



# General meeting

May 11, 2004



# 2003 Results

General meeting  
May 11, 2004



# 2003 consolidated statements



# Principal changes in consolidated companies

## Press

### *Hachette Filipacchi U.K.*

*Attic Futura* - Full consolidation as of September 1, 2002

*Hachette/EMAP Magazines* - Deconsolidation (proportional consolidation (50%)) as of end of October, 2002

*ELLE, ELLE Decor, ELLE Girl* and *Red* - Full consolidation as of end of October, 2002 (proportionally consolidated (50%) before)

### *Acquisitions*

*Multiediciones Universales* - Full consolidation as of January 1, 2003

*Hachette Marie-Claire Italia* - Proportional consolidation (49%) as of January 1, 2003

### *Disposal*

*Hachette Digital Presse* - Deconsolidation as of January 1, 2003



# Principal changes in consolidated companies

**Book**

**Disposal**

*Centre Educatif et Culturel* - Deconsolidation as of January 1, 2003  
(accounted for by the equity method in 2002)

**Distribution  
Services**

**Creation**

*Société de Distribution Aéroportuaire* - Proportional consolidation (51%)  
as of June 1, 2003

**Automobile**

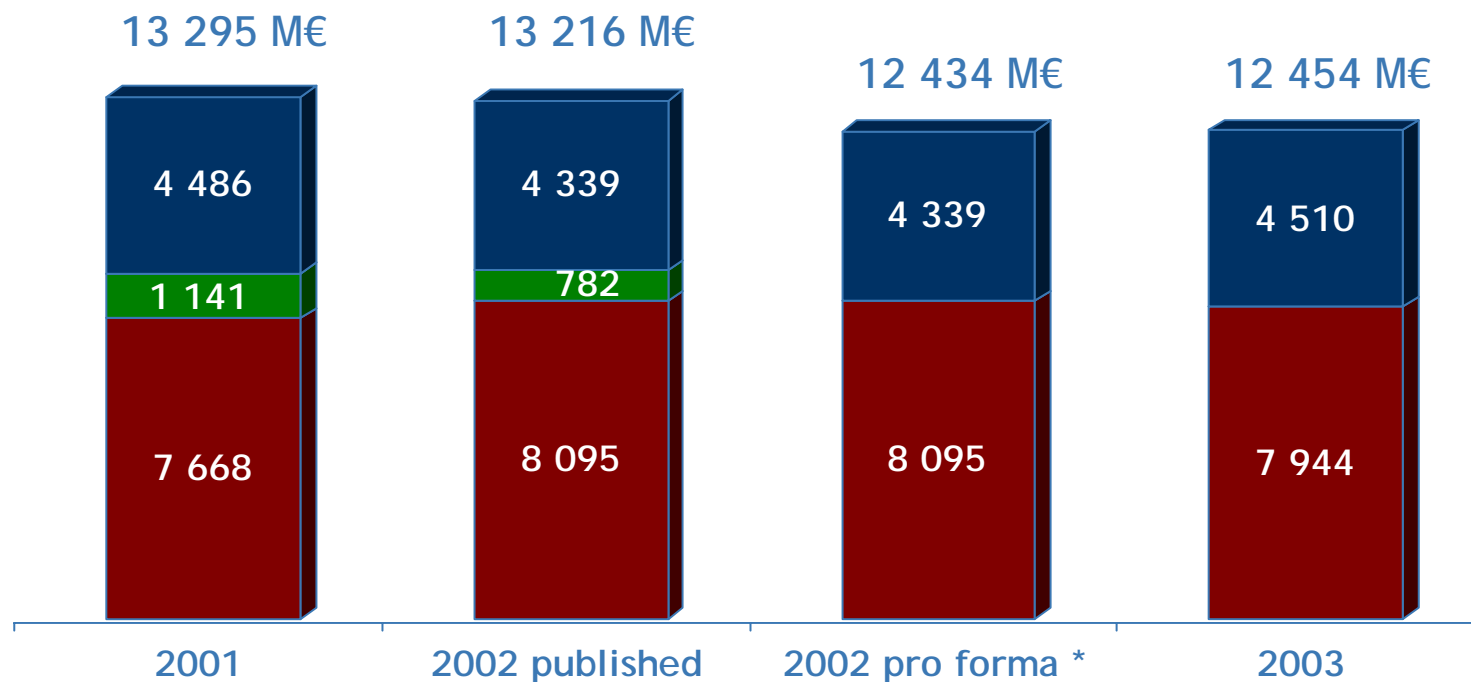
***Matra Automobile and its subsidiaries -***

