



*Lagardère*

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## Analyst Meeting

August 28, 2008

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# Safe Harbor Statement

Certain of the statements contained in this document are not historical facts but rather are statements of future expectations and other forward-looking statements that are based on management's beliefs. These statements reflect the Company's views and assumptions as of the date of the statements and involve known and unknown risks and uncertainties that could cause future results, performance or events to differ materially from those expressed or implied in such statements.

When used in this document, words such as "anticipate", "believe", "estimate", "expect", "may", "intend" and "plan" are intended to identify forward-looking statements which address our vision of expected future business and financial performance. Such forward-looking statements include, without limitation, projections for improvements in process and operations, revenues and operating margin growth, cash flow, performance against Company targets, new products and services, current and future markets for the Company products and other trend projections as well as new business opportunities.

These forward looking statements are based upon a number of assumptions which are subject to uncertainty and trends that may differ materially from future results, depending on a variety of factors including without limitation:

- General economic and labour conditions, including in particular economic conditions in Europe and North America
- Legal, financial and governmental risk (including, without limitation, certain market risks) related to the Company's businesses
- Certain risks related to the media industry (including, without limitation, technological risks)
- The cyclical nature of some of the Company's businesses

Please refer to Lagardère SCA's Annual Report for the year ended December 31, 2007, for a description of certain important factors, risks and uncertainties that may affect Lagardère SCA's business.

The Company disclaims any intention or obligation to update the forward-looking statements. Consequently the Company is not responsible for any consequences from using any of the above statements.



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# Key Figures

## Key Figures

### Net sales down 3.8% at €3,804m (vs. €3,955m for H1 2007)

 Like-for-like growth of 3.6%

### Recurring EBIT before associates:

 Consolidated recurring EBIT (including non-media activities) of €255m (vs. €270m in H1 2007)

 Recurring EBIT from Media activities of €260m, up 3.8% based on the parameters used in guidance issued to the market (dollar/euro exchange rate of 1.50)

### Net income:

 €572m (vs. €499m for H1 2007), up 14.6%

 €520m excluding equity-accounted contribution from EADS (vs. €481m for H1 2007), up 7.8%

 Adjusted net income excluding EADS: €159m (vs. €144m for H1 2007)

### Earnings per share:

 Basic: €4.39 (vs. €3.72 for H1 2007)

 Diluted: €4.36 (vs. €3.71 for H1 2007)

### Free Cash Flow\*:

 -€343m (vs. -€179m for H1 2007)

*\* Sum total of net cash generated by/used in operating activities and net acquisitions of property, plant and equipment and intangible assets*



# Financial Indicators by Division



# Lagardère Publishing

**Changes in  
scope of  
consolidation**

**Consolidation over the whole of H1 2008 of *Pika Edition*, which in 2007 was only consolidated from April 1.**

**Consolidation in H1 2008 of the publishers *Grupo Patria Cultural*, *Escala Educacional* and *Piatkus Books*, which were acquired in H2 2007 and hence not consolidated in H1 2007.**



# Net sales

**H1 2008 net sales: €908m (vs. €897m for H1 2007), up 1.3% on a reported basis and 4.5% on a like-for-like basis**

Impact of exchange rates: -6.3%

Impact of changes in scope of consolidation +3.1%

## Key growth drivers:

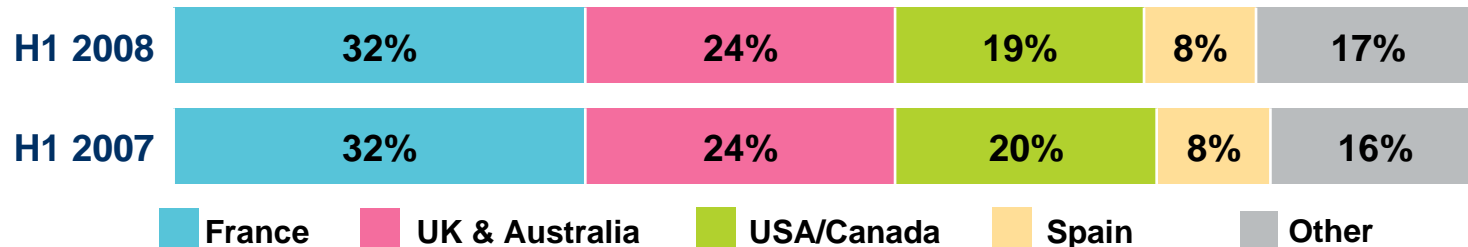
Strong growth for US publishing houses, fueled by James Patterson and Stephenie Meyer

In the UK, growth in books for adult readers thanks to Richard & Judy book club picks

Decline in Literature in France

Decline in partworks sales

## Net sales by geographical area



## Income statement data

<i>(€m)</i>	H1 2007	H1 2008	Change
Net sales (a)	897	908	+1.3%
Recurring EBIT before associates (b)	71	71	-
Income from associates	1	1	
Non-recurring items	4	(1)	
EBIT	76	71	-7.1%
Operating margin (b) / (a)	7.9%	7.8%	



# Lagardère Active

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**Changes in  
scope of  
consolidation**

**Acquisition by Lagardère Active Digital of over 95% of Doctissimo, a publisher of web content for women, fully consolidated from January 1, 2008; compulsory squeeze-out for remaining shares, launched on June 27, 2008, will take the percentage interest to 100%.**

**Acquisition of a further 51% of the Psychologies Magazine group, fully consolidated from June 1, 2008; the group was previously 49% owned, and accounted for as an associate by the equity method.**

