



Lagardère

→ *Press release*

**LAGARDERE SCA 2005 FULL-YEAR CONSOLIDATED REVENUES UP 5.8%
REVENUES FROM MEDIA ACTIVITIES UP 5.3% ON A REPORTED BASIS
AND 2.5% ON A LIKE-FOR-LIKE BASIS ^(*)**

2005 full-year revenues from media activities rose by 5.3% on a reported basis. The reported figure was boosted by the consolidation of the activities of Hodder Headline over 12 months, rather than just the final quarter in 2004; this had a positive impact of €176m (revenues for the first 9 months of 2005).

On a like-for-like basis ^(*), revenues from media activities increased by 2.5% over the full year, in line with the growth rate achieved in the first 9 months (also 2.5% on a like-for-like basis).

Highlights of the fourth quarter of 2005:

- **Books** – A decent quarter for Hachette Livre despite a very tough comparative. Further growth for Part-Works was coupled with good performances from Education in France and Spain, and also in distribution. In France, General Literature matched the record sales achieved in the fourth quarter of 2004.
- **Press** – The growth rate improved relative to the third quarter due partly to fine performances in our Russian and Chinese operations and in regional dailies, and partly to a turnaround in our operations in the United States and Italy.
- **Distribution Services** – A good quarter, driven by the performances of Aelia, Eastern Europe, Asia and Australia.
- **Lagardere Active** – As expected, a low-growth quarter, due to tough comparatives and the lack of billings in the Production division.

LAGARDERE SCA consolidated revenues, including EADS (up 6.6%), rose by 5.8% over the year.

	Revenues (€m)		Year-on-year growth (reported)	Year-on-year growth (restated, like-for-like) ^(*)
	2005	2004		
. MEDIA ACTIVITIES	7,900.6	7,500.8	5.3%	2.5%
- Books	1,644.2	1,419.7	15.8%	3.5%
- Press	1,862.5	1,848.3	0.8%	0.6%
- Distribution Services	3,773.2	3,675.0	2.7%	2.0%
- Lagardere Active	620.7	557.8	11.3%	9.2%
. EADS	5,112.6	4,795.1	6.6%	N/A
LAGARDERE SCA	13,013.2	12,295.9	5.8%	N/A

^(*) excluding changes in group structure and the effect of exchange rates

N/A: not available

LAGARDERE MEDIA

The **Media Activities** division recorded 2005 full-year growth of 2.5% on a like-for-like basis. The slight fall in the euro over the year as a whole boosted revenues, which rose by 2.8% at actual exchange rates but before the effect of changes in group structure.

- **Hachette Livre**

The British publisher Hodder Headline, consolidated since 1 October 2004, contributed €234.5m to Hachette Livre revenues in 2005.

On a like-for-like basis, growth in full-year revenues (3.4%) slightly lagged year-to-date growth to end September 2005 (4.1%), mainly due to a very tough comparative in the final quarter of 2004.

Key trends in the final quarter of 2005 were:

- Strong growth in Education in France on market share gains and the success of general education titles (other than textbooks).
- Very sound performance from Anaya, despite the lack of major educational reforms.
- Good growth for Part-Works internationally.
- By contrast, the Larousse group is still affected by unflattering comparatives.
- After a fine start to the year, Hachette Illustrated (guides, practical books, children's books) is suffering from a temporary downturn in sales of special editions.
- Slight dip in revenues at Hodder Headline, reflecting cyclical patterns in Education. Over the full year, organic growth was encouraging, and beat our expectations.

- **Hachette Filipacchi Médias**

The persistent weakness of the recovery in magazine advertising spend affected the entire year. Hachette Filipacchi Médias reported like-for-like growth of 0.6% in annual revenues, slightly up on the growth rate to end September (0.4%).

Key trends in the final quarter of 2005 were:

- Further very strong performances in new markets: Russia and China.
- Easing of the situation in tough markets: Italy, Japan and the United States, despite the loss of the Philip Morris custom publishing contract.
- Good performance from the regional press business.
- Flat revenues in French magazine publishing: sales of new launches held up well, offsetting weak growth in advertising and at Télé7jours.

