



**LAGARDERE**


-

**First half 2002 Results**

September 16, 2002




# Consolidated financial statements



# Principal changes in consolidated Companies

## Businesses

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



# 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 publishing activities in Italy

### Printing Activities

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

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



# Principal changes in consolidated Companies

## Businesses

|                                  |   |
|----------------------------------|---|
| <b>Distribution<br/>Services</b> | <p><b><u>VIRGIN</u></b><br/>Full consolidation (100%) as of August 1, 2001</p> <p><b><u>NEWSLINK</u></b><br/>Proportional consolidation (40%) as of January 1, 2002</p> |
|----------------------------------|---|





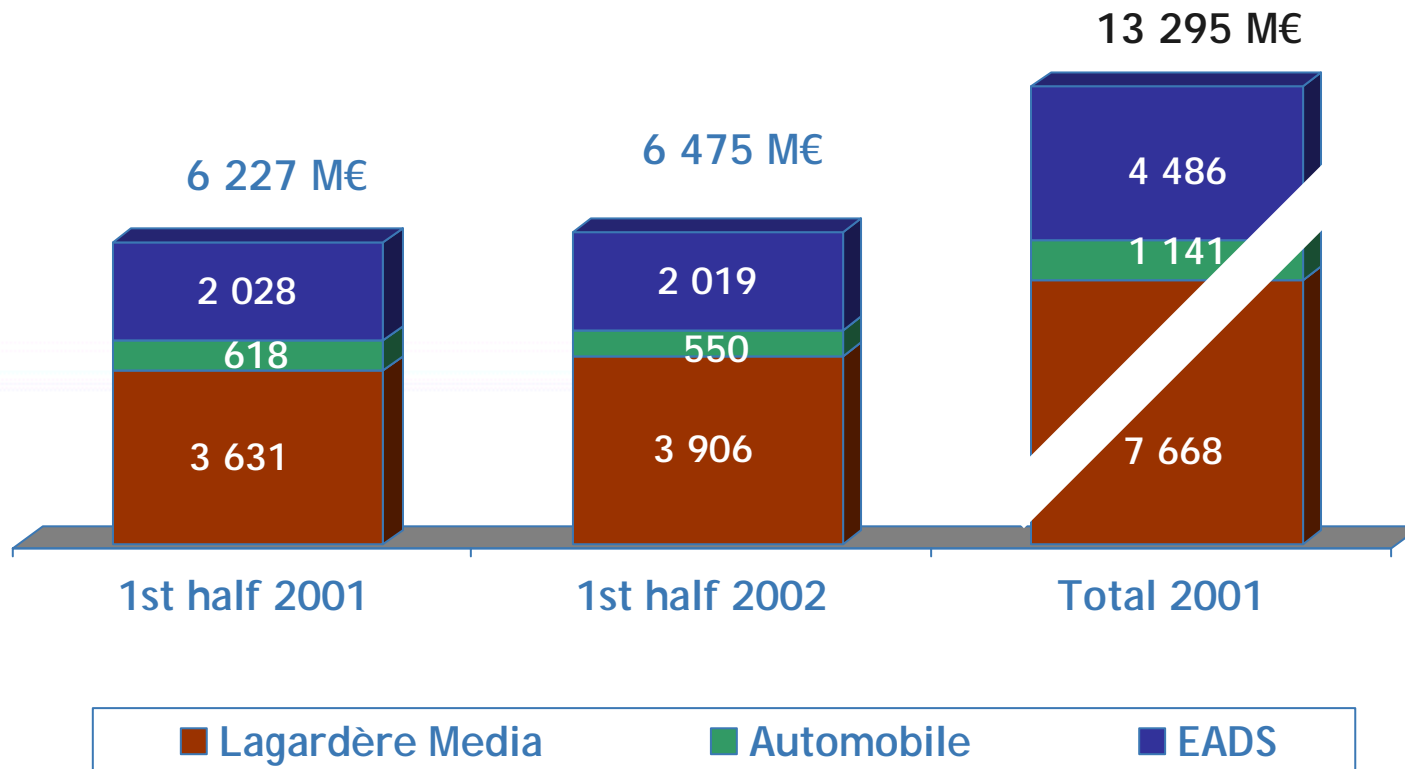
# Principal changes in consolidated Companies

## Businesses

|                    |  |
|--------------------|--|
| <b>Audiovisual</b> | <b><u>Lagardere Active Broadcast</u></b> |
|--------------------|--|

|                                       |  |
|---------------------------------------|--|
| <b>Lagardere Active<br/>Broadcast</b> | First half 2002 includes January to June 2002<br>First half 2001 included October 2000 to March 2001 |
|---------------------------------------|--|

# Sales by business segment

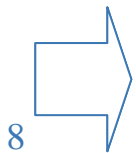
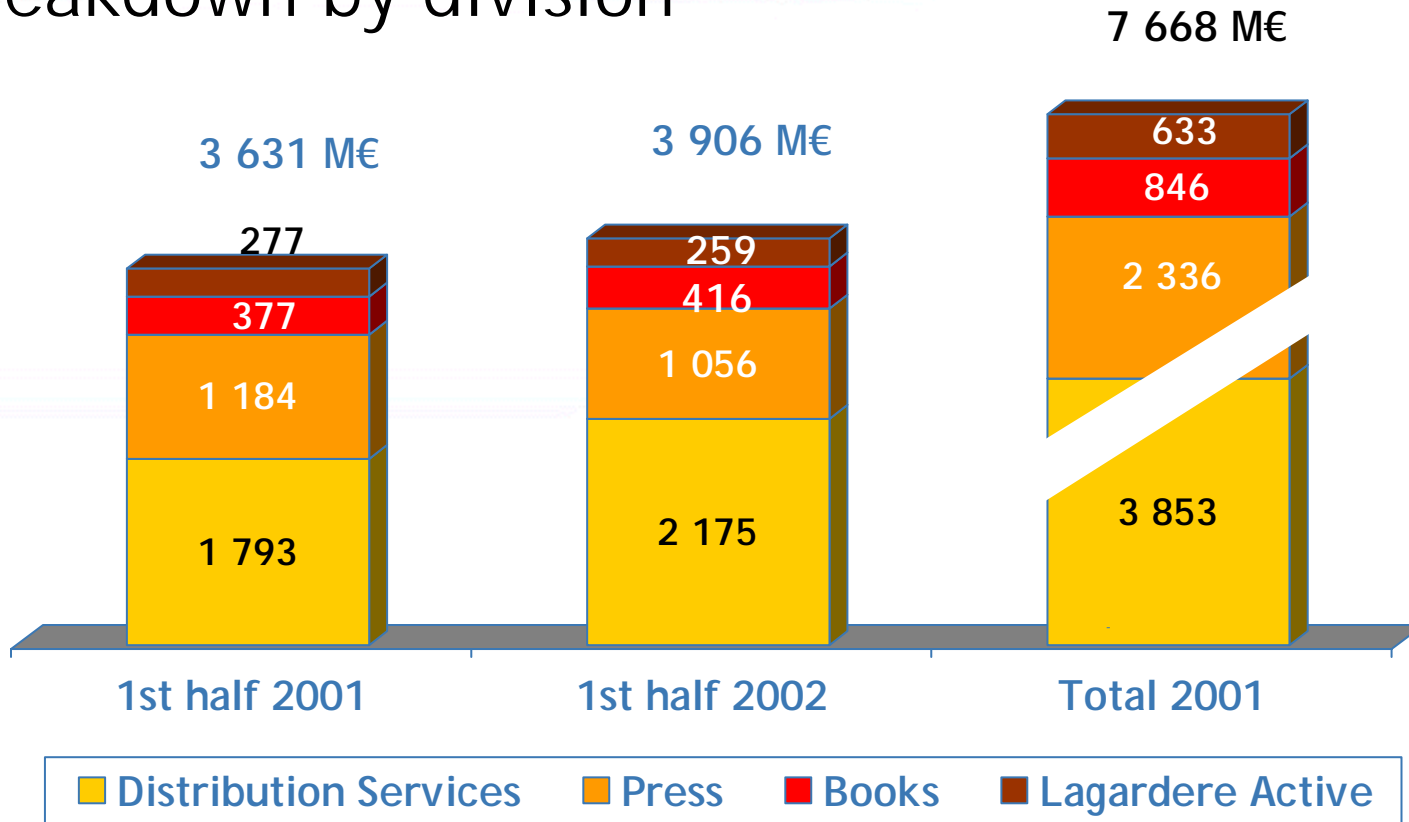