Deconsolidation as of January 1, 2003

-with the exception of the *Spare parts* activity



# Sales by business segment

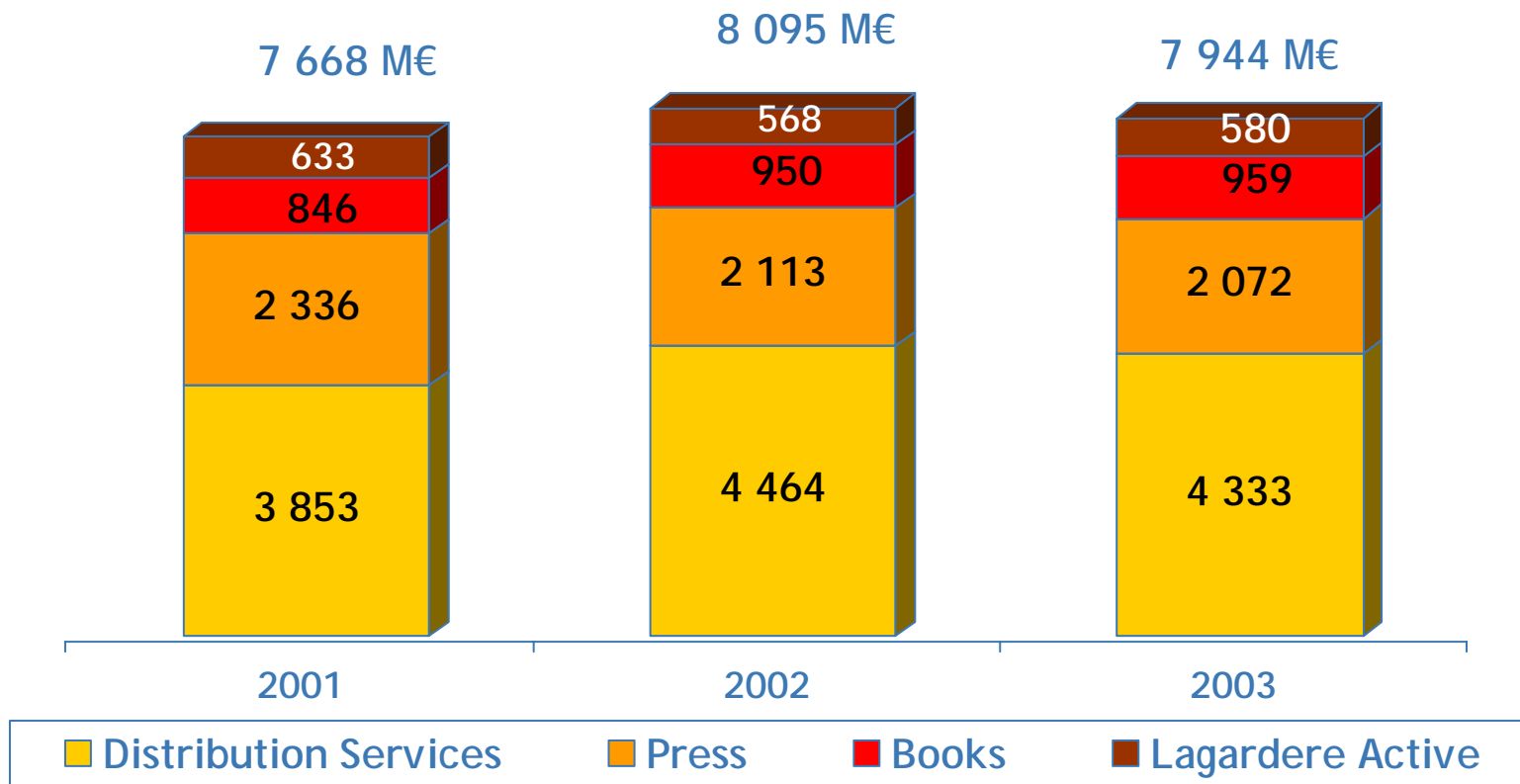


**Flat sales (vs 2002 proforma)  
despite strong Euro's rise (+17% against dollar)**

\* Excluding *Automobile*



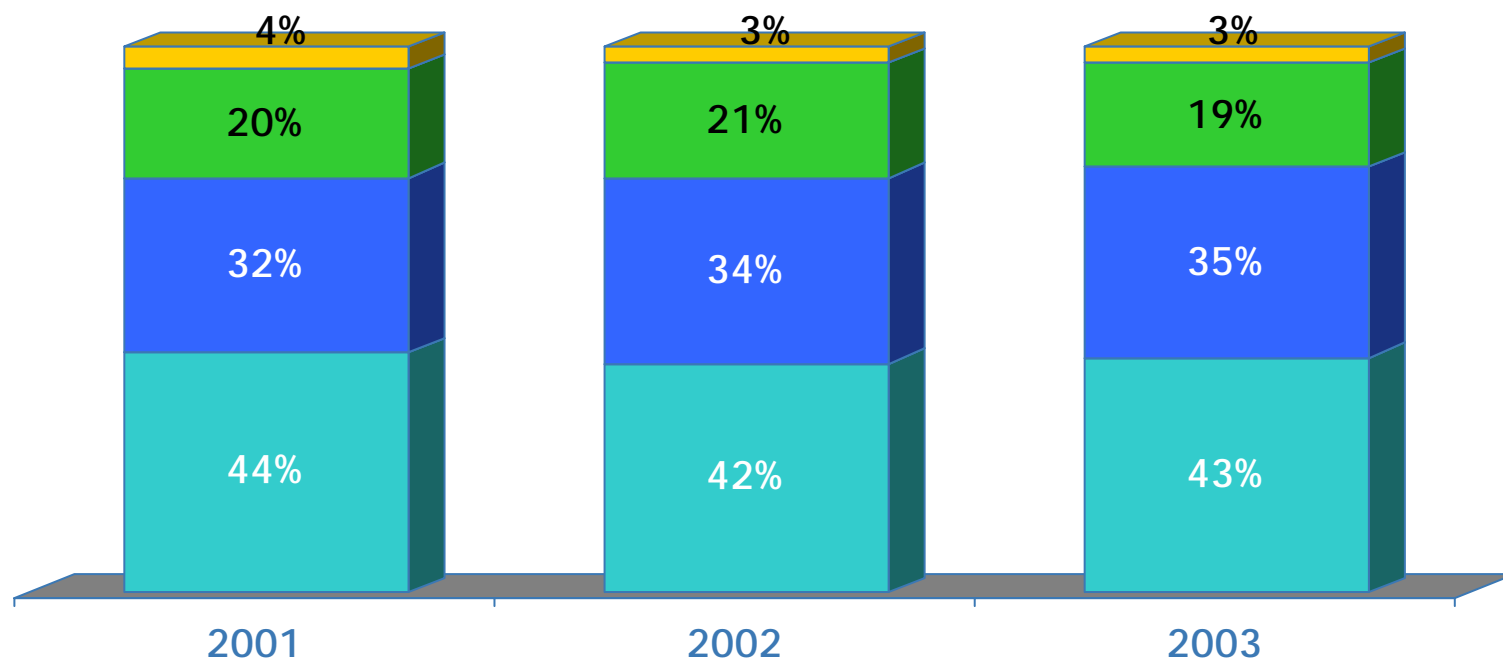
# Lagardère Media - Sales by division



Growth on a like-for-like basis +2,1%



# Lagardère Media - Sales by geographical area



■ France 
 ■ Rest of Europe 
 ■ USA & Canada 
 ■ Rest of the world

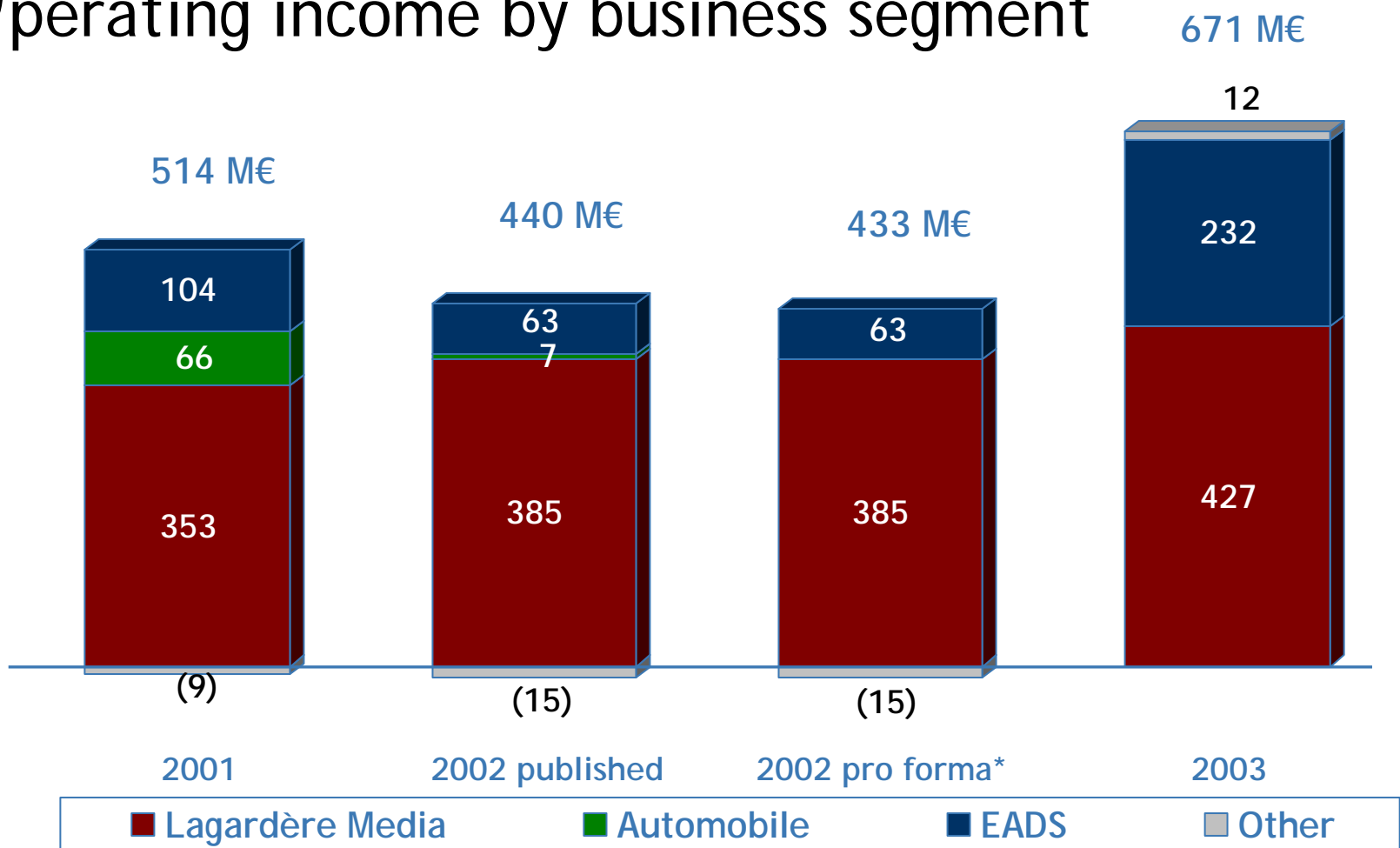


- Acquisitions of *magazine* properties in Europe