**Buyout of the 35% stake in Lagardère Active TV (formerly Lagardère Images) held by Caisse des Dépôts et Consignations (CDC), following the exercise of CDC's put option, raising Lagardère's stake from 65% to 100%. Lagardère Active TV was already fully consolidated in prior periods.**

**Sale of SCPE, a publisher of lads mags, deconsolidated from April 1, 2008.**

**Consolidation over the whole of H1 2008 of Société de Presse Féminine (SPF), Jumpstart Automotive Media and the Nextedia Group, which in 2007 were consolidated only from April 1, June 1 and July 1 respectively.**

**Exclusion from consolidation in 2008 of the Regional Daily Press business, Hachette Filipacchi Sweden, Hachette Filipacchi Burda Poland and Hachette Filipacchi Publicações (Portugal). These entities, which were sold in H2 2007, were included in the consolidation over the whole of H1 2007.**

# Net sales

**H1 2008 net sales: €1,018m (vs. €1,094m for H1 2007), down 7.0% on a reported basis but up 2.7% on a like-for-like basis**

Magazines: €779m, down 10.3% (up 1.6% on a like-for-like basis)

Radio: €157m, up 6.7% (up 5.7% on a like-for-like basis)

TV: €82m, up 3.5% (up 7.2% on a like-for-like basis)

**Digital revenues: €65m, or 6.4% of Lagardère Active net sales (€25m in H1 2007)**

**Key growth drivers for Magazines, Radio and TV:**

Magazines: sharp drop in sales in the USA, Japan and Spain, strong growth in Russia and China, and flat sales in France

Radio: Growth at Virgin Radio and Musiline offsetting decline at RFM and Europe 1

TV: sales growth for production companies and DTT channels

**Net sales by geographical area**



■ France 
 ■ Rest of Europe 
 ■ USA/Canada 
 ■ Asia/Australia 
 ■ Other (including Russia)

# Income statement data

(€m)	H1 2007	H1 2008	Change
<b>Net sales (a)</b>	<b>1,094</b>	<b>1,018</b>	<b>-7.0%</b>
<b>Recurring EBIT before associates (b)</b>	<b>106</b>	<b>114</b>	<b>+7.3%</b>
Magazines*	62	61	- 1.7%
Radio	42	41	- 2.4%
TV	1	12	NS
Other	1	-	NS
<b>Income from associates (before amortization of acquisition-related intangible assets)</b>	<b>32</b>	<b>41</b>	
Magazines	10	13	
Radio & TV	22	28	
<b>Non-recurring and non-operating items</b>	<b>(66)</b>	<b>(114)</b>	
<b>EBIT</b>	<b>72</b>	<b>41</b>	<b>-42.4%</b>
<b>Operating margin (b) / (a)</b>	<b>9.7%</b>	<b>11.2%</b>	
Magazines	7.1%	7.8%	
Radio	28.7%	26.2%	
TV	0.9%	14.7%	

\* Figures for Magazines include new digital activities

# Lagardère Services

Changes in  
scope of  
consolidation

Acquisition of 51% of the Australian airport retailer *Purely Group*, fully consolidated from March 1, 2008.

Disposal of the *Virgin Stores Group*, deconsolidated from January 1, 2008.



# Net sales

**H1 2008 net sales: €1,681m (vs. €1,754m for H1 2007), down 4.2% on a reported basis but up 5.8% on a like-for-like basis**

Impact of exchange rates: -0.1%

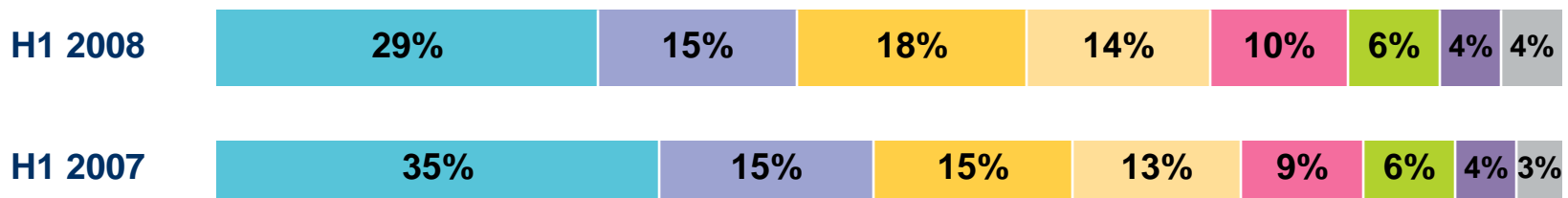
Impact of changes in scope of consolidation: -9.9%

## Key growth drivers:

Eastern Europe: growth still very strong in Romania, Czech Republic and Poland

Growth in travel retail (Aelia, Aspac network, RNA, etc), boosted by the opening of new outlets and despite the slowdown in consumer demand

## Net sales by geographical area



■ France 
 ■ Belgium 
 ■ E. Europe 
 ■ Spain 
 ■ Switzerland 
 ■ USA/Canada 
 ■ Asia 
 ■ Other

## Income statement data

<i>(€m)</i>	H1 2007	H1 2008	Change
Net sales (a)	1,754	1,681	- 4.2%
Recurring EBIT before associates (b)	45	46	+2.8%
Income from associates	3	4	
Non-recurring items *	(61)	(2)	
EBIT	(13)	48	NS
Operating margin (b) / (a)	2.6%	2.8%	

\* Includes €60m of impairment losses on the Virgin Stores group in H1 2007



# Lagardère Sports

**Changes in  
scope of  
consolidation**

**Acquisition of the German group *Upsolut Sports AG*, an organizer of cycling events in Germany, fully consolidated from January 1, 2008.**