## Growth continuing

- consolidated sales up by 3.1%
- Lagardère Media up by 7.6%

# Lagardère Media

## Sale breakdown by division



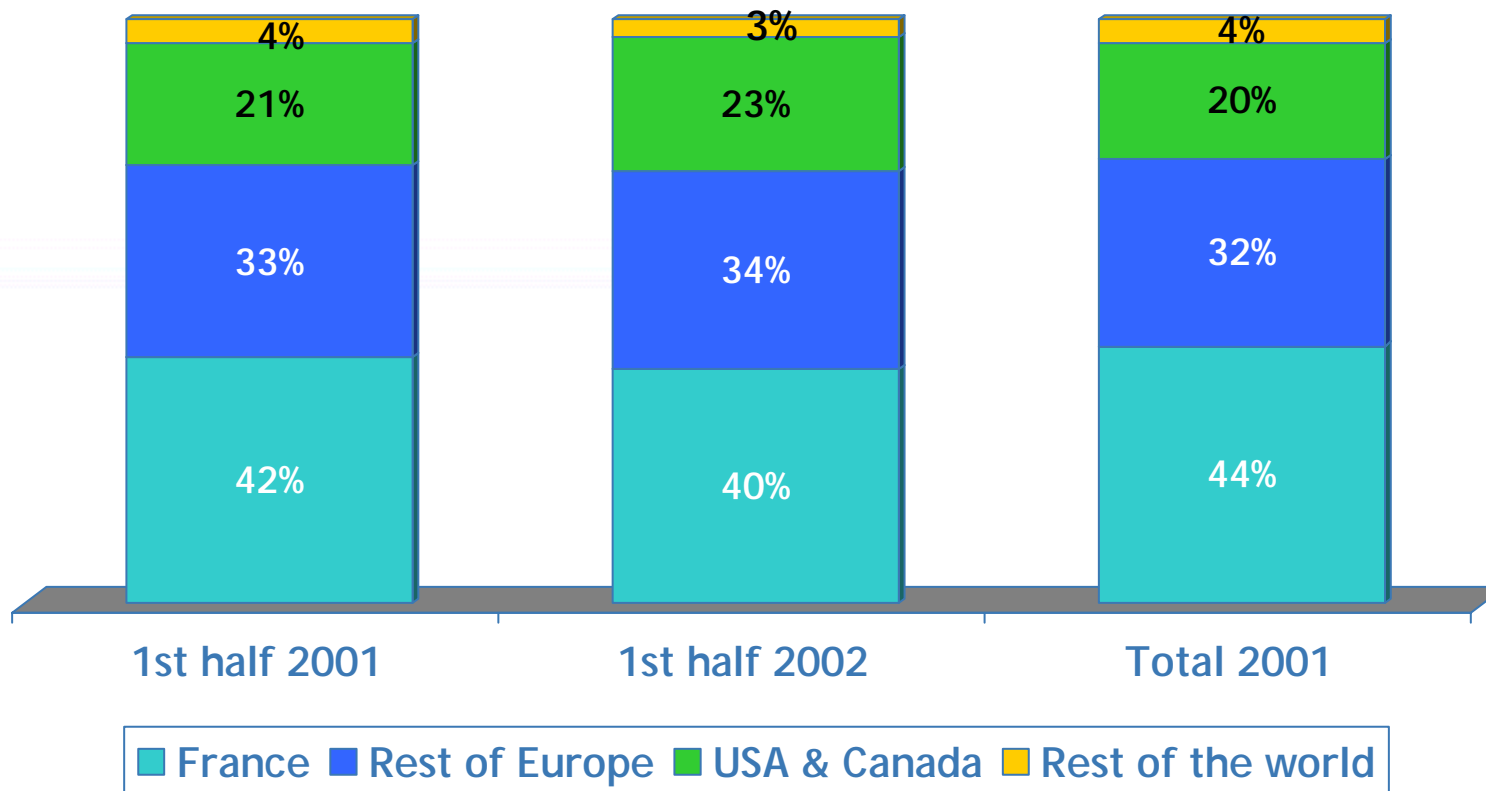
New acceleration of organic growth +6.7%  
(vs. 4.7% one year earlier)



