2015 INTERIM FINANCIAL REPORT

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1 - 2015 INTERIM MANAGEMENT REPORT

The Lagardère group is a global leader in content production and distribution whose powerful brands leverage its virtual and physical networks to attract and enjoy qualified audiences. The Group's business model relies on creating a lasting and exclusive relationship between the content it offers and its customers.

It is structured around four business lines:

- Books and e-Books: Lagardère Publishing
- Travel Retail: Lagardère Travel Retail (formerly Lagardère Services)
- Press, Audiovisual (Radio, Television, Audiovisual Production), Digital and Advertising Sales Brokerage: Lagardère Active
- Sports (Marketing, Media, Consulting, Athletes) and Entertainment (Shows, Venues, Artists): Lagardère Unlimited

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1.1 SIGNIFICANT EVENTS OF THE FIRST HALF OF 2015

Any existing or significant link between these events and their impact on the financial statements is presented in section 1.3 below, or in note 2 to the consolidated financial statements.

1.1.1. Arnaud Lagardère is to head up the Lagardère group for a further six years

At its meeting of 11 March 2015, the Lagardère SCA Supervisory Board unanimously ratified the decision of the General Partners to renew Arnaud Lagardère's appointment as Managing Partner for a period of six years with effect from 26 March 2015.

1.1.2. Main changes in the scope of consolidation

See note 2 to the consolidated financial statements for the six months ended 30 June 2015.

1.1.3. Lagardère sells its Deutsche Telekom shares

On 16 March 2015, the Lagardère group concluded the forward sale of the 2,836,835 Deutsche Telekom shares that it had held since the transfer of Club Internet to T-Online International in early 2000. T-Online International was folded into Deutsche Telekom in 2006.

The sale will be effective in June 2016. In the meantime, the Lagardère group will continue to own the shares.
A pre-tax capital gain of about €21 million will be recognised in the first-half 2016 accounts.

The sale price is €45 million.

1.1.4. Lagardère signs a new €1.25 billion multicurrency syndicated credit facility with a maturity of five years

On 11 May 2015, Lagardère SCA signed a €1.25 billion multicurrency syndicated credit facility for general corporate purposes. It replaces the previous €1.645 billion facility, signed in 2011.

The new facility has a five year maturity, with two one-year extension options. This achievement highlights the confidence the Group's bank partners have in its financial profile and prospects.

This new credit facility allows the Group to bolster its liquidity profile while decreasing the average cost of debt.

1.1.5. The Paris criminal court recognises Lagardère SCA's exoneration in the EADS case

With regard to the action initiated against person or persons unknown as part of the investigation for insider trading in EADS shares (this case is described in greater detail in note 34 to the consolidated financial statements for the year ended 31 December 2014), the Court of Cassation (*Cour de Cassation*) referred the two priority preliminary rulings on the issue of constitutionality to the Constitutional Council (*Conseil Constitutionnel*). On 18 March 2015, the Constitutional Council declared unconstitutional the provisions of the French Monetary and Financial Code (*Code monétaire et financier*) which allow a person to be prosecuted twice for the same offence, at the initiative of the French Financial Markets Authority (*Autorité des marches financiers* – AMF) for breaching insider trading regulations and for insider trading by a criminal court judge.

Pursuant to the Constitutional Council's decision, on 18 May 2015 the Paris criminal court (*tribunal correctionnel de Paris*) upheld the AMF Enforcement Committee's conclusion of 27 November 2009 that there was no case against Lagardère SCA in the EADS case, ruling that this was the sole decision applicable and ending all proceedings against the Lagardère group in this matter.

1.1.6. Lagardère acquires Spanish audiovisual production group "Grupo Boomerang TV"

On 27 May 2015, Lagardère Entertainment, a subsidiary of Lagardère Active and the leading French audiovisual production group, acquired a majority stake of 82% in Grupo Boomerang TV (Grupo BTV). The remaining stake is held by the founding partners, who will continue in the day-to-day management of Grupo BTV.

Grupo BTV is one of Spain's leading independent audiovisual production groups (scripted and programmes for immediate broadcast) and has begun to expand into several Latin American countries.

1.1.7. CAF and Sportfive extend their partnership until 2028

On 12 June 2015, the Confédération Africaine de Football (CAF) and Sportfive, a subsidiary of Lagardère Unlimited, concluded an agreement to extend their partnership until 2028. With this agreement Sportfive will continue to commercialise the marketing and media rights of the main regional football competitions in Africa, including the Africa Cup of Nations, African Nations Championship and CAF Champions League.

This deal reinforces the strategic position of Lagardère Unlimited in the business of football globally, and highlights the strength of the group in maintaining and building long-term strategic partnerships with key rights holders.

1.1.8. Lagardère Travel Retail sells its US magazines distribution business

In the context of its strategy aimed at focusing on growth businesses (Travel Retail), Lagardère Travel Retail pursued the divestiture of its Press Distribution business and, on 26 June 2015, sold its subsidiary Curtis Circulation Company, a leading US national distributor of magazines, to a venture composed of its management team.

The impact of this transaction on Lagardère Travel Retail's results in the first half of 2015 is negative (a capital loss of around €11 million after tax). This capital loss is more than offset by the capital gain (some €32 million after tax) realised on the sale of the Swiss distribution and retail activities to Valora in February 2015 (for more details on this transaction see Chapter 8, section 8.3.1 of the 2014 Reference Document).

1.2 MAIN RISKS AND UNCERTAINTIES FOR THE REMAINING SIX MONTHS OF THE YEAR

A general presentation of risks and uncertainties can be found in Chapter 3, "Risk factors", of the 2014 Reference Document, filed with the AMF on 1 April 2015.

Significant developments in the disputes described in the 2014 Reference Document are set out, in particular, in note 19 to the consolidated financial statements for the six months ended 30 June 2015.

1.3 COMMENTS ON THE CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2015

Lagardère’s Operating Activities are carried out through four divisions: Lagardère Publishing, Lagardère Travel Retail, Lagardère Active and Lagardère Unlimited.

Business is also carried out through "Other Activities", which correspond to activities not directly related to the four operating divisions.

The main changes in the scope of consolidation during the first half of 2015 are described in note 2 to the consolidated financial statements.

