

# 2004 Full-Year Results

General Meeting

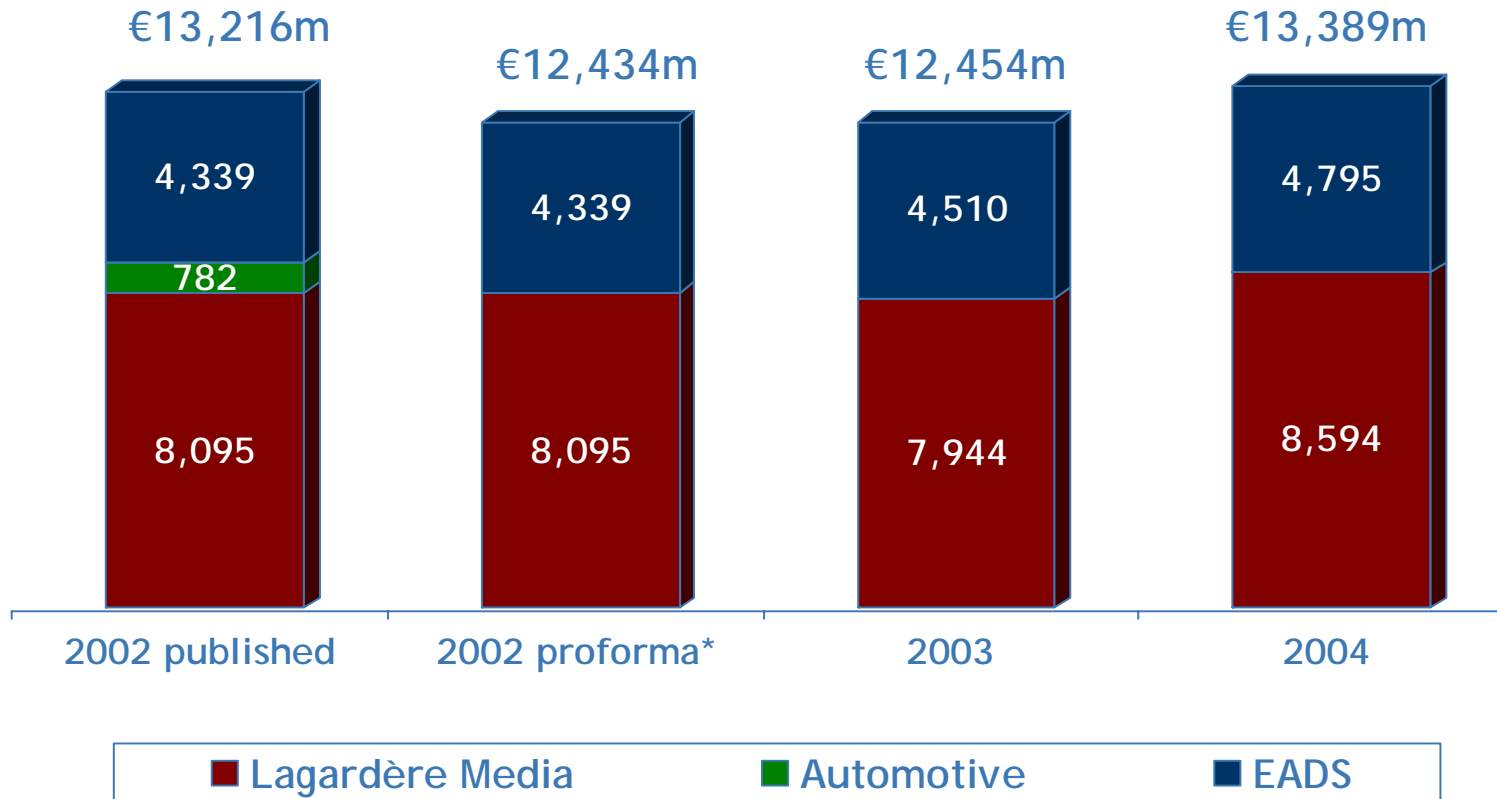
May 10, 2005

# C Consolidated financial statements

# Main changes in scope of consolidation

<b>Books</b>	<p>Full consolidation from January 1, 2004 of the retained activities of the <i>Editis</i> group (<i>Dalloz</i>, <i>Dunod</i>, <i>Armand Colin</i> in France, <i>Anaya</i> in Spain, <i>Larousse</i> Group in France and internationally).</p> <p>Acquisition of the <i>Hodder Headline</i> group, fully consolidated from October 1, 2004.</p>
<b>Press</b>	<p>Acquisition of Russian press group <i>IMG</i>, fully consolidated from January 1, 2004 (<i>percentage interest: 85%</i>).</p> <p>Acquisition of <i>Psychologies Magazine</i>, proportionately consolidated (49%) from July 1, 2004</p>
<b>Distribution Services</b>	<p>Full consolidation of <i>Newslink</i> from January 1, 2004 (40% proportionately consolidated in 2003).</p>
<b>Lagardere Active</b>	<p>Full consolidation of Russian radio broadcaster <i>Europa plus Zao</i>, now 100% owned (60% proportionately consolidated in 2003).</p>