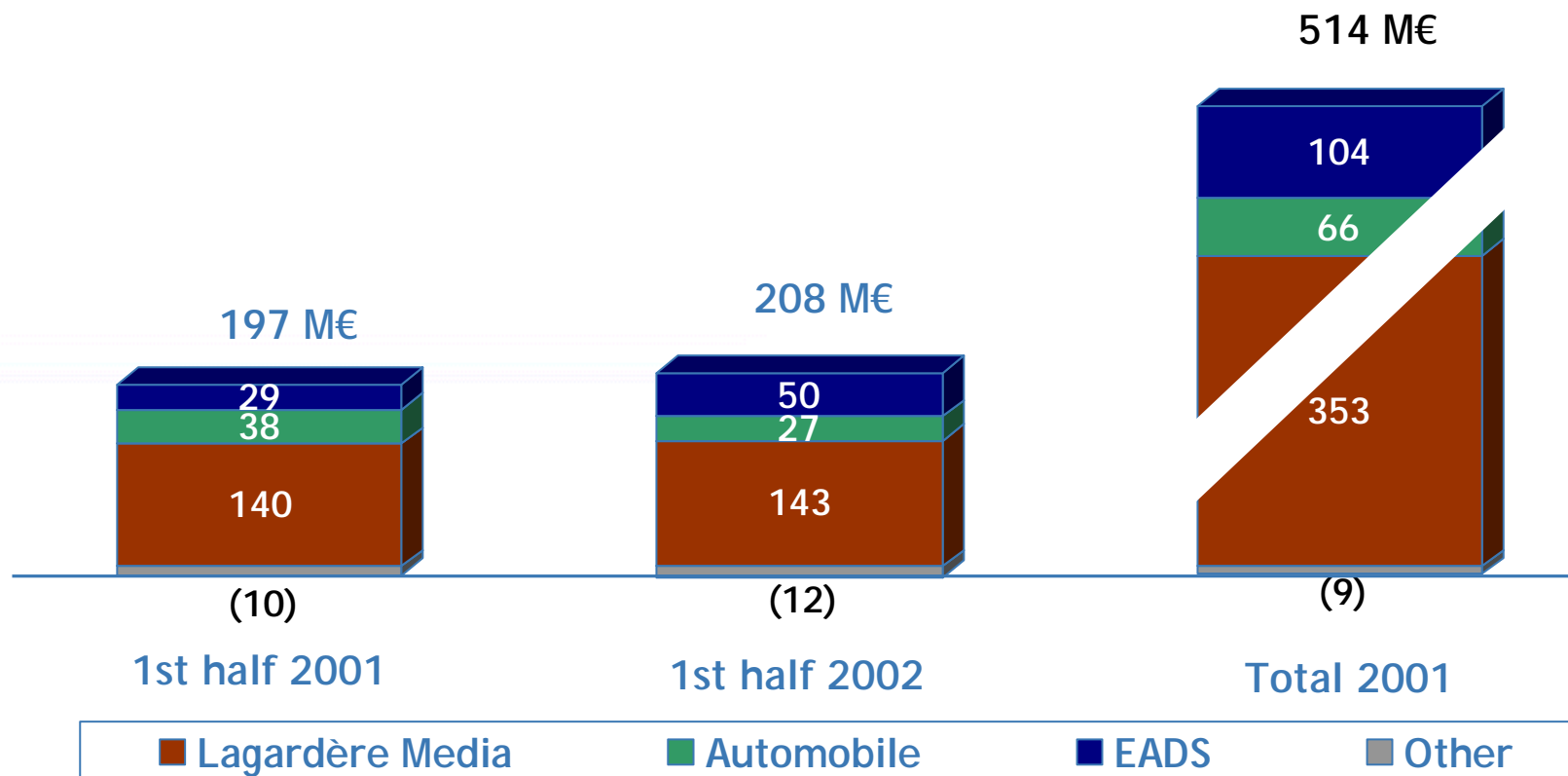


# Lagardère Media

## Sale breakdown by geographical area

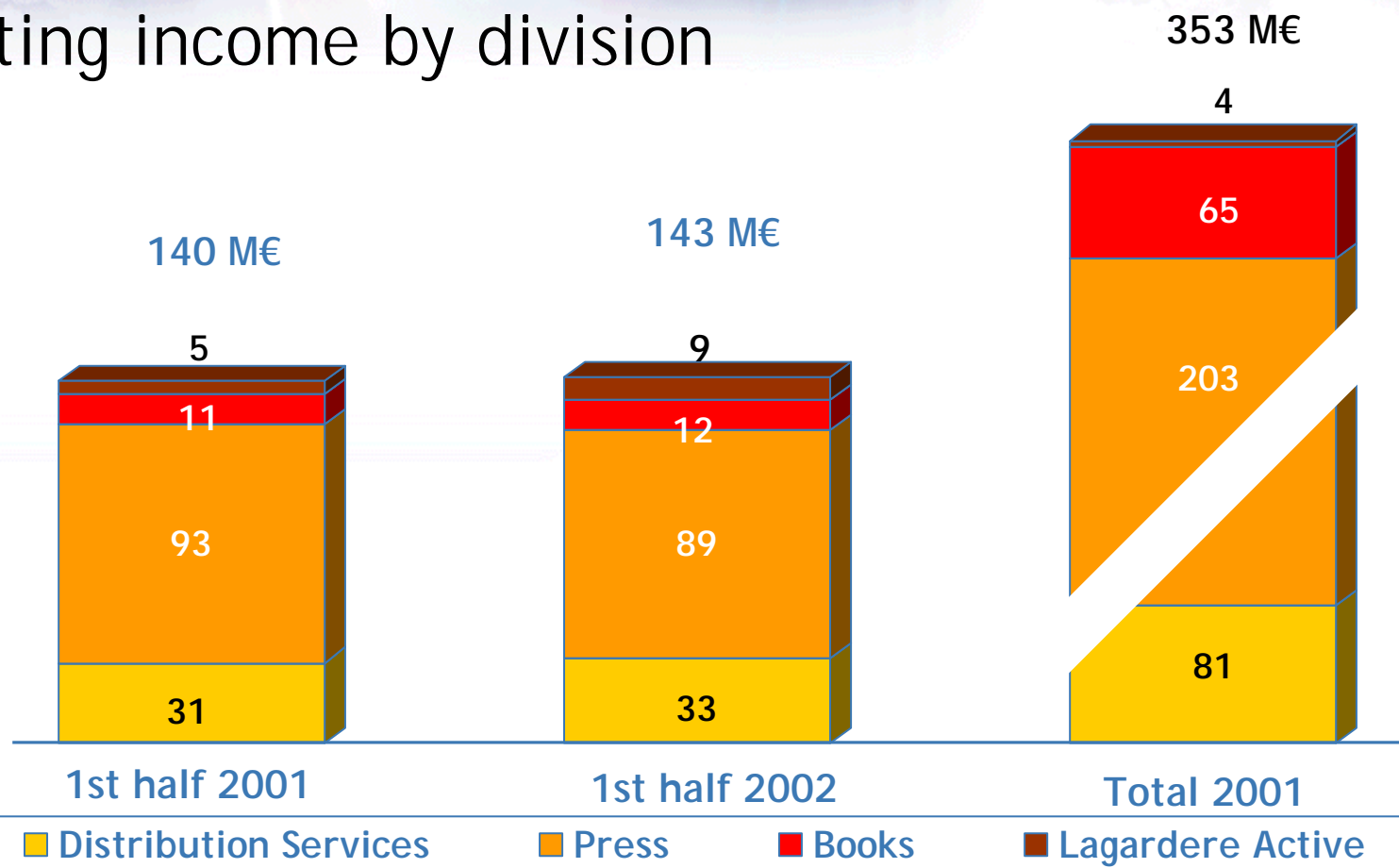


# Operating income by business segment



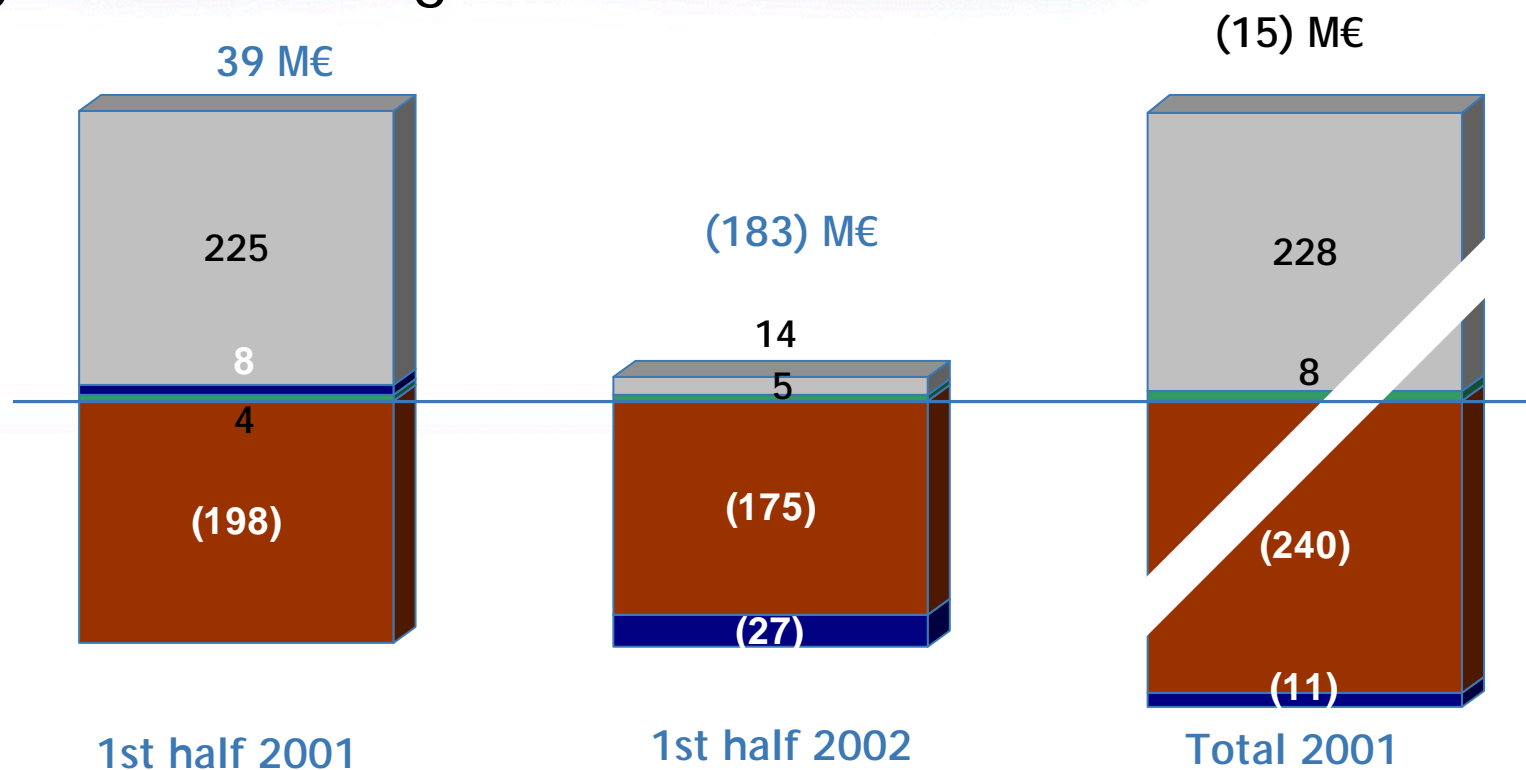
Consolidated operating income up by 5.6%  
 Lagardère Media operating income up by 7.3% (when comparing similar periods)  
 despite a severe advertising market downturn in the US

# Lagardère Media Operating income by division



Significant reduction of "Lagardere Active Broadband" operating losses  
Other Media segments resisting well

