



2013 INTERIM FINANCIAL REPORT

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1 - 2013 INTERIM MANAGEMENT REPORT

Lagardère, a world-class pure-play media group, operates in around 30 countries and is structured around four distinct, complementary divisions:

- Lagardère Publishing: Book and e-Publishing;
- Lagardère Active: Magazine Publishing, Audiovisual (Radio, Television, Audiovisual Production), Digital and Advertising Sales Brokerage;
- Lagardère Services: Travel Retail and Distribution;
- Lagardère Unlimited: Sport Industry and Entertainment.

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1.1 SIGNIFICANT EVENTS OF THE FIRST HALF OF 2013

Any existing or significant link between these events and their impact on the financial statements is presented in section 1.3 below, or in Note 2 to the consolidated financial statements.

1.1.1 Lagardère has taken legal action against Vivendi and Groupe Canal+ for the restitution of €1.6 billion in cash to Canal+ France

In its capacity as a Canal+ France shareholder (20% interest), on 12 February 2013 Lagardère summoned Vivendi and Groupe Canal+ (hereinafter "the Vivendi group") to appear in the Paris commercial court for the purposes of obtaining a restitution from the Vivendi group to Canal+ France of its cash, which amounted to close to €1.6 billion on 30 November 2012.

This dispute is described in further detail in Note 20 to the consolidated financial statements for the six months ended 30 June 2013.

1.1.2 Sale by Lagardère of its stake in EADS NV

On 2 April 2013, the new governance of EADS (as described in section 5.2.2.1 A.3 of the Reference Document for 2012, the French version of which was filed with the French financial markets authority [*Autorité des marchés financiers* – AMF] on 5 April 2013 [hereinafter the "Reference Document"]) came into effect and Lagardère became the sole shareholder of Sogeade SCA, in accordance with the agreement signed on 5 December 2012. This transaction was carried out through the buyback by Sogeade SCA of its own shares held by Sogepa (representing approximately 66.67% of Sogeade SCA's capital), followed by the cancellation of these shares. At the same time, Sogeade SCA sold a number of EADS shares to Sogepa, corresponding, on a transparent basis, to the stake held until then by Sogepa in Sogeade SCA.

On 8 April 2013, Lagardère launched the sale of Sogeade SCA's remaining 7.4% stake in EADS by means of private placements through accelerated bookbuilding with qualified investors.

On 12 April 2013, as part of this market transaction, Lagardère finalised the sale by Sogeade SCA of its entire stake for a total amount of €2,283 million. EADS contributed €500 million to this purchase at the order book price of €37.36 per share.

Sogeade SCA was merged into Lagardère SCA on 16 May 2013.

1.1.3 Sale by the Lagardère group of its 25% stake in the Amaury group, for an amount of €91.4 million

On 23 May 2013, the Lagardère group sold its stake of nearly 25% in Les Éditions P. Amaury, the holding company of the Amaury group (media and organisation of sports events), for a total price of €91.4 million.

This disposal took place via a capital reduction carried out by Les Éditions P. Amaury through the buyback of its own shares from the Lagardère group.

1.1.4 Payment of an interim dividend

On 31 May 2013, Lagardère SCA paid an interim dividend of €9 per share (representing a total amount of €1,151 million), with an ex-dividend date of 28 May 2013.

This interim dividend corresponds to the extra portion of the dividend which will be submitted for approval at the Annual General Meeting held in 2014 to approve the financial statements for the year ending 31 December 2013.

In accordance with the applicable legal regulations, this dividend was paid on the basis of Lagardère SCA's interim parent company financial statements which were prepared for this purpose by the Managing Partners and took into account the gain on the sale of the EADS shares.

1.1.5 Partial repurchase of the bond maturing in October 2014

On 31 May 2013, the Lagardère group announced that it had proceeded with the partial repurchase of the bond maturing in October 2014. A total of €215 million was tendered in the offer made to bondholders. Together with the repurchase of €3 million by private agreement in January 2013, a total of €218 million was repurchased during the first half of 2013, reducing the amount maturing in 2014 to €657 million.

As announced, the Group has used part of the proceeds from the disposal of its stake in EADS to reduce its debt. This partial bond repurchase also enhances the Group's liquidity profile.

1.2 MAIN RISKS AND UNCERTAINTIES FOR THE REMAINING SIX MONTHS OF THE YEAR

A general presentation of these risks and uncertainties can be found in Chapter 3, "Risk factors", of the Reference Document containing the 2012 consolidated financial statements.

Significant developments in disputes since the 2012 Reference Document was filed are set out, in particular, in Note 20 to the consolidated financial statements at 30 June 2013.

1.3 COMMENTS ON LAGARDÈRE SCA'S CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF OF 2013

Lagardère's main businesses are carried out through Lagardère Media, which includes the divisions Lagardère Publishing, Lagardère Active, Lagardère Services and Lagardère Unlimited. In addition, the Group holds a 20% interest in Canal+ France and carries out business through "Other Activities", corresponding to activities not directly related to Lagardère Media's operating divisions.

The main changes in the scope of consolidation during the first half of 2013 are described in Note 2 to the consolidated financial statements.

1.3.1 Income statement

Income statement			
	First-half 2013	First-half 2012	Full-year 2012
Net sales	3,406	3,389	7,370
Recurring operating profit before associates(*)	105	106	339
Income (loss) from associates(**)	(2)	45	105
Non-recurring/non-operating items	1,489	(39)	(216)
Profit before finance costs and tax	1,592	112	228
Finance costs, net	(55)	(40)	(82)
Income tax expense	(46)	(24)	(40)
Profit for the period	1,491	48	106
Attributable to:			
- Owners of the Parent	1,483	36	89
- Minority interests	8	12	17
	<p>(*) Recurring operating profit before associates corresponds to profit before finance costs and tax excluding the following income statement items:</p> <ul style="list-style-type: none"> • Income (loss) from associates; • Gains (losses) on disposals of assets; • Impairment losses on goodwill, property, plant and equipment and intangible assets; • Restructuring costs; • Items related to business combinations: <ul style="list-style-type: none"> - Acquisition-related expenses, - Gains and losses resulting from purchase price adjustments, - Amortisation of acquisition-related intangible assets. <p>(**) Before impairment losses.</p>		

During the first half of 2013, the Lagardère group confirmed its resilience, with a stable performance based on a constant Group structure and exchange rates (like-for-like) and net sales of €3,406 million. General Literature, Audiovisual Production and Duty Free posted strong results, despite the persistently tough economic environment in Europe and the acceleration of the decline in print-media sales.

The difference between reported and like-for-like figures is partly attributable to a €40 million positive impact of changes in Group structure relating mainly to acquisitions carried out by Lagardère Services and Lagardère Active in 2012 (in particular, Rome airports, LeGuide.com and BilletRéduc.com), which were partially offset by the sale of OLF (book distribution business in Switzerland) and the impact of changing a telephone contract in Hungary to a commission-based agreement (with no impact on profit or loss). Changes in exchange rates (average rate over the period) had a negative €24 million impact on net sales (mainly for Lagardère Publishing, due to the depreciation of the pound sterling and the yen against the euro).

Lagardère Publishing's net sales advanced 3.1% on a like-for-like basis, coming in at €917 million thanks to a sparkling performance from General Literature in both France and the United States.

Sales of digital books continued to rise and accounted for 11.4% of the division's net sales, compared to 8.4% in the first half of 2012. This outstanding performance continued to be concentrated in English-speaking countries, with e-books representing 31% of total adult trade net sales in the United Kingdom (versus 22% in the same prior-year period) and 34% of sales in the United States (versus 27%).

In France, the division's net sales increased thanks to a solid performance from General Literature which benefited from the publication of the last two volumes of E L James' novel and of Dan Brown's latest novel, *Inferno*. The Distribution business also benefited from this success. These results were partly countered by a decline in Illustrated Books (which suffered from an unfavourable basis of comparison following an excellent performance in the first half of 2012) and in Education (which will not benefit this year from middle-school reforms).

Net sales also grew in the United States, driven by a host of new titles and boosted by the release of several films based on novels published by the Group, such as *Safe Haven* by Nicholas Sparks and *Beautiful Creatures* by K. Garcia and M. Stohl.

Despite a string of commercial successes, net sales in the United Kingdom slipped slightly due to persistently tough international markets in Australia and New Zealand.

The economic crisis continued to take its toll on operations in Spain and, without the benefit of education reforms this year, the country's net sales are in decline.

Business was brisk for Partworks, with publishing successes in the United Kingdom and Russia.