# Net sales by division

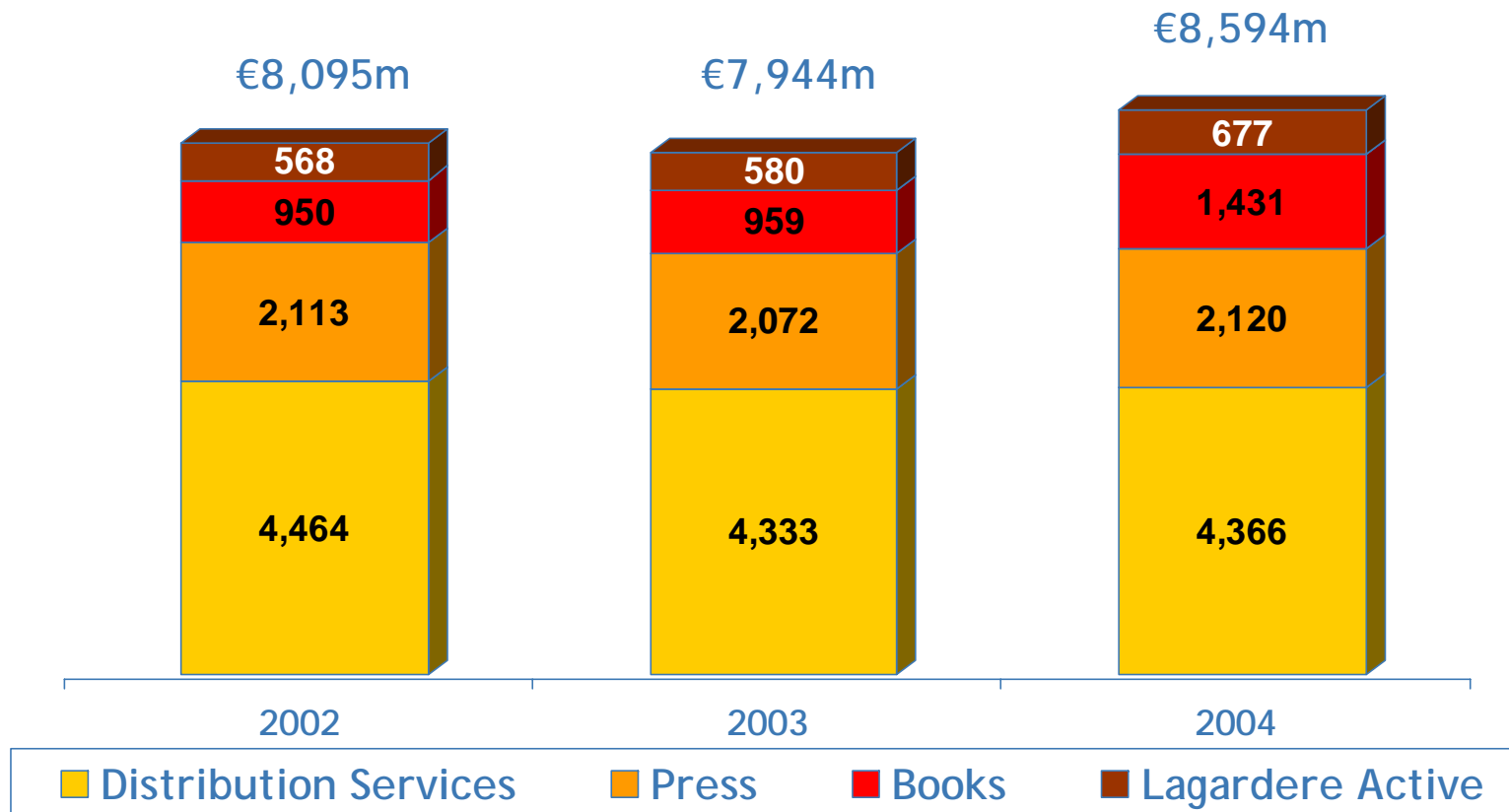


**7.5% growth on consolidated basis**

**8.2% growth for *Lagardère Media***

# Lagardère Media

## Net sales by business segment

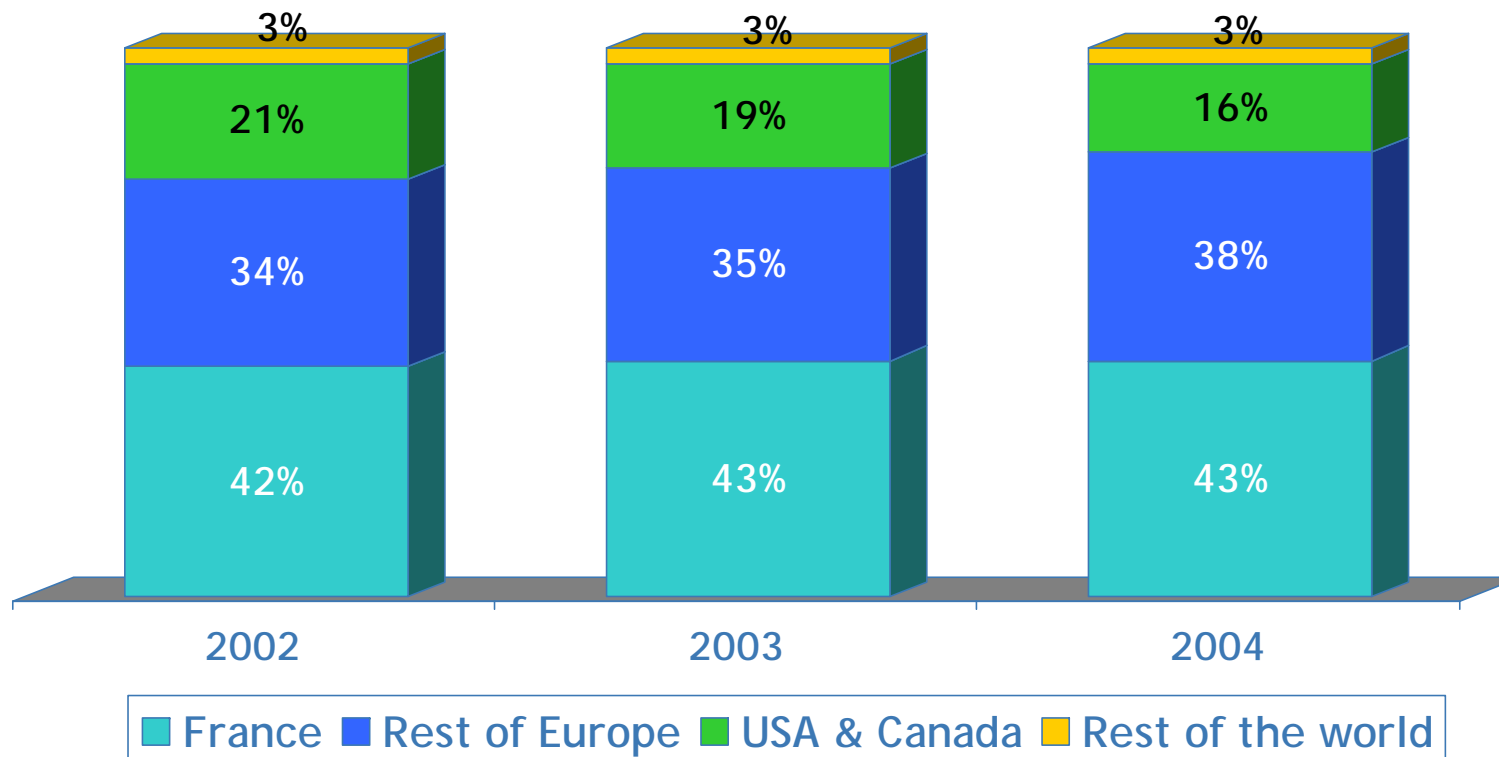


- Contribution from retained activities of *Editis*: €342m and from *Hodder  
Headline* (3 months in 2004): €61m

- Like-for-like growth: 3.3%

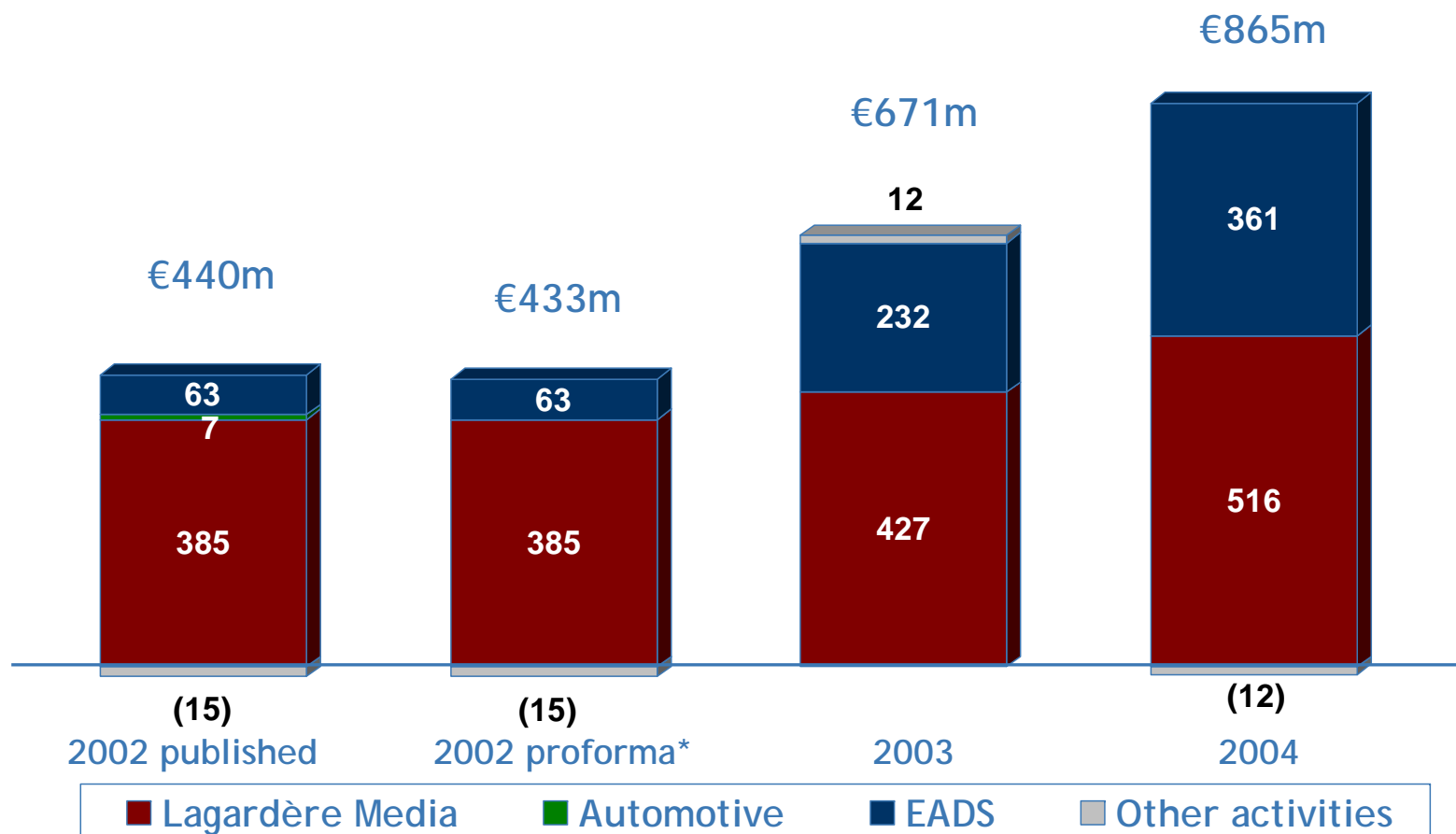
# Lagardère Media

## Net sales by geographical area



- ⇒
- Acquisitions in *Books, Press & Radio* in Europe (Spain, UK, Russia, etc)
  - Appreciation of the euro