1.3.1 Income statement

Income statement			
	First-half 2015	**First-half 2014***(***)*	**Full-year 2014***(***)*
Sales	**3,304**	**3,364**	**7,170**
Recurring operating profit of fully consolidated companies*(*)*	122	110	342
Income from equity-accounted companies*(**)*	1	1	9
Non-recurring/non-operating items	(72)	**(47)**	(142)
Profit before finance costs and tax	**51**	**64**	**209**
Finance costs, net	(26)	(38)	(73)
Income tax expense	(6)	(57)	(87)
Profit (loss) for the period	**19**	**(31)**	**49**
Attributable to:			
- Owners of the Parent	*9*	(35)	*41*
- Minority interests	*10*	4	*8*

(*) Recurring operating profit of fully consolidated companies corresponds to profit before finance costs and tax excluding the following income statement items:

- *Income from equity-accounted companies*
- *Gains (losses) on disposals of assets*
- *Impairment losses on goodwill, property, plant and equipment and intangible assets*
- *Restructuring costs*
- *Items related to business combinations:*
  - *Acquisition-related expenses*
  - *Gains and losses resulting from purchase price adjustments*
  - *Amortisation of acquisition-related intangible assets*

(**) Before impairment losses

(***) Figures restated to reflect the impact of the retrospective application of IFRIC 21 – Levies

The impacts of the application of IFRIC 21 on the first-half 2014 income statement are as follows:

- *Recurring operating profit of fully consolidated companies: negative €3 million*
- *Profit before finance costs and tax: negative €3 million*
- *Income tax expense: positive €1 million*
- *Profit (loss) for the period: negative €2 million*

The impact on the income statement for the year ended 31 December 2014 amounted to less than €1 million.

In the first half of 2015, the Lagardère group delivered consolidated sales of €3,304 million, down 1.8% on a reported basis and up 2.9% based on constant group structure and exchange rates (like-for-like). The like-for-like growth in sales over the period was mainly attributable to the favourable calendar effect at Lagardère Unlimited and the continued growth momentum enjoyed by Travel Retail. Lagardère Publishing on the other hand turned in a mixed performance in the first half, mainly due to a decline in sales in the United States. Sales at Lagardère Active were virtually stable over the period, reflecting the favourable seasonal effects enjoyed by the TV Production business, which offset the ongoing downward trend in Magazine Publishing.

The difference between reported and like-for-like figures mainly reflects a €277 million negative impact of changes in Group structure, which primarily results from the application of equity accounting to the Relay newsagent activities in most French railway stations following the creation of a joint venture with the SNCF, and the Polish retail city centre businesses, as well as to the divestment of the Payot bookstores and Press Distribution operations in Switzerland and the sale in mid-2014 of ten magazines.
These impacts were partially offset by acquisitions at Lagardère Travel Retail (in particular Airest in April 2014), Lagardère Active (34% of Gulli in late 2014, and Spanish TV Production group Boomerang in May 2015) and Lagardère Publishing (publishing houses in the United Kingdom).
Changes in exchange rates (calculated based on an average rate for the period) had a €130 million positive impact, mainly thanks to the strength of the US dollar and the pound sterling against the euro.

Lagardère Publishing delivered €968 million in sales in the first half of 2015, up 7.1% on a reported basis and down 2.9% like for like. The difference between the two figures results from a €70 million positive impact of exchange rates and a €20 million positive impact of acquisitions in the United Kingdom.
Growth of 3% in France corresponded to strong demand for General Literature following the success of new publications – which included *L'Homme qui ment* by Marc Lavoine, *Hippocrate aux enfers* by Michel Cymes and *Vernon Subutex* by Virgine Despentes – and for the Livre de Poche paperback, which was boosted by robust sales from the *Fifty Shades* trilogy following the release of the film. Illustrated Books also got off to a good start thanks to the continued success of adult colouring books.
The 3.5% decline in sales in the United Kingdom was the result of fewer new releases during the period than in first-half 2014. Sales retreated by 7.8% in the United States due to an unfavourable comparison basis with the first six months of 2014, which was buoyed by sales of Robert Galbraith's *The Silkworm* and Donna Tartt's *The Goldfinch* in particular, as well as to a decline in digital sales.
Spain and Latin America moved back by 3.8% year on year due to the deferral of the school textbook programme in Spain.
Partworks sales slowed by 3.4% on the back of fewer launches in late 2014.

The transition to e-books continues to be primarily limited to English-speaking markets and mainly in the General Literature segment. As the market for e-books began to contract in the United States, digital sales fell to represent 24% of Trade sales compared to 29% in first-half 2014, in light of fewer new product releases and the implementation of the agreement signed with Amazon. E-book sales in the United Kingdom represented 33% of Adult Trade sales in first-half 2015, versus 36% in the same prior-year period, reflecting the stabilisation of the market and a VAT increase on 1 January 2015.
In first-half 2015, the contribution of e-books to Lagardère Publishing's overall sales fell to 10.7%, versus 11.3% in first-half 2014.

Lagardère Travel Retail posted €1,640 million in sales in first-half 2015, down 11.4% on a reported basis and up 3.5% like for like. The difference between reported and like-for-like data reflects the expected negative impact of changes in Group structure amounting to €306 million, as described above, partially offset by a €42 million positive exchange rate impact.

The momentum in the Travel Retail business, which was up 7.3% on a like-for-like basis, boosted the division's performance during the period. In France, sales jumped sharply by 8.7% compared to first-half 2014, led by growth in the Duty Free segment, which was driven by an increase in air traffic and average spending per passenger, and strong performances from Travel Essentials and Foodservice as a result of network expansion and a greater focus on food in the product mix.

Elsewhere in Europe, business was also brisk (up 7.9%). Sales advanced 11.8% in Poland, reflecting an increase in air traffic and network expansion, notably the new terminal 1 at Warsaw airport. Italy advanced by 7.3%, as the Group continued to ramp up operations at Rome airport (up 13.9% despite a fire in May), while Romania (up 15.5%), Bulgaria (up 19.8%) and Spain (up 10.6%) all made strong growth contributions.

Sales in North America grew by 5.7% thanks to the opening of new sales outlets in airports such as Phoenix and Dallas and robust demand across the existing network. Asia-Pacific also saw an increase in sales, which rose by 3.2% following further expansion of the Fashion activity in China and Singapore.

Distribution and Integrated Retail shed 4% over the period, reflecting a continued decline in demand for printed products and, in Hungary, red tape which hampered export sales. These factors were only partially offset by diversification initiatives.

First-half sales at Lagardère Active moved forward by 0.7% on a reported basis and 0.2% like-for-like, to €438 million. The difference between reported and like-for-like figures includes a small positive €3 million impact of changes in Group structure, reflecting the acquisition of Grupo Boomerang TV in May 2015 and the consolidation of Gulli’s sales following the purchase of France TV's stake at end-2014. These factors offset the impacts of the sale of ten magazines in July 2014.

The Magazine Publishing business declined by 4.7%, due to a fall in advertising revenues and circulation, which were down 6.5% and 7.1% respectively. This downward trend was partly offset by growth in other businesses, including international licences and magazine websites.

Radio was down by 3.9% overall and reported mixed performances, with sales down at Europe 1 due to a fall in listener numbers while both domestic and international music stations posted robust performances.

The TV Production business accelerated sharply in the first half (climbing nearly 45%), thanks not only to a favourable comparison basis on the back of a weak first-half 2014, but also to an increase in sales of rights and a favourable delivery schedule, particularly for programme archives.