In the first half of 2013, Lagardère Active's business was strongly impacted by changes in Group structure (positive impact of €20 million), due notably to the acquisitions of LeGuide.com and BilletRéduc.com during the second half of 2012. Net sales edged up 0.3% to €471 million on a like-for-like basis.

As expected, Audiovisual Production surged 43% in the first half of the year with a number of important deliveries both in terms of programme archives (*Clem*, *L'Odyssée*, *Borgia 2*, *Jo*, etc.) and immediate broadcasts (*Si près de chez vous*). However, this performance is not expected to be extrapolated to the full year. Television channel business activity also increased (up 5%), with strong results recorded outside of France.

However, Lagardère Active was affected by a contracting advertising market, with net sales from advertising operations down 6%. The sales decline was particularly sharp for magazines (down 9%). Nevertheless, radio confirmed its status as a defensive medium, with Europe 1 in particular posting strong growth during the period.

In the first half of 2013, the division suffered from the ongoing decline in magazine circulation which slumped 7.6%, hit by lower consumption and interruptions to distribution at news stands.

Lagardère Services delivered €1,814 million in net sales in the first half of 2013, edging down 0.4% on a reported basis and 0.8% like-for-like. The momentum in Travel Retail (up 2% on a like-for-like basis) continued to boost the division's performance during the period. The Travel Retail business saw bullish growth at Aelia, which grew by close to 3%, and in Central Europe (a rise of 12% in Romania and 4% in Poland). Asia-Pacific delivered strong 6% net sales growth (including 25% in Asia) on the back of network development. Distribution retreated 4.5% on a like-for-like basis due to the sharp drop in the market for printed products (press and books).

Lagardère Unlimited reported net sales of €204 million, down 4.6% on a reported basis and 7.1% like-for-like. The difference between reported and like-for-like figures is primarily attributable to a positive €6 million impact from changes in Group structure following the acquisition of SMAM in Australia (sports marketing consultancy) and Zaechel in Germany (hospitality services) in 2012.

The decrease in net sales was mainly attributable to World Sport Group and was essentially due to the absence of qualifying matches in 2013 for the Olympic Games and the transformation of the Asian Football Cup (AFC) contract from a buy-out arrangement to a commission-based agreement, which reduced the amount of net sales recognised without impacting gross margin. However, Sportfive posted excellent results in the first half of the year thanks to a favourable calendar with European qualifying matches for the 2014 FIFA World Cup, the strong performance of the Africa Cup of Nations and robust growth in marketing activities for German football clubs (in particular Borussia Dortmund and Bayer Leverkusen).

Recurring operating profit before associates for Lagardère Media amounted to €138 million, up €26 million from first-half 2012 (€112 million). Movements can be analysed as follows for each division:

- Lagardère Publishing reported a €14 million year-on-year rise in recurring operating profit before associates, at €71 million. This growth reflects the strong performance of General Literature, driven by bestsellers in France and the United States, and strong resilience in Partworks in the United Kingdom and Russia.
- Lagardère Active posted a €2 million increase in recurring operating profit before associates, which came in at €33 million in the first half of 2013. The drop in net sales from advertising and circulation (see above) was offset during the period by the contributions of recent digital acquisitions, an improved performance in Television and the impact of ongoing cost-cutting plans.
- Recurring operating profit before associates for Lagardère Services decreased €8 million on the same prior-year period to €29 million as a result of the decline in the performance of Distribution (reflecting the aforementioned drop in the market) which was mitigated by a strict control of costs. Recurring operating profit before associates for Travel Retail retreated slightly due to the decrease in Relay press sales, despite a shift in product mix towards products with higher margins.
- Lagardère Unlimited reported recurring operating profit before associates of €5 million, compared with a loss of €13 million in the same prior-year period. In the first half of 2012 this item included a non-recurring €22 million contingency provision relating to the International Olympic Committee (IOC) contract (sale of media rights in Europe for the 2014 Winter Olympics and the 2016 Summer Olympics). Besides this, the first half of 2013 benefited from the good performance in the sale of German clubs' marketing rights, the impact of which was mitigated by an unfavourable calendar at World Sport Group, as described above (absence of qualifying matches for the Olympic Games).

Other Activities reported a recurring operating loss before associates of €33 million including a provision in the amount of €15 million for the special bonus granted by the Managing Partners following the sale of EADS shares. This bonus will be paid to all of the Group's employees during the second half of 2013. For employees in France, this bonus falls within the scope of the law of July 2011 which instituted a profit-sharing bonus for employees of a group in the event of an increase in dividends paid to its shareholders by the entity controlling the group.

Other Activities was also impacted by losses from Matra Manufacturing & Services and by costs incurred with respect to Canal+ France.

In the first half of 2012, Other Activities recorded a recurring operating loss of €6 million.

The loss from associates (before impairment losses) came in at €2 million in the first half of 2013, compared to income of €45 million in the same prior-year period, due to the sale of the stake in EADS which contributed €42 million in the first half of 2012. The contribution of equity investments in the Media segment decreased €5 million versus the first half of 2012 as a result of weaker performances from the Marie Claire group and Gulli.

Non-recurring/non-operating items included in profit before finance costs and tax represented net profit of €1,489 million in the first half of 2013, mainly comprising:

- €1,810 million net of expenses in gains and losses, including the €1,823 million gain generated on the sale of the stake in EADS;
- €249 million in impairment losses taken against intangible assets, including €209 million recorded by Lagardère Active, mainly relating to its Magazine Publishing assets. These impairment losses reflect the downward revision of the estimated future cash flows to be generated from these businesses and the reduction of the perpetuity growth rate for Magazine Publishing from 1.5% at the end of 2012 to 0%. Lagardère Services' Press Distribution business in Switzerland, which was affected in the same way by the structural decline in the press distribution market, also incurred impairment losses in the amount of €30 million;
- €35 million in impairment losses taken against the interest held in the Marie Claire group, recognised based on an external valuation carried out by a financial institution and which, like Lagardère Active's magazine business, takes into account the worsening economic environment in the press market;
- €14 million in restructuring costs, including €8 million incurred by Lagardère Active for the ongoing rollout of its cost-cutting plans, with the balance broken down between the three other divisions;
- €12 million in amortisation of intangible assets and acquisition-related expenses for consolidated companies, including €7 million for Lagardère Services and €4 million for Lagardère Unlimited.

In the first half of 2012, non-recurring/non-operating items included in profit before finance costs and tax represented a net expense of €39 million, breaking down as €9 million in impairment losses taken against property, plant and equipment and intangible assets, in particular within Lagardère Active with respect to a building in Italy, €16 million in amortisation of acquisition-related intangible assets and other expenses and €14 million in restructuring costs.

As a result of the above items, consolidated profit before finance costs and tax for the first half of 2013 totalled €1,592 million, up €1,480 million on the prior-year period.

Net finance costs increased €15 million year-on-year to €55 million, mainly as a result of expenses relating to the partial repurchase of the bond maturing in 2014.

In the first half of 2013, income tax expense amounted to €46 million and mainly comprised:

- the 3% additional contribution instituted in France on dividends paid, corresponding to €40 million;
- a €31 million benefit corresponding to the reversal of a deferred tax liability relating to the impairment of publication titles for the Magazine Publishing business.

Profit attributable to minority interests came in at €8 million in the first half of 2013 compared to €12 million in the first half of 2012.

1.3.2 Consolidated statement of cash flows

Cash flows			
	First-half 2013	First-half 2012	Full-year 2012
Cash flows from operations before changes in working capital	178	237	552
Changes in working capital	(91)	(191)	(21)
Cash flows from operations	87	46	531
Interest paid and received, and income taxes paid(*)	(98)	(44)	(140)
Net cash from (used in) operating activities	(11)	2	391
Cash used in investing activities	(210)	(210)	(648)
– Purchases of intangible assets and property, plant and equipment	(163)	(103)	(264)
– Purchases of investments and other non-current assets	(47)	(107)	(384)
Proceeds from disposals of non-current assets	2,382	20	85
– Intangible assets and property, plant and equipment	1	4	20
– Investments and other non-current assets	2,381	16	65
Decrease in short-term investments	14	10	28
Net cash from (used in) investing activities	2,186	(180)	(535)
Total cash from (used in) operating and investing activities	2,175	(178)	(144)
Net cash from (used in) financing activities	(2,237)	43	162
Other movements	(8)	7	(13)
Change in cash and cash equivalents	(70)	(128)	5
(*) Including, in first-half 2013, €40 million in tax on dividends paid			

1.3.2.1 Cash from (used in) operating and investing activities

Cash flows from operations before changes in working capital totalled €178 million in the first half of 2013, versus €237 million in the first half of 2012. This decrease reflects the impact of the decrease in depreciation, amortisation and provisions (a non-recurring €22 million contingency provision relating to the IOC contract was recognised in the financial statements at 30 June 2012) as well as the decrease in dividends received from associates (in particular EADS, which paid dividends of €28 million in 2012).