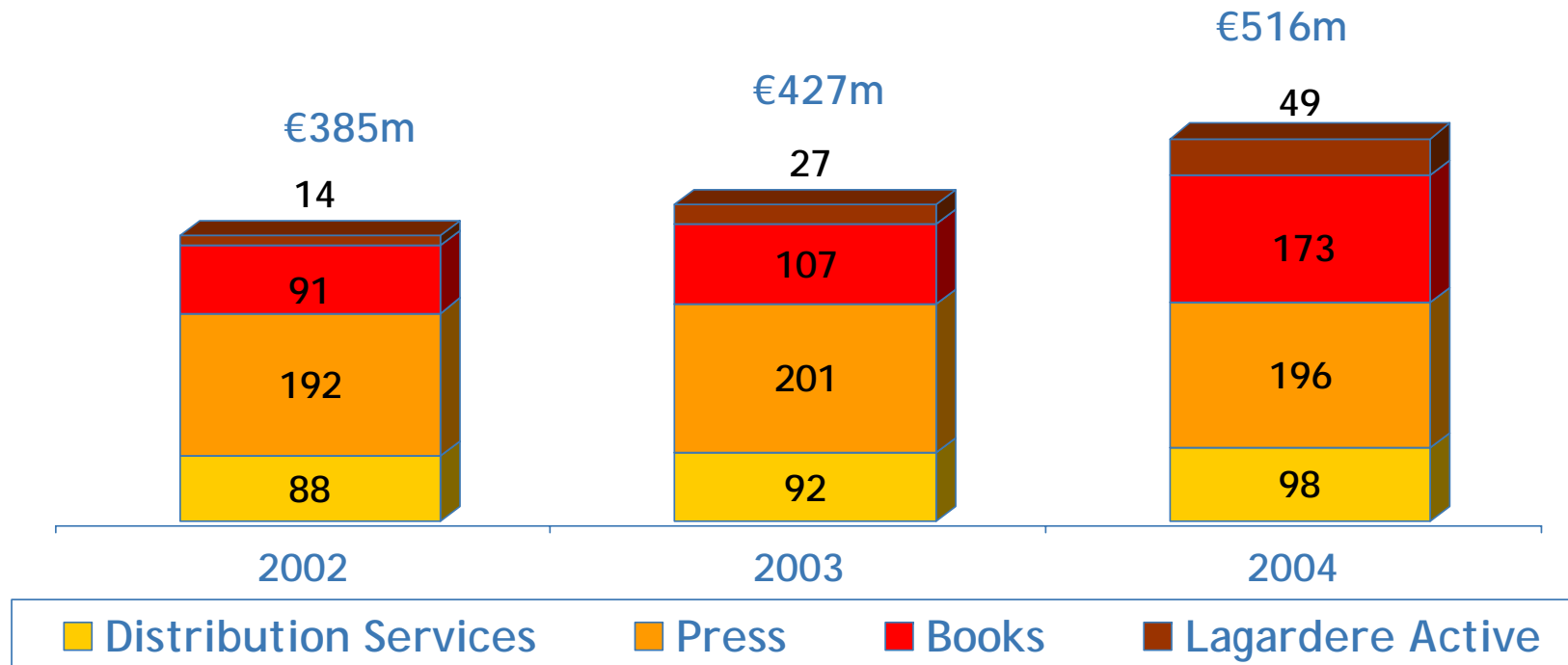
# Operating income by division



- ⇒ - Growth in consolidated operating income: 29%
- Growth for *Lagardère Media*: 20.9%

# Lagardère Media

## Operating income by business segment



- Operating income growth for *Lagardère Media*: 10.3% (excl. *Editis/Hodder Headline*)

- Strong growth for:

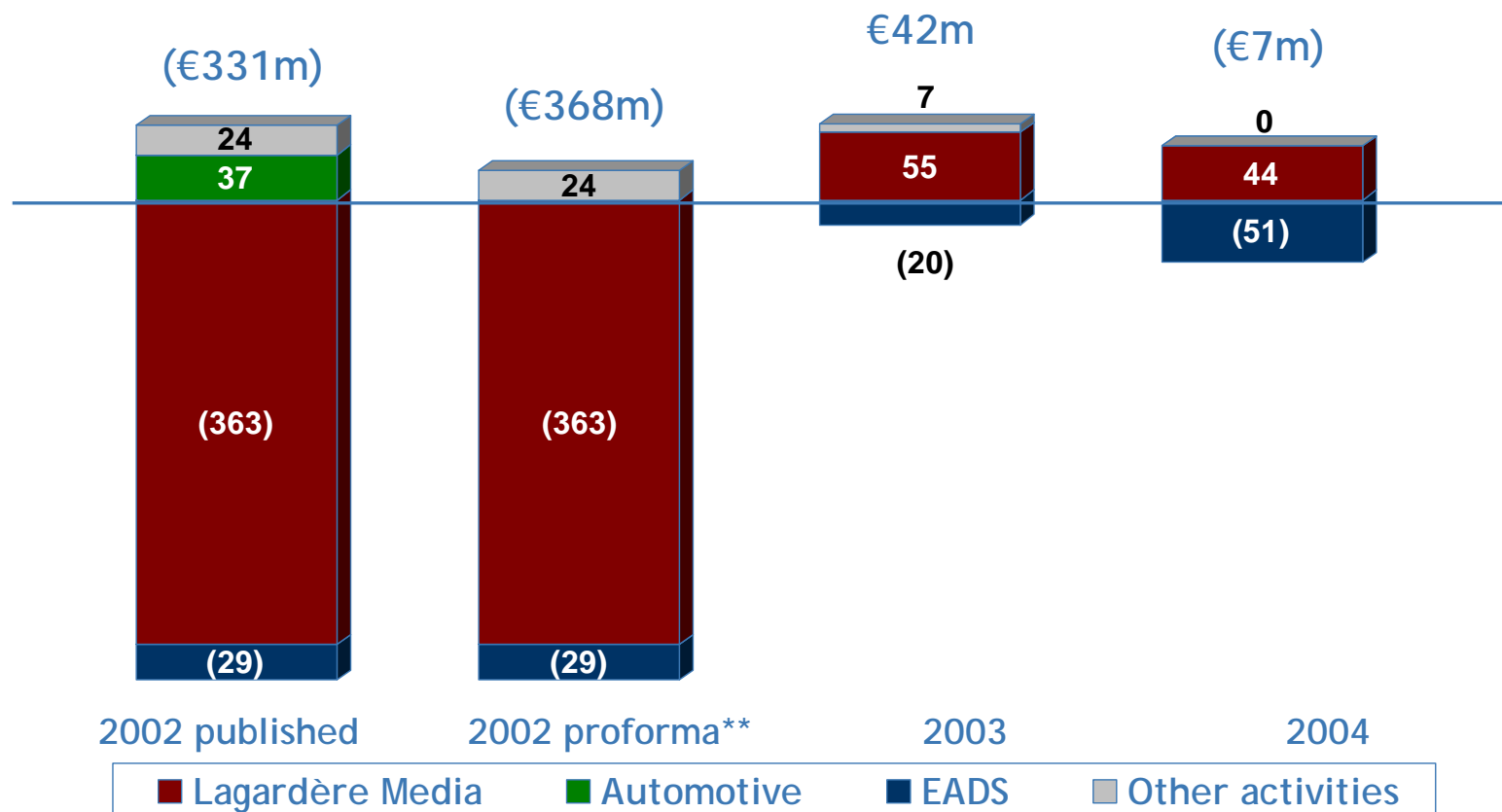
- *Books*: 61.9% based on current structure, 19.7% excluding *Editis/Hodder Headline*