# Financial (expense)/income\* by business segment



\* Excluding preferred remuneration



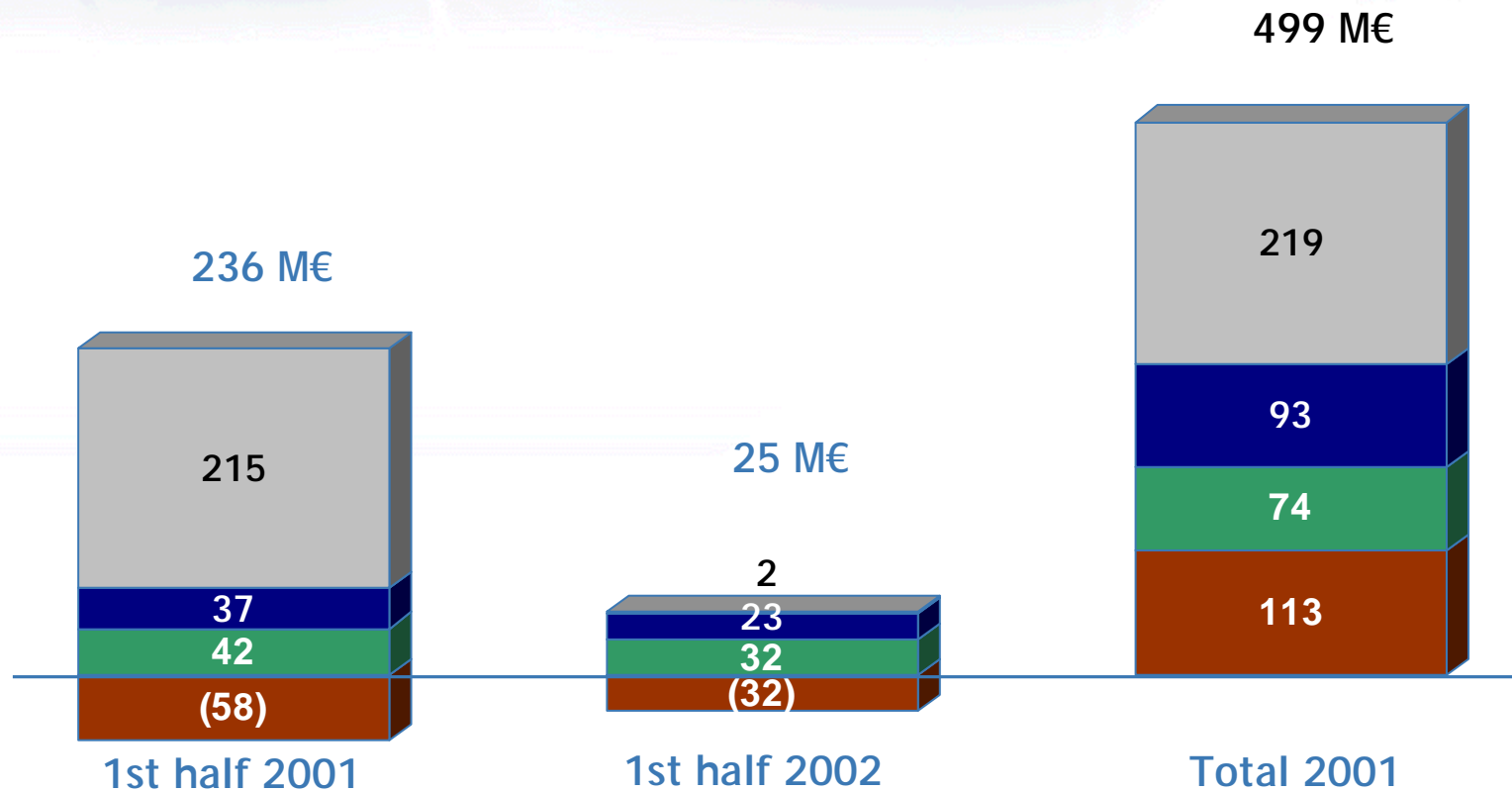
12

Additional T-Online shares depreciation : -132 M€ -vs. -157 M€ in H1 2001

Capital gain on EADS « Excess Shares » disposal (+210 M€) in H1 2001



# Current income\* by business segment



\* Excluding preferred remuneration



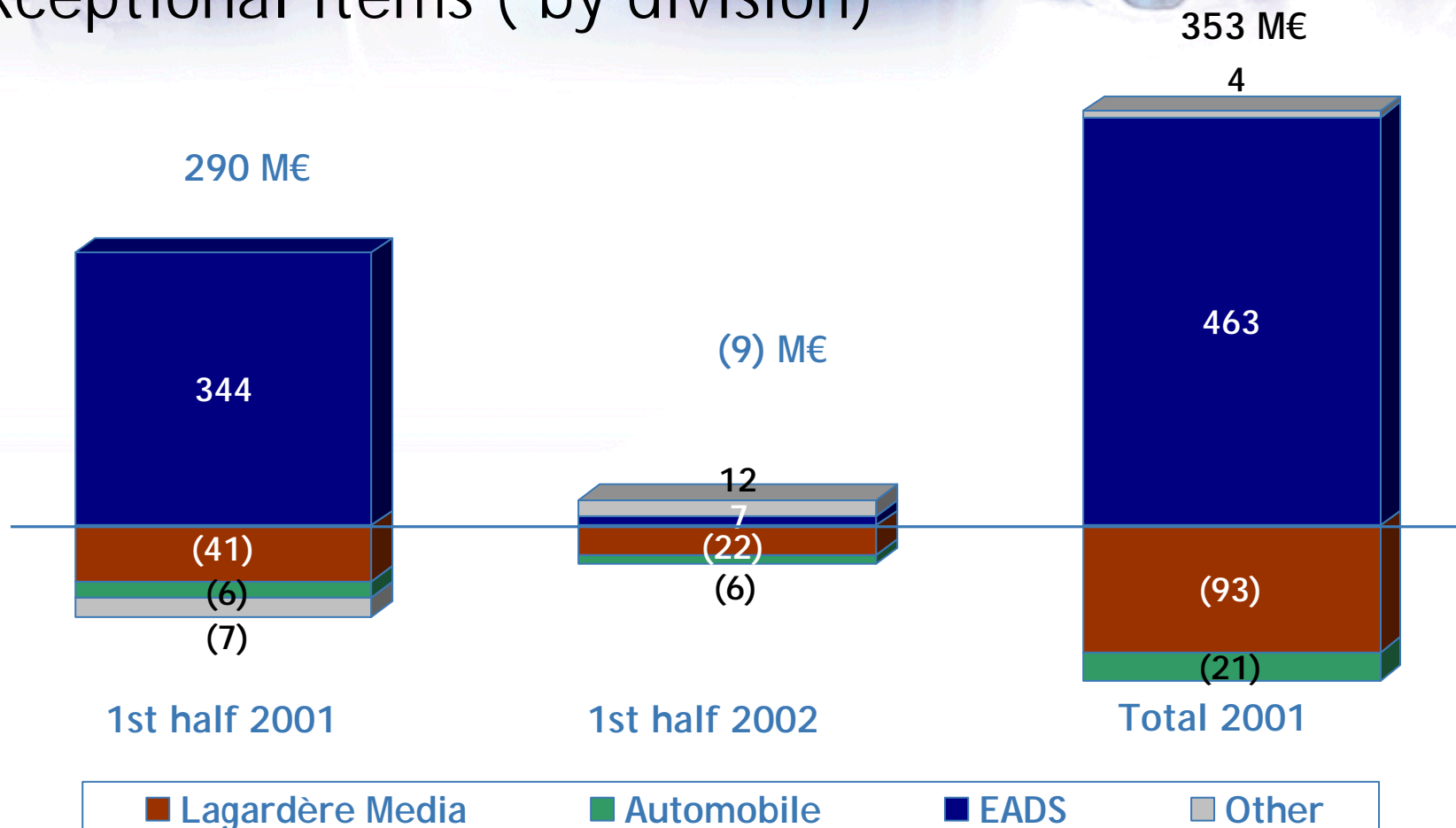
13



Additional T-Online shares depreciation : -132 M€ -vs. -157 M€ in H1 2001

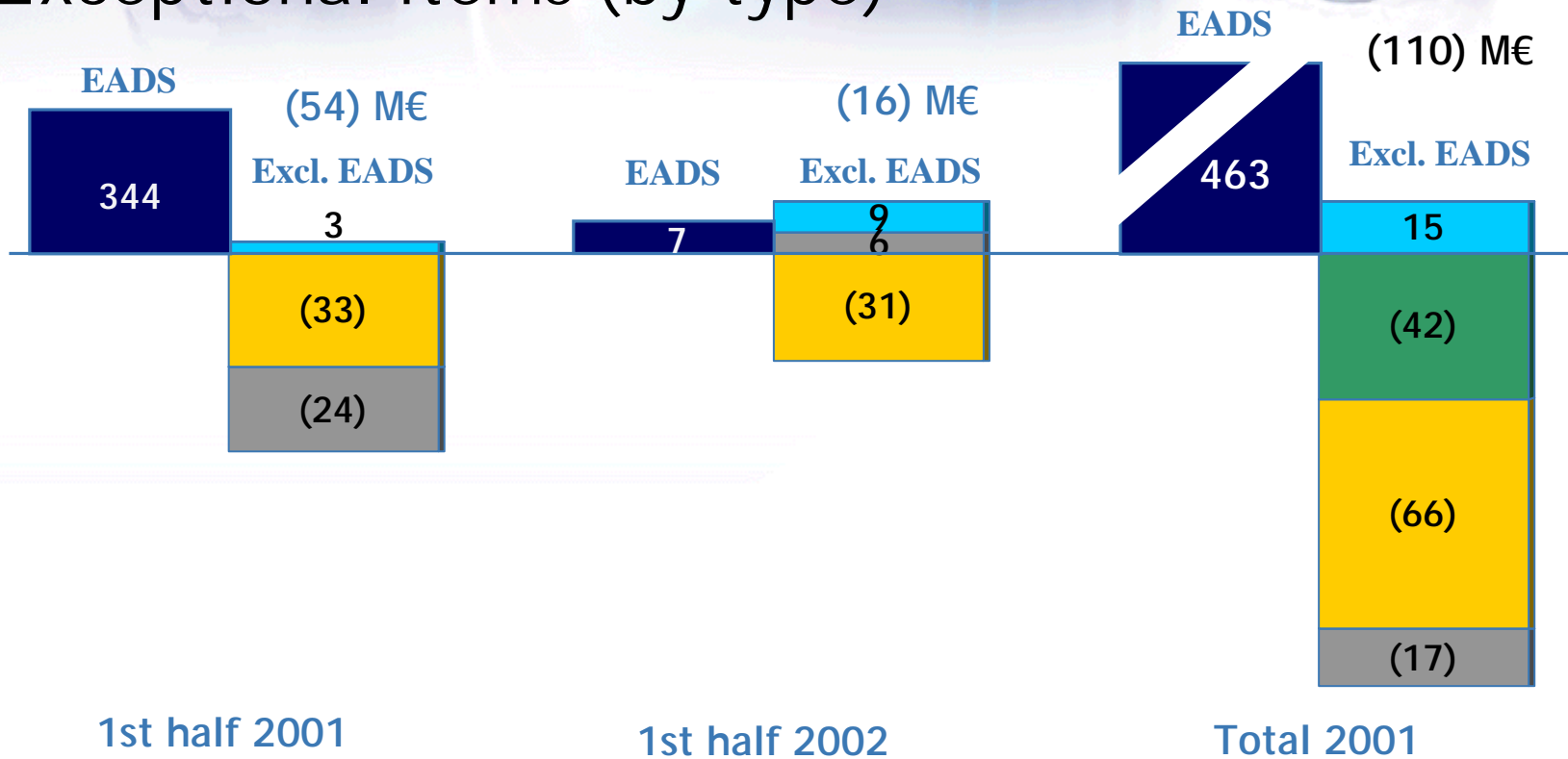
Capital gain on EADS « Excess Shares » disposal (+210 M€) in H1 2001

# Exceptional items ( by division)



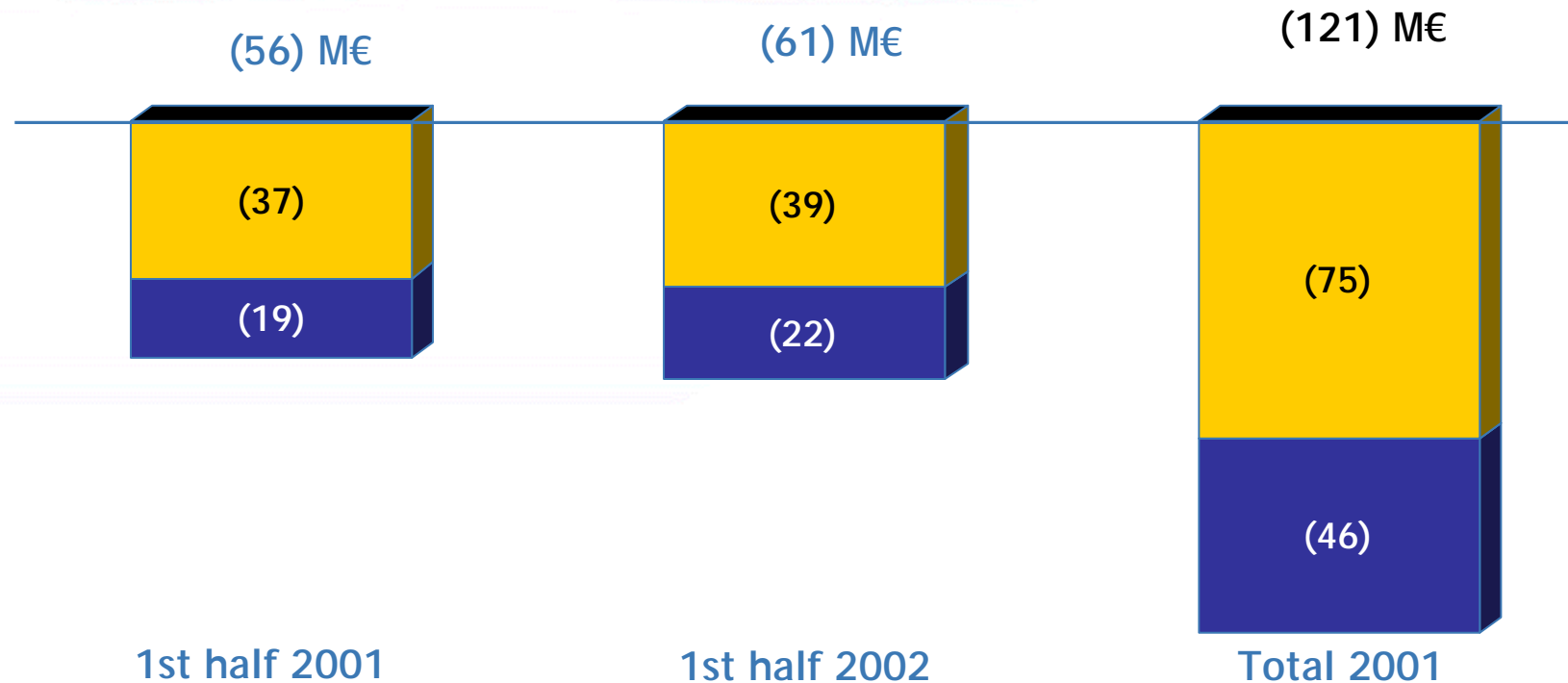
H1 2002 - restructuring costs related to Lagardère Media : -25 M€  
 H1 2001 - extraordinary gain from Airbus SAS formation : +349 M€

