



Press Release

LAGARDERE MEDIA REPORTS OPERATING INCOME GROWTH OF 10.4 % (*)

At its meeting on March 20th, 2002, the Supervisory Board reviewed the Full Year 2001 Financial Statements as presented by Mr. Jean-Luc LAGARDERE, General Partner and Chief Executive Officer, Arnaud LAGARDERE and Philippe CAMUS, General Partners and Co-Chief Executives.

CONSOLIDATED REVENUES

The consolidated revenues for the year 2001 attained 13,295 M€ (compared to the pro-forma 2000 sales of 11,875 M€), an increase of 12.0%.

- **Lagardère Media** revenues rose 6.5% (3.6% on a comparable basis) to 7,668 M€. This increase comes from the solid performance realized by the Distribution & Services and Book divisions.
- Sales of the "**Automobile**" segment declined by 3.6% (4.4% on a comparable basis). However, **Matra Automobile** maintained its leadership in the French and European markets for the high-end mini-van segment.
- The strong growth in the **High Technology** revenues comes from all the activities (with the exception of the Space Division) and especially the Airbus Division which includes the consolidation of 100% of the Airbus activities in 2001.

(*) Including the impact of the additional three months of activity for Lagardere Active Broadcast (December close instead of a September close historically), Lagardère Media's operating income growth was 9.3%.

CONSOLIDATED OPERATING INCOME GROWTH OF 8.4% (on a pro-forma basis)

The Consolidated Operating Income for 2001 for Lagardère grew to 514 M€. The analysis of this increase is as follows:

- **Lagardère Media** operating income grew by 9.3% to 353 M€. **If the additional three months of activity** (December close instead of a September close historically) **from Lagardere Active Broadcast** ("Radio" and "Audiovisual") **are excluded, the Operating Income growth for Lagardère Media is 10.4%.**

Despite an abrupt drop-off in passenger activity in the Airports following September 11th, the "Distribution & Services" division grew their operating income by 32.8% while the Book division grew by + 12.1%.

The losses generated by the "Lagardere Active Broadband" branch (digital activities excluding radio and television) were significantly reduced resulting in the total "Lagardere Active" segment returning to a profit of 4 M€.

Up against an unfavorable advertising market in the US, Hachette Filipacchi Médias limited this impact on its operating income (- 4.7%) and was able to maintain its operating income margin.

In this difficult global economic context, the significant increase in operating income reflects the successful implementation of Lagardère Media's organic growth and profitability improvement plan launched in 2001.

- The 2001 figures of the **High Technology** segment represent 15.14% of the EADS income statement and 15.10% of its balance sheet, while the corresponding period of 2000 reflected 33% of Aerospatiale Matra results in the first half and 15.14% of EADS results in the second half. On a pro-forma basis, the first half 2000 results of Aerospatiale Matra have been substituted with 15.14% of EADS results for this same period. Finally, the EADS accounts include restatements in order to comply with Lagardère French GAAP.

As anticipated, the 2001 financial results were affected by a significant increase in the Research & Development spending, especially those linked to the A380 program and to the final step of A340-500/-600 development.

At the same time, EADS's operating income benefited from the 100% consolidation of the Airbus activities in 2001 versus 80% in 2000.

In total, the EADS contribution to the consolidated accounts was +104 M€ in operating income (compared to +68 M€ in 2000 on a pro-forma basis) and +470 M€ in net income (against -49 M€ in 2000 on a pro-forma basis).

- The **Automobile** segment reported an Operating Income of + 66 M€ which is slightly below the 2000 figure (+ 71 M€). This decrease results from the cost of launching the new model *Avantime* (delayed until December 2001) as well as a reduction of the sales of the Espace mini-van in the later part of 2001. Despite these two unfavorable events, the profitability of Matra Automobile remained strong as a result of a favorable mix of higher margin products as well as the growth of diversification revenue including engineering.

INTEREST EXPENSE

The Interest Expense in 2001 was 15 M€ versus 95 M€ for 2000 on a pro-forma basis. The 2001 figure includes the gain recorded on the sale of the EADS "Excess Shares" in January 2001 (+ 210 M€ before taxes) as well as the provision for depreciation of the T-Online shares (- 157 M€ before taxes) recorded in the first half of 2001.

Excluding these non-recurring events, the increase in the financial expense (40 M€ for Lagardère Media) is a result of the acquisitions realized during the second half of 2000 (CanalSatellite and MultiThématiques) and during 2001 (Marie-Claire and Virgin). This variance is more than offset by the growth of the income from these properties consolidated by the equity method.

NON OPERATING INCOME (EXPENSE)

The +353 M€ 2001 income is notably a result of a gain recognized by EADS following the creation of Airbus SAS which amounts to a gain of +441 M€ for the Lagardère accounts.

This Non Operating Income (Expense) line includes the impairment of various goodwill and other intangibles for - 42 M€ as well as a provision for restructuring for -99 M€ of which - 66 M€ is for the activities of Media and Automobile.

GOODWILL AMORTIZATION

Goodwill amortization increased from 61 M€ in 2000 (on a pro-forma basis) to 121 M€ in 2001 essentially as a result of the full year impact of the amortization related to the buyout of the Hachette Filipacchi Médias minority stockholders and EADS for the remaining portion.

INCOME FROM COMPANIES (ASSOCIATES) CONSOLIDATED BY THE EQUITY METHOD

This line shows a strong growth from + 30 M€ in 2000 on a pro-forma basis to + 77 M€ in 2001. This improvement comes essentially from the excellent performance of CanalSatellite as well as the contribution (for 9 months) of Marie-Claire.

MINORITY INTERESTS are significantly reduced in 2001 (- 11 M€ in 2001 versus -32 M€ in 2000 on a pro-forma basis) as a result essentially of the buyout of the Hachette Filipacchi Médias minority stockholders.

In summary, the **CONSOLIDATED NET INCOME** attained **616 M€** (compared to 528 M€ in 2000 on a pro forma basis).

IN MILLIONS OF EUROS	2001			2000	
	LAGARDERE EXCLUDING HIGH TECHNOLOGY	HIGH TECHNOLOGY	TOTAL LAGARDERE	TOTAL LAGARDERE PRO FORMA ^(*)	TOTAL LAGARDERE PUBLISHED
Consolidated Revenues	8,810	4,486	13,295	11,875	12,192
Operating Income	410	104	514	474	572
Interest Expense	(4)	(11)	(15)	(95)	(110)
Operating Income after Interest Expense	406	93	499	379	462
Non operating Income / (Expense)	(109)	462	353	653	651
Preferred Remuneration	(14)	-	(14)	(17)	(17)
Income Tax	(102)	(66)	(168)	(424)	(457)
Goodwill Amortization	(75)	(46)	(121)	(61)	(60)
Net Income before Minority Interests and Associates	106	444	550	530	579
Income from Associates	58	19	77	30	36
Minority Interests	(18)	7	(11)	(32)	(34)
Net Income	146	470	616	528	581

^(*) In this pro-forma presentation, the first half 2000 results of Aerospatiale Matra have been substituted with 15.14% of EADS results for the same period.

SOLID BALANCE SHEET

The net bank debt at 2001 year end of 219 M€ is to be compared with the Consolidated Net Worth of 4,328 M€.

Finally, Lagardère put in place two new lines of credit for a total of 1,91 billion euros. These credit lines have maturities ranging from 5 to 10 years and will provide Lagardère with a stable financing platform for its future development.

DIVIDEND

The Company's managing partners decided to propose at the General Shareholders Meeting a net dividend of 0.78 €/ share (plus a tax credit of 0.39 €).

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