- *Lagardere Active*: 80%

- *Press* segment impacted by launches

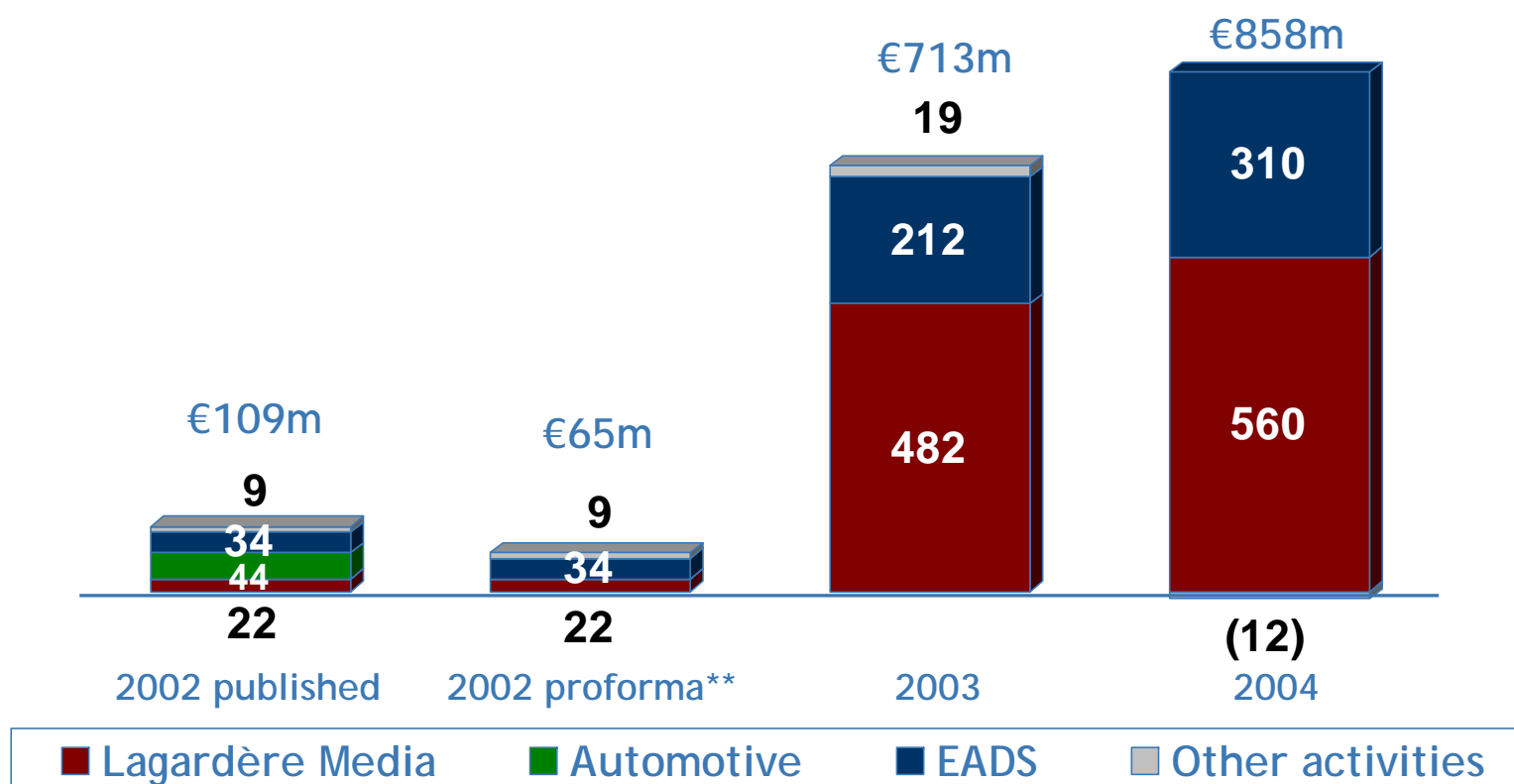


# Financial income/(expense)\* by division



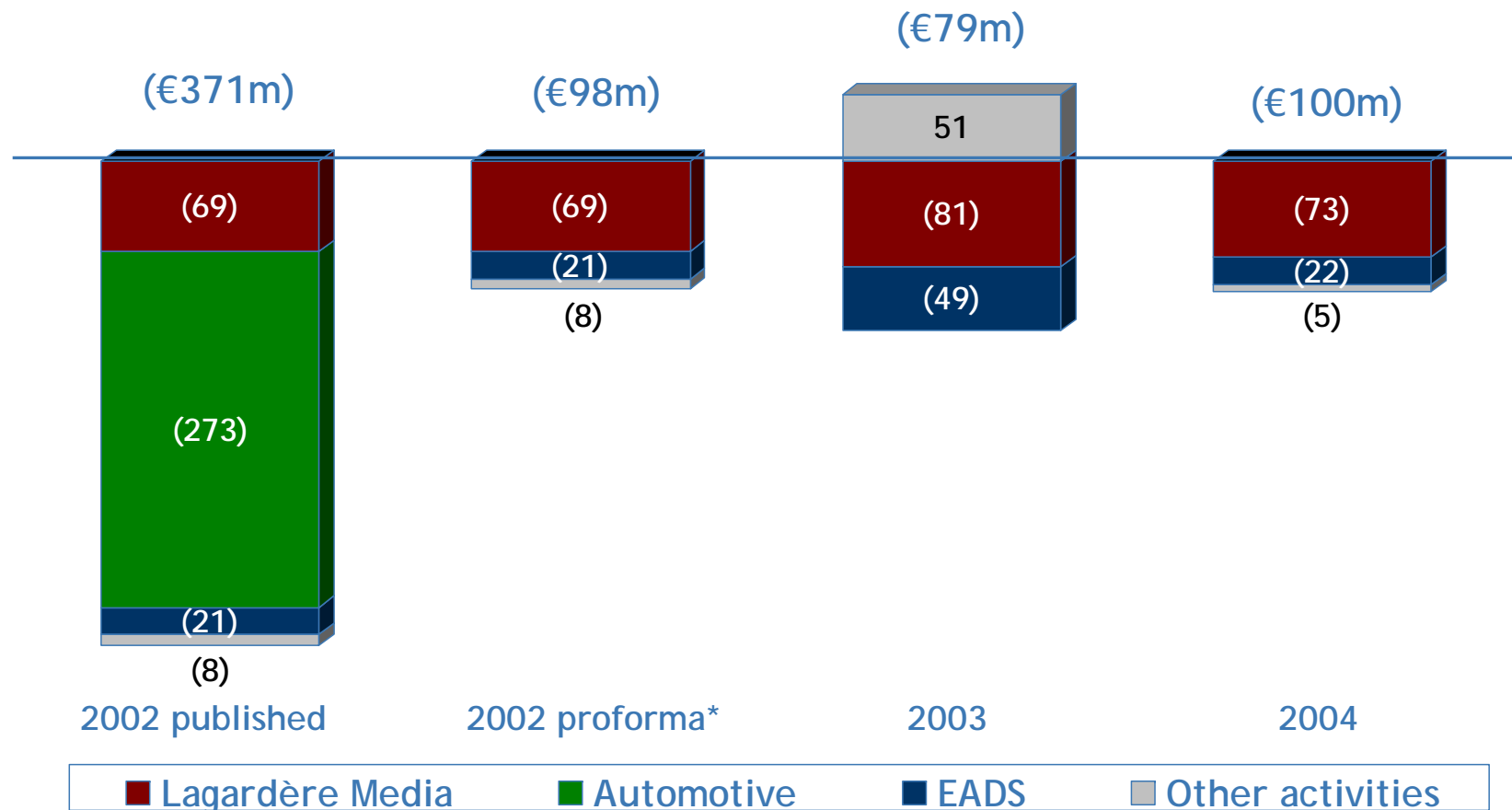
➔ - Reversal of provision for *T-Online* shares: impact +€104m (vs reversal of €121m in 2003 and charge of €278m in 2002)