- Euro's rise





# Operating income by business segment

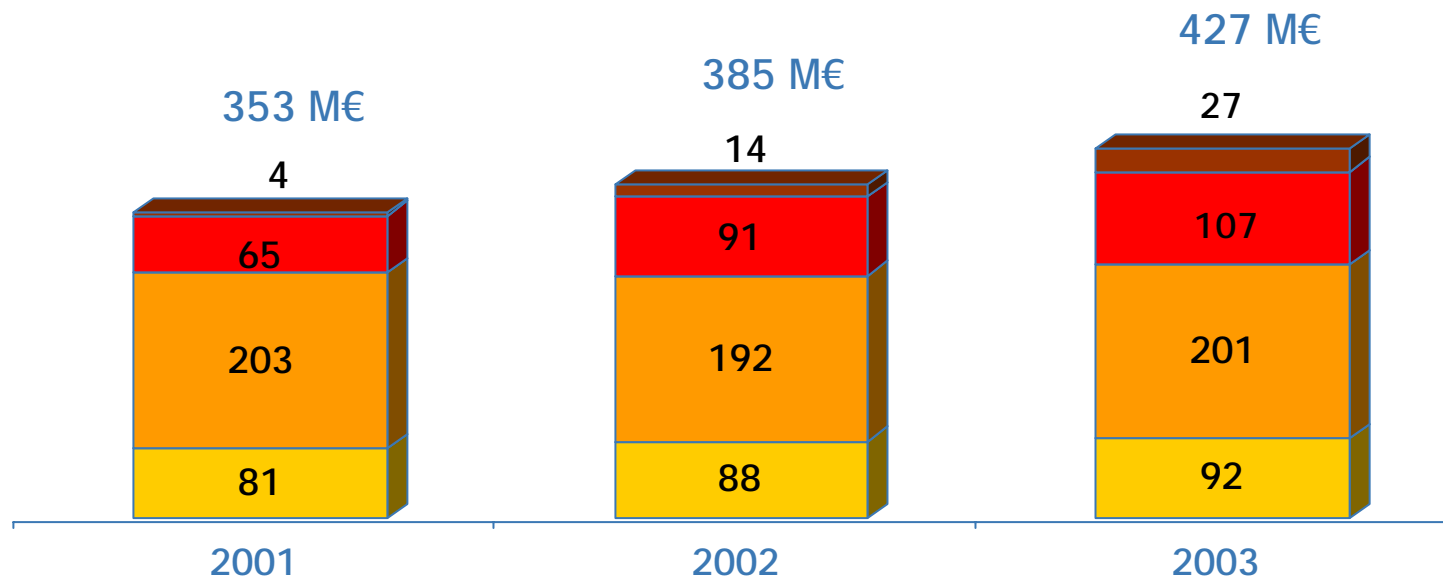


- Consolidated operating income growing strongly
- Lagardère Media delivering double digit operating income growth (+11%)

\* Excluding Automobile



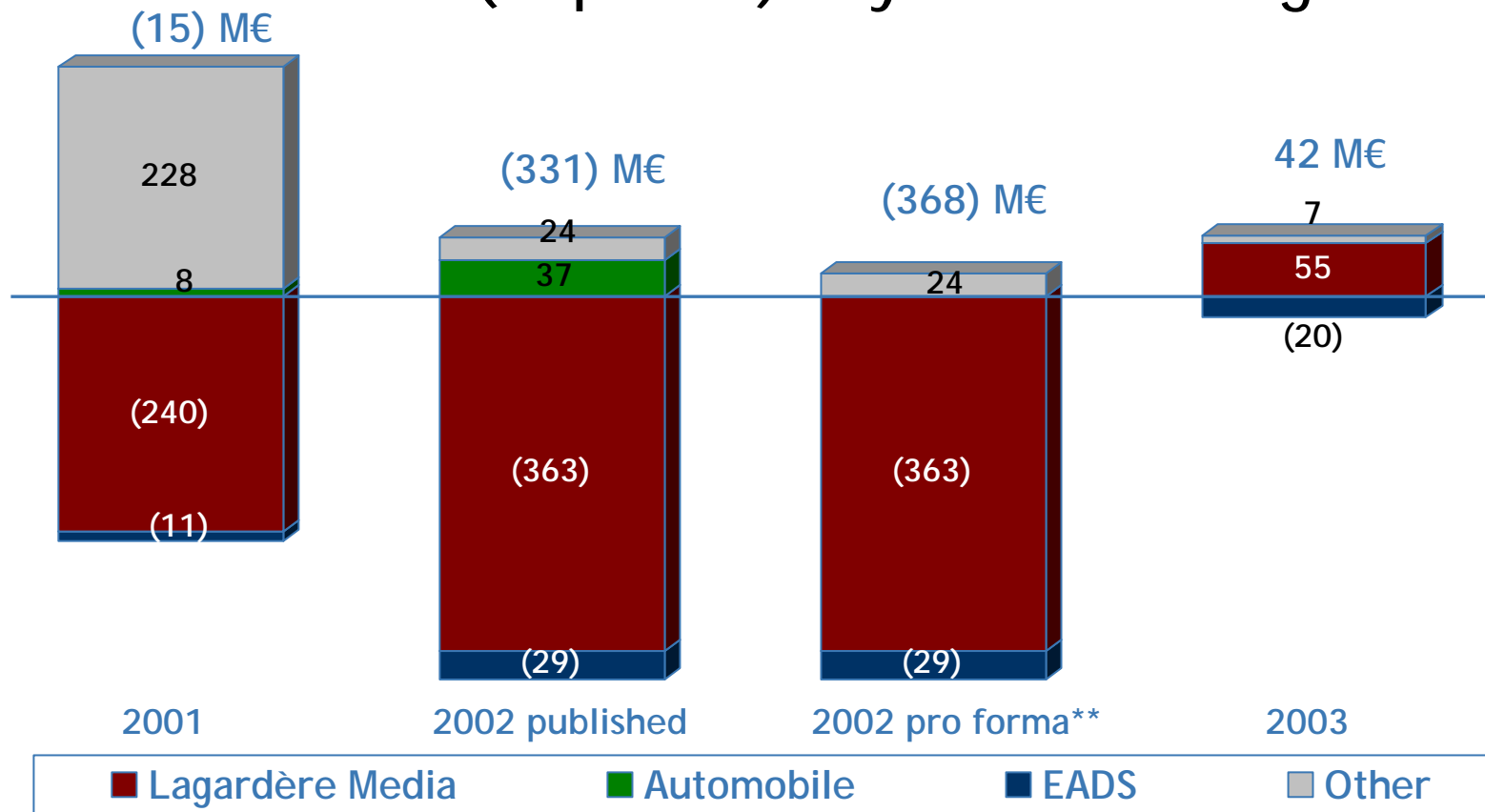
# Lagardère Media - Operating income by division



- *Book* division growing sharply +17% (operating margin 11,1% -vs 9,6% in 2002)
- *Press & Lagardere Active* divisions improving operating margins again (9,7% -vs 9,1% in 2002 for *Press*, and 4,7% -vs 2,5% in 2002 for *Lagardere Active*)