**Consolidation over the whole of H1 2008 of *IEC*, which in 2007 was only consolidated from September 1.**

**Acquisition at the end of H1 2008 of approximately 70% of *World Sport Group Holdings Ltd (WSG)*, which specializes in marketing/TV rights management and events sponsorship consultancy in South-East Asia, the Middle East, India and Japan; fully consolidated from July 1, 2008.**

# Net sales

**H1 2008 net sales: €197m (vs. €210m for H1 2007), down 5.9% on a reported basis and down 12.3% on a like-for-like basis**

Impact of changes in scope of consolidation: +6.4%

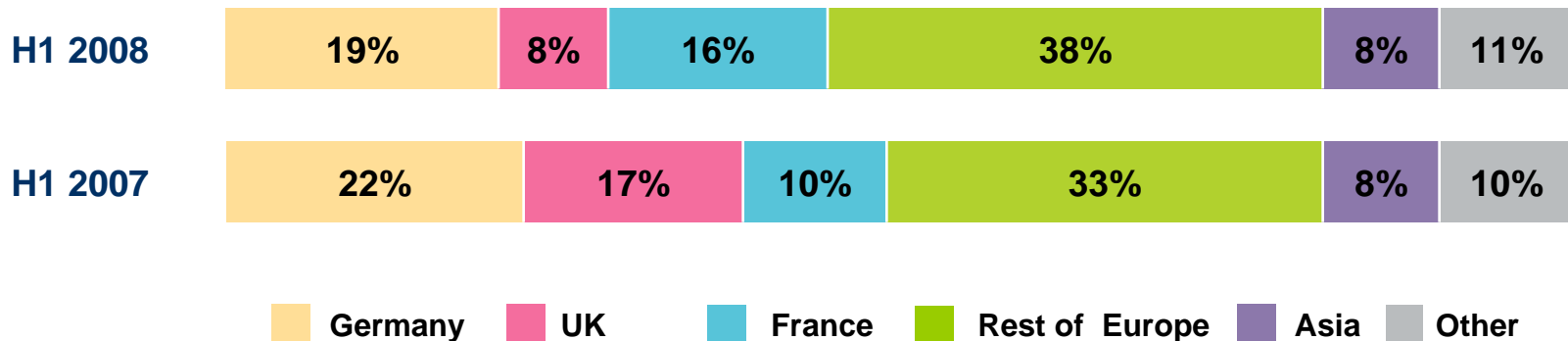
## Key factors in performance:

The African Cup of Nations and the Euro 2008 football finals, both held during H1 2008, were not enough to offset the absence of the numerous Euro 2008 qualifiers that took place in H1 2007.

Good performance in French and German marketing activities, and in UEFA Cup TV rights

Portfolio rationalization: pull-out from non-core/low-margin contracts, especially in Italy.

## Net sales by geographical area



## Income statement data

<i>(€m)</i>	H1 2007	H1 2008	Change
Net sales (a)	210	197	-5.9%
Recurring EBIT before associates (b)	29	29	-
Income from associates	-	-	
Amortization of acquisition-related intangible assets	(14)	(24)	
Non-recurring items	-	-	
EBIT	15	5	-63.9%
Operating margin (b) / (a)	14.0%	14.9%	

\* Before amortization of acquisition-related intangible assets



# Summary Financial Information



## Lagardère Media income statement data

<i>(€m)</i>	H1 2007	H1 2008
<b>Recurring EBIT before associates</b>	<b>251</b>	<b>260</b>
Contribution from associates before amortization of acquisition-related intangible assets	36	46
<b>Recurring EBIT</b>	<b>287</b>	<b>306</b>
Restructuring costs	(20)	(7)
Net gains/(losses) on disposals	9	(4)
Impairment losses on goodwill and intangible assets	(102)	(93)
Amortization of acquisition-related intangible assets		
- fully-consolidated companies	(14)	(27)
- associates	(10)	(10)
<b>EBIT</b>	<b>150</b>	<b>165</b>



## EBIT

<i>(€m)</i>	H1 2007	H1 2008
Lagardère Media	150	165
Non-media activities	19	(5)
Total excluding EADS	169	160
Equity-accounted contribution from EADS	18	52
Gain on disposal of EADS shares	472	466
Total Lagardère	659	678



On June 25, 2008, in accordance with the schedule stipulated in the issue terms of the Mandatory Exchangeable Bond, Lagardère sold approximately 2.5% of the capital of EADS to the bondholders in redemption of the second one-third tranche of the issue.

## Net interest expense and income tax expense

<i>(€m)</i>	H1 2007	H1 2008
Lagardère Media	(63)	(85)
Non-media activities	(42)	6
Total interest expense	(105)	(79)
Income tax expense	(41)	(13)