Changes in working capital, while generally negative at the end of June, improved significantly during the first six months of the year, representing an outflow of €91 million compared to €191 million in the first half of 2012. This is largely due to the marked improvement in this item for Lagardère Unlimited, owing to amounts collected on Sportfive International's IOC contract, and a favourable trend for Lagardère Publishing, as a result of lower advances paid to writers in the United States. These impacts were nevertheless partially offset by a negative trend in this item reported by Lagardère Active, whose audiovisual production business made significant deliveries in early 2013 which were recognised as trade receivables at 30 June 2013.

Interest paid (net of interest received) stood at €28 million versus €12 million in the first half of 2012. This year this item includes costs relating to the partial repurchase of the bond maturing in October 2014. Income taxes paid totalled €70 million (including an additional contribution of €40 million for dividends paid) compared with €32 million in the same prior-year period.

In view of all of these items, operating activities represented a net outflow of €11 million in the first half of 2013 compared to a net inflow of €2 million one year earlier.

Purchases of property, plant and equipment and intangible assets totalled €163 million in the first half of 2013, up €60 million on the same prior-year period, and chiefly concerned – both in terms of absolute values and year-on-year changes – Lagardère Services (sales outlet refurbishments following the development of Travel Retail) and Lagardère Unlimited (acquisition of sports rights).

Purchases of investments amounted to €47 million and related mainly to various small-scale acquisitions within Lagardère Publishing (Galore Park, education business in the United Kingdom) and Lagardère Services (distribution companies in Hungary), as well as the payment of security deposits relating to the AFC contract (World Sport Group) within Lagardère Unlimited.

Proceeds from disposals of property, plant and equipment and intangible assets amounted to €1 million in first-half 2013.

Proceeds from disposals of investments and other non-current assets came to €2,381 million and mainly concerned the sale of the stake held in EADS for €2,272 million net of expenses and of the 25% stake in the Amaury group for €91 million.

As a result, operating and investing activities represented a net inflow of €2,175 million in the first half of 2013, compared to a net outflow of €178 million in first-half 2012. This change is mainly attributable to the cash generated during the period through the sale of EADS and Amaury (see above).

1.3.2.2 Cash from (used in) financing activities

In the first half of 2013, net cash used in financing activities came to €2,237 million, primarily reflecting:

- €1,332 million in dividends paid, of which €1,318 million by Lagardère SCA. This amount includes an extra dividend of €1,151 million following the sale of the stake held in EADS and corresponding to an interim dividend which will be submitted for approval at the Annual General Meeting of shareholders held in 2014 to approve the financial statements for the year ending 31 December 2013;
- €904 million in repayments of borrowings, chiefly including €218 million for the partial repurchase of the bond maturing in 2014, €666 million for the full repayment of the 2011 syndicated loan and a €19 million decrease in the securitisation of trade receivables within Lagardère Active;
- €1 million in purchases of treasury shares.

1.3.2.3 Net debt

Net debt breaks down as follows:

	30 June 2013	31 Dec. 2012
Short-term investments and cash and cash equivalents	627	703
Non-current debt	(1,282)	(2,165)
Current debt	(245)	(238)
Net debt	(900)	(1,700)

Changes in net debt during the first half of 2013 and the first half of 2012 were as follows:

	2013	2012
Net debt at 1 January	(1,700)	(1,269)
Total cash from (used in) operating and investing activities	2,175	(178)
Acquisitions of minority interests	-	(56)
Dividends	(1,332)	(190)
Decrease in short-term investments	(14)	(10)
Effect on cash of changes in exchange rates, changes in consolidation scope and other	(29)	(26)
Net debt at 30 June	(900)	(1,729)

1.4 RELATED PARTIES

See Note 21 to the consolidated financial statements.

1.5 EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

None.

1.6 UPDATE TO 2013 GUIDANCE

The strong performance at Lagardère Publishing and Lagardère Active (Audiovisual Production) cannot be extrapolated to the whole year. Over the 2nd half, Lagardère Publishing will face a difficult comparison effect (strong activity in the 2nd half 2012), especially due to the expected slowdown in Education.

However, thanks to the first-half results and the outlook for the second half of the year, the guidance announced in March for full-year recurring Media EBIT is maintained.

In 2013, recurring Media EBIT should increase by between 0% and 5% relative to 2012, at constant exchange rates.

This guidance is based on an expected decline in advertising revenue of around 7% at Lagardère Active.

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2 - CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 30 JUNE 2013

(in millions of euros)

		First-half 2013	First-half 2012	Full-year 2012
Net sales	(Notes 3 and 4)	3,406	3,389	7,370
Other income from ordinary activities		161	176	352
Revenues		3,567	3,565	7,722
Purchases and changes in inventories		(1,697)	(1,696)	(3,629)
Capitalised production		8	2	3
Production transferred to inventories		46	61	144
External charges		(962)	(961)	(2,132)
Payroll costs		(772)	(740)	(1,531)
Depreciation and amortisation other than on acquisition-related intangible assets		(94)	(109)	(220)
Amortisation of acquisition-related intangible assets and other acquisition-related expenses		(12)	(16)	(35)
Restructuring costs	(Note 5)	(14)	(14)	(40)
Gains (losses) on disposals of assets and associated risks	(Note 6)	1,810	-	(3)
Impairment losses on goodwill, property, plant and equipment and intangible assets	(Note 7)	(249)	(9)	(94)
Other operating expenses	(Note 8)	(17)	(24)	(44)
Other operating income	(Note 9)	25	8	26
Income (loss) from associates	(Note 13)	(47)	45	61
PROFIT BEFORE FINANCE COSTS AND TAX	(Note 3)	1,592	112	228
Financial income	(Note 10)	5	5	11
Financial expenses	(Note 10)	(60)	(45)	(93)
PROFIT BEFORE TAX		1,537	72	146
Income tax expense	(Note 11)	(46)	(24)	(40)
PROFIT FOR THE PERIOD		1,491	48	106
Attributable to:				
Owners of the Parent		1,483	36	89
Minority interests		8	12	17
<i>Earnings per share - Attributable to owners of the Parent:</i>				
<i>Basic earnings per share</i>	(Note 12)	<i>11.60</i>	<i>0.29</i>	<i>0.70</i>
<i>Diluted earnings per share</i>	(Note 12)	<i>11.47</i>	<i>0.28</i>	<i>0.69</i>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2013

(in millions of euros)

	First-half 2013	First-half 2012	Full-year 2012
Profit for the period	1,491	48	106
Actuarial gains and losses on pensions and other post-employment benefit obligations	0	(20)	(25)
Tax relating to actuarial gains and losses on pensions and other post-employment benefit obligations	0	6	7
Other comprehensive income (expense) for the period, net of tax, that will not be reclassified to profit or loss	0	(14)	(18)
Currency translation adjustments	(33)	36	9
Change in fair value of derivative financial instruments:	1	0	(1)
<i>Unrealised gains and losses recognised directly in equity</i>	<i>1</i>	<i>1</i>	<i>1</i>
<i>Amounts reclassified from equity to profit</i>		<i>(1)</i>	<i>(2)</i>
Change in fair value of investments in non-consolidated companies:	(2)	(1)	0
<i>Unrealised gains and losses recognised directly in equity</i>	<i>(2)</i>	<i>(1)</i>	
<i>Amounts reclassified from equity to profit</i>			
Share of other comprehensive income (expense) of associates (net of tax)(*)	9	(113)	48
<i>Unrealised gains and losses recognised directly in equity</i>		<i>(113)</i>	<i>48</i>
<i>Amounts reclassified from equity to profit</i>	<i>9</i>		
<i>Translation adjustments</i>	<i>(70)</i>		
<i>Valuation reserve</i>	<i>79</i>		
Tax relating to components of other comprehensive income (expense) recognised in equity	0	0	0
Other comprehensive income (expense) for the period, net of tax, that may be reclassified subsequently to profit or loss	(25)	(78)	56
Other comprehensive income (expense) for the period, net of tax	(25)	(92)	38
Total comprehensive income (expense) for the period	1,466	(44)	144
Attributable to:			
Owners of the Parent	1,458	(57)	126
Minority interests	8	13	18