# Financial income (expense)\* by business segment



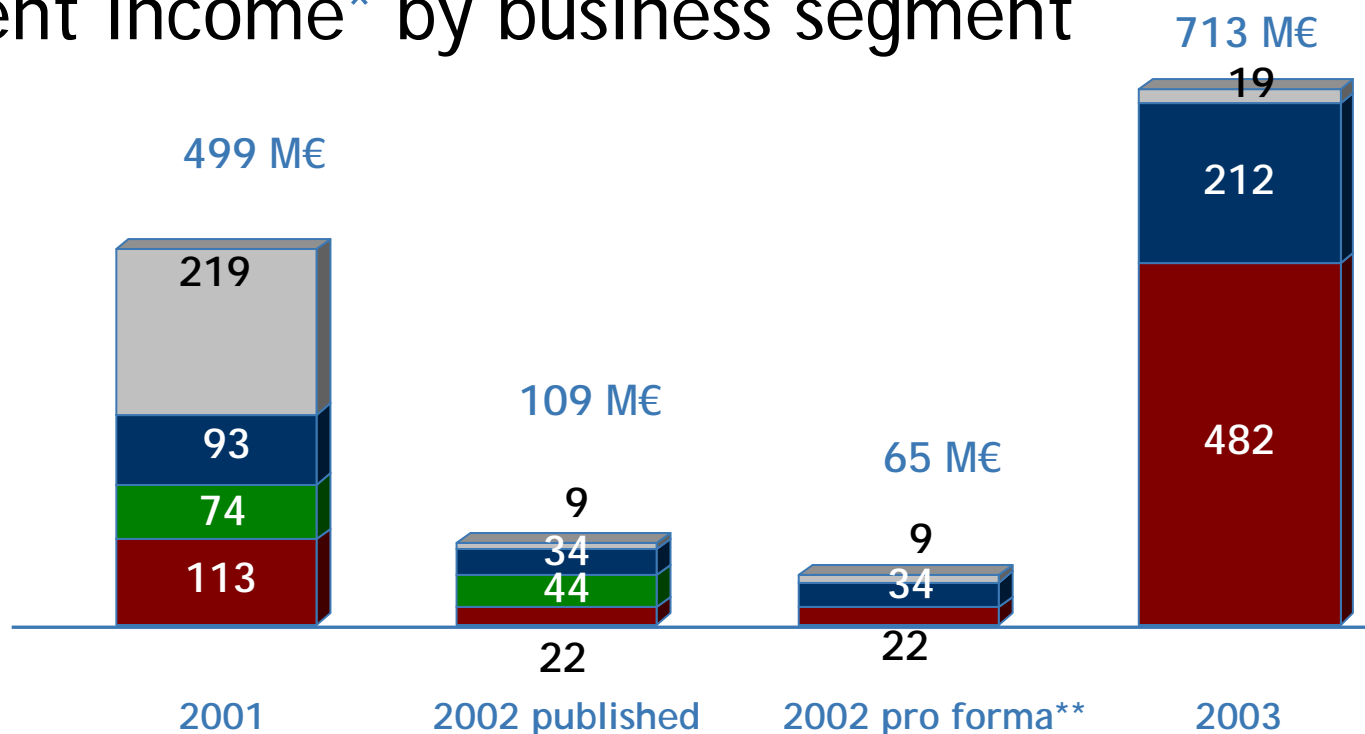
- Financial income almost flat -59 M€(vs -61 in 2002) excl. *EADS* & depr. variance on *T-Online*
- *T-Online* . 2003, provision taken back +121 M€
- . 2002, provision charged -278 M€ (-157 M€in 2001)

\* Excluding preferred remuneration

\*\* Excluding *Automobile*



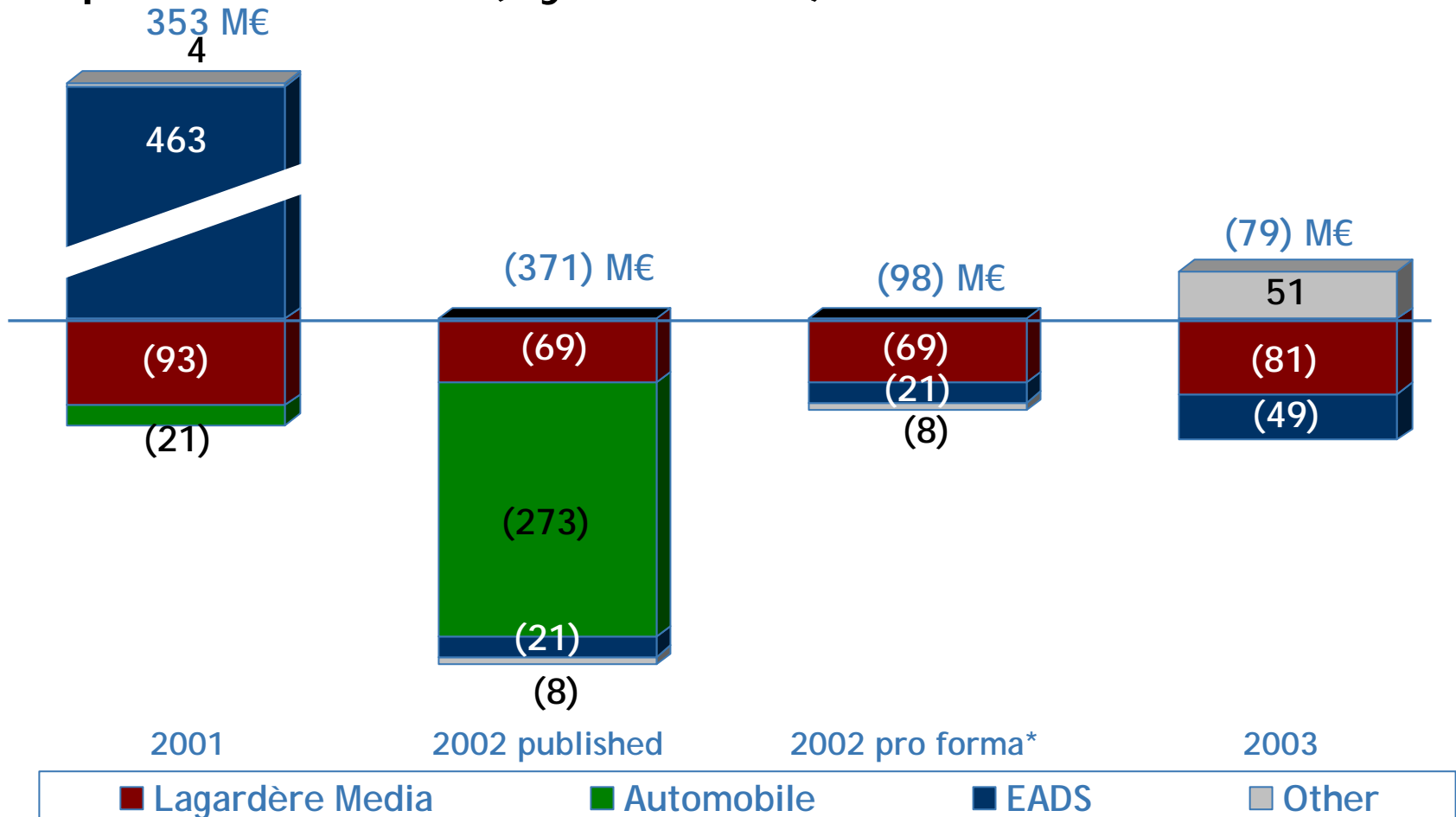
# Current income\* by business segment



- Steep progression of *Lagardère Media* current income + 361 M€ (vs 300 M€ in 2002), excluding *T-Online* related depreciation variance
- *T-Online* . 2003, provision taken back +121 M€  
. 2002, provision charged -278 M€ (-157 M€ in 2001)