## Consolidated income statement

(€m)	Lagardère Media	EADS & Non- Media	H1 2007	Lagardère Media	EADS & Non- Media	H1 2008	Change
<b>Net sales</b>	<b>3,955</b>	<b>-</b>	<b>3,955</b>	<b>3,804</b>	<b>-</b>	<b>3,804</b>	<b>-3.8%</b>
<b>Recurring EBIT before associates</b>	<b>251</b>	<b>19</b>	<b>270</b>	<b>260</b>	<b>(5)</b>	<b>255</b>	<b>-5.7%</b>
<b>Income from associates</b>			<b>54</b>			<b>98</b>	
excluding EADS (*)	36	-	36	46	-	46	
EADS	-	18	18	-	52	52	
<b>Non-recurring &amp; non-operating items</b>	<b>(137)</b>	<b>472</b>	<b>335</b>	<b>(141)</b>	<b>466</b>	<b>325</b>	
<b>EBIT</b>	<b>150</b>	<b>509</b>	<b>659</b>	<b>165</b>	<b>513</b>	<b>678</b>	<b>+3.0%</b>
Net interest expense	(63)	(42)	(105)	(85)	6	(79)	
<b>Net income before tax</b>	<b>87</b>	<b>467</b>	<b>554</b>	<b>80</b>	<b>519</b>	<b>599</b>	<b>+8.1%</b>
Income tax expense	(53)	12	(41)	(20)	7	(13)	
<b>Net income before minority interests</b>	<b>34</b>	<b>479</b>	<b>513</b>	<b>60</b>	<b>526</b>	<b>586</b>	<b>+14.2%</b>
Net income	20	479	499	46	526	572	
Minority interests	14	-	14	14	-	14	

\* Before amortization of acquisition-related intangible assets

# Adjusted net income (excluding EADS)

(€m)	H1 2007	H1 2008
<b>Net income</b>	<b>499</b>	<b>572</b>
Equity-accounted contribution from EADS	(18)	(52)
Amortization of acquisition-related intangible assets, net of tax	19	28
<b>Net income before amortization of acquisition-related intangible assets</b>	<b>500</b>	<b>548</b>
<i>Restructuring costs, net of tax</i>	18	5
<i>Net gain on disposals and other items, net of tax</i>	(481)	(453)
<i>Impairment losses on goodwill and intangible assets, net of tax</i>	78	53
<i>Interest expense on Mandatory Exchangeable Bond, net of interest income calculated at market rates</i>	29	6
<b>Total non-recurring items</b>	<b>(356)</b>	<b>(389)</b>
<b>Adjusted net income excluding EADS</b>	<b>144</b>	<b>159</b>
<b>Adjusted earnings per share excluding EADS (€):</b>		
- Basic	1.07	1.22
- Diluted	1.07	1.21

## Consolidated cash flow statement

(€m)	H1 2007	H1 2008
Cash flow from operations before interest, taxes and changes in working capital	341	264
Changes in working capital	(251)	(327)
<b>Cash flow from operations</b>	<b>90</b>	<b>(63)</b>
Net interest and taxes paid	(205)	(208)
<b>Cash generated by/(used in) operating activities</b>	<b>(115)</b>	<b>(271)</b>
<b>Investments</b>	<b>(1,083)</b>	<b>(504)</b>
<i>Property, plant &amp; equipment and intangible assets</i>	(94)	(89)
<i>Financial assets</i>	(989)	(415)
<b>Asset disposals</b>	<b>715</b>	<b>742</b>
<i>Property, plant &amp; equipment and intangible assets</i>	30	17
<i>Financial assets</i>	685	725
<b>(Purchases)/disposals of short-term investments</b>	<b>8</b>	<b>(1)</b>
<b>Cash generated by/(used in) investing activities</b>	<b>(360)</b>	<b>237</b>
<b>Net cash generated by/(used in) operating &amp; investing activities</b>	<b>(475)</b>	<b>(34)</b>

## Change in net debt, 2007 vs. 2008

<b>(€m)</b>	<b>H1 2007</b>	<b>H1 2008</b>
<b>Net debt at start of period</b>	<b>(2,045)</b>	<b>(2,570)</b>
Net cash used in operating and investing activities	(475)	(34)
Purchase of treasury shares	(177)	-
Dividends	(175)	(196)
Purchases/(disposals) of short-term investments	(8)	1
Liabilities arising from commitments to buy out minority interests	2	58
Fair value remeasurement of financial liabilities	19	(49)
Effect of exchange rates, changes in scope of consolidation and other effects	84	59
<b>Net debt at end of period</b>	<b>(2,775)</b>	<b>(2,731)</b>

# Consolidated balance sheet

(€m)

	Dec 31, 2007	June 30, 2008
<b>Non-current assets</b> (other than investments in associates)	5,414	5,580
<b>Investments in associates</b>		
<i>EADS</i>	1,003	791
<i>Other associates</i>	1,844	1,849
<b>Current assets</b> (other than short-term investments & cash)	3,420	3,628
<b>Short-term investments and cash</b>	869	820
<b>Held-for-sale assets</b>	229	-
<b>TOTAL ASSETS</b>	12,779	12,668
<b>Stockholders' equity</b>	4,659	4,895
<b>Non-current liabilities</b> (other than debt)	836	759
<b>Non-current debt</b>	1,960	2,152
<b>Current liabilities</b> (other than debt)	3,686	3,463
<b>Current debt</b>	1,479	1,399
<b>Liabilities associated with held-for-sale assets</b>	159	-
<b>TOTAL LIABILITIES AND EQUITY</b>	12,779	12,668

## Stockholders' equity and net debt

<i>(€m)</i>	Dec 31, 2007	June 30, 2008
Stockholders' equity	4,659	4,895
Net debt	(2,570)	(2,731)
Gearing	55.2%	55.8%
Net debt excluding Mandatory Exchangeable Bond	(1,147)	(2,041)
Gearing excluding Mandatory Exchangeable Bond	24.6%	41.7%





# Appendices

## Analysis of non-recurring/non-operating items – H1 2008

(€m)	Lagardère Publishing	Lagardère Active	Lagardère Services	Lagardère Sports	Non- Media	Total
<b>Restructuring costs</b>	-	(5)	(2)	-	-	<b>(7)</b>
<b>Gains/(losses) on disposals</b>	(1)	(3)	-	-	466	<b>462</b>
<b>Impairment losses on goodwill and intangible assets</b>	-	(93)	-	-	-	<b>(93)</b>
<b>Amortization of acquisition- related intangible assets</b>						
- fully-consolidated companies	-	(3)	-	(24)	-	<b>(27)</b>
- associates	-	(10)	-	-	-	<b>(10)</b>
<b>TOTAL</b>	<b>(1)</b>	<b>(114)</b>	<b>(2)</b>	<b>(24)</b>	<b>466</b>	<b>325</b>