# Operating Income after Interest\* by division

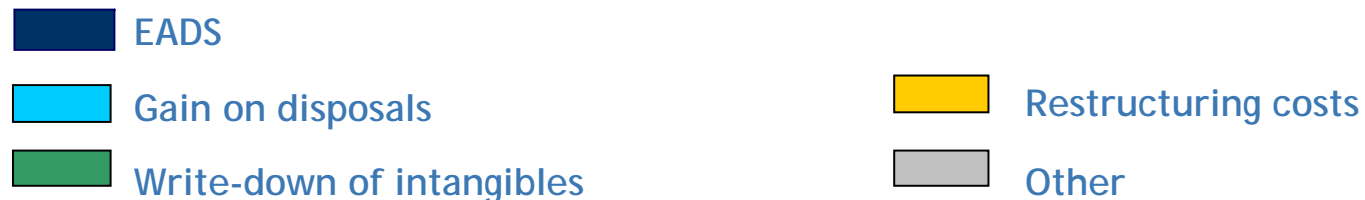
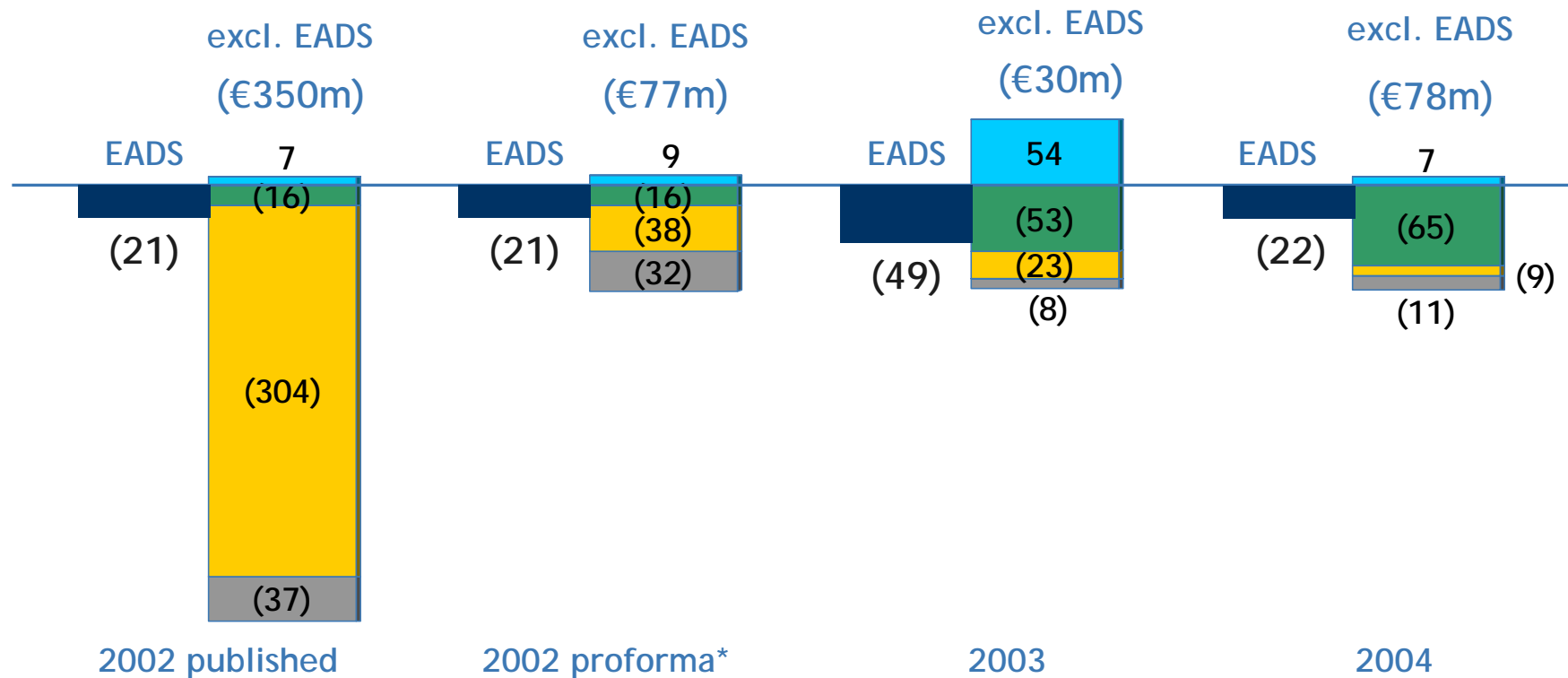


- Strong growth in consolidated operating income after interest, up €145m
- Reversal of provision for *T-Online* shares: impact +€104m (vs reversal of €121m in 2003 and charge of €278m in 2002)