# Exceptional items (by type)



- EADS (incl. Airbus +349 M€ in S1 2001)
- Net capital gains
- Amort. & special write-downs of goodwill and other intangibles
- Restructuring costs
- Other

# Goodwill Amortization



■ Lagardère excl. EADS ■ EADS

16

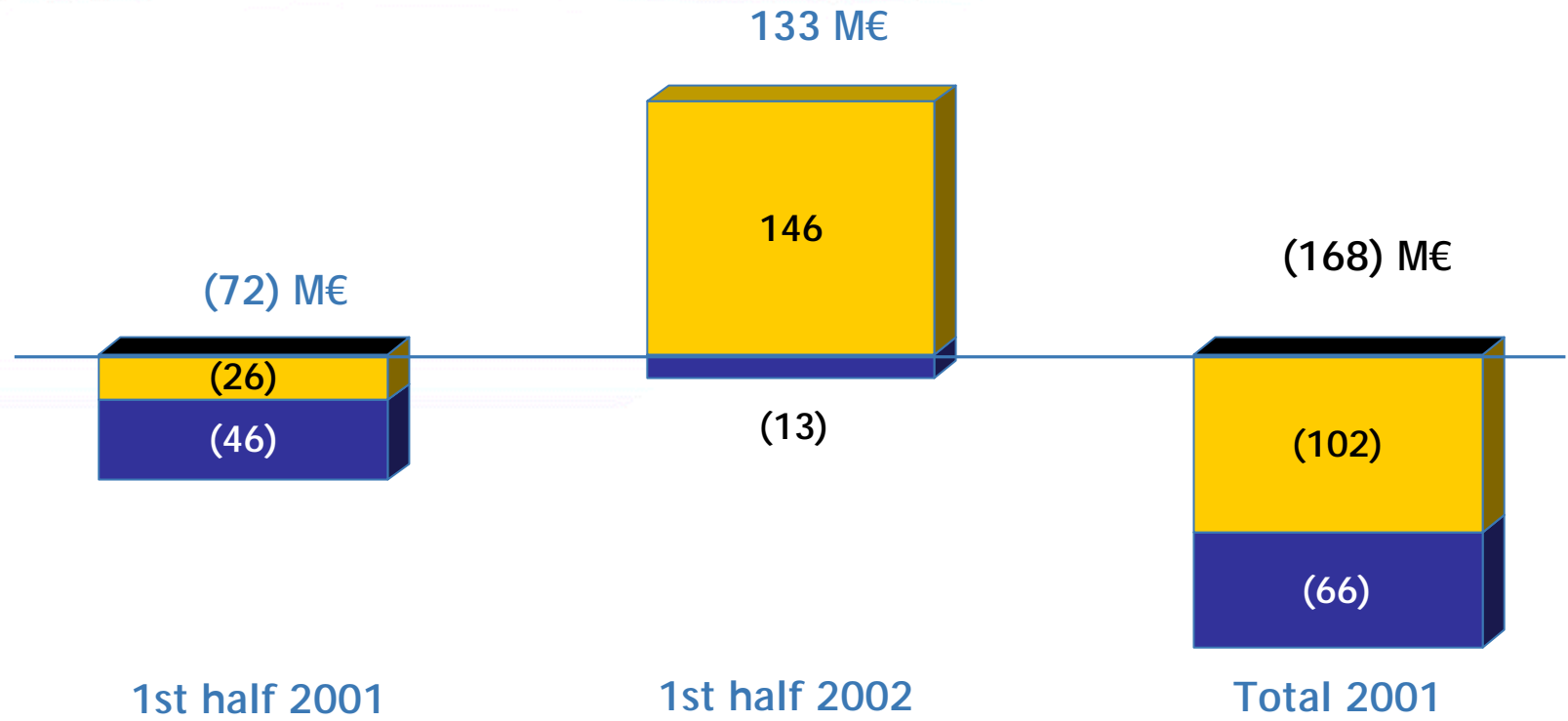


Acquisitions of « Virgin » & « Octopus »