Digital operations contracted by 20% as a result of the new algorithms introduced by Google, which continued to weigh heavily on the LeGuide group. Excluding this business, digital sales rose by 5.4%.

Advertising revenues were down 3.5% across the division taken as a whole.

Sales at Lagardère Unlimited were up 48.5% on a reported basis and 34.9% like for like, at €259 million. The difference between the two figures corresponds to an €18 million positive exchange rate impact (reflecting mainly the appreciation of the US dollar) and a €6 million positive impact of changes in Group structure.

This strong performance reflects a particularly favourable calendar effect linked to the successful execution of football tournament contracts for both the Africa Cup of Nations in Equatorial Guinea and the Asian Cup in Australia at the start of the year.

Recurring operating profit of fully consolidated companies amounted to €122 million in first-half 2015, up €12 million from first-half 2014 (€110 million). Movements in this item can by analysed as follows for each division:

- Lagardère Publishing reported €36 million in recurring operating income of fully consolidated companies, down €14 million as compared to the same prior-year period. The decrease was chiefly attributable to a slowdown in activity in the United States and, to a lesser extent, in the United Kingdom. A solid performance in France failed to stem the impact of this decline.
- Lagardère Travel Retail delivered recurring operating profit of fully consolidated companies of €30 million, representing a €5 million decrease year on year, due in particular to the sale of operations in Switzerland and the United States, which accounted for around €4 million of this decline. In contrast, the Travel Retail business was up €3 million compared to first-half 2014 as a result of ongoing improvements to the product mix, contract wins and the successful roll-out of new concepts. This performance came despite the consolidation of Airest, which contributed a recurring operating loss of €3 million due to unfavourable seasonal effects in the first half. Lastly, the Distribution business reported a loss of €1 million for this item.
- Lagardère Active reported €33 million in recurring operating profit of fully consolidated companies over the period, virtually stable compared with first-half 2014. The decline in the LeGuide group's business and the downward trends recorded in advertising and circulation was offset by the strong showing from TV Production – spurred by a favourable calendar effect – and the impacts of cost-cutting plans implemented in 2014.
- Lagardère Unlimited reported recurring operating profit of fully consolidated companies of €32 million, compared with €6 million in the same prior-year period, thanks to the highly favourable calendar effect described above. As expected, the first-half 2015 performance was strongly influenced by seasonal effects, particularly given the busy sporting calendar in the first six months of the year. Underlying profitability improved in the division's other businesses in line with the recovery plan.
- Other Activities recorded a recurring operating loss of fully consolidated companies of €9 million, compared with a loss of €15 million in the same period of 2014. The first-half 2014 figure chiefly corresponded to losses booked by Matra Manufacturing Services, which sold its light electric vehicle manufacture and sales business in December 2014.

Income from equity-accounted companies (before impairment losses) came in at €1 million in first-half 2015, in line with first-half 2014.

Non-recurring/non-operating items included in profit before finance costs and tax represented a net loss of €72 million in the first half of 2015, comprising:

- €35 million in restructuring costs, including €13 million at Lagardère Active, which chiefly concerned regional brokerage activities (Lagardère Métropoles) and €12 million at Lagardère Unlimited for the division's European reorganisation. The balance was divided between Lagardère Publishing and Lagardère Travel Retail for €6 million and €4 million respectively, and mainly resulted from the implementation of cost-cutting measures;
- €30 million in impairment losses on property, plant and equipment and intangible assets. The bulk of this figure (€27 million) was attributable to Lagardère Active, and represented the partial impairment of goodwill relating to the LeGuide group (€25 million);
- €26 million in amortisation of intangible assets and costs relating to the acquisition of consolidated companies, representing an expense of €20 million for Lagardère Travel Retail, €3 million for Lagardère Unlimited and €2 million for Lagardère Publishing;
- a €19 million net gain including €17 million at Lagardère Travel Retail, which essentially reflected a €32 million gain on the sale of Distribution activities in Switzerland and a €12 million loss on the sale of the American distribution subsidiary, Curtis Circulation Company.

In first-half 2014, non-recurring/non-operating items represented a net loss of €47 million, comprising restructuring costs for €22 million, almost half of which was incurred by Lagardère Travel Retail, amortisation of intangible assets and costs relating to the acquisition of fully consolidated companies for €21 million, as well as a net loss on disposals of €2 million.
As a result of the above items, consolidated profit before finance costs and tax for the first half of 2015 came out at €51 million, versus €64 million in first-half 2014.

Net finance costs improved by €12 million on first-half 2014 to €26 million, chiefly reflecting a reduction in the Group's average interest rate.

In first-half 2015, the Group recorded income tax expense of €6 million, down €51 million on the same prior-year period. This figure takes into account €5 million (versus €28 million in first-half 2014) relating to the 3% additional contribution introduced in France on dividends paid and the positive impacts of changes in the geographical mix of tax rates applicable outside of France.

Profit attributable to minority interests came in at €10 million in the first six months of 2015, compared to €4 million in the first half of 2014. This increase mainly reflects higher earnings for World Sport Group and the consolidation of minority interests following the acquisitions during the period under review. These positive factors were countered by the consolidation as of 1 April 2014 of the Airest group, which is generally penalised by unfavourable seasonal effects in the first six months of the year.

1.3.2 Consolidated statement of cash flows

Cash flows			
	First-half 2015	**First-half 2014***(**)*	**Full-year 2014***(**)*
Cash flows from operations before changes in working capital	168	133	403
Changes in working capital	(97)	(198)	(49)
Cash flows from (used in) operations	**71**	**(65)**	**354**
Interest paid and received, and income taxes paid*(*)*	(26)	(61)	(144)
Net cash from (used in) operating activities	**45**	**(126)**	**210**
Cash used in investing activities	(219)	(299)	(531)
– Purchases of intangible assets and property, plant and equipment	*(133)*	*(98)*	*(249)*
– Purchases of investments	*(86)*	*(201)*	*(282)*
Proceeds from disposals	(104)	34	50
– Disposals of intangible assets and property, plant and equipment	*4*	*7*	*16*
– Disposals of investments	*(108)*	*27*	*34*
(Increase) decrease in short-term investments	-	-	-
Net cash used in investing activities	**(323)**	**(265)**	**(481)**
Total cash used in operating and investing activities	**(278)**	**(391)**	**(271)**
Net cash from (used in) financing activities	**124**	**(860)**	**(950)**
Other movements	3	2	4
Change in cash and cash equivalents	**(151)**	**(1,249)**	**(1,217)**

(*) Including tax on dividends paid in the amount of €5 million in first-half 2015 and €28 million in first-half 2014.
(**) Figures restated to reflect the impact of the retrospective application of IFRIC 21 – Levies.
The impacts of the application of IFRIC 21 on the first-half 2014 statement of cash flows are as follows:

- *Cash flows from operations before changes in working capital: negative €3 million*
- *Changes in working capital: positive €3 million*

The impact on these items for the year ended 31 December 2014 amounted to less than €1 million.