## Analysis of non-recurring/non-operating items – H1 2007

(€m)	Lagardère Publishing	Lagardère Active	Lagardère Services	Lagardère Sports	Non- Media	Total
<b>Gains/(losses) on disposals</b>	4	4	1	-	472	<b>481</b>
<b>Impairment losses on goodwill and intangible assets</b>	-	(42)	(60)	-	-	<b>(102)</b>
<b>Restructuring costs</b>	-	(18)	(2)	-	-	<b>(20)</b>
<b>Amortization of acquisition- related intangible assets</b>						
- fully-consolidated companies	-	-	-	(14)	-	<b>(14)</b>
- associates	-	(10)	-	-	-	<b>(10)</b>
<b>TOTAL</b>	<b>4</b>	<b>(66)</b>	<b>(61)</b>	<b>(14)</b>	<b>472</b>	<b>335</b>

## Contribution from associates by division

(€m)	H1 2007	H1 2008
<b>Lagardère Publishing</b>	<b>1</b>	<b>1</b>
<b>Lagardère Active</b>	<b>22</b>	<b>31</b>
- <i>Audiovisual*</i>	12	18
- <i>Press</i>	10	13
<b>Lagardère Services</b>	<b>3</b>	<b>4</b>
<b>Total Lagardère Media</b>	<b>26</b>	<b>36</b>
<b>Non-media activities</b>	<b>18</b>	<b>52</b>
<b>TOTAL</b>	<b>44</b>	<b>88</b>

\* Includes impact of amortization of acquisition-related intangible assets: -€10m

## Principal associates

(€m)	2007		2008	
	Balance sheet Dec 31, 2007	Income statement H1 2007	Balance sheet June 30, 2008	Income statement H1 2008
<b>EADS</b>	1,003	18	791	52
<b>Canal+ France</b>	1,433	13	1,453	20
<b>Marie-Claire</b>	236	3	244	8
<b>Other associates</b>	175	10	152	8

## Cash flow statement data

(€m)	H1 2007	H1 2008
Cash flow from operations before interest, taxes and changes in working capital	86	82
Changes in working capital	(144)	(179)
<b>Cash flow from operations</b>	<b>(58)</b>	<b>(97)</b>
Net interest and taxes paid	(55)	(36)
<b>Cash generated by/(used in) operating activities</b>	<b>(113)</b>	<b>(133)</b>
<b>Investments</b>	<b>(32)</b>	<b>(25)</b>
<i>Property, plant &amp; equipment and intangible assets</i>	(16)	(15)
<i>Financial assets</i>	(16)	(10)
<b>Asset disposals</b>	<b>8</b>	<b>1</b>
<i>Property, plant &amp; equipment and intangible assets</i>	8	-
<i>Financial assets</i>	-	1
<b>(Increase)/decrease in short-term investments</b>	<b>-</b>	<b>-</b>
<b>Cash generated by/(used in) investing activities</b>	<b>(24)</b>	<b>(24)</b>
<b>Net cash generated by/(used in) operating &amp; investing activities</b>	<b>(137)</b>	<b>(157)</b>

## Cash flow statement data

(€m)	Audio-visual	Press	H1 2007	Audio-visual	Press	H1 2008
Cash flow from operations before interest, taxes and changes in working capital	46	57	103	37	39	76
Changes in working capital	(11)	8	(3)	(26)	(24)	(50)
<b>Cash flow from operations</b>	35	65	100	11	15	26
Net interest and taxes paid	(51)	(27)	(78)	(58)	(47)	(105)
<b>Cash generated by/(used in) operating activities</b>	(16)	38	22	(47)	(32)	(79)
<b>Investments</b>	(21)	(95)	(116)	(90)	(226)	(316)
<i>Property, plant &amp; equipment and intangible assets</i>	(6)	(14)	(20)	(10)	(10)	(20)
<i>Financial assets</i>	(15)	(81)	(96)	(80)	(216)	(296)
<b>Asset disposals</b>	3	2	5	3	7	10
<i>Property, plant &amp; equipment and intangible assets</i>	-	1	1	-	1	1
<i>Financial assets</i>	3	1	4	3	6	9
<b>(Increase)/decrease in short-term investments</b>						
<b>Cash generated by/(used in) investing activities</b>	(18)	(93)	(111)	(87)	(219)	(306)
<b>Net cash generated by/(used in) operating and investing activities</b>	(34)	(55)	(89)	(134)	(251)	(385)

## Cash flow statement data

(€m)	H1 2007	H1 2008
Cash flow from operations before interest, taxes and changes in working capital	68	69
Changes in working capital	(62)	(33)
<b>Cash flow from operations</b>	<b>6</b>	<b>36</b>
Net interest and taxes paid	(12)	(14)
<b>Cash generated by/(used in) operating activities</b>	<b>(6)</b>	<b>22</b>
<b>Investments</b>	<b>(36)</b>	<b>(48)</b>
<i>Property, plant &amp; equipment and intangible assets</i>	(33)	(34)
<i>Financial assets</i>	(3)	(14)
<b>Asset disposals</b>	<b>9</b>	<b>73</b>
<i>Property, plant &amp; equipment and intangible assets</i>	4	23
<i>Financial assets</i>	5	50
<b>(Increase)/decrease in short-term investments</b>	<b>8</b>	<b>(1)</b>
<b>Cash generated by/(used in) investing activities</b>	<b>(19)</b>	<b>24</b>
<b>Net cash generated by/(used in) operating &amp; investing activities</b>	<b>(25)</b>	<b>46</b>