# Income tax

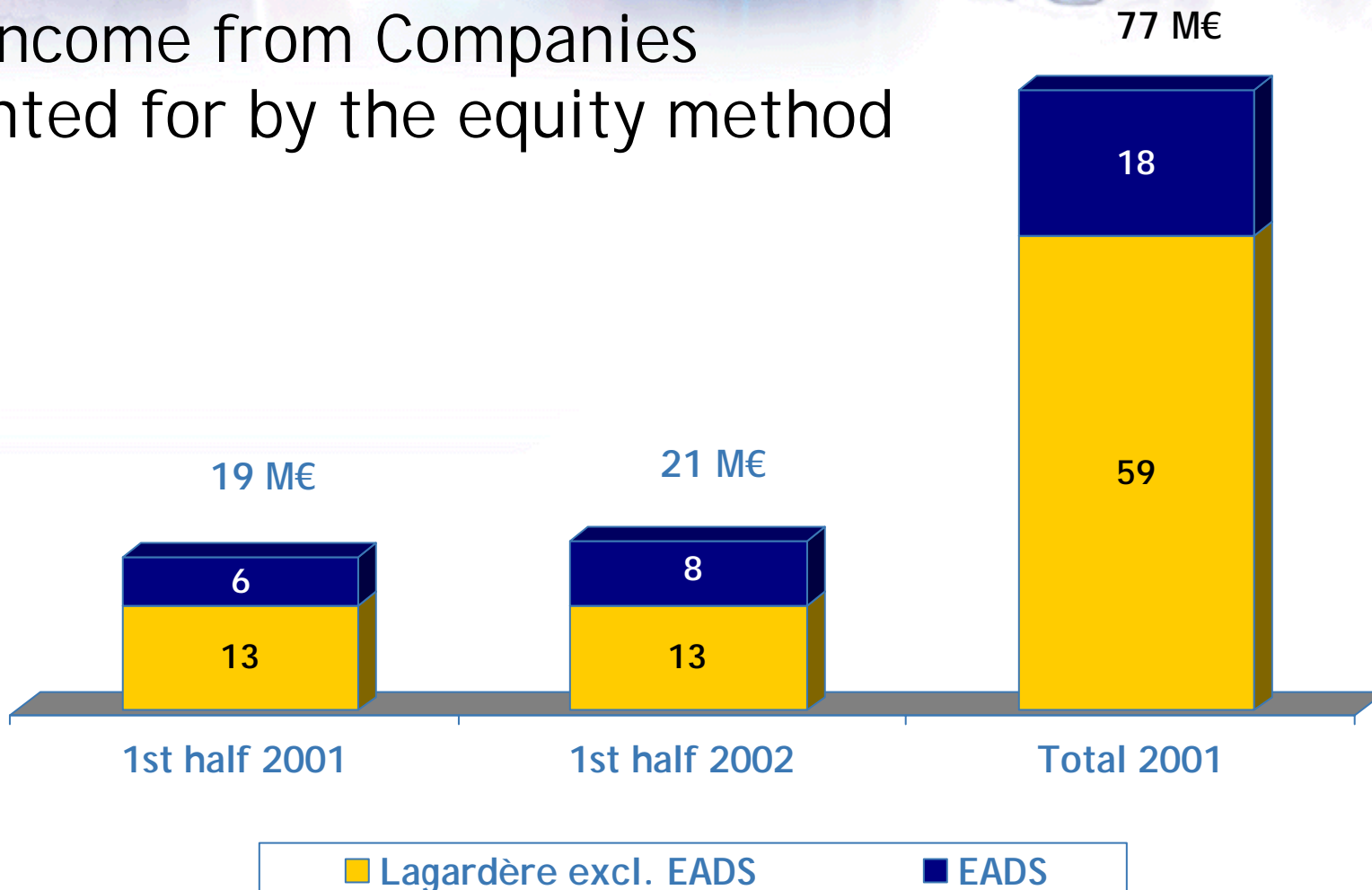


■ Lagardère excl. EADS    ■ EADS

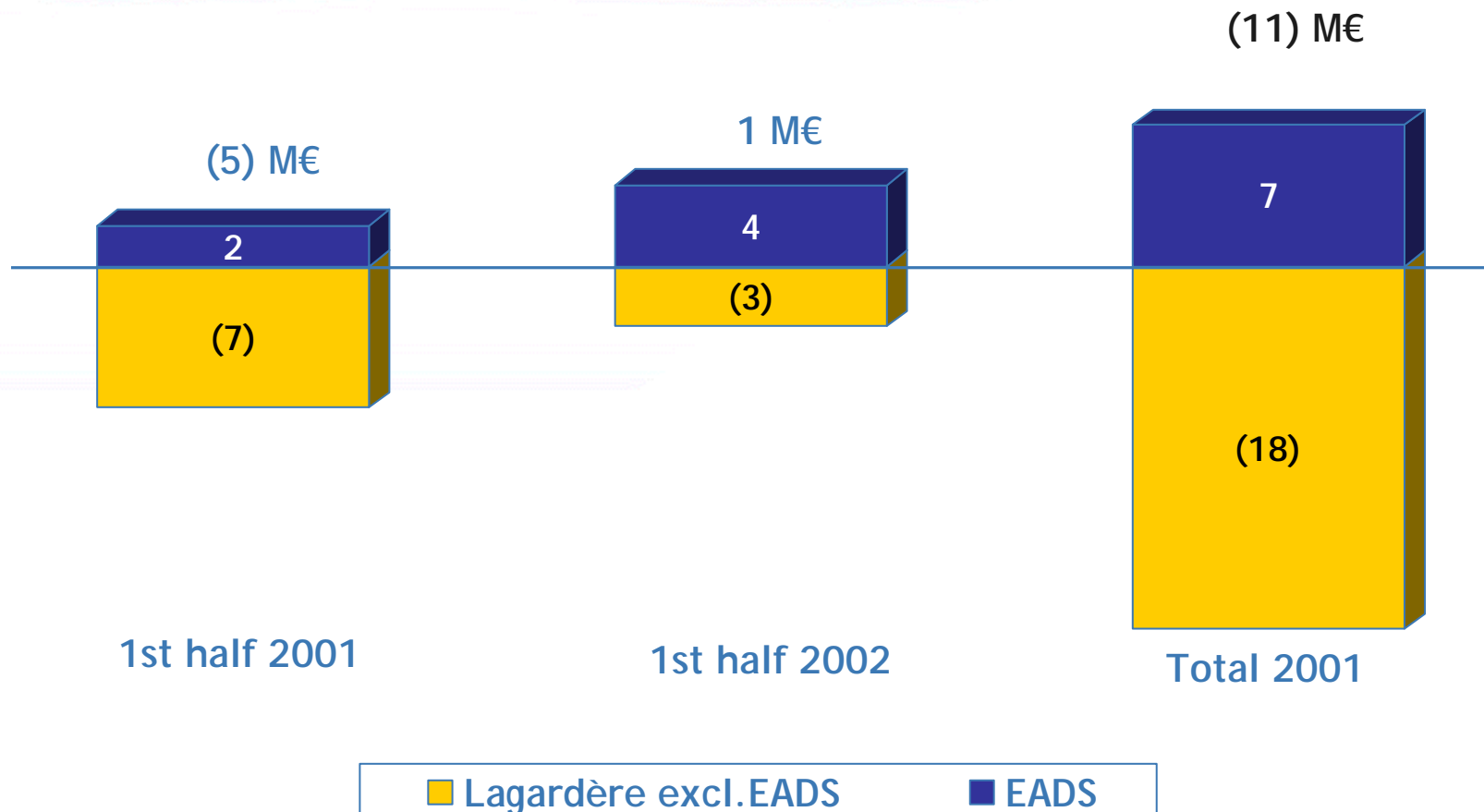


Capital gain tax rate adjustment on T-Online equity stake +166 M€

# Net income from Companies accounted for by the equity method



# Minority interest



# Consolidated Income Statement

| (In M€)                             | 1st half 2001 |       |       | 1st half 2002 |       |       | Total 2001 |       |        |
|-------------------------------------|---------------|-------|-------|---------------|-------|-------|------------|-------|--------|
|                                     | Excl. EADS    | EADS  | Total | Excl. EADS    | EADS  | Total | Excl. EADS | EADS  | Total  |
| Sales                               | 4 249         | 2 028 | 6 277 | 4 456         | 2 019 | 6 475 | 8 810      | 4 486 | 13 295 |
| Oper. Income                        | 168           | 29    | 197   | 158           | 50    | 208   | 410        | 104   | 514    |
| Interest Income                     | 31            | 8     | 39    | (156)         | (27)  | (183) | (4)        | (11)  | (15)   |
| Current Income                      | 199           | 37    | 236   | 2             | 23    | 25    | 406        | 93    | 499    |
| Non-oper. Income                    | (54)          | 344   | 290   | (16)          | 7     | (9)   | (109)      | 463   | 353    |
| Other                               | (58)          | (59)  | (117) | 114           | (27)  | 87    | (133)      | (93)  | (225)  |
| Net Income before minority interest | 87            | 322   | 409   | 100           | 3     | 103   | 164        | 463   | 627    |
| Minority interest                   | (7)           | 2     | (5)   | (3)           | 4     | 1     | (18)       | 7     | (11)   |
| Net income                          | 80            | 324   | 404   | 97            | 7     | 104   | 146        | 470   | 616    |



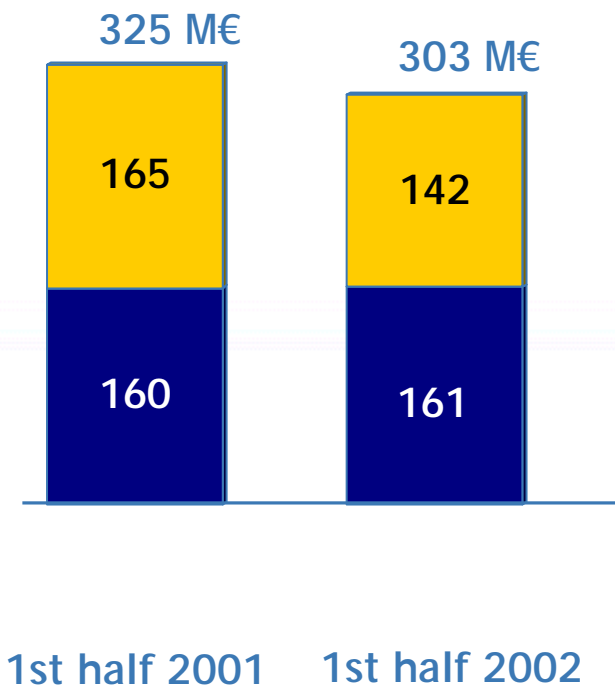
# Net income - excl. non recurring items

## Excl. EADS

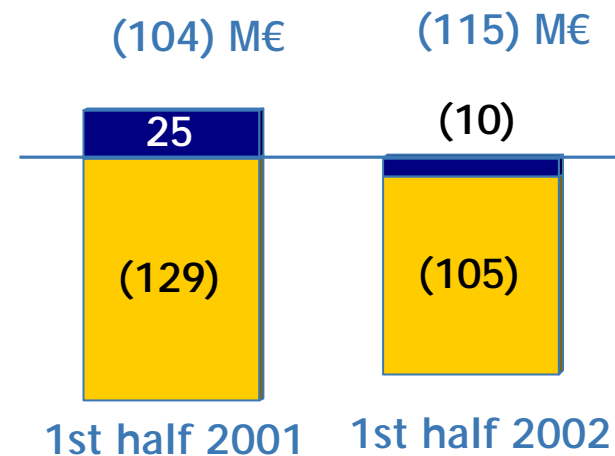
| M€                                      | S1 2001    | S1 2002   |
|---|------------|-----------|
| <b>Net income</b>                       | <b>80</b>  | <b>97</b> |
| T-Online                                | (111)      | 34        |
| - financial                             | (157)      | (132)     |
| - tax                                   | 46         | 166       |
| Grolier - Indemnification guarantee     | -          | <b>13</b> |
| - non operating                         | -          | 20        |
| - tax                                   | -          | (7)       |
| ''Excess Shares''                       | <b>172</b> | -         |
| - financial                             | 210        | -         |
| - tax                                   | (38)       | -         |
| <b>Net income excl. recurring items</b> | <b>19</b>  | <b>50</b> |

