

LAGARDERE ACTIVE ITV

1st Half of 2001: a 6th interactive service launched on CanalSatellite: **MCity** (a portal providing 15 music radio stations)

Journal de Chez Vous: interactive local information service accessible to nearly 8 million people.

August 2001: formation of **The Broadway Factory** (a partnership with Accenture)
- Design and development of interactive programs for digital TV

Interactive Service Publishing:

Going international (contract with Direct TV Latin America, #1 satellite operator in South America)



Significant events

LAGARDERE ACTIVE BROADBAND

Streamlining Internet business and refocusing on two business lines:

- production of theme content
- consulting and other services for businesses

> Theme content publishing :

* Launch of Le Routard.com in May 2001



* End of June 2001:

35 million hits per month on all Lagardere Active Broadband web sites.

* Hachette Multimédia: publisher of youth- and education-oriented digital content. An exceptional first half of 2001: the Atout Clic CD-ROM was one of the top two titles in this market (40% market share in volume)



Significant events

LAGARDERE ACTIVE BROADBAND (continued)

> Consulting and Other Services for Telecom Operators and Businesses



Plurimedia:

A major growth priority - marketing of Lagardere Media content to mobile phone, web site and portal operators

Le Studio:

Flat sales in a difficult environment

75% of sales generated from outside and 25% within the Lagardere Group.

E-commerce

Gradual withdrawal of digitall.fr and France CD



Significant events

Market trend - 1st Half 2001 vs 1st Half 2000

- European market, all vehicles: **-1.7%**
French market: **+6.8%**
High-end minivan market: **+13%**
- Espace market shares:
 - > Europe: **23%** of high-end minivan registrations,
No 1 position (24% in 2000, 22% in 1999 and 20% in 1998)
 - > France: **53%** (49% in 2000 and 1999)



H1 2001

Moving toward a multi-product business:

- > developing and industrializing a high-end, original vehicle: the Avantime, which will be marketed in October.



Substantial research on new cars and new automotive concepts with different manufacturers

- > Project M 72



Pursuing diversification: research, engineering, testing services etc.

Outlook 2001

Production volumes for the Espace : 58,000-61,000 vehicles

Avantime: a progressive increase in output (about 4,000 cars from September to December 2001)