# Exceptional items (by division)

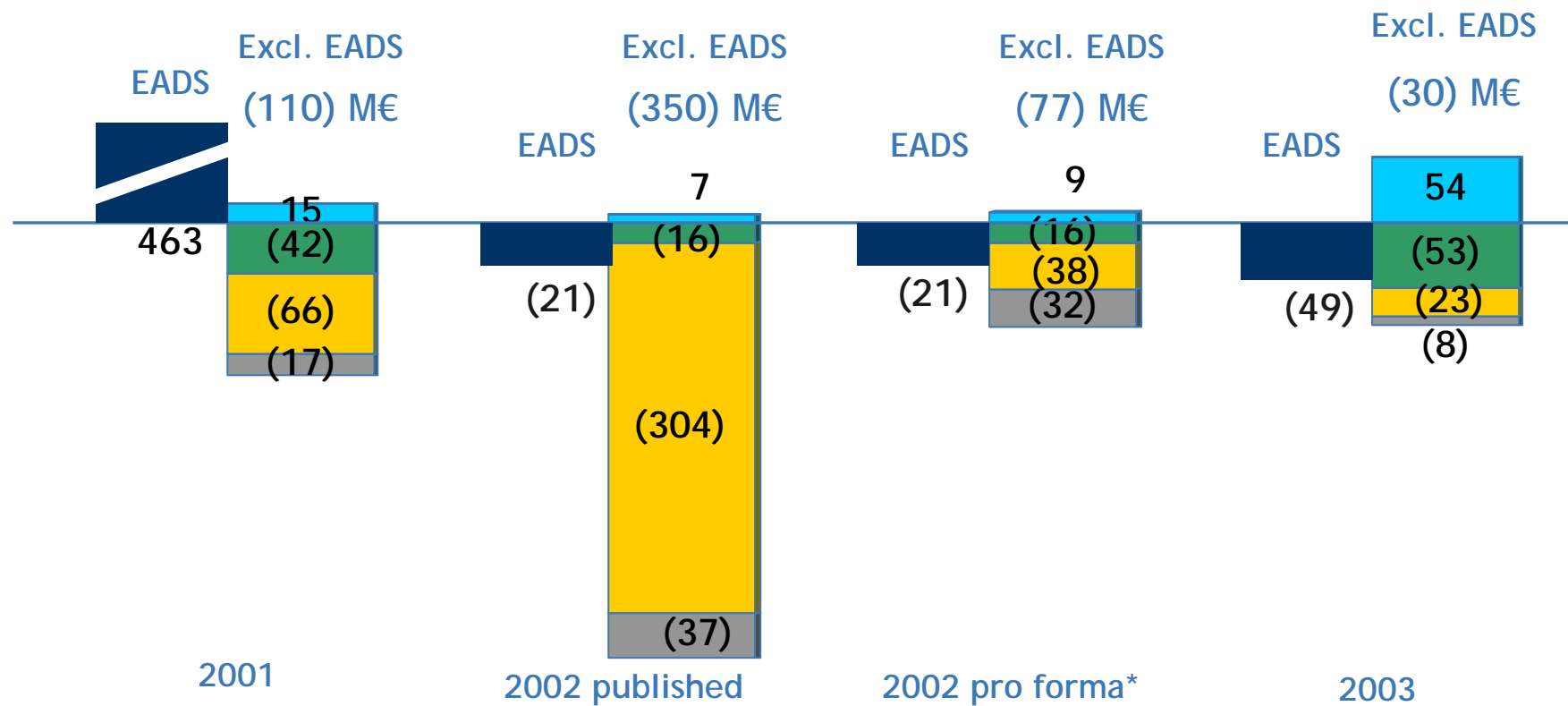


Exceptional items (excluding *EADS*) –30 M€ vs –77 M€ in 2002 pro forma

\* Excluding *Automobile*



# Exceptional items (by type)

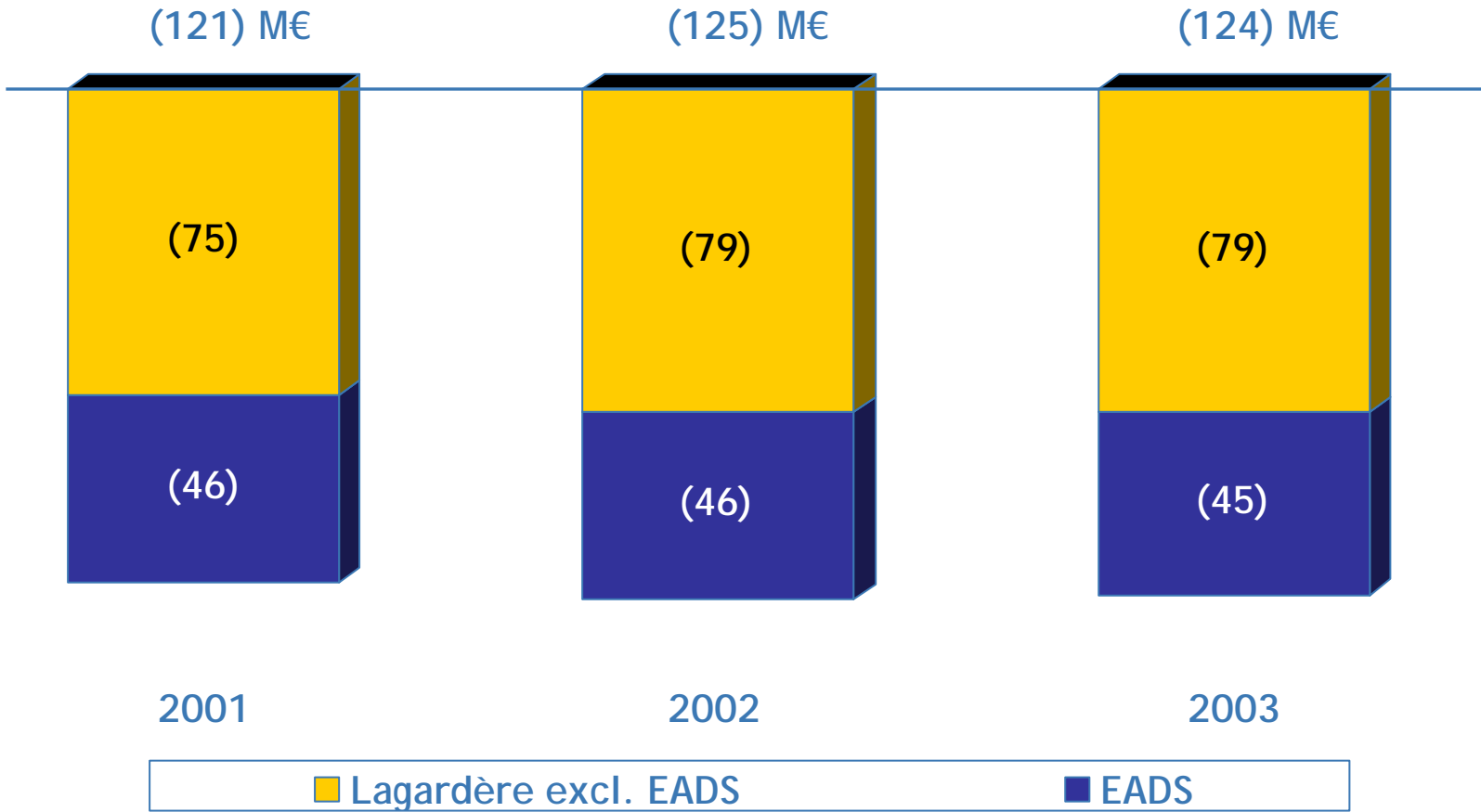


- EADS
- Net capital gains
- Amort. & special write-downs of goodwill and other intangibles
- Restructuring Costs
- Other