# Cash flow statement data

(€m)	H1 2007	H1 2008
Cash flow from operations before interest, taxes and changes in working capital	47	37
Changes in working capital	(11)	(65)
<b>Cash flow from operations</b>	<b>36</b>	<b>(28)</b>
Net interest and taxes paid	(20)	(26)
<b>Cash generated by/(used in) operating activities</b>	<b>16</b>	<b>(54)</b>
<b>Investments</b>	<b>(894)</b>	<b>(113)</b>
<i>Property, plant &amp; equipment and intangible assets</i>	(21)	(18)
<i>Financial assets</i>	(873)	(95)
<b>Asset disposals</b>	<b>11</b>	<b>1</b>
<i>Property, plant &amp; equipment and intangible assets</i>	-	-
<i>Financial assets</i>	11	1
<b>Cash generated by/used in) investing activities</b>	<b>(883)</b>	<b>(112)</b>
<b>Net cash generated by/(used in) operating &amp; investing activities</b>	<b>(867)</b>	<b>(166)</b>

## Debt by maturity

(€m)	at June 30, 2008	< 1 year	1-5 years	> 5 years	Total
Mandatory Exchangeable Bond		690	-	-	690
Other bond issues		-	380	-	380
Bank borrowings		167	1,700	-	1,867
Finance lease obligations		14	30	3	47
Liabilities arising from commitments to buy out minority interests		-	25	-	25
Other debt		528	10	4	542
<b>TOTAL</b>		<b>1,399</b>	<b>2,145</b>	<b>7</b>	<b>3,551</b>



Short-term investments and cash: €20m

## Off balance sheet commitments

(€m)	Dec 31, 2007	June 30, 2008
<b>Commitments to purchase shares from third parties (other than minority interests)</b>	<b>16</b>	<b>-</b>
<b>Commitments given in connection with ordinary activities</b>		
- guarantees and performance bonds	44	46
- guarantees in favor of third parties or non-consolidated companies	73	81
- capital expenditure commitments	43	43
<b>Mortgages and pledges</b>	<b>3</b>	<b>2</b>



## Significant events



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# Lagardère Publishing

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# Overview



## H1 2008 performance:

-  Net sales: **up 4.5%** on a like-for-like basis  
**up 1.3%** on a reported basis
-  Recurring EBIT before associates: **stable**




*NB: Trends in the US dollar/euro exchange rate during H1 2008 as compared with H1 2007 had a negative effect on recurring EBIT before associates.*

# France




## Education

-  Not a meaningful period for school curriculum books. Performance expected to be in line with expectations and with previous years.
-  Distance learning: market in decline, but growth for Hachette Livre.

## General Literature

-  Disappointing performance in large format books.
-  But good performance from Livre de Poche pocket books.
-  Launch of Audiolib in February 2008, 20 titles published successfully to end June.




## Illustrated

-  Children's books: sales growth, driven by success of Hachette Jeunesse Disney activity books.
-  Advances in the Lifestyle market.
-  Hachette Tourisme (travel books): growth significantly ahead of the market, thanks largely to weekend break guides and city guides.





# France


## Reference

-  Unfavorable market conditions in H1 2008.
-  Hachette Livre stable in value terms.
-  Successful launch of the Larousse online collaborative encyclopedia.

## Distribution

-  Drop in the number of volumes handled, due partly to the loss of First.
-  Significant increase in returns.

## Digital

-  Acquisition of Numilog, the leading e-book aggregator in the French market; 5,000 e-book titles scheduled by end 2008.

## Spain

- Earlier start to the school books season than in 2007.

## United Kingdom

- Hachette Livre still market leader in Adult Trade and no.2 in the Children's market.
- Very good results for Orion and Little, Brown.
- Start-up of an Indian subsidiary early in 2008.

## United States

- ▬ Increased market share for Hachette Book Group USA in a declining market.
- ▬ Excellent performance from Little Brown & Co, driven by authors like Stephenie Meyer (the publishing phenomenon of 2008) and James Patterson.

## Part-works

- ▬ Sales down in France, Italy and Spain, in contracting markets.
- ▬ Growth in Japan, Germany and Latin America.




# Lagardère Services

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# Overview


## H1 2008 performance:


 Net sales: up 5.8% like-for-like at constant exchange rates (retail up 8.3%, distribution up 1.2%), but down 4.2% on a reported basis (including effect of Virgin disposal).

 Recurring EBIT before associates: up 2.8% on a reported basis.


## By business line:

 Retail: 66.3% of consolidated net sales.

 Press Distribution: 33.7% of consolidated net sales.

 → Split reflects a further increase in the share taken by Retail (68% in H1 2007, or 64.5% like-for-like excluding Virgin).

## By geographical area:

 France 29.7%, Europe 60.3% (including Eastern Europe: 17.9%), North America 5.8%, Oceania 4.2%.

## Relay France



- 5.8% sales growth in France, driven largely by the opening in 2007 of 24 sales outlets on the new TGV EST high-speed rail line, 3 sales outlets at Terminal S3 at Roissy-Charles de Gaulle Airport, and 6 sales outlets at Marseille Saint-Charles train station.