# Operating Cash Flows & Investing Activities

Cash flow from operations



Change in work. capital



■ Lagardère excl. EADS

■ EADS

# Statement of Cash Flows

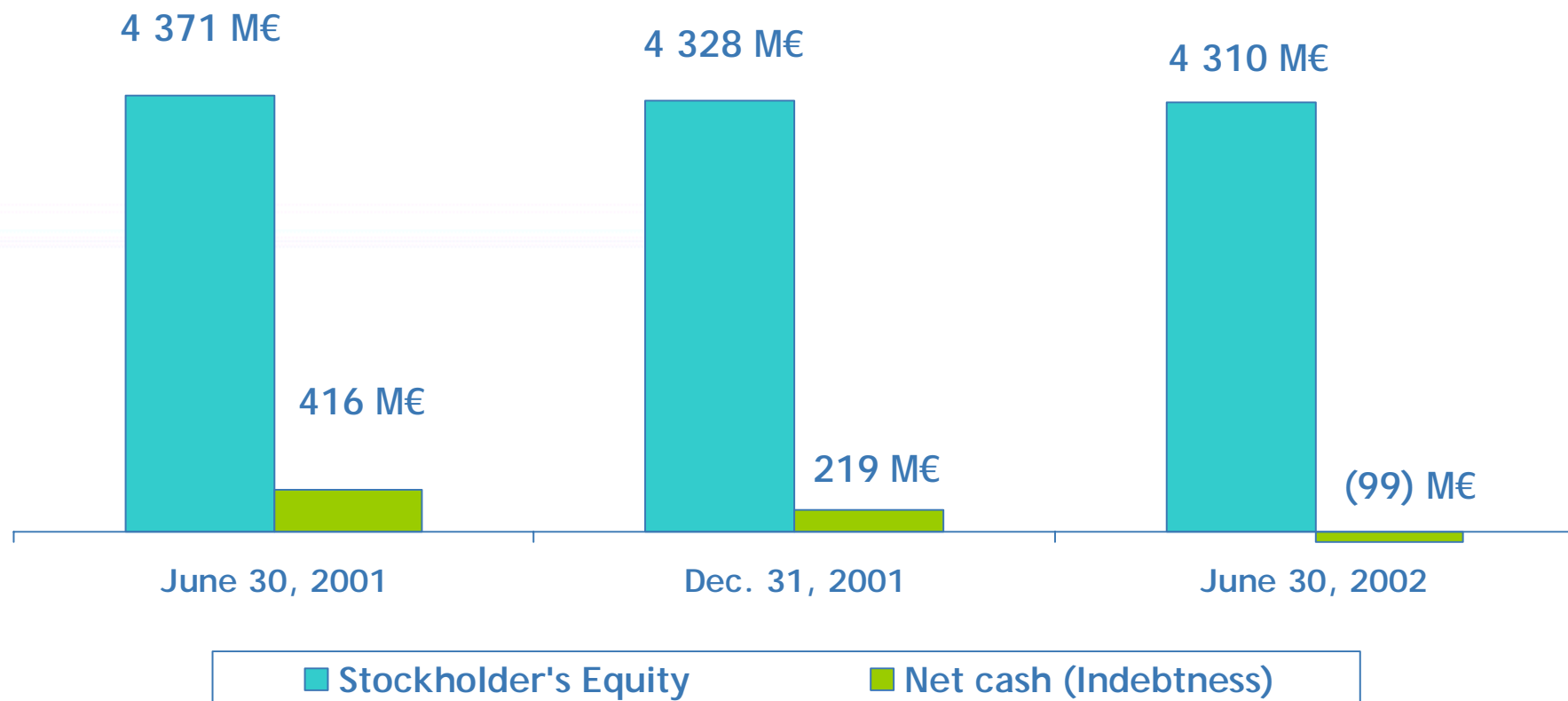
| (in M€)  | 1st half 2001 |              |             | 1st half 2002 |              |              | Total 2001   |              |              |
|--|---------------|--------------|-------------|---------------|--------------|--------------|--------------|--------------|--------------|
|  | Excl. EADS    | EADS         | Total       | Excl. EADS    | EADS         | Total        | Excl. EADS   | EADS         | Total        |
| Cash flow from oper.                                     | 165           | 160          | 325         | 142           | 161          | 303          | 224          | 347          | 571          |
| Change in work. capital                                  | (129)         | 25           | (104)       | (105)         | (10)         | (115)        | 70           | 65           | 135          |
| <b>Total operating cash flow</b>                         | <b>36</b>     | <b>185</b>   | <b>221</b>  | <b>37</b>     | <b>151</b>   | <b>188</b>   | <b>294</b>   | <b>412</b>   | <b>706</b>   |
| Investments  | (372)         | (110)        | (482)       | (195)         | (275)        | (470)        | (760)        | (501)        | (1 261)      |
| <i>Tangible &amp; intangible Inv.</i>                    | (108)         | (102)        | (211)       | (125)         | (134)        | (259)        | (296)        | (332)        | (628)        |
| <i>Financial Inv.</i>                                    | (264)         | (8)          | (271)       | (70)          | (141)        | (211)        | (464)        | (169)        | (633)        |
| Divestitures   | 125           | (2)          | 123         | 50            | 117          | 167          | 150          | 214          | 364          |
| Cash equivalents   | 330           | -            | 330         | 1             | (56)         | (55)         | 306          | (59)         | 247          |
| <b>Investing activities</b>                              | <b>83</b>     | <b>(112)</b> | <b>(29)</b> | <b>(144)</b>  | <b>(214)</b> | <b>(358)</b> | <b>(304)</b> | <b>(346)</b> | <b>(650)</b> |
| <b>Net cash flow from oper. &amp; invest. activities</b> | <b>119</b>    | <b>73</b>    | <b>192</b>  | <b>(107)</b>  | <b>(63)</b>  | <b>(170)</b> | <b>(10)</b>  | <b>66</b>    | <b>56</b>    |

# Balance Sheet

| (in M€)   | 06/30/2001    |              |               | 06/30/2002    |              |               | Total 2001    |              |               |
|---|---------------|--------------|---------------|---------------|--------------|---------------|---------------|--------------|---------------|
|   | Excl. EADS    | EADS         | Total         | Excl. EADS    | EADS         | Total         | Excl. EADS    | EADS         | Total         |
| Fixed assets  | 5 957         | 2 860        | 8 817         | 5 996         | 2 715        | 8 711         | 6 105         | 2 756        | 8 861         |
| Current assets                                      | 4 242         | 4 830        | 9 072         | 4 295         | 4 813        | 9 108         | 4 339         | 4 813        | 9 152         |
| <i>Of which cash &amp; equiv.</i>                   | <i>1 700</i>  | <i>1 220</i> | <i>2 920</i>  | <i>1 557</i>  | <i>1 045</i> | <i>2 602</i>  | <i>1 790</i>  | <i>1 213</i> | <i>3 003</i>  |
| <b>TOTAL ASSETS</b>                                 | <b>10 199</b> | <b>7 690</b> | <b>17 889</b> | <b>10 291</b> | <b>7 528</b> | <b>17 819</b> | <b>10 444</b> | <b>7 569</b> | <b>18 013</b> |
| Stockholder's equity                                | 3 935         | 851          | 4 786         | 3 768         | 957          | 4 725         | 3 859         | 885          | 4 744         |
| Contingencies                                       | 1 388         | 1 271        | 2 659         | 1 108         | 1 169        | 2 277         | 1 180         | 1 189        | 2 369         |
| Financial debts                                     | 1 770         | 1 021        | 2 791         | 2 170         | 818          | 2 988         | 2 090         | 982          | 3 072         |
| Current liabilities                                 | 3 106         | 4 547        | 7 653         | 3 245         | 4 584        | 7 829         | 3 315         | 4 513        | 7 828         |
| <b>TOTAL LIABILITIES &amp; STOCKHOLDER'S EQUITY</b> | <b>10 199</b> | <b>7 690</b> | <b>17 889</b> | <b>10 291</b> | <b>7 528</b> | <b>17 819</b> | <b>10 444</b> | <b>7 569</b> | <b>18 013</b> |



# Stockholder's Equity\* & net Cash (Indebtness) \*



25 \* Excl. «perpetual subordinated notes»



# Net Debt Position\*

| (In M€)                         | 12.31.2001        | Changes             | 06.30.2001         |
|---------------------------------|-------------------|---------------------|--------------------|
| EADS                            | 232               | (5)                 | 227                |
| T-Online                        | 679               | (132)               | 547                |
| Excl. EADS and T-Online         | (692)             | (181)               | (873)              |
| <b><u>Net Debt Position</u></b> | <b><u>219</u></b> | <b><u>(318)</u></b> | <b><u>(99)</u></b> |



# Selected data by business



# Sales by business segment

| (In M€)                | 1st half 2001 | 1st half 2002 | Total 2001    |
|------------------------|---------------|---------------|---------------|
| Books                  | 377           | 416           | 2 336         |
| Press                  | 1 184         | 1 056         | 3 853         |
| Distribution Services  | 1 793         | 2 175         | 633           |
| Lagardere Active       | 277           | 259           | 846           |
| <b>Lagardère Media</b> | <b>3 631</b>  | <b>3 906</b>  | <b>7 668</b>  |
| <b>EADS</b>            | <b>2 028</b>  | <b>2 019</b>  | <b>4 486</b>  |
| <b>Automobile</b>      | <b>618</b>    | <b>550</b>    | <b>1 141</b>  |
| <b>TOTAL</b>           | <b>6 277</b>  | <b>6 475</b>  | <b>13 295</b> |





# Operating income by business segment

| (In M€)                 | 1st half 2001 | 1st half 2002 | Total 2001 |
|-------------------------|---------------|---------------|------------|
| Books                   | 11            | 12            | 65         |
| Press                   | 93            | 89            | 203        |
| Distribution Services   | 31            | 33            | 81         |
| Lagardere active        | 5             | 9             | 4          |
| <b>Lagardère Media</b>  | <b>140</b>    | <b>143</b>    | <b>353</b> |
| <b>EADS</b>             | <b>29</b>     | <b>50</b>     | <b>104</b> |
| <b>Automobile</b>       | <b>38</b>     | <b>27</b>     | <b>66</b>  |
| <b>Other</b>            | <b>(10)</b>   | <b>(12)</b>   | <b>(9)</b> |
| <b>Operating Income</b> | <b>197</b>    | <b>208</b>    | <b>514</b> |

# Lagardère Media - Income Statement

| (In M€)   | 1st half 2001 | 1st half 2002 | Total 2001 |
|---|---------------|---------------|------------|
| Sales   | 3 631         | 3 906         | 7 668      |
| Operating income                                  | 140           | 143           | 353        |
| Interest income (exp.)(*)                         | (198)         | (175)         | (240)      |
| Current income                                    | (58)          | (32)          | 113        |
| Non-operating income                              | (41)          | (22)          | (46)       |
| Share in net income of<br>equitized companies     | 13            | 13            | 59         |
| <b>Net income before income<br/>tax</b>           | <b>(86)</b>   | <b>(41)</b>   | <b>126</b> |
| Operating margin - total                          | 3.9%          | 3,7%          | 4.6%       |
| Operating margin - excl.<br>Distribution Services | 5.9%          | 6,4%          | 7.1%       |

30 (\*) of which T-Online shares depreciation (157) (132) (157)