\* Excluding Automobile

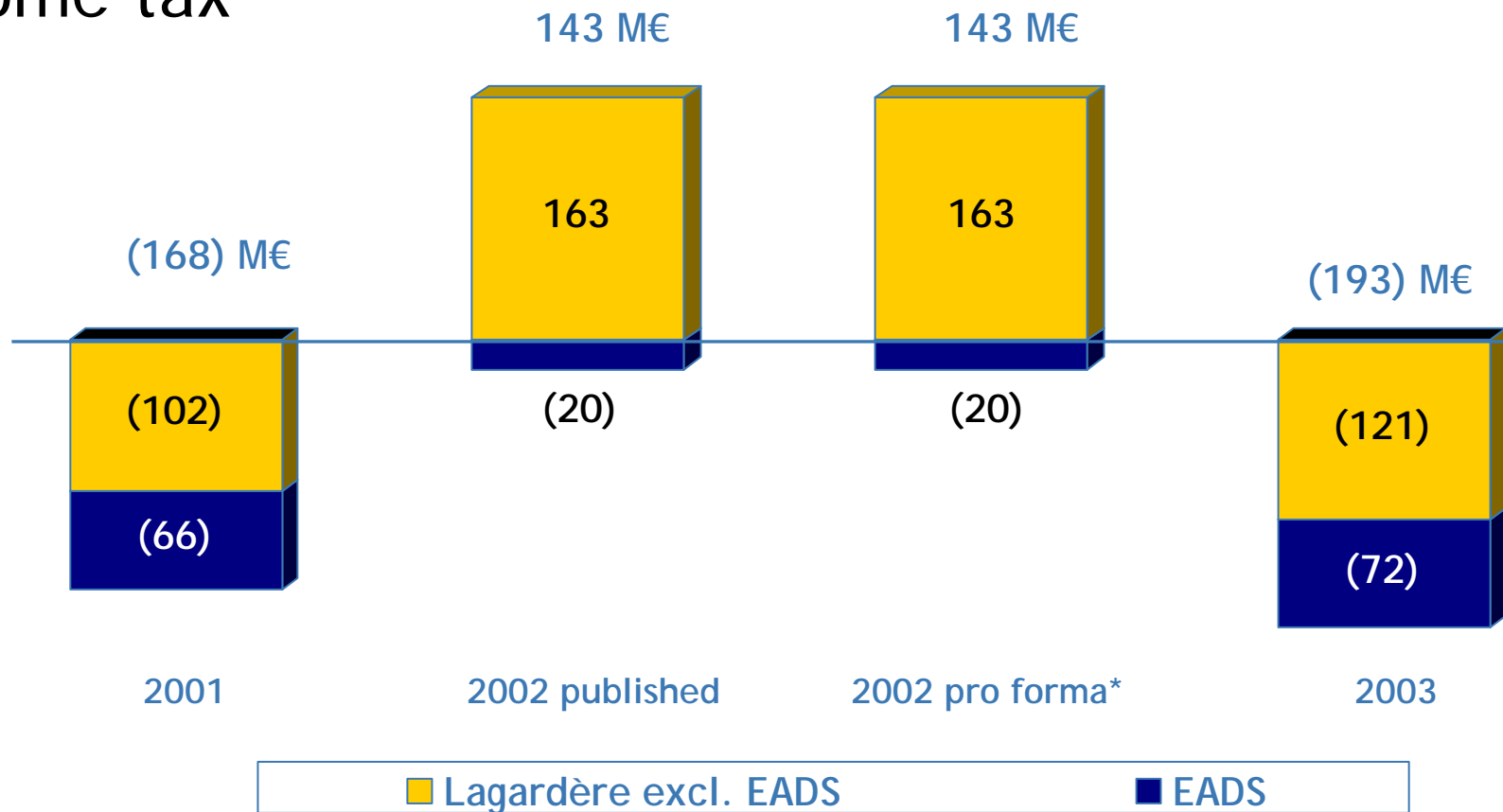


# Goodwill Amortization





# Income tax

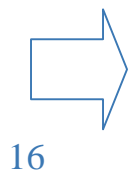


## Tax provision adjustment related to capital gain on *T-Online*

. in 2003 : - 24 M€

. in 2002 : +195 M€

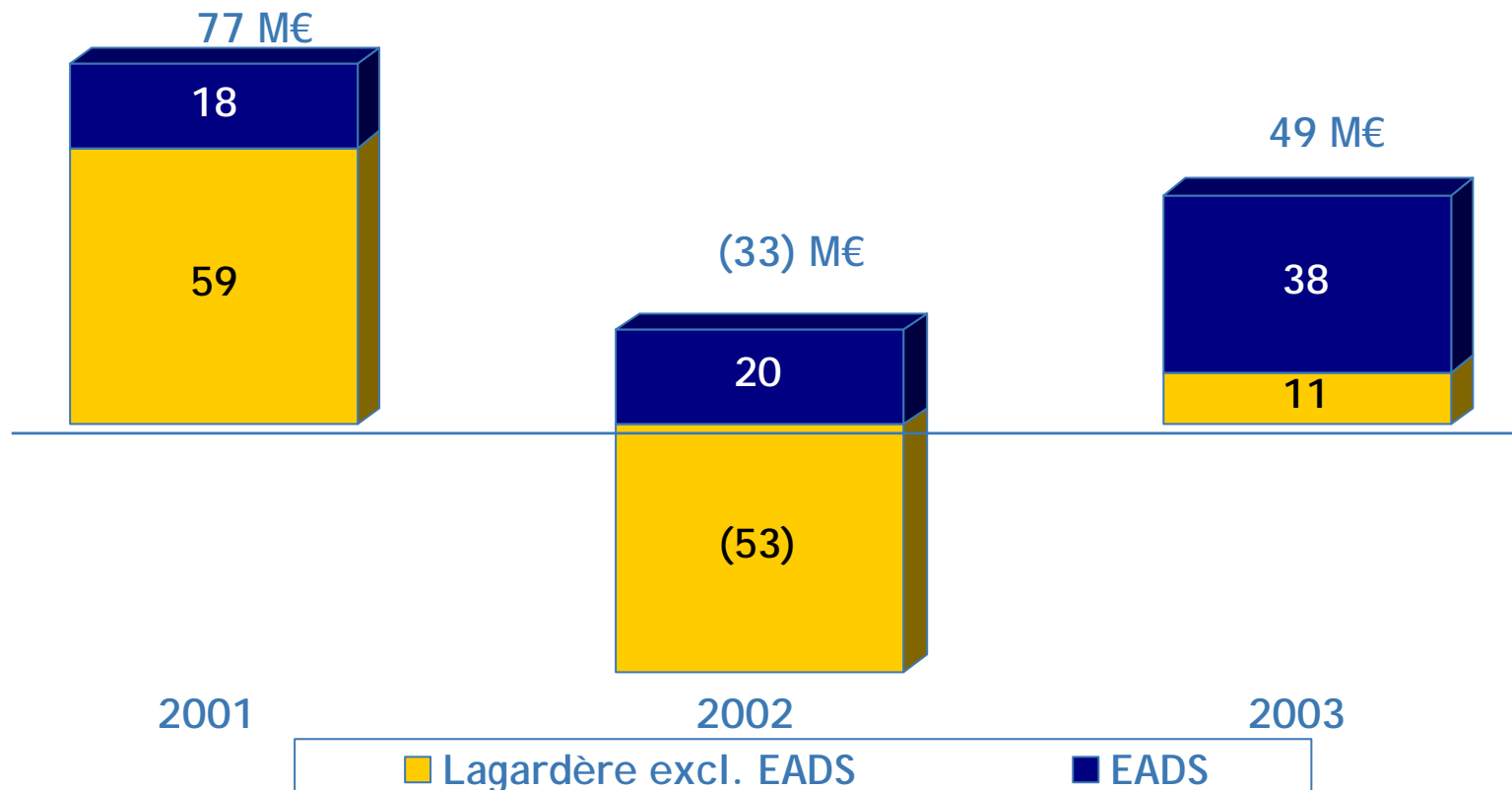
(of which +139 M€ corresponding to the tax rate adjustment on LT capital gain: 20,2%)