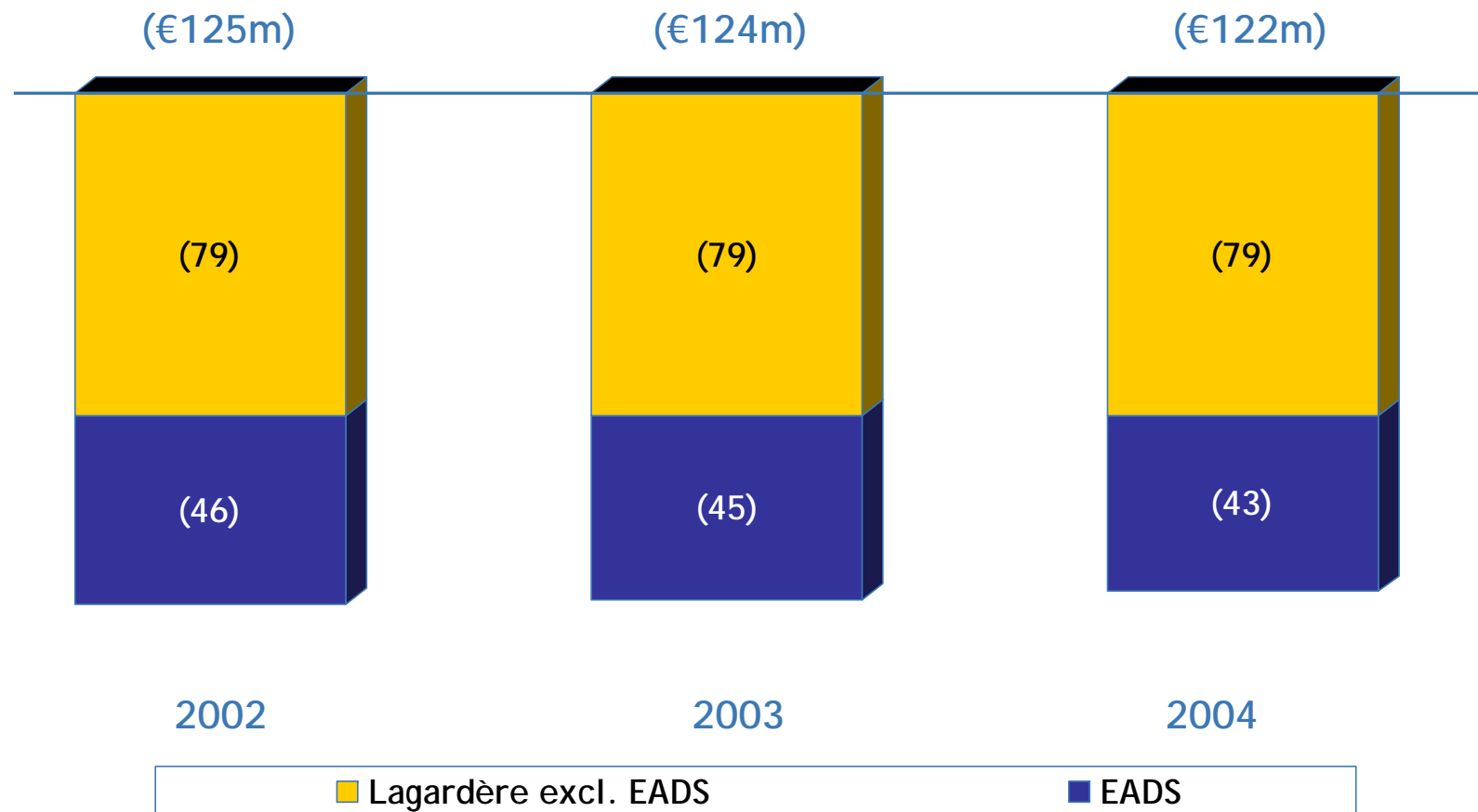
# Non-recurring items by division



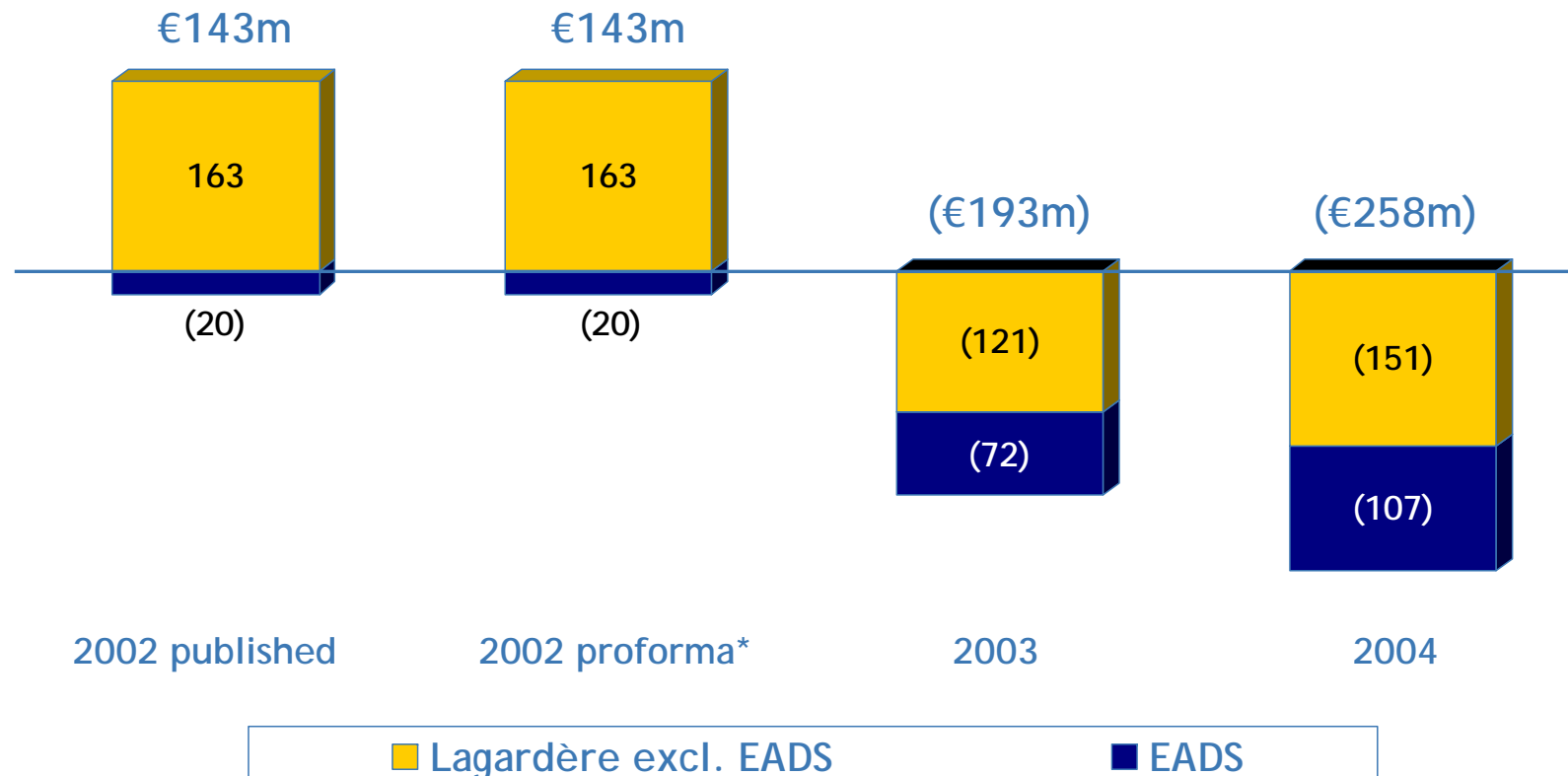
# Non-recurring items by type



# Goodwill amortization

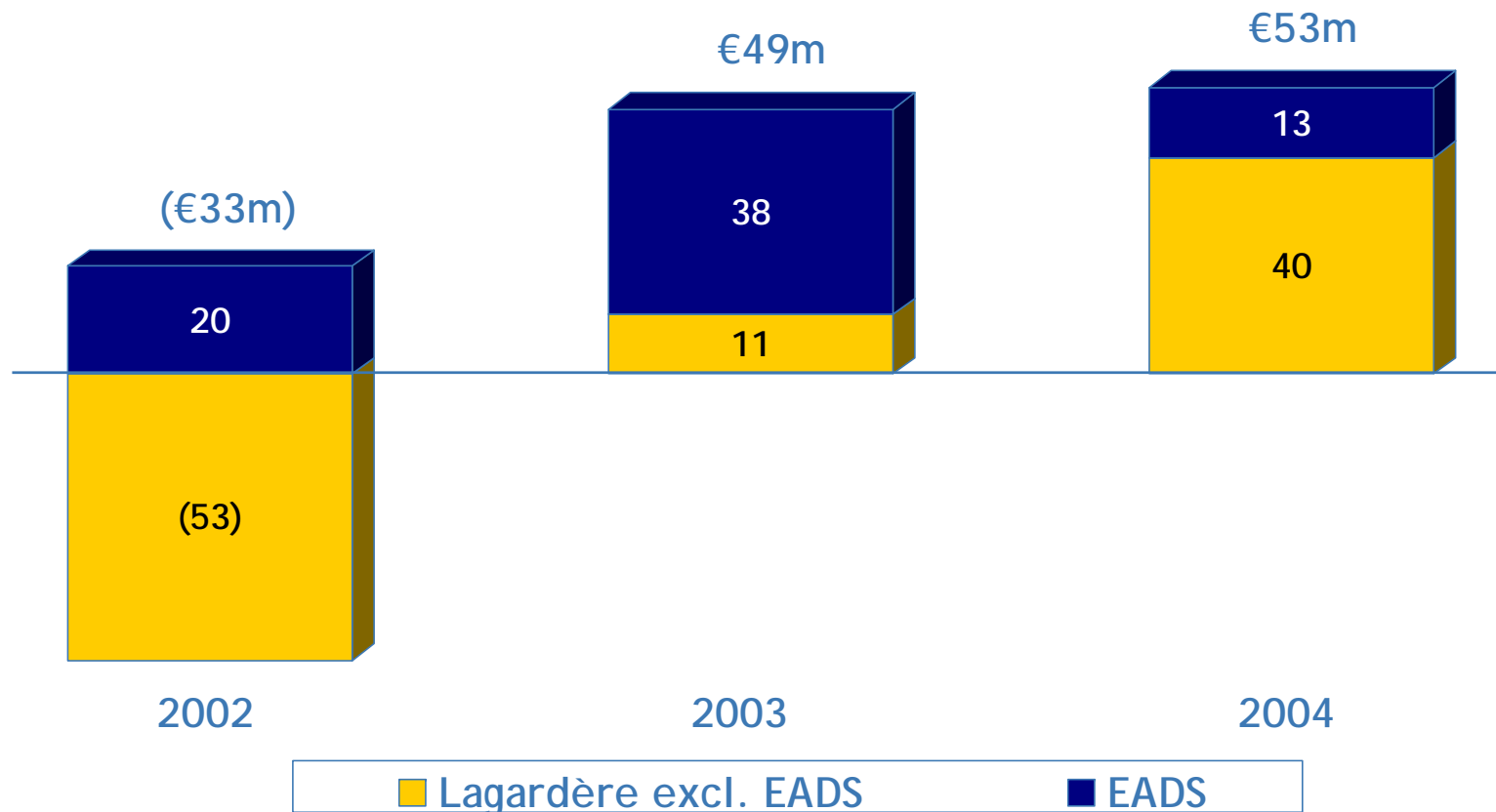


# Income taxes



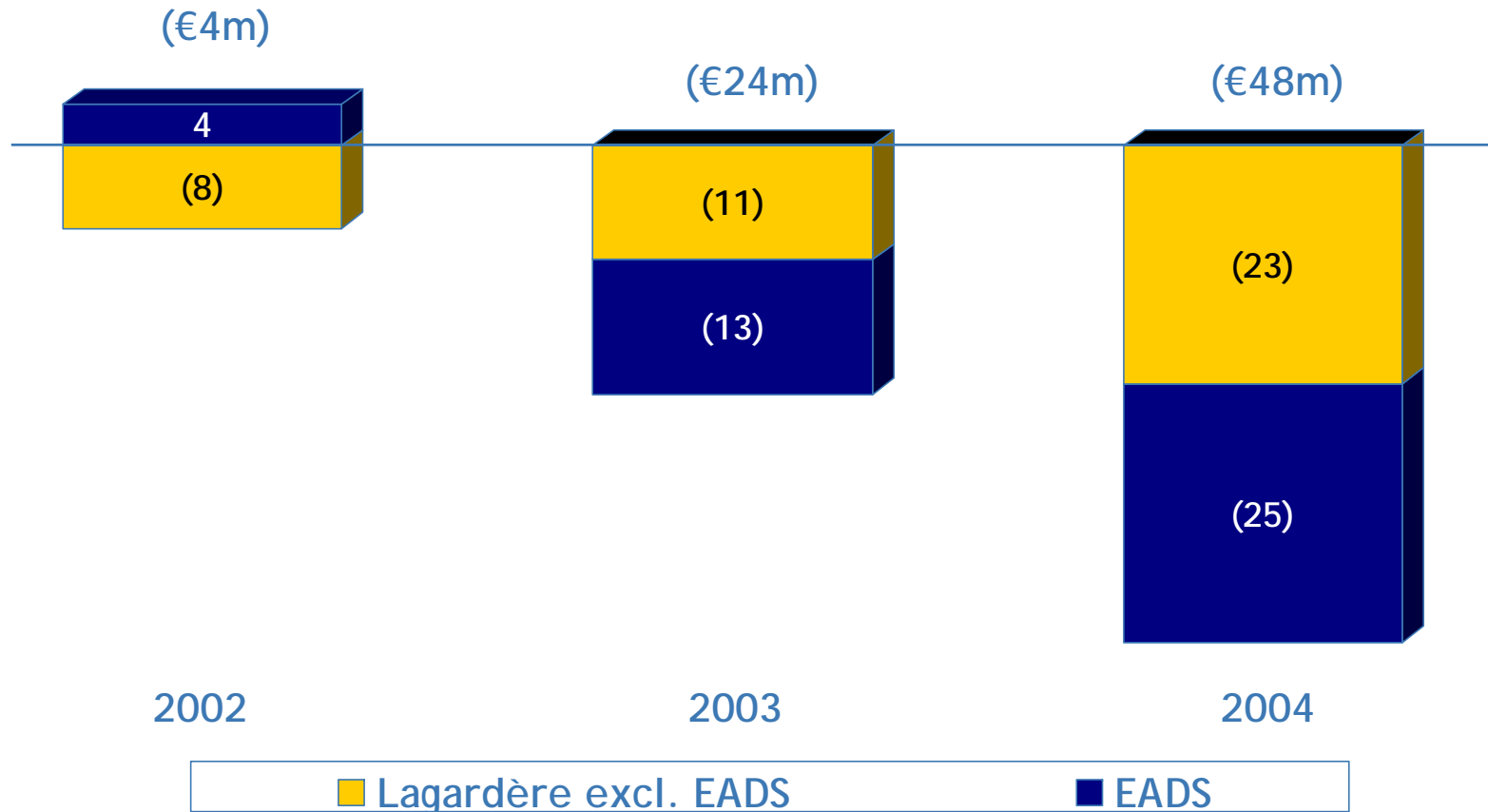
Tax charge related to reversal of the provision for *T-Online* shares: €16m (vs €24m in 2003)

# Income/(loss) from equity associates



- Write-down of investment in *multiThématiques*: €13m (vs €36m in 2003)
- Substantial growth from *CanalSatellite*: 2004 contribution up €39m (vs €27m rise in 2003)

# Minority interests





# Consolidated statement of income

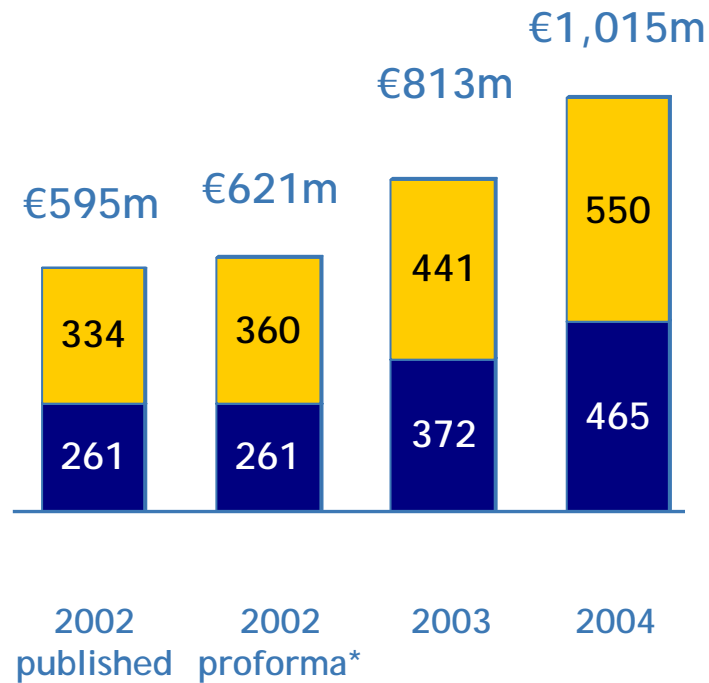
(€m)	2002				2003			2004		
	Excl. EADS & Auto	Auto	EADS	Total	Excl. EADS	EADS	Total	Excl. EADS	EADS	Total
Net sales	8,095	782	4,339	13,216	7,944	4,510	12,454	8,594	4,795	13,389
Operating income	370	7	63	440	439	232	671	504	361	865
Financial income/(exp.)	(339)	37	(29)	(331)	62	(20)	42	44	(51)	(7)
Operating income after interest	31	44	34	109	501	212	713	548	310	858
Non-recurring items	(77)	(273)	(21)	(371)	(30)	(49)	(79)	(78)	(22)	(100)
Other	21	0	(46)	(25)	(197)	(79)	(276)	(191)	(137)	(328)
Net income/(loss) before minority interests	(25)	(229)	(33)	(287)	274	84	358	279	151	430
Minority interests	(8)	0	4	(4)	(11)	(13)	(24)	(23)	(25)	(48)
Net income/(loss)	(33)	(229)	(29)	(291)	263	71	334	256	126	382