(*) Only concerns the EADS group.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2013

(in millions of euros)

	First-half 2013	First-half 2012	Full-year 2012
Profit for the period	1,491	48	106
Income tax expense	46	24	40
Finance costs, net	55	40	82
Profit before finance costs and tax	1,592	112	228
Depreciation and amortisation expense	106	121	246
Impairment losses, provision expense and other non-cash items	235	9	89
(Gains) losses on disposals of assets	(1,810)	-	3
Dividends received from associates	8	40	47
(Income) loss from associates	47	(45)	(61)
Changes in working capital	(91)	(191)	(21)
Cash flows from operations	87	46	531
Interest paid	(30)	(17)	(87)
Interest received	2	5	11
Income taxes paid(*)	(70)	(32)	(64)
Net cash from (used in) operating activities	(A) (11)	2	391
Cash used in investing activities			
Purchases of intangible assets and property, plant and equipment	(163)	(103)	(264)
Purchases of investments	(19)	(102)	(412)
Cash acquired through acquisitions	-	10	53
Purchases of other non-current assets	(28)	(15)	(25)
Total cash used in investing activities	(B) (210)	(210)	(648)
Cash from investing activities			
Proceeds from disposals of non-current assets			
Intangible assets and property, plant and equipment	1	4	20
Investments	2,365	14	59
Cash transferred on disposals	(1)	-	0
Decrease in other non-current assets	17	2	6
Total cash from investing activities	(C) 2,382	20	85
Decrease in short-term investments	(D) 14	10	28
Net cash from (used in) investing activities	(E) = (B)+(C)+(D) 2,186	(180)	(535)
Total cash from (used in) operating and investing activities	(F) = (A)+(E) 2,175	(178)	(144)
Capital transactions			
Proceeds from capital increase by the Parent	-	-	0
Minority interests' share in capital increases by subsidiaries	-	-	2
(Acquisitions) disposals of treasury shares	(1)	1	2
(Acquisitions) disposals of minority interests	-	(56)	(64)
Dividends paid to owners of the Parent(**)	(1,318)	(166)	(166)
Dividends paid to minority shareholders of subsidiaries	(14)	(24)	(26)
Financing transactions			
Increase in debt	5	341	735
Decrease in debt	(909)	(53)	(321)
Net cash from (used in) financing activities	(G) (2,237)	43	162
Other movements			
Effect on cash of changes in exchange rates	(8)	7	(1)
Effect on cash of other movements	-	-	(12)
Total other movements	(H) (8)	7	(13)
Change in cash and cash equivalents	(I) = (F)+(G)+(H) (70)	(128)	5
Cash and cash equivalents at beginning of the period	599	594	594
Cash and cash equivalents at end of the period	<i>(Note 15)</i> 529	466	599

(*) Including, in first-half 2013, €40 million in tax on dividends paid

(**) Including the portion of profit for the period paid to the General Partners.

CONSOLIDATED BALANCE SHEET AT 30 JUNE 2013

ASSETS

<i>(in millions of euros)</i>	30 June 2013	31 Dec. 2012
Intangible assets	939	1,016
Goodwill	1,644	1,799
Property, plant and equipment	750	739
Investments in associates <i>(Note 13)</i>	1,303	1,451
Other non-current assets	120	132
Deferred tax assets	235	236
Total non-current assets	4,991	5,373
Inventories	604	581
Trade receivables	1,151	1,255
Other current assets	1,204	1,011
Short-term investments <i>(Note 14)</i>	41	55
Cash and cash equivalents <i>(Note 15)</i>	586	648
Total current assets	3,586	3,550
Assets held for sale <i>(Note 18)</i>	-	437
Total assets	8,577	9,360

CONSOLIDATED BALANCE SHEET AT 30 JUNE 2013

EQUITY AND LIABILITIES

<i>(in millions of euros)</i>	30 June 2013	31 Dec. 2012
Share capital	800	800
Reserves	770	2,020
Profit attributable to owners of the Parent	1,483	89
Equity attributable to owners of the Parent	3,053	2,909
Minority interests	77	82
Total equity	3,130	2,991
Provisions for pensions and other post-employment benefit obligations	118	119
Non-current provisions for contingencies and losses	174	168
Non-current debt <i>(Note 16)</i>	1,282	2,165
Other non-current liabilities	141	93
Deferred tax liabilities	253	290
Total non-current liabilities	1,968	2,835
Current provisions for contingencies and losses	267	293
Current debt <i>(Note 16)</i>	245	238
Trade payables	1,521	1,651
Other current liabilities	1,446	1,352
Total current liabilities	3,479	3,534
Liabilities associated with assets held for sale	-	-
Total equity and liabilities	8,577	9,360

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>(in millions of euros)</i>	Share capital	Share premiums	Other reserves	Treasury shares	Translation reserve	Valuation reserve	Equity attributable to owners of the Parent	Minority interests	Total equity
At 1 January 2012	800	880	1,631	(193)	(35)	(134)	2,949	75	3,024
Profit for the period			36				36	12	48
Other comprehensive income (expense) for the period (a)			(64)		40	(69)	(93)	1	(92)
Total comprehensive income (expense) for the period			(28)		40	(69)	(57)	13	(44)
Dividends paid			(166)				(166)	(24)	(190)
Minority interests' share in capital increases							0		0
Changes in treasury shares				1			1		1
Share-based payments			7				7		7
Effect of transactions with minority interests							0	2	2
Changes in consolidation scope and other							0		0
At 30 June 2012	800	880	1,444	(192)	5	(203)	2,734	66	2,800
At 1 January 2013	800	870	1,431	(179)	60	(73)	2,909	82	2,991
Profit for the period			1,483				1,483	8	1,491
Other comprehensive income (expense) for the period (a)					(103)	78	(25)		(25)
Total comprehensive income (expense) for the period			1,483		(103)	78	1,458	8	1,466
Dividends paid			(1,318)				(1,318)	(14)	(1,332)
Parent company capital reduction (b)		(2)		2			0		0
Minority interests' share in capital increases							0		0
Changes in treasury shares				(1)			(1)		(1)
Share-based payments			5				5		5
Effect of transactions with minority interests							0		0
Changes in consolidation scope and other							0	1	1
At 30 June 2013	800	868	1,601	(178)	(43)	5	3,053	77	3,130

(a) See Note 17 to the consolidated financial statements.

(b) Capital reduction carried out by cancelling treasury shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2013

(All figures are expressed in millions of euros unless otherwise specified)

Note 1 Accounting principles

The interim consolidated financial statements at 30 June 2013 have been prepared in compliance with IAS 34 – Interim Financial Reporting. The accompanying notes do not contain all the disclosures required for annual financial statements. These condensed financial statements should therefore be read in conjunction with the annual consolidated financial statements published for 2012.

The Group applies the new standards and amendments to IFRSs adopted by the European Union that are effective for periods beginning on or after 1 January 2013, of which the most important is the amendment to IAS 19 relating to employee benefits. This amendment eliminates, in particular, the corridor method which deferred the recognition of actuarial gains and losses when their amount, calculated on a plan-by-plan basis, did not exceed 10% of the value of the obligation or of the fair value of any plan assets. Actuarial gains and losses are now immediately recognised in other comprehensive income. The Group is not impacted by this change as it opted to adopt the new recognition method as of 1 January 2007. The other main changes introduced by the amended IAS 19 are as follows:

- the use of the expected rate of return on assets to record the income generated on defined benefit plan assets has been eliminated. As of 1 January 2013, it has been replaced by the discount rate which is used to calculate post-employment benefit obligations;
- plan amendments (unvested past service costs) are now immediately recognised in profit or loss having been previously recognised over the vesting period;
- certain new taxes are taken into account in the calculation of obligations.

The changes introduced by IAS 19 and various other standards and amendments applicable as of 1 January 2013 did not have a material impact on the consolidated financial statements for the six months ended 30 June 2013.

Note 2 Main changes in the scope of consolidation

During the first half of 2013, there were no significant changes in the scope of fully-consolidated subsidiaries.

The main changes in the scope of consolidation since 30 June 2012 are as follows:

Lagardère Active

- Full consolidation of the LeGuide.com group since 1 July 2012.
- Full consolidation of BilletRéduc.com since 1 January 2013 (as it was acquired in late 2012, only the balance sheet was consolidated at 31 December 2012).