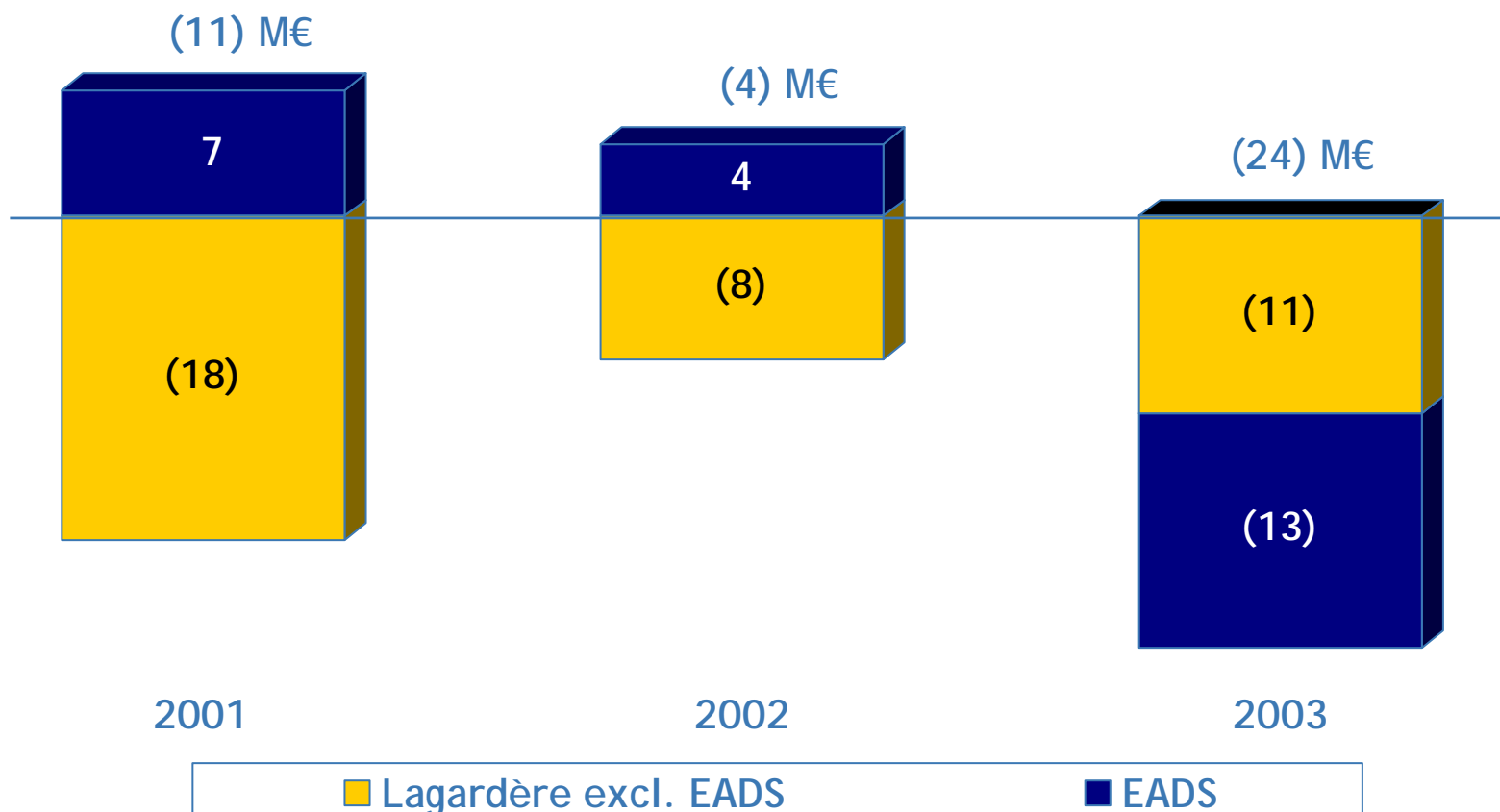
# Net income from companies accounted for by the equity method



- *CanalSatellite* contribution growing strongly +27 M€ (vs +16 M€ in 2002)
- Equity stake in *multiThématiques* depreciated by -36 M€ in 2003 (-68 M€ in 2002)



# Minority interests





# Consolidated Income Statement

(M€)	2001			2002				2003		
	Excl. EADS	EADS	Total	Excl. EADS & Auto	Auto	EADS	Total	Excl. EADS & Auto	EADS	Total
Sales	8 809	4 486	13 295	8 095	782	4 339	13 216	7 944	4 510	12 454
Operating Income	410	104	514	370	7	63	440	439	232	671
Interest Income (expense)	(4)	(11)	(15)	(339)	37	(29)	(331)	62	(20)	42
Current Income	406	93	499	31	44	34	109	501	212	713
Non-oper. Income (exp.)	(110)	463	353	(77)	(273)	(21)	(371)	(30)	(49)	(79)
Other	(132)	(93)	(225)	21	0	(46)	(25)	(197)	(79)	(276)
Net Income before minority interests	164	463	627	(25)	(229)	(33)	(287)	274	84	358
Minority interests	(18)	7	(11)	(8)	0	4	(4)	(11)	(13)	(24)
Net Income	146	470	616	(33)	(229)	(29)	(291)	263	71	334



# Net income (excl. EADS)

## - excluding non recurring items

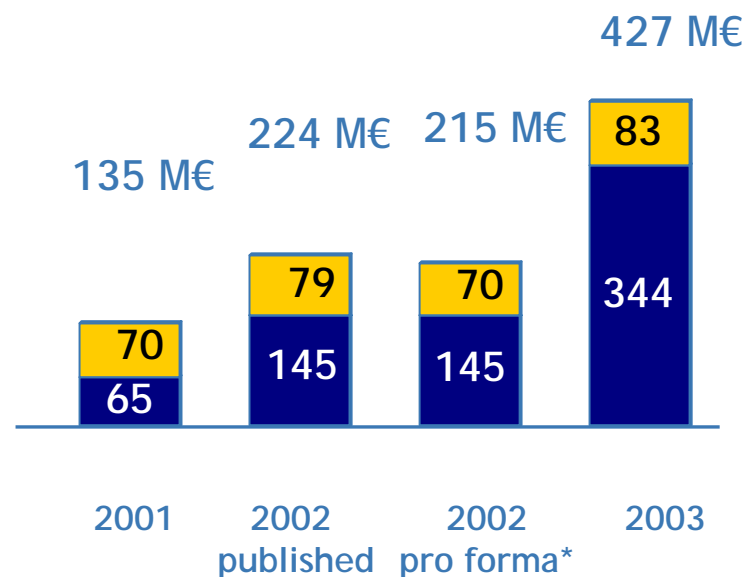
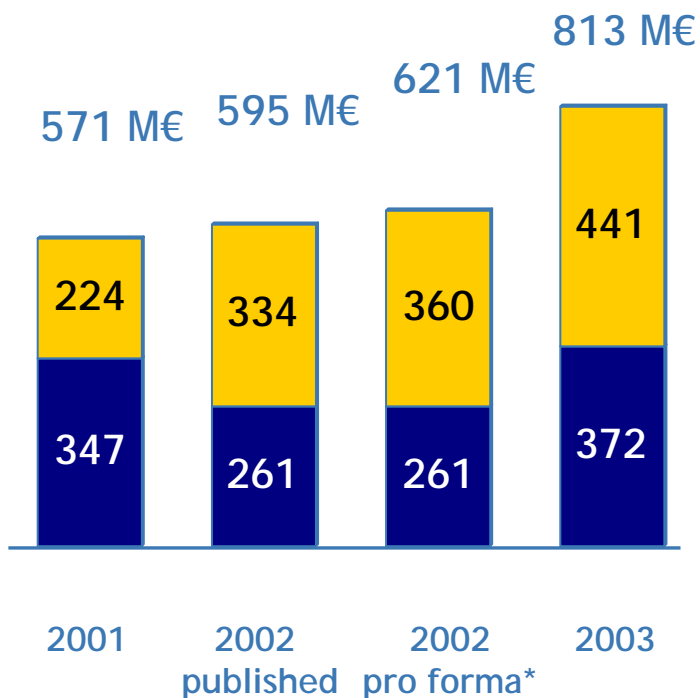
(M€)	2002	2003
<u>Net income (excluding EADS)</u>	<u>(262)</u>	<u>263</u>
Matra Automobile -excluding <i>Spare parts</i> activity	283	
Capital gain on Renault shares disposal		(40)
<i>T-Online</i>	83	(97)
- financial	278	(121)
- tax	(195)	24
<u>Net income (excl.EADS) excluding non-recurring items</u>	<u>104</u>	<u>126</u>
Intangible Assets depreciation	84	89
Net income excluding EADS and non recurring items (after Intangible Assets depreciation)	<u>188</u>	<u>215</u>