1.3.2.1 Cash used in operating and investing activities

Cash flows from operations before changes in working capital totalled €168 million in the first half of 2015, up 26% on the first six months of 2014 (€133 million). The improvement in this item reflects the impact of the €12 million increase in operating income, as well as the €17 million fall in charges to depreciation, amortisation and provisions. These two factors were partially offset by a €4 million increase in restructuring costs.

Changes in working capital, while generally negative at the end of June, improved markedly during the first six months of the year, and represented a negative €97 million compared to a negative €198 million in the first half of 2014. This was thanks to a sharp improvement at Lagardère Travel Retail, which was penalised in first-half 2014 by a number of non-recurring items, and at Lagardère Publishing, which in first-half 2014 felt the effects of particularly high advances paid to writers in the United States and royalty payments to writers in France in respect of successful titles in 2013. In contrast, changes in working capital deteriorated at Lagardère Unlimited, reflecting an unfavourable comparison basis with first-half 2014 when the division received the proceeds from the Asian Cup and the Africa Cup of Nations, which took place in early 2015.

Interest paid (net of interest received) in first-half 2015 was €5 million versus €4 million in the same prior-year period. Income taxes paid totalled €21 million (€57 million in the first six months of 2014), including the €5 million relating to the additional contribution on dividends paid (€28 million in first-half 2014).

Operating activities therefore represented a net inflow of €45 million in the first half of 2015 compared with a net outflow of €126 million one year earlier.

In the first half of 2015, purchases of property, plant and equipment and intangible assets totalled €133 million, primarily relating to Lagardère Travel Retail in line with its growth strategy, Lagardère Unlimited (acquisition of sports rights) and Lagardère Publishing (primarily the refurbishment of properties in the United Kingdom and France). In the first half of 2014, these items totalled €98 million and mainly related to Lagardère Travel Retail.
Purchases of investments amounted to €86 million in the six months ended 30 June 2015 and chiefly concerned the acquisition of Spanish audiovisual production group Grupo Boomerang TV and, to a lesser extent, of 17 fashion and confectionery sales outlets at JFK airport in New York. This item also included the payment by Lagardère Unlimited of a deposit in connection with the AFC contract (World Sport Group).

Proceeds from disposals of property, plant and equipment and intangible assets amounted to €4 million in first-half 2015.
The impact of disposals of investments came to negative €108 million during the period under review, and were mainly attributable to the sale by Lagardère Travel Retail of its Swiss Press Distribution and Integrated Retail operations, and of Curtis Circulation Company, a national magazine distributor in the United States. This particular transaction had a negative impact on proceeds from asset disposals as it involved the deconsolidation of the activity's structurally positive working capital.

As a result, operating and investing activities represented a net outflow of €278 million in the first half of 2015, versus a net outflow of €391 million in first-half 2014. This improvement mainly reflects the increase in cash flows from operations before changes in working capital and the positive change in working capital.

1.3.2.2 Cash from (used in) financing activities

In the first half of 2015, net cash from financing activities came to €124 million, primarily reflecting:

- €184 million in dividends paid, of which €167 million by Lagardère SCA;
- a €311 million net increase in debt, which mainly comprises commercial paper issued by Lagardère SCA for €211 million and a short-term credit facility drawn down for €75 million;
- €4 million in purchases of minority interests at Lagardère Travel Retail.

1.3.2.3 Net debt

Net debt breaks down as follows:

	30 June 2015	**31 Dec. 2014**
Short-term investments and cash and cash equivalents	451	566
Non-current debt	(1,084)	(1,030)
Current debt	(803)	(490)
Net debt	**(1,436)**	**(954)**

Changes in net debt during the first half of 2015 and the first half of 2014 were as follows:

	2015	**2014**
Net debt at 1 January	**(954)**	**361**
Total cash used in operating and investing activities	(278)	(391)
(Acquisitions) disposals of minority interests	(4)	(15)
(Acquisitions) disposals of treasury shares	-	(17)
Dividends	(184)	(959)
Increase (decrease) in short-term investments	-	-
Debt related to put options granted to minority shareholders	(10)	(5)
Change in financial liabilities following remeasurement at fair value	1	-
Changes in scope of consolidation	13	(42)
Effect on cash of changes in exchange rates and other	(20)	(23)
Net debt at 30 June	**(1,436)**	**(1,091)**

1.4 RELATED PARTIES

See note 20 to the consolidated financial statements.

1.5 EVENTS AFTER THE REPORTING PERIOD

1.5.1 Launch of a public buyout offer for Lagardère Active Broadcast shares

On 7 July 2015, Lagardère Active, a subsidiary of Lagardère SCA, filed a draft public buyout offer ("the Offer") for all of the shares of Lagardère Active Broadcast not held by Lagardère Active at a price per share of €355. This represented a 12.3% premium on the latest share price (Monday, 29 June 2015).

The Offer was approved by the French Financial Markets Authority (*Autorité des marchés financiers*) on 21 July 2015 and was launched on 24 July 2015.

The Offer, which will be followed by a request for delisting of the shares from Euronext, is intended to provide minority shareholders of Lagardère Active Broadcast with immediate liquidity for their shares at an attractive price in an environment where there is almost no liquidity for the free float in the market.

The Offer relates to the 8,229 shares not held by Lagardère Active, leading to a maximum acquisition cost, excluding expenses and fees, of around €2.9 million.

1.5.2 Results of the Médiamétrie survey of radio audience figures in France between April and June 2015 published on 16 July 2015

The number of Europe 1 listeners increased by a sharp 123,000 in the period surveyed, taking the daily following to 4,737,000. The station now enjoys a cumulative audience of 8.9%, up 0.2 percentage points in one year. These strong figures were driven by the particularly solid morning offering, which helped to secure new listeners.

1.6 UPDATE TO 2015 GUIDANCE

In view of the results for the first six months of the year and the outlook for the second half, the Group is raising its guidance for recurring operating profit of fully consolidated companies for full-year 2015 as communicated in March 2015.
Recurring operating profit of fully consolidated companies (Operating Activities and Other Activities combined) is now expected to advance by around 7% year on year (versus 5% in the prior guidance) at constant exchange rates and excluding the impact of any additional disposals within the LS Distribution activity.