Lagardère Services

- Full consolidation of AdR Retail, a duty free/duty paid concession operator in Rome's two airports since 1 October 2012.
- Deconsolidation of the Swiss book retailer OLF (consolidated in first-half 2012) with effect from 1 October 2012 following its sale.

In addition, during the first half of 2013 the Group sold all of its equity-accounted interests in the EADS and Amaury groups.

EADS

On 12 April 2013, Lagardère sold its entire 7.4% stake in the EADS group by means of a private placement with qualified investors. EADS participated in this placement for a total amount of €500 million. The sale was carried out at €37.36 per share for a total amount of €2,283 million, generating a gain of €1,823 million, net of expenses.

At 31 December 2012, the interest had been reclassified in assets held for sale. No contributions from EADS were recognised in the financial statements for the six months ended 30 June 2013.

Amaury

On 23 May 2013, Lagardère Active sold its 25% stake in the Amaury group (media and organisation of sports events), for a total price of €91.4 million.

This disposal took place via a capital reduction carried out by Les Éditions P. Amaury through the buyback of its own shares. This generated a loss (expenses included) of €9 million.

Note 3 Segment information

Lagardère's main businesses are carried out through Lagardère Media, which comprises the following divisions:

- Lagardère Publishing: publication of works in the General Literature, Education, Illustrated Books and Partworks markets;
- Lagardère Active, which comprises:
 - Audiovisual and Digital businesses including special interest television channels, Audiovisual Production and Distribution, Radio and Advertising Sales Brokerage,
 - Press activities, principally mainstream Magazine Publishing;
- Lagardère Services: Travel Retail and Distribution;
- Lagardère Unlimited, which specialises in the Sport Industry and Entertainment: management of broadcasting rights; marketing of sports rights and associated products; organisation and management of events; consulting in the management and operation of stadiums and sports grounds; talent representation; management of sports academies.

At 30 June 2013, the Group also held a 20% interest in the Canal+ France group which is no longer included within the scope of Lagardère Media.

In addition to the above divisions, the Group has a "corporate" reporting unit ("Other Activities") used primarily to report the effect of financing obtained by the Group, the net operating costs of Group holding companies, and the activities of Matra Manufacturing & Services (whose revenues are reported under "Other income from ordinary activities").

Transactions between business divisions are generally carried out on arm's length terms.

Income statement for first-half 2013							
	Lagardère Publishing	Lagardère Active	Lagardère Services	Lagardère Unlimited	Lagardère Media	EADS and Other Activities (*)	Total
Net sales	931	473	1,814	204	3,422	-	3,422
Inter-segment sales	(14)	(2)	-	-	(16)	-	(16)
Consolidated net sales	917	471	1,814	204	3,406	-	3,406
Recurring operating profit (loss) before associates	71	33	29	5	138	(33)	105
Income (loss) from associates before impairment losses and amortisation of acquisition-related intangible assets	1	(5)	2	-	(2)	-	(2)
Recurring operating profit (loss)	72	28	31	5	136	(33)	103
Restructuring costs	(1)	(8)	(2)	(3)	(14)	-	(14)
Gains (losses) on disposals of assets and associated risks	-	(11)	(2)	-	(13)	1,823	1,810
Impairment losses(**)	(10)	(254)	(30)	-	(294)	-	(294)
Fully consolidated companies	(10)	(209)	(30)	-	(249)	-	(249)
Companies accounted for by the equity method	-	(45)	-	-	(45)	-	(45)
Amortisation of intangible assets	(1)	-	(7)	(4)	(12)	-	(12)
Acquisition-related expenses	-	-	-	-	-	-	-
Purchase price adjustments (beyond one year deadline)	-	(1)	-	-	(1)	-	(1)
Profit (loss) before finance costs and tax(*)	60	(246)	(10)	(2)	(198)	1,790	1,592
Finance costs, net	(1)	(2)	(7)	(5)	(15)	(40)	(55)
Profit (loss) before tax(*)	59	(248)	(17)	(7)	(213)	1,750	1,537
Items included in recurring operating profit (loss)							
Depreciation and amortisation of intangible assets and property, plant and equipment	(12)	(6)	(33)	(39)	(90)	(4)	(94)
Cost of stock option plans	(1)	(2)	(1)	-	(4)	(1)	(5)
<p>(*) Including a €1,823 million gain on the sale of the stake in EADS. (**) Impairment losses on goodwill, property, plant and equipment and intangible assets.</p>							

Income statement for first-half 2012							
	Lagardère Publishing	Lagardère Active	Lagardère Services	Lagardère Unlimited	Lagardère Media	EADS and Other Activities (*)	Total
Net sales	920	451	1,821	214	3,406	-	3,406
Inter-segment sales	(15)	(1)		(1)	(17)	-	(17)
Consolidated net sales	905	450	1,821	213	3,389	-	3,389
Recurring operating profit (loss) before associates	57	31	37	(13)	112	(6)	106
Income (loss) from associates before impairment losses and amortisation of acquisition-related intangible assets	1	(1)	2	1	3	42	45
Recurring operating profit (loss)	58	30	39	(12)	115	36	151
Restructuring costs	-	(11)	(2)	(1)	(14)	-	(14)
Gains (losses) on disposals of assets and associated risks	1	-	(1)	-	0	-	0
Impairment losses(**)	-	(9)	-	-	(9)	-	(9)
Fully consolidated companies	-	(9)	-	-	(9)	-	(9)
Companies accounted for by the equity method							
Amortisation of intangible assets	(1)	-	(5)	(6)	(12)	-	(12)
Acquisition-related expenses	-	(2)	(1)	(1)	(4)	-	(4)
Profit (loss) before finance costs and tax(*)	58	8	30	(20)	76	36	112
Finance costs, net	-	(3)	(2)	(6)	(11)	(29)	(40)
Profit (loss) before tax(*)	58	5	28	(26)	65	7	72
Items included in recurring operating profit (loss)							
Depreciation and amortisation of intangible assets and property, plant and equipment	(11)	(7)	(31)	(56)	(105)	(4)	(109)
Cost of stock option plans	(1)	(2)	(1)	-	(4)	(1)	(5)
<p>(*) Including EADS: €42 million in income from associates. (**) Impairment losses on goodwill, property, plant and equipment and intangible assets.</p>							

Statement of cash flows for first-half 2013

	Lagardère Publishing	Lagardère Active	Lagardère Services	Lagardère Unlimited	Lagardère Media	EADS, Other Activities and eliminations	Total
Cash flows from (used in) operations	(18)	7	12	100	101	(14)	87
Interest paid and received, and income taxes paid	(28)	(27)	(13)	(3)	(71)	(27)	(98)
Net cash from (used in) operating activities	(46)	(20)	(1)	97	30	(41)	(11)
Cash used in investing activities	(18)	(11)	(71)	(104)	(204)	(6)	(210)
- Purchases of intangible assets and property, plant and equipment	(13)	(7)	(65)	(76)	(161)	(2)	(163)
- Purchases of investments and other non-current assets	(5)	(4)	(6)	(28)	(43)	(4)	(47)
Proceeds from disposals of non-current assets	-	98	1	10	109	2,273	2,382
- Intangible assets and property, plant and equipment	-	-	1	-	1	-	1
- Investments and other non-current assets	-	98	-	10	108	2,273	2,381
Decrease in short-term investments	-	-	14	-	14	-	14
Net cash from (used in) investing activities	(18)	87	(56)	(94)	(81)	2,267	2,186
Total cash from (used in) operating and investing activities	(64)	67	(57)	3	(51)	2,226	2,175

Statement of cash flows for first-half 2012							
	Lagardère Publishing	Lagardère Active	Lagardère Services	Lagardère Unlimited	Lagardère Media	EADS, Other Activities and eliminations	Total
Cash flows from (used in) operations	(74)	52	5	49	32	14	46
Interest paid and received, and income taxes paid	(17)	(39)	(15)	(8)	(79)	35	(44)
Net cash from (used in) operating activities	(91)	13	(10)	41	(47)	49	2
Cash used in investing activities	(15)	(73)	(55)	(65)	(208)	(2)	(210)
- Purchases of intangible assets and property, plant and equipment	(11)	(5)	(42)	(43)	(101)	(2)	(103)
- Purchases of investments and other non-current assets	(4)	(68)	(13)	(22)	(107)	-	(107)
Proceeds from disposals of non-current assets	-	16	4	-	20	-	20
- Intangible assets and property, plant and equipment	-	1	3	-	4	-	4
- Investments and other non-current assets	-	15	1	-	16	-	16
Decrease in short-term investments	-	-	10	-	10	-	10
Net cash from (used in) investing activities	(15)	(57)	(41)	(65)	(178)	(2)	(180)
Total cash from (used in) operating and investing activities	(106)	(44)	(51)	(24)	(225)	47	(178)