## Aelia

- Substantial sales growth of 13.2% at constant exchange rates, driven by:
  - Increased footfall at Paris airports.
  - Opening of the new Terminal S3 at Roissy Charles de Gaulle airport (end June 2007).
  - Excellent performance by SDA, the alliance with AdP (Paris airports operator).
  - Opening of new outlets in Poland (Krakow at end 2007, Warsaw in H1 2008).
  - New in-flight activities (Wizzair, Easyjet Europe, AIR Spain and AIR Netherlands).
  - Stronger trading at new developments in the UK (Luton & Belfast airports).

# Europe




## Spain

-  Retail activities flat.
-  Modest growth in Distribution, with market share gains (RBA-Edipresse, GPS) in a sharply contracting magazine segment.

## Germany






-  Growth driven by expansion of the network: 9 new sales outlets since June 2007.

## Belgium

-  Sales down slightly overall.
-  Growth in Retail: 7 new outlets, total now 290.
-  Distribution down 2.9%: print media down 3.6%, but significant growth in books and phone products.

# Europe



## Switzerland

-  Strong growth across all segments, with overall sales up 9.8% at constant exchange rates.
-  Retail: growth in all segments except print media. Opening of a third “Paul” outlet (franchised).
-  Distribution: drop in print media sales more than offset by growth in other segments.
-  Entertainment/cultural products retailing (Librairie Payot): very good H1.
-  Very strong growth in book distribution due to new contracts.





## Eastern Europe

### Poland



-  Strong growth of 25.2% in retail thanks to rapid pace of new openings (now 559 chain outlets, 92 more than at end June 2007).
-  9 new outlets at Warsaw Airport Terminal 2 since March 23, 2008.

### Hungary


-  Modest growth in Retail
  - Sharp rise in Relay and Inmedio chain sales, network now 333 outlets (123 Relay, 210 Inmedio).
  - Kiosk sales down due to closure of 91 kiosks (469 kiosks at end June 2008).
  - Signature of franchise agreement with Brioche Dorée and Costa Coffee.
-  Distribution up 5% thanks to strong growth in non-print media segments (especially phone top-ups), in a flat print media market.

# Eastern Europe

## Czech Republic



-  Further strong growth.
-  Network of 156 sales outlets at end June 2008 (plus 47 kiosks), 22 more than at end June 2007.

## Romania



-  Very strong growth in retail activities (up 91%)
  - 35 new sales outlets opened since end June 2007.
  - Network now comprises 110 outlets.

## Other countries

### North America




-  Retail activities in Canada and the United States: net sales up 5.1%, thanks to very good same-store growth in airport outlets and the opening of new outlets at La Guardia, JFK T3 and Boston in H1 2008.
-  Distribution: United States (Curtis): 5.6% growth for brokerage in a tough print media market.

### Asia-Pacific

-  Strong growth in sales in Australia and Hong Kong (up 15.3% on a non-comparable structure basis).
-  Acquisition of 51% of Purely Group on March 1, 2008
  - Sells gifts, souvenirs and knitwear through 21 airport outlets; annual sales AUD23m.
  - The Australian network now comprises 92 outlets.

# Outlook

## Objectives for retail activities:

-  strengthen our leadership in travel retail, in particular by rolling out a variety of store concepts.
-  expand our network of high-profile branded outlets, not only in travel locations but also in shopping malls.
-  continue to develop our operations in Asia/Oceania and Central Europe.

## Distribution: continue with the diversification strategy.






# Lagardère Active

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# Consolidated Overview




## H1 2008 performance

-  Net sales: up 2.7% on a like-for-like basis  
down 7.0% on a reported basis
-  Recurring EBIT before associates: up 7.3% on a reported basis
-  Operating margin: 11.2% for H1 2008, vs. 9.7% for H1 2007

Press

## Press Overview



### H1 2008 performance

-  Net sales: up 1.6% on a like-for-like basis  
down 10.3% on a reported basis
-  Recurring EBIT before associates: down 1.7% on a reported basis
-  Operating margin: 7.8% in H1 2008, vs. 7.1% in H1 2007

Press

## Magazines: France

### Circulation

-  Good performance from weeklies, with further growth in circulation for *Elle* (both in kiosk and subscription sales), for *Public* (for the 9th consecutive six-month period), and for *Paris Match* (despite a touch comparative).
-  2007 was an exceptional year, with strong news flow due to the elections coupled with intense media interest in politicians' private lives, and numerous celebrity-driven events. If we strip out these factors, 2008 is progressing along similar positive lines to last year.



## Press

# Magazines: France





## Advertising

- Despite the tough general context, advertising revenues were virtually unchanged year on year.
- The Upscale Women's segment showed a slight fall in revenues, due to a sharp drop in the Cosmetics/Beauty category.
- The Mass Market Women's segment (*Version Femina*) was affected by reduced spend by retailers and cosmetics companies, who have focused more on TV advertising during 2008.
- TV Listings saw a drop in revenues, though to a lesser extent than in H1 2007.
- The two segments reporting growth in H1 2008 were Celebrity and News. The fine circulation figures achieved by *Paris Match* and *Public* had a knock-on effect on advertising revenues.



## Press

# Magazines: International

## United States

-  Thanks to an increase in subscriptions, overall circulation figures (news-stands and subscriptions) held steady. The Shelter segment performed well, but other segments were in decline, including the Women's segment.
-  Print advertising revenues were lower on a constant portfolio basis. The Auto segment was sharply down, reflecting the impact of the U.S. economy on the automotive sector.
-  *Elle* achieved an excellent performance despite tough market conditions.
-  Digital revenues advanced on a like-for-like basis and now account for 11% of total net sales, thanks largely to the May 2007 acquisition of Jumpstart.