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2 – CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 30 JUNE 2015

(in millions of euros)		**First-half 2015**	**First-half 2014(*)**	**Full-year 2014(*)**
Sales	*(Notes 3 and 4)*	3,304	3,364	7,170
Other income from ordinary activities		135	141	323
Revenues		**3,439**	**3,505**	**7,493**
Purchases and changes in inventories		(1,418)	(1,605)	(3,334)
Capitalised production		1	1	2
Production transferred to inventories		49	68	107
External charges		(1,108)	(1,040)	(2,231)
Payroll costs		(762)	(752)	(1,527)
Depreciation and amortisation other than on acquisition-related intangible assets		(87)	(76)	(174)
Amortisation of acquisition-related intangible assets and other acquisition-related expenses		(27)	(21)	(56)
Restructuring costs	*(Note 5)*	(35)	(22)	(66)
Gains (losses) on:	*(Note 6)*			
Disposals of assets		19	(2)	(5)
Fair value adjustments due to changes in control		0	0	25
Impairment losses on goodwill, property, plant and equipment and intangible assets	*(Note 7)*	(28)	(2)	(39)
Other operating expenses	*(Note 8)*	(26)	(25)	(53)
Other operating income	*(Note 9)*	34	34	60
Income from equity-accounted companies	*(Note 13)*	0	1	7
PROFIT BEFORE FINANCE COSTS AND TAX	*(Note 3)*	**51**	**64**	**209**
Financial income	*(Note 10)*	8	6	12
Financial expenses	*(Note 10)*	(34)	(44)	(85)
PROFIT BEFORE TAX		**25**	**26**	**136**
Income tax expense	*(Note 11)*	(6)	(57)	(87)
PROFIT (LOSS) FOR THE PERIOD		**19**	**(31)**	**49**
Attributable to:				
Owners of the Parent		**9**	**(35)**	**41**
Minority interests		10	4	8
Earnings (loss) per share – Attributable to owners of the Parent:				
Basic earnings (loss) per share	*(Note 12)*	*0.07*	*(0.27)*	*0.32*
Diluted earnings (loss) per share	*(Note 12)*	*0.07*	*(0.27)*	*0.32*

(*) Restated to reflect the impact of the application of IFRIC 21 (see note 1.1 to the consolidated financial statements).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2015

(in millions of euros)	**First-half 2015**	**First-half 2014(*)**	**Full-year 2014(*)**
Profit (loss) for the period (1)	**19**	**(31)**	**49**
Actuarial gains and losses on pensions and other post-employment benefit obligations	5	(21)	(40)
Tax relating to actuarial gains and losses on pensions and other post-employment benefit obligations	(2)	6	11
Other comprehensive income (expense) for the period, net of tax, that will not be reclassified subsequently to profit or loss (2)	**3**	**(15)**	**(29)**
Currency translation adjustments	88	28	90
Change in fair value of derivative financial instruments:	(1)	(2)	(4)
Unrealised gains and losses recognised directly in equity	*(1)*	*0*	*(2)*
Amounts reclassified from equity to profit or loss	*0*	*(2)*	*(2)*
Change in fair value of investments in non-consolidated companies:	11	(1)	(2)
Unrealised gains and losses recognised directly in equity	*11*	*1*	*0*
Amounts reclassified from equity to profit or loss	*0*	*(2)*	*(2)*
Share of other comprehensive income (expense) of equity-accounted companies (net of tax):	(2)	0	(3)
Unrealised gains and losses recognised directly in equity			
Amounts reclassified from equity to profit or loss	*(2)*	*0*	*(3)*
Translation reserve	*(2)*	*0*	*(3)*
Valuation reserve	*0*	*0*	*0*
Tax relating to components of other comprehensive income (expense)	(1)	1	2
Other comprehensive income for the period, net of tax, that may be reclassified subsequently to profit or loss (3)	**95**	**26**	**83**
Other comprehensive income for the period, net of tax (2)+(3)	**98**	**11**	**54**
Total comprehensive income (expense) for the period (1)+(2)+(3)	**117**	**(20)**	**103**
Attributable to:			
Owners of the Parent	**104**	**(23)**	**97**
Minority interests	13	3	6

(*) Restated to reflect the impact of the application of IFRIC 21 (see note 1.1 to the consolidated financial statements).

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2015

(in millions of euros)		First-half 2015	First-half 2014(*)	Full-year 2014(*)
Profit (loss) for the period		**19**	**(31)**	**49**
Income tax expense		6	57	87
Finance costs, net		26	38	73
Profit before finance costs and tax		**51**	**64**	**209**
Depreciation and amortisation expense		112	94	223
Impairment losses, provision expense and other non-cash items		14	(30)	(20)
(Gains) losses on disposals of assets		(19)	2	(19)
Dividends received from equity-accounted companies		10	4	17
(Income) loss from equity-accounted companies		0	(1)	(7)
Changes in working capital		(97)	(198)	(49)
Cash flows from (used in) operations		**71**	**(65)**	**354**
Interest paid		(7)	(8)	(74)
Interest received		2	4	5
Income taxes paid		(21)	(57)	(75)
Net cash from (used in) operating activities	**(A)**	**45**	**(126)**	**210**
Cash used in investing activities				
Purchases of intangible assets and property, plant and equipment		(133)	(98)	(249)
Purchases of investments		(67)	(214)	(266)
Cash acquired through acquisitions		2	37	45
Purchases of other non-current assets		(21)	(24)	(61)
Total cash used in investing activities	**(B)**	**(219)**	**(299)**	**(531)**
Cash from investing activities				
Proceeds from disposals of non-current assets				
Disposals of intangible assets and property, plant and equipment		4	7	16
Disposals of investments		44	23	28
Cash transferred on disposals		(155)	2	0
Decrease in other non-current assets		3	2	6
Total cash from (used in) investing activities	**(C)**	**(104)**	**34**	**50**
(Increase) decrease in short-term investments	**(D)**	-	-	-
Net cash used in investing activities	**(E) = (B)+(C)+(D)**	**(323)**	**(265)**	**(481)**
Total cash used in operating and investing activities	**(F) = (A)+(E)**	**(278)**	**(391)**	**(271)**
Capital transactions				
Proceeds from capital increase by the Parent		-	-	0
Minority interests' share in capital increases by subsidiaries		1	4	4
(Acquisitions) disposals of treasury shares		0	(17)	(16)
(Acquisitions) disposals of minority interests		(4)	(15)	(28)
Dividends paid to owners of the Parent(**)		(167)	(945)	(945)
Dividends paid to minority shareholders of subsidiaries		(17)	(14)	(16)
Indemnities paid to holders of free shares		0	0	(7)
Financing transactions				
Increase in debt		334	158	825
Decrease in debt		(23)	(31)	(767)
Net cash from (used in) financing activities	**(G)**	**124**	**(860)**	**(950)**
Other movements				
Effect on cash of changes in exchange rates		3	2	(9)
Effect on cash of other movements		-	-	13
Total other movements	**(H)**	**3**	**2**	**4**
Change in cash and cash equivalents	**(I) = (F)+(G)+(H)**	**(151)**	**(1,249)**	**(1,217)**
Cash and cash equivalents at beginning of the period		**460**	**1,677**	**1,677**
Cash and cash equivalents at end of the period	*(Note 15)*	**309**	**428**	**460**

(*) Restated to reflect the impact of the application of IFRIC 21 (see note 1.1 to the consolidated financial statements).
(**) Including the portion of profit for the year paid to the General Partners.