Balance sheet at 30 June 2013							
	Lagardère Publishing	Lagardère Active	Lagardère Services	Lagardère Unlimited	Lagardère Media	EADS, Other Activities and eliminations	Total
Segment assets	2,149	1,497	1,600	979	6,225	422	6,647
Investments in associates	20	113	12	4	149	1,154	1,303
Segment liabilities	(1,025)	(980)	(1,088)	(668)	(3,761)	(159)	(3,920)
Capital employed	1,144	630	524	315	2,613	1,417	4,030
Net debt							(900)
Equity							3,130

Balance sheet at 31 December 2012							
	Lagardère Publishing	Lagardère Active	Lagardère Services	Lagardère Unlimited	Lagardère Media	EADS, Other Activities and eliminations	Total
Segment assets	2,194	1,735	1,599	944	6,472	297	6,769
Investments in associates	20	260	13	4	297	1,154	1,451
Segment liabilities	(1,155)	(1,064)	(1,128)	(625)	(3,972)	6	(3,966)
Capital employed	1,059	931	484	323	2,797	1,457	4,254
Assets held for sale and associated liabilities							437
Net debt							(1,700)
Equity							2,991

Note 4 Net sales

	30 June 2013	30 June 2012
France	1,233	1,237
Other countries	2,173	2,152
Total	3,406	3,389

Like-for-like net sales were calculated by adjusting:

- first-half 2013 net sales to exclude companies consolidated for the first time during the period, and first-half 2012 net sales to exclude companies divested in 2013;
- first-half 2012 and first-half 2013 net sales based on first-half 2012 exchange rates.

Excluding the effect of changes in Group structure (+1.2%) and exchange rates (-0.7%), total net sales remained stable compared to first-half 2012.

Note 5 Restructuring costs

Restructuring costs for the first half of 2013 totalled €14 million, including €8 million incurred by Lagardère Active, mainly as part of the ongoing cost streamlining programme, with the remaining amount mainly divided between Lagardère Services (€2 million) and Lagardère Unlimited (€3 million).

For the first half of 2012, restructuring costs amounted to €14 million and mainly concerned Lagardère Active (€11 million) and Lagardère Services (€2 million).

Note 6 Gains (losses) on disposals of assets

In the first half of 2013, this item represented a net gain of €1,810 million which mainly included:

- a €1,823 million gain on the sale of the Group's EADS shares;
- a €9 million loss on the sale of the Group's Amaury shares.

These two transactions are described in Note 2 (see above) which sets out the changes in the scope of consolidation during the first half of 2013.

Note 7 Impairment losses on goodwill, property, plant and equipment and intangible assets

At 30 June 2013, impairment tests were only performed on assets for which an indication of impairment had been identified at that date.

During the first half of 2013, the Magazine Publishing business contracted significantly compared with the previous year and underperformed the assumptions set out in the budgets prepared at end-2012 on which the impairment tests carried out for the 2012 consolidated financial statements were based.

This shows that the decline in the press market is not only attributable to the economic uncertainty observed in 2012, but is also largely structural.

This observation constitutes an indication of impairment for the cash-generating units (CGUs) that generate revenues from this business, i.e., Lagardère Active's Magazine Publishing and Lagardère Services' Press Distribution businesses.

At 30 June 2013, the fair value of these CGUs was measured based on new budget plans in which the future cash flows had been revised downwards. Perpetuity growth rates, which had been set at end-2012 at 1.5% and 2% for Magazine Publishing and Lagardère Services' Distribution business, respectively, were reduced to 0%. The discount rates applied to these flows were identical to those used for the 2012 consolidated financial statements. These rates will be reviewed at the next year-end. At 30 June 2013, the Group had not identified any factors that are likely to significantly impact these rates.

This led to the recognition of impairment losses totalling €234 million, of which €204 million corresponding to the assets of Lagardère Active's Magazine Publishing business and €30 million to the subsidiary Payot Naville, Lagardère Services' Distribution business in Switzerland.

The other impairment losses recognised at 30 June 2013 with respect to consolidated entities totalled €15 million and included:

- goodwill with respect to Lagardère Publishing's Spanish subsidiary Salvat (Partworks in Spain and Latin America) in the amount of €10 million. At 31 December 2012, a €5 million impairment loss had been recognised to take into account the decline in the subsidiary's net sales, reflecting the contraction in the partworks market in Spain. The forecast budget prepared at end-2012 was based on stable net sales for subsequent years. In 2013, the revised forecasts took into account the continued decline in the Spanish partworks market and the subsidiary's difficulties in exporting to Latin America, and in particular to Argentina;
- goodwill with respect to Lagardère Active's digital subsidiary Newsweb in the amount of €5 million. The business plan was revised downwards following worse-than-expected performance in first-half 2013.

The other assets that were written down at 31 December 2012 were valued based on the post-tax discount rates used at that date, as set out in Note 10 to the 2012 consolidated financial statements.

Note 8 Other operating expenses

	First-half 2013	First-half 2012
Write-downs of assets	(11)	(18)
Provisions for contingencies and losses	-	(1)
Foreign exchange losses	(1)	-
Financial expenses other than interest	(1)	(1)
Other expenses	(4)	(4)
Total	(17)	(24)

Write-downs of assets totalled €10 million in first-half 2013 (€18 million in first-half 2012) and principally related to advances paid to writers by Lagardère Publishing.

Note 9 Other operating income

	First-half 2013	First-half 2012
Foreign exchange gains	-	3
Reversals of provisions for contingencies and losses	19	-
Other income	6	5
Total	25	8

Note 10 Financial income and expenses

Financial income and expenses break down as follows:

	First-half 2013	First-half 2012
Interest income on loans	2	3
Investment income and gains on sales of marketable securities	1	2
Gains on financial derivative instruments acquired as hedges of net debt	2	-
Financial income	5	5
Interest expense on borrowings	(55)	(44)
Loss on sales of marketable securities	(1)	-
Loss on financial derivative instruments acquired as hedges of net debt	(1)	(1)
Other financial expenses	(3)	-
Financial expenses	(60)	(45)
Total	(55)	(40)

Note 11 Income tax expense

Income tax expense breaks down as follows:

	First-half 2013	First-half 2012
Current taxes	(83)	(24)
Deferred taxes	37	-
Total	(46)	(24)

At 30 June 2013:

- current taxes included the 3% additional contribution instituted in France on dividends paid, corresponding to €40 million;
- deferred taxes included the reversal of a deferred tax liability in the amount of €31 million following impairment losses recorded on publication titles for the Magazine Publishing business.

Note 12 Earnings per share

Basic earnings per share

Earnings per share is calculated by dividing profit attributable to owners of the Parent by the weighted average number of ordinary shares outstanding during the period, excluding treasury shares. Changes in the number of shares as a result of employees exercising their stock options (movements throughout the period) are included using the average of opening and closing balances for the period.

Diluted earnings per share

The only dilutive ordinary shares are (i) unexercised employee stock options which are not covered by hedging contracts and whose exercise prices are lower than the average quoted price of the Lagardère SCA share over the reference period ("in-the-money" options), and (ii) free shares, when it is probable that they will vest at the vesting date set in the plan (specific case of performance shares).

	First-half 2013	First-half 2012
Profit (loss) for the period attributable to owners of the Parent (in millions of euros)	1,483	36
Number of shares making up the share capital at 30 June	131,133,286	131,133,286
Treasury shares	(3,252,446)	(3,705,043)
Number of shares outstanding at 30 June	127,880,840	127,428,243
Average number of shares outstanding during the period	127,869,567	127,394,416
Basic earnings per share attributable to owners of the Parent (in euros)	11.60	0.29
Dilutive stock options and free shares:		
Stock options	-	-
Free shares	1,520,280	2,002,030
Average number of shares including dilutive stock options and free shares	129,389,847	129,396,446
Diluted earnings per share attributable to owners of the Parent (in euros)	11.47	0.28

Note 13 Investments in associates

The Group's main associates are as follows:

	% interest		Balance sheet		Income statement	
	30 June 2013	31 Dec. 2012	30 June 2013	31 Dec. 2012	First-half 2013	First-half 2012
Canal+ France	20%	20%	1,154	1,154	0	0
Marie Claire	42%	42%	90	125	(35)	2
Amaury group	-	25%	-	98	-	-
O.E.E. (Because)	25%	25%	6	16	(10)	-
Éditions J'ai lu	35%	35%	16	16	-	-
S.D.A. (Société de Distribution Aéroportuaire)	45%	45%	10	11	2	2
SETC	49%	49%	13	14	-	-
Other			14	17	(4)	(1)
Excluding EADS			1,303	1,451	(47)	3
EADS	-	7.39%	-	(*)	-	42
Total			1,303	1,451	(47)	45

(*) The shares held by Lagardère in EADS were reclassified as assets held for sale at 31 December 2012 and were sold on 12 April 2013.