## Italy

-  Advertising revenues rose slightly, driven by good performances from our Women's magazines, new launches (*Riders*), and editorial makeovers (*Gioia Casa/Home*).
-  Circulation stable overall in a competitive environment that remains tough.



## Press

# Magazines: International

## Spain

-  With Spain facing economic crisis, advertising spend is being driven mainly by the internet.
-  Our titles saw a drop in advertising revenues, mainly due to difficulties in the Celebrity segment. Circulation is also suffering.


## United Kingdom

-  Difficulties in the advertising market are to some extent being offset by circulation.
-  Good results in digital, both from our established sites and from our recent acquisition Digital Spy.



Press

## Magazines: International



### Japan

-  Circulation revenues for our titles fell, reflecting a general downtrend in the Japanese market. Advertising revenues are also being eroded.

### Russia

-  Further strong revenue growth in both advertising and circulation.
-  Launch of a new magazine, *StarHit*, during H1 2008.




### China

-  Further strong growth in advertising revenues, with circulation revenues stable.
-  Launch of *Femina*, a new bi-weekly magazine, during H1 2008.

Audiovisual





# Overview

## H1 2008 performance

-  Net sales: up 6.2% on a like-for-like basis  
up 5.6% on a reported basis
-  Recurring EBIT before associates: up 19.6% on a reported basis
-  Operating margin: 22.2% in H1 2008, vs. 19.6% in H1 2007

## Audiovisual

# Television


-  **Revenues up 7.2% versus H1 2007 on a like-for-like basis**
  -  Growth for the Theme Channels business, thanks to a surge in DTT channel advertising revenue.
-  **In 2008, the profitability of the theme channel content production business will again be affected by the substantial level of investment in DTT channel programming.**
-  **Lagardère Entertainment recorded a slight increase in H1 revenues, thanks largely to drama/documentary production (GMT, Aubes, Image et Compagnie) and to news magazines (Maximal).**

***Audiovisual***


## Radio broadcasting and advertising airtime sales houses

### Radio revenues up 5.7% on a like-for-like basis

 In France, revenues fell by 0.5%.

 International Radio activities posted a rise of 14.9% boosted by very good results from Poland and Romania, and despite a sharp slowdown in growth for our Russian operations.

### Audience ratings: latest Médiamétrie figures (April-June 2008, age 13+) versus the comparable period in 2007:

 Europe 1: audience share 7.4%, down 0.5%

 Virgin Radio: audience share 3.0%, down 0.2%

 RFM: audience share 3.0%, down 0.6%

## Digital


- Integration of Jumpstart (from June 1, 2007), Nextedia (from August 1, 2007) and Doctissimo (from January 1, 2008).
- Digital revenues 21% higher than in H1 2007 on a like-for-like basis.
- H1 2008 digital revenues of €65.3m, or 6.4% of Lagardère Active total net sales, vs. 2.2% for H1 2007 (12 months ahead of schedule versus our “Plan Active 2009” targets).
- 48 million unique visitors in June 2008, versus 23.7 million at end 2007.
- Confirmation of our market-leading position among French sites (Nielsen UV figures):
  - 11m UVs in France, no.1 among French media companies
  - 7.3m UVs for the Doctissimo network
  - Première network now an established player with 2.7m UVs



# Lagardère Sports

# Overview


## H1 2008 performance



-  Net sales: €197.7m (vs. €210m for H1 2007), down 5.9% on a reported basis and down 12.3% on a like-for-like basis.  
Net sales slightly ahead of forecasts, given the lack of any significant activity in terms of national football federation TV rights.

## Recurring EBIT before associates: stable at €29m

-  Acquisition of Upsolut, a company that organizes mass sports events. Deal closed on January 10, 2008; company consolidated from end March 2008.
-  Acquisition of PR Event, which owns and organizes the ATP tennis tournament held at Bastad (Sweden) in July. Deal closed on February 29, 2008; company consolidated from end April 2008.
-  Acquisition of World Sport Group, Asia's leading sports marketing company, on May 16, 2008. The company will be consolidated from July 1, 2008.
-  Completion of the first-ever TransOriental Rally Raid, from Saint Petersburg to Beijing, with over 200 participants competing over the 10,000-kilometer course.

# Sportfive

 **The African Cup of Nations (January-February) and Euro 2008 (June) football tournaments were the two main events of H1 2008, and met all expectations.**

-  France: good performances from the African Cup of Nations, club marketing and the French Football Federation.
-  Germany and International: good performances from club marketing, and from TV rights sales (UEFA Cup and national football federations).

# IEC

- Performance in line with forecasts.
- Good results from sale of Portuguese League broadcasting rights, and from one-off events (tennis and volleyball).
- Renewal of contracts (Portuguese League, the Stuttgart, Estoril and Vienna ATP tennis tournaments, the ATP Black Rock Senior Tour, etc).
- Expansion in the portfolio of events for distribution (Beijing Marathon, Monaco and Lausanne IAAF Athletics Grand Prix meetings, etc).

# Upsolut

-  **Upsolut's activities are highly seasonal, due to the timing of events.**
  
-  **The Skoda Velothon, a mass cycling event held for the first time in the streets of Berlin on May 24 & 25, 2008, fulfilled expectations with over 10,000 participants and 250,000 spectators.**
  
-  **All the other events are held in the second half of the year**
  -  The Hamburg City Man triathlon, held on July 5 & 6.
  -  The Vattenfall Cycclassics, an amateur and professional bike race, to be held in Hamburg between September 5 & 7.
  -  The Deutschland Tour, which takes place between August 29 and September 6.