- **Hachette Distribution Services**

Hachette Distribution Services revenues rose by 2.0% like-for-like over the full year, ahead of the growth rate to end September (1.6%).

Organic growth improved gradually as the year progressed.

Final-quarter trends included:

- An encouraging performance in France, with an upturn in air passenger traffic prompting a recovery at Aelia.
- Good growth in the rest of Europe, especially Poland, the Czech Republic and Hungary.
- A very fine quarter for the United States, Asia and Australia.

- **Lagardere Active**

Full-year revenue growth at Lagardere Active was a very robust 9.2% on a like-for-like basis, but as expected was down on the 12.5% growth achieved to end September 2005.

Fourth-quarter trends presented a mixed picture.

Radio – The rise in advertising revenues continued, with full-year organic growth reaching 5.7%, after 3.8% to end September. This performance was mainly due to very strong revenue growth for radio channels in Eastern Europe. In a tough market, the French channels showed resilience, with RFM and Les Indépendants doing well and a solid performance from Europe 1.

Television – As expected, there were no billings in TV Production in the quarter. Nonetheless, this business ended the year with record growth of 15.6% (vs. 26.5% to end September). In themed channels (up 3.4% over the full year, vs. 6.7% to end September), the figures were again affected by the closure of Match TV in the summer of 2005.

Lagardere Active Broadband – This division posted full-year growth of 9.2%, against 17.5% to end September. The main reason for this slowdown in the fourth quarter was the divestment of very low-margin businesses by Hachette Multimédia. The success of our subsidiary in the United States shows no signs of flagging.

- **Outlook**

Lagardère Media revenues are in line with, and validate, our expectations.

We are therefore able to confirm our guidance on full-year growth in Recurring EBIT before Associates for Lagardère Media (including Hodder Headline), which we expect to be in the "5%-9%" range already announced.

This guidance is based on the same parameters as those used in March 2005:

- euro/dollar exchange rate of 1.30
- excluding the impact of stock options
- excluding the impact of Digital Terrestrial Television investment costs, estimated at €8m in 2005.

EADS

The figure shown on the “**EADS**” line represents 14.95% of the revenues generated by the EADS group (compared with 15.10% in 2004).

The share of EADS revenues consolidated by Lagardère SCA rose by 6.6% in 2005, to €5.1bn.

Airbus and Eurocopter were the main drivers of growth, though all divisions contributed except for MTA (Military Transport Aircraft). Airbus delivered 378 aircraft in 2005, 58 more than in 2004, mainly single-aisle A320-family aircraft.

Eurocopter delivered 334 units, 55 more than in 2004, including 5 Tigre combat helicopters. Coupled with billings of defense programs, these deliveries pushed Eurocopter revenues (at 100%) to €3.2bn, 15% more than in the previous year.

The MTA (Military Transport Aircraft) division reported a 41% drop in revenues to €0.8bn (at 100%) due to the postponement of a stage billing on the A400M program to the first quarter of 2006.

The other divisions reported revenue growth of between 3% and 5%.

Note: transition to IFRS

The figures provided above were prepared under International Financial Reporting Standards (IFRS). The 2004 financial statements as restated under IFRS for comparative purposes were unveiled by Lagardère at a presentation on May 17, 2005.

Investors can also access currently available information on the first-time adoption of IFRS by visiting the “Financial Information” section of our website: <http://www.lagardere.com/us>.

Paris, February 8, 2006

The Lagardère Group is a market leader in the media sector (books, press, audiovisual, and distribution/retailing of cultural products). The group also has interests in the high technology sector via a 14.95% stake in EADS. The Group posted revenues of €12,296m in 2004, and employs 47,300 people in over 40 countries. The Lagardère Group is listed on the Premier Marché of the Paris Bourse.

Press Contacts

Thierry Funck-Brentano

tel. +33 (0)1 40 69 16 34

tfb@lagardere.fr

Arnaud Molinié

tel. +33 (0)1 40 69 16 72

amolinie@lagardere.fr

Investor Relations Contact

Laurent Carozzi

tel. +33 (0)1 40 69 18 02

lcrozzi@lagardere.fr