# Operating Cash Flows & Investing Activities

Cash flow from operations

Change in working capital



\* Excluding *Automobile*



# Statement of Cash Flows

(M€)	2002				2003		
	Excl. EADS & Auto	Auto	EADS	Total	Excl. EADS	EADS	Total
Cash flow from operations	360	(26)	261	595	441	372	813
Change in working capital	70	9	145	224	83	344	427
<b>Total operating cash flow</b>	<b>430</b>	<b>(17)</b>	<b>406</b>	<b>819</b>	<b>524</b>	<b>716</b>	<b>1 240</b>
Investments	(1 658)	(33)	(633)	(2 324)	(270)	(635)	(905)
<i>Tangible &amp; intang. Inv.</i>	(229)	(33)	(349)	(611)	(208)	(445)	(653)
<i>Financial Investments</i>	(1 429)*	-	(284)	(1 713)*	(62)	(190)	(252)
Divestitures	61	2	185	248	231	81	312
Marketable securities	-	-	(63)	(63)	21	46	67
<b>Investing activities</b>	<b>(1 597)</b>	<b>(31)</b>	<b>(511)</b>	<b>(2 139)</b>	<b>(18)</b>	<b>(508)</b>	<b>(526)</b>
<b>Net cash flow from oper. &amp; invest. activities</b>	<b>(1 167)</b>	<b>(48)</b>	<b>(105)</b>	<b>(1 320)</b>	<b>506</b>	<b>208</b>	<b>714</b>

\* including 1 180 M€ cash advance to *Groupe Natexis Banques Populaires* regarding *EDITIS* assets acquisition

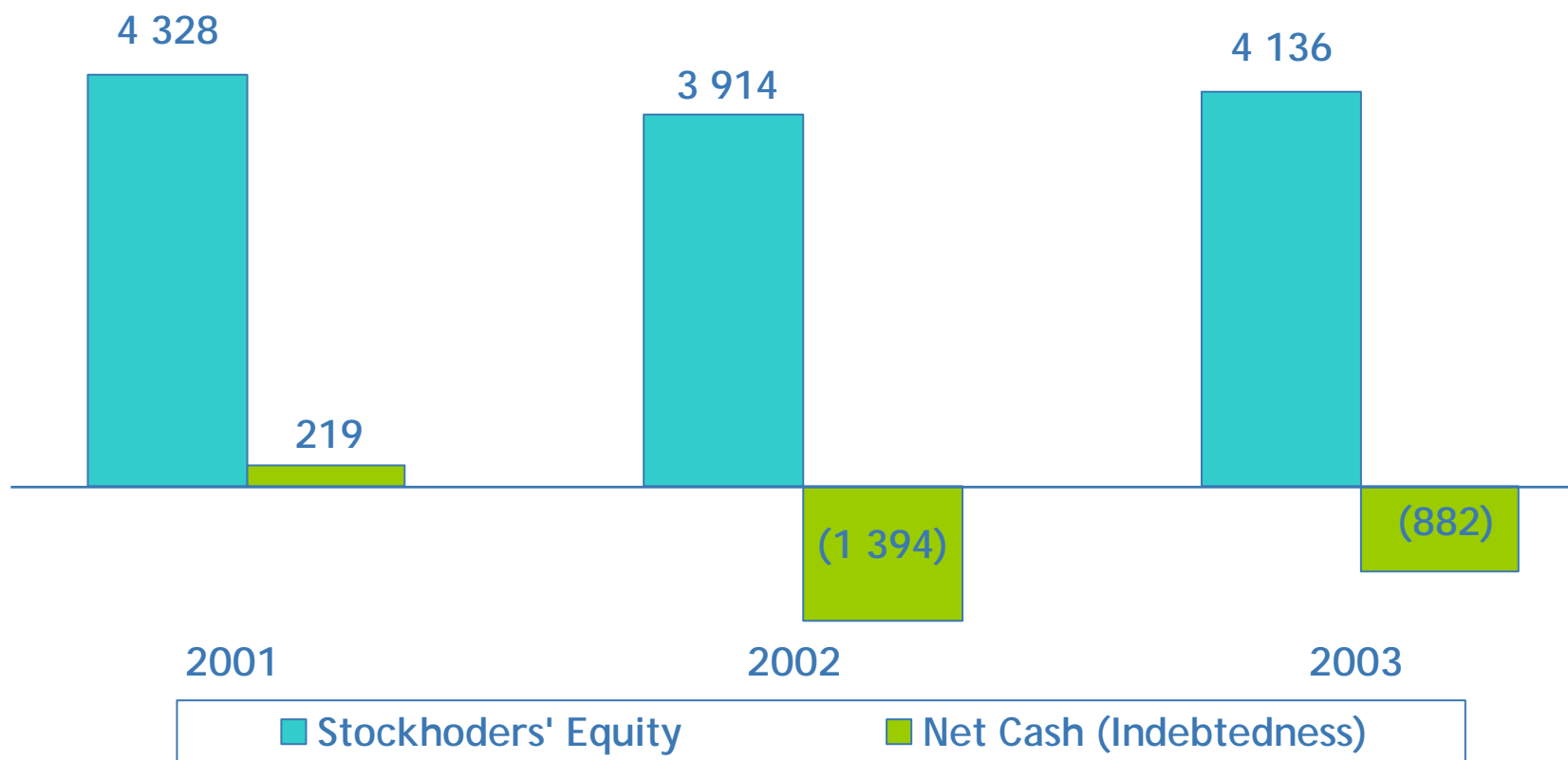


# Balance Sheet

(M€)	31/12/2002				31/12/2003		
	Excl. EADS & Auto	Auto	EADS	Total	Excl. EADS	EADS	Total
Fixed assets	6 983	118	2 830	9 931	6 577	2 869	9 446
Current assets	3 334	460	4 445	8 239	3 631	4 880	8 511
<i>of which cash &amp; equivalent</i>	1 193	307	943	2 443	1 436	1 214	2 650
<b>TOTAL ASSETS</b>	<b>10 317</b>	<b>578</b>	<b>7 275</b>	<b>18 170</b>	<b>10 208</b>	<b>7 749</b>	<b>17 957</b>
Stockholders' equity	3 377	-	953	4 330	3 407	1 145	4 552
Contingencies	996	203	1 162	2 361	996	1 205	2 201
Financial debts	3 359	15	750	4 124	3 102	717	3 819
Current liabilities	2 585	360	4 410	7 355	2 703	4 682	7 385
<b>TOTAL LIABILITIES &amp; STOCKHOLDER'S EQUITY</b>	<b>10 317</b>	<b>578</b>	<b>7 275</b>	<b>18 170</b>	<b>10 208</b>	<b>7 749</b>	<b>17 957</b>



# Stockholder's Equity \* & Net Cash (Indebtedness) \*







# Net Cash (Indebtedness)\*

(M€)	31.12.2002	2003 Changes	31.12.2003
<u>Net Cash (Indebtedness)</u>	<u>(1 394)</u>	<u>512</u>	<u>(882)</u>
EADS	193	304	497
T-Online	401	121	522
Matra Automobile	292	(292)	-
<u>Net Cash (Indebtedness)</u> excl. EADS, T-Online & Automobile	<u>(2 280)</u>	<u>379</u>	<u>(1 901)</u>