CONSOLIDATED BALANCE SHEET AT 30 JUNE 2015

ASSETS

(in millions of euros)		**30 June 2015**	**31 Dec. 2014[(*)]**
Intangible assets		1,039	1,045
Goodwill		1,812	1,740
Property, plant and equipment		875	840
Investments in associates and joint ventures	*(Note 13)*	149	159
Other non-current assets		119	125
Deferred tax assets		212	198
Total non-current assets		**4,206**	**4,107**
Inventories		631	578
Trade receivables		1,231	1,280
Other current assets		1,032	976
Short-term investments	*(Note 14)*	49	38
Cash and cash equivalents	*(Note 15)*	402	528
Total current assets		**3,345**	**3,400**
Total assets		**7,551**	**7,507**

(*) Restated to reflect the impact of the application of IFRIC 21 (see note 1.1 to the consolidated financial statements).

CONSOLIDATED BALANCE SHEET AT 30 JUNE 2015

EQUITY AND LIABILITIES

(in millions of euros)		30 June 2015	31 Dec. 2014[(*)]
Share capital		800	800
Reserves		1,133	1,144
Profit attributable to owners of the Parent		9	41
Equity attributable to owners of the Parent		**1,942**	**1,985**
Minority interests		83	99
Total equity		**2,025**	**2,084**
Provisions for pensions and other post-employment benefit obligations		139	155
Non-current provisions for contingencies and losses		145	158
Non-current debt	*(Note 16)*	1,084	1,030
Other non-current liabilities		103	112
Deferred tax liabilities		287	289
Total non-current liabilities		**1,758**	**1,744**
Current provisions for contingencies and losses		263	273
Current debt	*(Note 16)*	803	490
Trade payables		1,500	1,702
Other current liabilities		1,202	1,214
Total current liabilities		**3,768**	**3,679**
Total equity and liabilities		**7,551**	**7,507**

(*) Restated to reflect the impact of the application of IFRIC 21 (see note 1.1 to the consolidated financial statements).

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in millions of euros)	Share capital	Share premiums	Other reserves	Treasury shares	Translation reserve	Valuation reserve	**Equity attributable to owners of the Parent**	Minority interests	**Total equity**
At 1 January 2014(*)	**800**	**855**	**1,412**	**(163)**	**(64)**	**12**	**2,852**	**78**	**2,930**
Profit (loss) for the period			(35)				**(35)**	4	**(31)**
Other comprehensive income (expense) for the period (a)			(14)		28	(2)	**12**	(1)	**11**
Total comprehensive income (expense) for the period			**(49)**		**28**	**(2)**	**(23)**	**3**	**(20)**
Dividends paid		(765)	(180)				**(945)**	(14)	**(959)**
Parent company capital reduction (b)		(15)	(18)	33			**0**		**0**
Minority interests' share in capital increases							**0**	3	**3**
Changes in treasury shares				(17)			**(17)**		**(17)**
Share-based payments			6				**6**		**6**
Effect of transactions with minority interests			(10)				**(10)**	(3)	**(13)**
Changes in consolidation scope and other							**0**		**0**
At 30 June 2014(*)	**800**	**75**	**1,161**	**(147)**	**(36)**	**10**	**1,863**	**67**	**1,930**
At 1 January 2015(*)	**800**	**72**	**1,223**	**(141)**	**23**	**8**	**1,985**	**99**	**2,084**
Profit for the period			9				**9**	10	**19**
Other comprehensive income for the period (a)			3		84	9	**96**	2	**98**
Total comprehensive income for the period			**12**		**84**	**9**	**105**	**12**	**117**
Dividends paid			(167)				**(167)**	(17)	**(184)**
Parent company capital reduction (b)		(3)	(1)	4			**0**		**0**
Minority interests' share in capital increases							**0**	1	**1**
Changes in treasury shares							**0**		**0**
Share-based payments			6				**6**		**6**
Effect of transactions with minority interests			13				**13**	(15)	**(2)**
Changes in consolidation scope and other							**0**	3	**3**
At 30 June 2015	**800**	**69**	**1,086**	**(137)**	**107**	**17**	**1,942**	**83**	**2,025**

(*) Restated to reflect the impact of the application of IFRIC 21 (see note 1.1 to the consolidated financial statements).
(a) See note 17 to the consolidated financial statements.
(b) Capital increase carried out by capitalising reserves and capital reduction carried out by cancelling treasury shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2015

(All figures are expressed in millions of euros unless otherwise specified)

Note 1 Accounting principles

The interim consolidated financial statements at 30 June 2015 have been prepared in compliance with IAS 34 – Interim Financial Reporting. The accompanying notes do not contain all the disclosures required for annual financial statements. These condensed consolidated financial statements should therefore be read in conjunction with the annual consolidated financial statements published for 2014.

The Group has applied the new standards, interpretations and/or amendments to IFRSs adopted by the European Union that are effective for periods beginning on or after 1 January 2015, including:

- IFRIC 21 – Levies, effective for annual periods beginning on or after 17 June 2014. This interpretation relating to the recognition of levies within the scope of IAS 37 – Provisions, Contingent Liabilities and Contingent Assets modifies the obligating event that gives rise to the recognition of a liability to pay a levy or contribution. The obligating event for the recognition of the liability is now the activity that triggers the payment of the levy, as defined by the tax authorities. IFRIC 21 is applicable on a retrospective basis. Its limited impact is detailed in note 1.1 below.

The other standards and amendments adopted by the European Union that are effective for periods beginning on or after 1 January 2015 do not have an impact on the consolidated financial statements.

In addition, the Group did not elect to early adopt the new standards which had been endorsed by the European Union at 30 June 2015 but which will only become mandatory subsequent to 1 January 2015, including:

- Amendments to IAS 19 – Defined Benefit Plans: Employee Contributions;
- Annual Improvements to IFRSs (2010-2012 cycle).

The new standards, interpretations and amendments to existing standards published by the International Accounting Standards Board (IASB) as at 30 June 2015 which have not yet been endorsed by the European Union and which will be effective subsequent to 2015 are as follows:

- IFRS 15 – Revenue from Contracts with Customers;
- IFRS 9 – Financial Instruments (which will gradually replace IAS 39);
- Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation;
- Amendments to IFRS 11 – Acquisition of an Interest in a Joint Operation;
- Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture;
- Amendments to IAS 1 – Disclosure Initiative;
- Annual Improvements to IFRSs (2012-2014 cycle), published in September 2014.

The consolidated financial statements were approved for issue by the Managing Partners of Lagardère SCA on 29 July 2015.

Note 1.1 Change in accounting method as a result of the application of IFRIC 21

As stated above, the Group has applied IFRIC 21 – Levies since 1 January 2015.