Canal+ France

At 30 June 2013, the value in use of the investment in Canal+ France was maintained at €1,154 million, as estimated and recognised in the financial statements at 31 December 2012. The new budget submitted by Canal+ France in April 2013, which applied the same discount and perpetuity growth rates as those used at 31 December 2012, led to the investment being valued at an amount close to that calculated at end-2012. Consequently, Canal+ France's contribution to consolidated profit for the first half of 2013 has been offset by an impairment loss to write the investment down to an unchanged value in use of €1,154 million.

The liquidity procedure provided for in the shareholder agreement signed on 4 January 2007 with the Vivendi group remained legally valid at 30 June 2013. However, the initial public offering of the investment has been postponed.

Marie Claire

Taking into account the economic environment in which the Magazine Publishing business operates and based on an external valuation carried out by a financial institution, the interest held in the Marie Claire group was valued at €90 million at 30 June 2013. As this interest was valued at €125 million in the 2012 consolidated financial statements, this revaluation led to the recognition of a €35 million impairment loss for the first half of 2013.

OEE shares (Because group)

In first-half 2013, a €10 million impairment loss was recognised on the 25% interest held in the Because group (music rights management specialist), valuing it at €6 million. This valuation was based on a re-estimated market value taking into account changes in the group's financial position.

Note 14 Short-term investments

Short-term investments solely comprise available-for-sale investments measured at fair value. They can be analysed as follows:

	30 June 2013	31 Dec. 2012
Shares	25	24
Bonds	16	31
Total	41	55

Shares recorded under this item correspond to the Deutsche Telekom shares received in 2006 in exchange for T-Online shares as part of the merger between the two companies.

Note 15 Cash and cash equivalents

Cash and cash equivalents reported in the statement of cash flows were as follows:

	30 June 2013	31 Dec. 2012
Cash and cash equivalents	586	648
Short-term bank loans and overdrafts	(57)	(49)
Cash and cash equivalents, net	529	599

Note 16 Debt

16.1 Breakdown of debt

	30 June 2013	31 Dec. 2012
Bonds	1,243	1,457
Bank loans	2	665
Finance lease liabilities	1	1
Debt related to put options granted to minority shareholders	26	26
Other debt	10	16
Non-current debt	1,282	2,165
Bonds	100	102
Bank loans	9	11
Finance lease liabilities	1	1
Debt related to put options granted to minority shareholders	-	-
Other debt	135	124
Current debt	245	238
Total debt	1,527	2,403

16.2 Analysis of debt by maturity

Maturity Total	30 June 2014^(*)	30 June 2015	30 June 2016	30 June 2017	30 June 2018	Beyond 5 years	Total
Bonds	100	657	-	97	489	-	1,343
Bank loans	9	-	1	1	-	-	11
Finance lease liabilities	1	1	-	-	-	-	2
Debt related to put options granted to minority shareholders	-	-	10	1	6	9	26
Other debt	135	1	-	-	-	9	145
At 30 June 2013	245	659	11	99	495	18	1,527

() Debt due within one year is reported in the balance sheet under "Current debt".*

Note 17 Components of other comprehensive income (expense)

The components of other comprehensive income (expense) can be analysed as follows:

First-half 2013 <i>(in millions of euros)</i>	Other reserves	Translation reserve	Valuation reserve	Equity attributable to owners of the Parent	Minority interests	Total equity
Currency translation adjustments		(33)		(33)		(33)
Change in fair value of:						
derivative financial instruments			1	1		1
- unrealised gains and losses recognised directly in equity			1	1		1
- amounts reclassified from equity to profit			-	-		-
investments in non-consolidated companies			(2)	(2)		(2)
- unrealised gains and losses recognised directly in equity			(2)	(2)		(2)
- amounts reclassified from equity to profit			-	-		-
Actuarial gains and losses on pensions and other post-employment benefit obligations				0		0
Share of other comprehensive income (expense) of associates (net of tax)*		(70)	79	9		9
Tax relating to components of other comprehensive income (expense) recognised in equity				0		0
Other comprehensive income (expense) for the period, net of tax		(103)	78	(25)		(25)
<i>(*) Only concerns the EADS group.</i>						

First-half 2012						
<i>(in millions of euros)</i>	Other reserves	Translation reserve	Valuation reserve	Equity attributable to owners of the Parent	Minority interests	Total equity
Currency translation adjustments		35		35	1	36
Change in fair value of:						
derivative financial instruments			0	0		0
- unrealised gains and losses recognised directly in equity			1	1		1
- amounts reclassified from equity to profit			(1)	(1)		(1)
investments in non-consolidated companies			(1)	(1)		(1)
- unrealised gains and losses recognised directly in equity			(1)	(1)		(1)
- amounts reclassified from equity to profit			-	-		-
Actuarial gains and losses on pensions and other post-employment benefit obligations	(20)			(20)		(20)
Share of other comprehensive income (expense) of associates (net of tax)*	(50)	5	(68)	(113)		(113)
Tax relating to components of other comprehensive income (expense) recognised in equity	6			6		6
Other comprehensive income (expense) for the period, net of tax	(64)	40	(69)	(93)	1	(92)
<i>(*) Only concerns the EADS group.</i>						

Tax relating to components of other comprehensive income (expense) recognised in equity breaks down as follows:

<i>(in millions of euros)</i>	First-half 2013		
	Before tax	Tax	After tax
Currency translation adjustments	(33)	-	(33)
Change in fair value of:			
- derivative financial instruments	1	-	1
- investments in non-consolidated companies	(2)	-	(2)
Actuarial gains and losses on pensions and other post-employment benefit obligations	0	-	0
Share of other comprehensive income (expense) of associates (net of tax)*	9	-	9
Other comprehensive income (expense) for the period	(25)	-	(25)
<i>(*) Only concerns the EADS group.</i>			

	First-half 2012		
	Before tax	Tax	After tax
<i>(in millions of euros)</i>			
Currency translation adjustments	36	-	36
Change in fair value of:			
- derivative financial instruments	0	-	0
- investments in non-consolidated companies	(1)	-	(1)
Actuarial gains and losses on pensions and other post-employment benefit obligations	(20)	6	(14)
Share of other comprehensive income (expense) of associates (net of tax)*	(113)	-	(113)
Other comprehensive income (expense) for the period	(98)	6	(92)
<i>(*) Only concerns the EADS group.</i>			

Note 18 Assets held for sale and associated liabilities

At 31 December 2012, this item included shares in EADS in an amount corresponding to (i) their €392 million carrying amount at that date, plus (ii) the €45 million in goodwill recognised when the Lagardère group purchased Matra Hachette's shares prior to the merger of Matra Hachette into the Lagardère group in 1996, which led to the formation of the Lagardère group. This goodwill was allocated in priority to all of Matra's high technology activities, which were transferred to EADS when EADS was first formed in 2000.

On 12 April 2013, Lagardère sold its entire equity interest in EADS.

Note 19 Contractual obligations and commitments given

The main changes in first-half 2013 compared to the commitments presented in Notes 33 and 34 to the consolidated financial statements at 31 December 2012 were as follows:

➤ *Stock option plans and free share plans*

Following the payment of an extra interim dividend of €9 per share on 31 May 2013, which led to an increase in the share price by Euronext of the same amount (representing more than 30% of the share price before the ex-dividend date), the Managing Partners, in compliance with the applicable legal provisions, decided to preserve the rights of holders of free shares in Lagardère SCA and Lagardère SCA stock options that had not vested or been exercised as of the dividend payment date.

This concerns the following outstanding plans:

○ *Stock option plans*

2003 Plan: 1,163,783 options exercisable until 18 December 2013 at a price of €51.45

2004 Plan: 1,293,393 options exercisable until 20 November 2014 at a price of €51.92

2005 Plan: 1,423,739 options exercisable until 21 November 2015 at a price of €56.97

2006 Plan: 1,629,600 options exercisable until 14 December 2016 at a price of €55.84

For a total of 5,510,515 options

- Free share plans

2009 Plan: 131,080 free share grants

2010 Plan: 129,200 free share grants

2011 Plan: 621,700 free share grants

2012 Plan: 638,300 free shares grants

For a total of 1,520,280 free share grants

These rights will be preserved using one of the methods provided for by law and at the latest by the end of the Annual General Meeting held in 2014 to approve the allocation of net profit for 2013 and the payment of the extra dividend.