# Adjusted net income (excl. EADS)

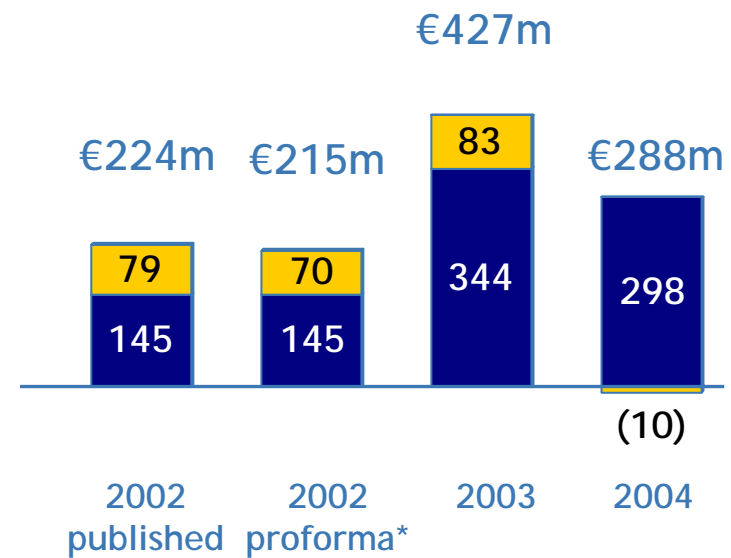
(€m)	2003	2004
<u>Net income excl. EADS</u>	<u>263</u>	<u>256</u>
Gain on disposal of Renault shares	(40)	-
Reversal of provision for T-Online shares, net of tax	(97)	(88)
<u>Adjusted net income excl. EADS</u>	<u>126</u>	<u>168</u>
Write-down of intangibles	89	78
<u>Adjusted net income - excl. EADS (before write-down of intangibles)</u>	<u>215</u>	<u>246</u>

# Operating cash flow

## Operating cash flow before changes in working capital



## Changes in working capital



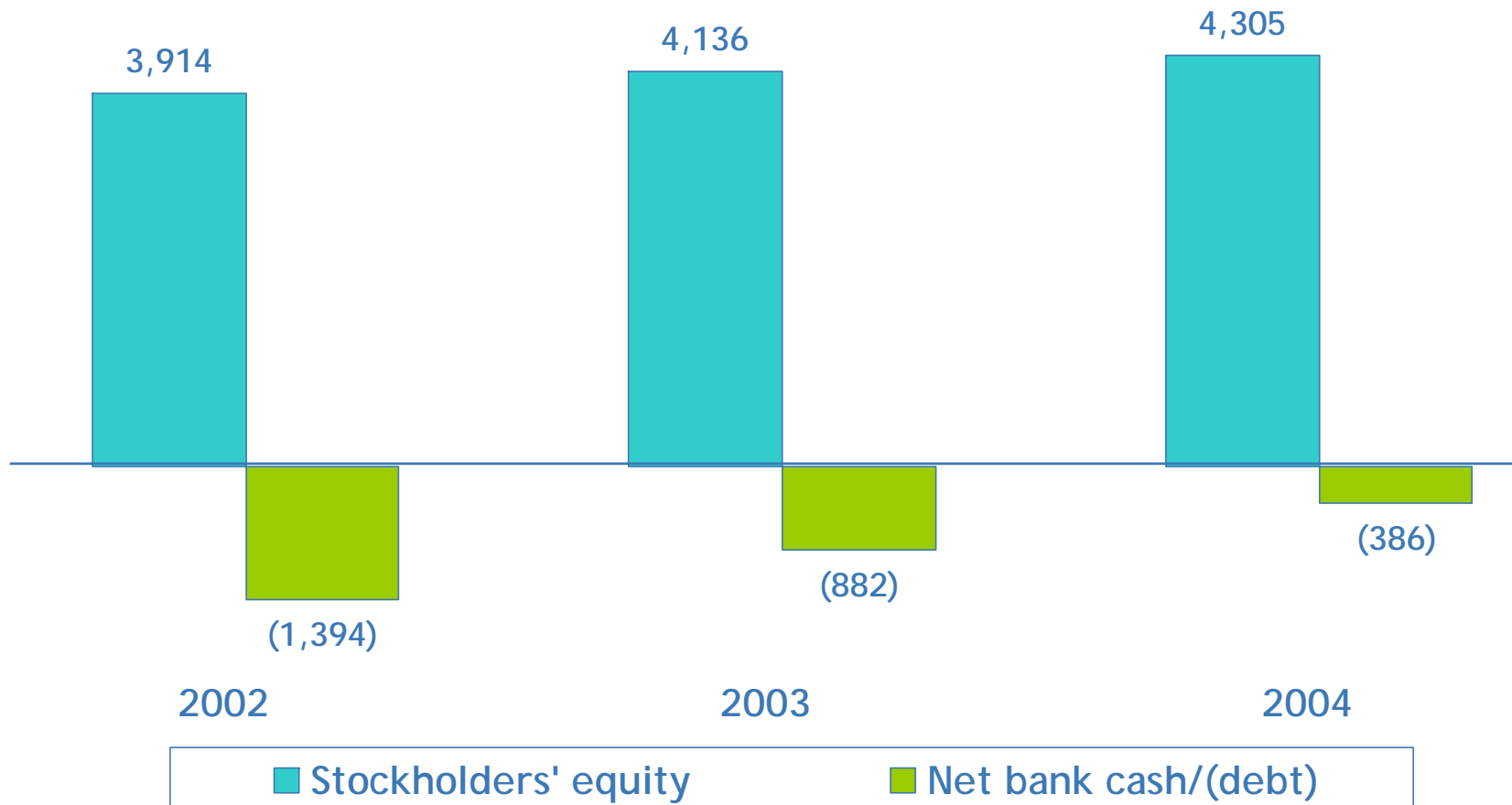
# Statement of cash flows

(€m)	2003			2004		
	Excl. EADS	EADS	Total	Excl. EADS	EADS	Total
Operating cash flow before changes in working capital	441	372	813	550	465	1,015
Changes in working capital	83	344	427	(10)	298	288
<b>Net cash flow from operations</b>	<b>524</b>	<b>716</b>	<b>1,240</b>	<b>540</b>	<b>763</b>	<b>1,303</b>
Investments	(270)	(635)	(905)	(809)	(682)	(1,491)
<i>Acquisitions of PP&amp;E and intangibles</i>	<i>(208)</i>	<i>(445)</i>	<i>(653)</i>	<i>(353)</i>	<i>(555)</i>	<i>(908)</i>
<i>Long-term financial investments</i>	<i>(62)</i>	<i>(190)</i>	<i>(252)</i>	<i>(456)</i>	<i>(127)</i>	<i>(583)</i>
Asset disposals	231	81	312	736	114	850
(Increase)/decrease in ST investments	21	46	67	(13)	(11)	(24)
<b>Net cash flow from investments</b>	<b>(18)</b>	<b>(508)</b>	<b>(526)</b>	<b>(86)</b>	<b>(579)</b>	<b>(665)</b>
<b>Net cash generated from operating &amp; investing activities</b>	<b>506</b>	<b>208</b>	<b>714</b>	<b>454</b>	<b>184</b>	<b>638</b>

# Consolidated balance sheet

(€m)	December 31, 2003			December 31, 2004		
	Excl. EADS	EADS	Total	Excl. EADS	EADS	Total
Non-current assets	6,577	2,869	9,446	6,082	3,116	9,198
Current assets	3,631	4,880	8,511	4,639	5,199	9,838
<i>of which short-term investments and cash</i>	<i>1,436</i>	<i>1,214</i>	<i>2,650</i>	<i>1,963</i>	<i>1,413</i>	<i>3,376</i>
<b>TOTAL ASSETS</b>	<b>10,208</b>	<b>7,749</b>	<b>17,957</b>	<b>10,721</b>	<b>8,315</b>	<b>19,036</b>
Stockholders' equity & permanent funds	3,407	1,145	4,552	3,547	1,174	4,721
Provisions for contingencies & losses	996	1,205	2,201	1,033	1,181	2,214
Debt	3,102	717	3,819	3,276	774	4,050
Current liabilities	2,703	4,682	7,385	2,865	5,186	8,051
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>10,208</b>	<b>7,749</b>	<b>17,957</b>	<b>10,721</b>	<b>8,315</b>	<b>19,036</b>

# Stockholders' equity\* and net bank cash/(debt)\*



\* Excluding perpetual subordinated notes

# Net bank cash/(debt)\*

(€m)	Dec 31, 2003	Movement	Dec 31, 2004
<u>Net bank cash/(debt)</u>	<u>(882)</u>	<u>496</u>	<u>(386)</u>
EADS	497	143	640
T-Online	522	104	626
Excl. EADS and T-Online	(1,901)	249	(1,652)

\* Excluding perpetual subordinated notes