The impacts of the retrospective application of IFRIC 21 on comparative data from the 2014 consolidated financial statements are as follows:

	31 Dec. 2014 (reported)	IFRIC 21 impact	31 Dec. 2014 (adjusted for IFRIC 21)
Balance sheet			
Deferred tax assets	199	(1)	198
Other current liabilities	(1,218)	4	(1,214)
Total equity	**2,081**	**3**	**2,084**

The impact on the consolidated income statement for the year ended 31 December 2014 amounts to less than €1 million.

The impacts on the first-half 2014 consolidated income statement are as follows:

	30 June 2014 (reported)	IFRIC 21 impact	30 June 2014 (adjusted for IFRIC 21)
Income statement			
External charges	(1,037)	3	(1,040)
Recurring operating profit of fully consolidated companies	**113**	**(3)**	**110**
Profit before finance costs and tax	**67**	**(3)**	**64**
Finance costs, net	(38)	-	(38)
Income tax expense	(58)	1	(57)
Profit (loss) for the period	**(29)**	**(2)**	**(31)**
Other comprehensive income for the period	**11**	**-**	**11**
Total comprehensive expense for the period	**(18)**	**(2)**	**(20)**

The impacts described above do not represent cash paid or received. Therefore, only "Profit (loss) for the period", "Income tax expense" and "Changes in working capital" in the consolidated statement of cash flows are impacted by these adjustments.

Note 2 Main changes in the scope of consolidation

The main changes in the scope of consolidation during the first half of 2015 – none of which had a material impact on the consolidated financial statements – were as follows:

Lagardère Publishing

- Full consolidation over six months in 2015 of Rising Stars, a publishing house founded in 2002 and specialised in the publication of teaching resources for primary schools. This company was acquired by Hodder Education.

Lagardère Travel Retail (formerly Lagardère Services)

- Acquisition on 21 April 2015 of 17 fashion and confectionery stores in terminal 4 of JFK airport in New York.
- Sale of the Curtis Group, the press distribution specialist in the United States and Canada, which was deconsolidated on 26 June 2015.
- Sale of the 65% stake in Lagardère Services Distribution Suisse (LSDS), the business division's Swiss Press Distribution and Integrated Retail subsidiary, which was deconsolidated from March 2015.

Lagardère Active

- Full consolidation over one month in 2015 of Grupo Boomerang TV following Lagardère Entertainment's acquisition of 82% of its share capital in May 2015.

Note 3 Segment information

Lagardère's operating activities are carried out through the four following business divisions:

- Lagardère Publishing: publication of works in the General Literature, Education, Illustrated Books and Partworks markets.
- Lagardère Services, renamed Lagardère Travel Retail on 8 July 2015: Travel Retail and Press Distribution.
- Lagardère Active, which comprises:

  - Audiovisual and Digital businesses including special interest television channels, Audiovisual Production and Distribution, Radio and Advertising Sales Brokerage;

  - Press activities, principally mainstream Magazine Publishing.
- Lagardère Unlimited, which specialises in Sports and Entertainment: marketing rights management, organisation and management of events, consulting in the management and operation of stadiums and multipurpose venues, content production and media rights management, athlete management and brand consulting.

Transactions between business divisions are generally carried out on arm's length terms.

Income statement for first-half 2015							
	Lagardère Publishing	Lagardère Travel Retail	Lagardère Active	Lagardère Unlimited	Operating Activities sub-total	Other Activities	Total
Sales	977	1,640	438	259	**3,314**	-	**3,314**
Inter-segment sales	(9)	-	(1)	-	**(10)**	-	**(10)**
Consolidated sales	**968**	**1,640**	**437**	**259**	**3,304**	**-**	**3,304**
Other income from ordinary activities	6	69	49	-	**124**	11	**135**
Revenues	**974**	**1,709**	**486**	**259**	**3,428**	11	**3,439**
Recurring operating profit (loss) of fully consolidated companies	**36**	**30**	**33**	**32**	**131**	(9)	**122**
Income (loss) from equity-accounted companies before impairment losses	-	2	-	(1)	**1**	-	**1**
Recurring operating profit (loss)	**36**	**32**	**33**	**31**	**132**	**(9)**	**123**
Restructuring costs	(6)	(4)	(13)	(12)	**(35)**	-	**(35)**
Gains (losses) on disposals *- Disposals of assets* *- Fair value adjustments due to changes in control*	- - -	17 *17* -	2 *2* -	- - -	**19** ***19*** **-**	- - -	**19** ***19*** **-**
Impairment losses(*) *- Fully consolidated companies* *- Equity-accounted companies*	- - -	(3) *(3)* -	(27) *(25)* *(2)*	- - -	**(30)** ***(28)*** ***(2)***	- - -	**(30)** ***(28)*** ***(2)***
Amortisation on acquisition-related intangible assets	(2)	(20)	-	(2)	**(24)**	-	**(24)**
Acquisition-related expenses	-	-	(1)	(1)	**(2)**	-	**(2)**
Purchase price adjustments	-	-	-	-	**-**	-	**-**
Profit (loss) before finance costs and tax	**28**	**22**	**(6)**	**16**	**60**	**(9)**	**51**
Items included in recurring operating profit (loss)							
Depreciation and amortisation of intangible assets and property, plant and equipment	(12)	(40)	(6)	(25)	**(83)**	(4)	**(87)**
Cost of share option plans	(2)	(1)	(2)	-	**(5)**	(1)	**(6)**

(*) Impairment losses on goodwill, property, plant and equipment and intangible assets.

Income statement for first-half 2014(*)							
	Lagardère Publishing	**Lagardère Travel Retail**	**Lagardère Active**	**Lagardère Unlimited**	**Operating Activities sub-total**	**Other Activities**	**Total**
Sales	917	1,852	435	174	**3,378**	-	**3,378**
Inter-segment sales	(14)	-	-	-	**(14)**	-	**(14)**
Consolidated sales	**903**	**1,852**	**435**	**174**	**3,364**	**-**	**3,364**
Other income from ordinary activities	6	70	47	1	**124**	17	**141**
Revenues	**909**	**1,922**	**482**	**175**	**3,488**	17	**3,505**
Recurring operating profit (loss) of fully consolidated companies(*)	**50**	**35**	**34**	**6**	**125**	(15)	**110**
Income (loss) from equity-accounted companies before impairment losses	1	3	(4)	1	**1**	-	**1**
Recurring operating profit (loss)(*)	**51**	**38**	**30**	**7**	**126**	**(15)**	**111**
Restructuring costs	(3)	(10)	(5)	(4)	**(22)**	-	**(22)**
Gains (losses) on disposals *- Disposals of assets* *- Fair value adjustments due to changes in control*	- - -	1 *1* -	(4) *(4)* -	- - -	**(3)** ***(3)*** **-**	1 *1* -	**(2)** ***(2)*** **-**
Impairment losses(**) *- Fully consolidated companies* *- Equity-accounted companies*	- - -	(1) *(1)* -	- - -	(1) *(1)* -	**(2)** ***(2)*** **-**	- - -	**(2)** ***(2)*** **-**
Amortisation on acquisition-related intangible assets	(1)	(13)	-	(4)	**(18)**	-	**(18)**
Acquisition-related expenses	-	-	-	-	**-**	-	**-**
Purchase price adjustments	(1)	(1)	-	(1)	**(3)**	-	**(3)**
Profit (loss) before finance costs and tax(*)	**46**	**14**	**21**	**(3)**	**78**	**(14)**	**64**
Items included in recurring operating profit (loss)							
Depreciation and amortisation of intangible assets and property, plant and equipment	(11)	(37)	(6)	(18)	**(72)**	(4)	**(76)**
Cost of share option plans	(1)	(1)	(2)	(1)	**(5)**	(1)	**(6)**