➤ *Lagardère Unlimited*

- At 30 June 2013, the minimum payments guaranteed under long-term contracts for sports rights sales totalled €828 million, compared to €880 million at 31 December 2012.

- At 30 June 2013, commitments received under contracts signed with distributors and partners totalled €1,223 million compared to €1,281 million at 31 December 2012.

Note 20 Litigation

Swiss Competition Commission launches investigation

This investigation is described in Note 35 to the consolidated financial statements at 31 December 2012. Following the events reported therein, the Swiss Competition Commission (Comco) made a final decision on 27 May 2013 under which Diffulivre (Lagardère Publishing division) was convicted of territorial exclusivity with the intention or effect of partitioning the Swiss market, one of the three original charges.

This decision has been appealed before the Federal Administrative Court of Switzerland.

Lagardère has taken legal action against Vivendi and Groupe Canal+ for the restitution of €1.6 billion in cash to Canal+ France

In its capacity as a Canal+ France shareholder (20% interest), on 12 February 2013 Lagardère summoned Vivendi and Groupe Canal+ (hereinafter "the Vivendi group") to appear in the Paris commercial court for the purposes of obtaining a restitution from the Vivendi group to Canal+ France of its cash, which amounted to close to €1.6 billion on 30 November 2012.

Lagardère believes that the Vivendi group is making permanent use of Canal+ France's entire cash surplus under a cash management agreement, the legality of which Lagardère contests.

Lagardère considers that the use made by the Vivendi group of this cash management agreement has caused significant harm to Canal+ France, since it:

- (i) receives a very low interest, which does not take into account either the amounts at stake or the permanent nature of its use by the Vivendi group;
- (ii) is providing low-cost funding for the goals pursued by the Vivendi group's wholly-owned subsidiaries;
- (iii) is exposed to financial risks that are not justified given the absence of any guarantee protecting Canal+ France.

Lagardère believes that this action is necessary to defend Canal+ France's corporate interests and regrets that this situation, which was created by the Vivendi group, has caused a deadlock preventing Canal+ France from going ahead with an IPO in normal conditions.

In their statements of defence filed on 16 May 2013, the Vivendi group and Canal+ France issued counterclaims arguing that the action brought against them by Lagardère is unjustified and harms their image. As a result, they are requesting that Lagardère be ordered to pay €7.2 million in damages, €1.7 million to cover their costs, and to pay all the costs of the proceedings. Lagardère considers these claims to be unfounded.

By way of a judgement handed down on 10 June 2013, the Paris Commercial Court designated René Ricol as mediator in order to assist the parties in finding an amicable solution to the dispute. This mediation process is expected to end on 30 September 2013.

Other litigation

There were no other important developments in the disputes described in Note 35 to the consolidated financial statements at 31 December 2012.

Note 21 Related parties

During the first half of 2013, no new transactions were undertaken by the Lagardère group with related parties other than those described in Note 36 to the consolidated financial statements at 31 December 2012.

3 - STATUTORY AUDITORS' REPORT

This is a free translation into English of the statutory auditors' review report on the half-yearly consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users. This report also includes information relating to the specific verification of information given in the Group's interim management report. This report should be read in conjunction with and construed in accordance with French law and professional standards applicable in France.

MAZARS
Tour Exaltis
61, rue Henri-Regnault
92400 Courbevoie
S.A. au capital de € 8.320.000

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles

ERNST & YOUNG et Autres
1/2, place des Saisons
92400 Courbevoie – Paris-La Défense 1
S.A.S. à capital variable

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles

Lagardère S.C.A.

Period from January 1 to June 30, 2013

Statutory Auditors' Review Report on the First Half-yearly Financial Information for 2013

To the Shareholders,

In compliance with the assignment entrusted to us by your general shareholders' meetings and in accordance with the requirements of article L.451-1-2 III of the French monetary and financial code, we hereby report to you on:

- the limited review of the accompanying condensed half-yearly consolidated financial statements of Lagardère S.C.A., for the period from January 1 to June 30, 2013, and
- the verification of the information contained in the interim management report.

These condensed half-yearly consolidated financial statements were drawn up under the responsibility of the Managing Partners. Our role is to express a conclusion on these financial statements based on our limited review.

1. Conclusion on the financial statements

We conducted our limited review in accordance with professional standards applicable in France. A limited review mainly consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our limited review, nothing has come to our attention that causes us to believe that the condensed half-yearly consolidated financial statements are not prepared in all material respects in accordance with IAS 34 – standard of the IFRSs as adopted by the European Union applicable to interim financial information.

Without calling into question the conclusion expressed above, we draw your attention to the following matters:

- Note 13 “Investments in associates” and Note 20 “Litigation” to the condensed half-yearly consolidated financial statements, which describe why the investment in Canal + France, consolidated using the equity method, has been maintained at its value in use;
- Note 7 “Impairment losses on goodwill, property, plant and equipment and intangible assets” to the condensed half-yearly consolidated financial statements, which describes indications of impairment identified in first half of 2013, and the impairment losses recognized in particular on the assets of the Magazine Publishing activity of the Active division;
- The value of the assets of the Lagardère Unlimited division, as presented in Note 3 “Segment information”, which, as was already the case at December 31, 2012, still depends on the conditions in which current contracts will be completed, the ability to renew these contracts or to win new ones, as well as the related margin conditions.

2. Specific verification

We have also verified the information presented in the interim management report in respect of the condensed half-yearly financial statements subject to our limited review.

We have no matters to report as to its fair presentation and its consistency with the condensed half-yearly financial statements.

French original signed at Courbevoie and Paris-La Défense on August 28, 2013

By the statutory auditors

MAZARS

ERNST & YOUNG et AUTRES

Bruno Balaire

Jeanne Boillet

4 - PERSONS RESPONSIBLE FOR THE INTERIM FINANCIAL REPORT – DECLARATION BY THE MANAGING PARTNERS

We hereby declare that, to the best of our knowledge, the condensed interim consolidated financial statements for the first half of 2013 have been prepared in compliance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the Company and all the entities included in the consolidation, and that the accompanying interim management report presented on pages 4 to 13 provides a fair view of the significant events of the first six months of the year, their impact on the financial statements, the principal related party transactions and a description of the main risks and uncertainties for the remaining six months of the year.

The Statutory Auditors' report on the 2012 condensed interim consolidated financial statements presented on page 38 of the 2012 Interim Financial Report contains two observations:

- one concerning Note 12 to the condensed half-yearly consolidated financial statements, which describes why the investment in Canal+ France, consolidated using the equity method, was maintained at its value in use;
- the other concerning the value of the assets of the Lagardère Unlimited branch, as presented in Note 3 "Segment information", which, as was already the case at December 31, 2011, still depended on the conditions in which current contracts would be completed, the ability to renew these contracts or to win new ones, as well as the related margin conditions.

The Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2012 contains two observations:

- one concerning Note 10 to the consolidated financial statements related to impairment losses on goodwill and intangible fixed assets, especially with regard to Lagardère Unlimited and Lagardère Active;
- the other concerning Note 19 which presents the accounting treatment used at 31 December 2012 for the investment in Canal+ France.

The Statutory Auditors' report on the 2013 condensed interim consolidated financial statements presented on page 39 of the 2013 Interim Financial Report contains three observations concerning:

- Note 13 "Investments in associates" and Note 20 "Litigation" to the condensed half-yearly consolidated financial statements, which describe why the investment in Canal + France, consolidated using the equity method, has been maintained at its value in use;
- Note 7 "Impairment losses on goodwill, property, plant and equipment and intangible assets" to the condensed half-yearly consolidated financial statements, which describes indications of impairment identified in first half of 2013, and the impairment losses recognized in particular on the assets of the Magazine Publishing activity of the Active division;
- The value of the assets of the Lagardère Unlimited division, as presented in Note 3 "Segment information", which, as was already the case at December 31, 2012, still depends on the conditions in which current contracts will be completed, the ability to renew these contracts or to win new ones, as well as the related margin conditions.

Paris, 28 August 2013

Arnaud Lagardère

For Arjil Commanditée-Arco

Arnaud Lagardère - Pierre Leroy