# Lagardère Media - Statement of Cash Flows

| (In M€)   | 1st half 2001 | 1st half 2002 | Total 2001 |
|---|---------------|---------------|------------|
| Cash flow from operations                       | 105           | 105           | 269        |
| Change in working capital                       | (207)         | (130)         | 27         |
| Investments                                     | (349)         | (171)         | (721)      |
| <i>Tangible &amp; int. Inv.</i>                 | (93)          | (108)         | (268)      |
| <i>Financial Inv.</i>                           | (256)         | (63)          | (453)      |
| Divestitures                                    | 94            | 18            | 117        |
| Investing activities                            | (255)         | (153)         | (604)      |
| Net cash flow from oper. & investing activities | (357)         | (178)         | (308)      |



# Automobile - Income Statement

| (In M€)                      | 1st half 2001 | 1st half 2002 | Total 2001   |
|------------------------------|---------------|---------------|--------------|
| <b>Sales</b>                 | <b>618</b>    | <b>550</b>    | <b>1 141</b> |
| Operating income             | 38            | 27            | 66           |
| Interest income (exp.)       | 4             | 5             | 8            |
| Current income               | 42            | 32            | 74           |
| Non-operating income         | (6)           | (6)           | (21)         |
| <b>Net income before tax</b> | <b>36</b>     | <b>26</b>     | <b>53</b>    |
| Operating margin - Total     | 6.1%          | 4,9%          | 5.8%         |



# Automobile - Statement of Cash Flows

| (In M€)  | 1st half 2001 | 1st half 2002 | Total 2001  |
|--|---------------|---------------|-------------|
| Cash flow from operations                                  | 41            | 38            | 61          |
| Change in working capital                                  | 34            | (1)           | (14)        |
| Investments  | (14)          | (16)          | (26)        |
| <i>Tangible &amp; int. Inv.</i>                            | (13)          | (16)          | (24)        |
| <i>Financial Inv.</i>                                      | (1)           | -             | (2)         |
| Divestitures   | -             | -             | 1           |
| <b>Investing activities</b>                                | <b>(14)</b>   | <b>(16)</b>   | <b>(25)</b> |
| <b>Net cash flow from oper. &amp; investing activities</b> | <b>60</b>     | <b>21</b>     | <b>22</b>   |

# EADS - Income Statement ...

... from EADS as reported to Lagardère format

| (In M€)                 | EADS<br>100%<br>as<br>reported | Financial asset<br>depreciation | Capital<br>Gains<br>and<br>Losses | Restructuring<br>Charges<br>-<br>Reclass. | Goodwills<br>Amortiz.<br>-<br>Reclass. | Equitized<br>Cies<br>-<br>Reclass. | EADS<br>100%<br>Lagardère<br>format |
|-------------------------|--------------------------------|---------------------------------|-----------------------------------|---|--|------------------------------------|-------------------------------------|
| <b>Sales</b>            | <b>13 974</b>                  |                                 |                                   |   |  |                                    | <b>13 974</b>                       |
| <b>Operating income</b> | <b>332</b>                     | <b>102</b>                      | <b>(58)</b>                       | <b>16</b>                                 | <b>297</b>                             |                                    | <b>689</b>                          |
| Financial results       | 14                             | (102)                           |                                   |   |  | (45)                               | (133)                               |
| Non-operating income    | -                              |                                 | 58                                | (16)                                      |  |                                    | 42                                  |
| Tax                     | (228)                          |                                 |                                   |   |  |                                    | (228)                               |
| Inc. from equity method | -                              |                                 |                                   |   |  | 45                                 | 45                                  |
| Goodwill Amortization   | -                              |                                 |                                   |   | (297)                                  |                                    | (297)                               |
| Minority interests      | (27)                           |                                 |                                   |   |  |                                    | (27)                                |
| <b>Net income</b>       | <b>91</b>                      | <b>0</b>                        | <b>0</b>                          | <b>0</b>                                  | <b>0</b>                               | <b>0</b>                           | <b>91</b>                           |

# EADS - Income Statement restated

| (In M€)                      | EADS<br>1st half<br>100% | Forex<br>restat <sup>ts</sup> | Goodwill<br>restat <sup>ts</sup> | <b>TOTAL<br/>restat<sup>ts</sup></b> | EADS<br>1st half<br>Restated<br>100% | EADS<br>share<br>15.10% |
|------------------------------|--------------------------|-------------------------------|----------------------------------|--------------------------------------|--------------------------------------|-------------------------|
| <b>Sales</b>                 | <b>13 974</b>            | <b>(605)</b>                  | -                                | <b>(605)</b>                         | <b>13 369</b>                        | <b>2 019</b>            |
| <b>Operating income</b>      | <b>689</b>               | <b>(434)</b>                  | <b>81</b>                        | <b>(353)</b>                         | <b>336</b>                           | <b>50</b>               |
| Financial results            | (133)                    | (47)                          | -                                | (47)                                 | (180)                                | (27)                    |
| Non-operating income         | 42                       | -                             | 3                                | 3                                    | 45                                   | 7                       |
| Tax                          | (228)                    | 171                           | (28)                             | 143                                  | (85)                                 | (13)                    |
| Share of Equit.<br>companies | 45                       | -                             | 13                               | 13                                   | 58                                   | 9                       |
| Goodwill                     | (297)                    | -                             | 148                              | 148                                  | (149)                                | (23)                    |
| Minority interest            | (27)                     | 62                            | (11)                             | 51                                   | 24                                   | 4                       |
| <b>Net income</b>            | <b>91</b>                | <b>(248)</b>                  | <b>206</b>                       | <b>(42)</b>                          | <b>49</b>                            | <b>7</b>                |



## EADS - Contribution to Lagardère Income statement

| (In M€)                               | 1st half 2001(*) | 1st half 2002(**) | Total 2001(*) |
|---------------------------------------|------------------|-------------------|---------------|
| Sales                                 | 2 028            | 2 019             | 4 486         |
| Operating income                      | 29               | 50                | 104           |
| Financial results                     | 8                | (27)              | (11)          |
| Current income                        | 37               | 23                | 93            |
| Non-operating income                  | 344              | 7                 | 463           |
| Share in net income of equitized Cies | 6                | 8                 | 18            |
| <b>Net income before tax</b>          | <b>387</b>       | <b>38</b>         | <b>574</b>    |
| Operating margin                      | 5.6%             | 2,5%              | 2,3%          |

(\*) 15.14 % EADS

(\*\*) 15.10 % EADS



# EADS - Contribution to Lagardère Statement of Cash Flows

| (In M€)  | 1st half 2001 | 1st half 2002 | Total 2001   |
|--|---------------|---------------|--------------|
| Cash flow from oper.                               | 160           | 161           | 347          |
| Change in working capital                          | 25            | (10)          | 65           |
| Investments  | (110)         | (275)         | (501)        |
| <i>Tangible &amp; int. Inv.</i>                    | <i>(102)</i>  | <i>(134)</i>  | <i>(332)</i> |
| <i>Financial Inv.</i>                              | <i>(8)</i>    | <i>(141)</i>  | <i>(169)</i> |
| Divestitures                                       | (2)           | 117           | 214          |
| Cash equivalents                                   | -             | (56)          | (59)         |
| Investing activities                               | (112)         | (214)         | (346)        |
| Net cash flow from oper.<br>& investing activities | 73            | (63)          | 66           |

# EADS - Balance sheet restated

| (In M€)   | EADS<br>100%  | Lagardère<br>Restatements | EADS restated<br>100% | EADS restated<br>15.10% |
|---|---------------|---------------------------|-----------------------|-------------------------|
| Fixed assets  | 24 881        | (6 908)                   | 17 973                | 2 715                   |
| Current assets  | 33 533        | (1 667)                   | 31 866                | 4 813                   |
| <i>of which cash &amp;<br/>equiv..</i>                | <i>6 843</i>  | <i>79</i>                 | <i>6 922</i>          | <i>1 045</i>            |
| <b>TOTAL ASSETS</b>                                   | <b>58 414</b> | <b>(8 575)</b>            | <b>49 839</b>         | <b>7 528</b>            |
| Stockholders' equity                                  | 13 224        | (6 887)                   | 6 337                 | 957                     |
| Contingencies   | 9 429         | (1 688)                   | 7 741                 | 1 169                   |
| Financial debts                                       | 5 416         | -                         | 5 416                 | 818                     |
| Current liabilities                                   | 30 345        | -                         | 30 345                | 4 584                   |
| <b>TOTAL LIAB. &amp;<br/>STOCKHOLDERS'<br/>EQUITY</b> | <b>58 414</b> | <b>(8 575)</b>            | <b>49 839</b>         | <b>7 528</b>            |



# Lagardère - «Headquarters & non-operating branch» results

| (In M€)   | 1st half 2001 | 1st half 2002 | Total 2001 |
|---|---------------|---------------|------------|
| Operating income  | (10)          | (12)          | (9)        |
| Net interest income<br>(exp.)incl. Preferred<br>remunerations | 217(*)        | 8             | 214(*)     |
| Non-operating income  | (7)           | 12            | (1)        |
| Equitized companies   | -             | -             | -          |
| <b>TOTAL</b>  | <b>200</b>    | <b>8</b>      | <b>204</b> |

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

# Lagardère - Results summary

| (In M€)  | 1st half 2001 | 1st half 2002 | Total 2001 |
|--|---------------|---------------|------------|
| Lagardère Media  | (86)          | (41)          | 126        |
| EADS   | 387           | 38            | 574        |
| Automobile   | 36            | 26            | 53         |
| Other  | 200           | 8             | 204        |
| Income before Tax, Deprec.,<br>Amortization of intangibles and<br>goodwill | 538           | 31            | 957        |
| Tax  | (72)          | 133           | (168)      |
| Depreciation, Amortization of<br>intangibles and goodwill                  | (56)          | (61)          | (162)      |
| Net income - before Min. interest  | 409           | 103           | 627        |
| Minority interest  | (5)           | 1             | (11)       |
| Net income   | 404           | 104           | 616        |