(*) Restated to reflect the impact of the application of IFRIC 21 (see note 1.1 to the consolidated financial statements).
(**) Impairment losses on goodwill, property, plant and equipment and intangible assets.

Statement of cash flows for first-half 2015							
	Lagardère Publishing	**Lagardère Travel Retail**	**Lagardère Active**	**Lagardère Unlimited**	**Operating Activities sub-total**	**Other Activities and eliminations**	**Total**
Cash flows from (used in) operations	(61)	103	18	48	108	(37)	**71**
Interest paid and received, and income taxes paid	(8)	(19)	(24)	(11)	(62)	36	**(26)**
Net cash from (used in) operating activities	**(69)**	**84**	**(6)**	**37**	**46**	**(1)**	**45**
Cash used in investing activities	(31)	(71)	(52)	(64)	(218)	(1)	**(219)**
- Purchases of intangible assets and property, plant and equipment	*(32)*	*(55)*	*(5)*	*(41)*	*(133)*	-	***(133)***
- Purchases of investments and other non-current assets	*1*	*(16)*	*(47)*	*(23)*	*(85)*	*(1)*	***(86)***
Proceeds from disposals of non-current assets	3	(107)	-	-	(104)	-	**(104)**
- Intangible assets and property, plant and equipment	*2*	*2*	-	-	*4*	-	***4***
- Investments and other non-current assets	*1*	*(109)*	-	-	*(108)*	-	***(108)***
(Increase) decrease in short-term investments	-	-	-	-	-	-	**-**
Net cash used in investing activities	**(28)**	**(178)**	**(52)**	**(64)**	**(322)**	**(1)**	**(323)**
Total cash used in operating and investing activities	**(97)**	**(94)**	**(58)**	**(27)**	**(276)**	**(2)**	**(278)**

Statement of cash flows for first-half 2014							
	Lagardère Publishing	**Lagardère Travel Retail**	**Lagardère Active**	**Lagardère Unlimited**	**Operating Activities sub-total**	**Other Activities and eliminations**	**Total**
Cash flows from (used in) operations	(101)	8	6	48	(39)	(26)	**(65)**
Interest paid and received, and income taxes paid	(22)	(11)	(10)	(4)	(47)	(14)	**(61)**
Net cash from (used in) operating activities	**(123)**	**(3)**	**(4)**	**44**	**(86)**	**(40)**	**(126)**
Cash used in investing activities	(53)	(180)	(12)	(51)	(296)	(3)	**(299)**
- Purchases of intangible assets and property, plant and equipment	*(19)*	*(59)*	*(5)*	*(14)*	*(97)*	*(1)*	***(98)***
- Purchases of investments and other non-current assets	*(34)*	*(121)*	*(7)*	*(37)*	*(199)*	*(2)*	***(201)***
Proceeds from disposals of non-current assets	1	8	6	-	15	19	**34**
- Intangible assets and property, plant and equipment	-	*5*	*2*	-	*7*	-	***7***
- Investments and other non-current assets	*1*	*3*	*4*	-	*8*	*19*	***27***
(Increase) decrease in short-term investments	-	-	-	-	-	-	**-**
Net cash from (used in) investing activities	**(52)**	**(172)**	**(6)**	**(51)**	**(281)**	**16**	**(265)**
Total cash used in operating and investing activities	**(175)**	**(175)**	**(10)**	**(7)**	**(367)**	**(24)**	**(391)**

Balance sheet at 30 June 2015							
	Lagardère Publishing	Lagardère Travel Retail	Lagardère Active	Lagardère Unlimited	Operating Activities sub-total	Other Activities and eliminations	Total
Segment assets	2,468	1,837	1,449	976	**6,730**	222	**6,952**
Investments in associates and joint ventures	18	22	100	8	**148**	1	**149**
Segment liabilities	(1,099)	(1,060)	(928)	(585)	**(3,672)**	32	**(3,640)**
Capital employed	**1,387**	**799**	**621**	**399**	**3,206**	**255**	**3,461**
Net debt	-	-	-	-	-	-	**(1,436)**
Equity	-	-	-	-	-	-	**2,025**

Balance sheet at 31 December 2014(*)							
	Lagardère Publishing	Lagardère Travel Retail	Lagardère Active	Lagardère Unlimited	Operating Activities sub-total	Other Activities and eliminations	Total
Segment assets(*)	2,372	1,842	1,447	896	**6,557**	224	**6,781**
Investments in associates and joint ventures	18	27	103	10	**158**	1	**159**
Segment liabilities(*)	(1,196)	(1,175)	(967)	(564)	**(3,902)**	-	**(3,902)**
Capital employed(*)	**1,194**	**694**	**583**	**342**	**2,813**	**225**	**3,038**
Net debt	-	-	-	-	-	-	**(954)**
Equity(*)	-	-	-	-	-	-	**2,084**

(*) Restated to reflect the impact of the application of IFRIC 21 (see note 1.1 to the consolidated financial statements).

Note 4 Sales

	First-half 2015	First-half 2014
France	1,057	1,184
Other countries	2,247	2,180
Total	**3,304**	**3,364**

Consolidated sales contracted 1.8% in first-half 2015 on a reported basis but rose 2.9% based on a comparable group structure and exchange rates (like-for-like) compared with first-half 2014.

Like-for-like sales were calculated by adjusting:

- first-half 2015 sales to exclude companies consolidated for the first time during the period, and first-half 2014 sales to exclude companies divested in 2015;
- first-half 2015 and first-half 2014 sales based on first-half 2014 exchange rates.

Note 5 Restructuring costs

Restructuring costs for the first half of 2015 totalled €35 million, including €13 million at Lagardère Active, which chiefly concerned regional Radio and Press brokerage activities (Lagardère Métropoles) and €12 million at Lagardère Unlimited for the division's European reorganisation. The balance was divided between Lagardère Publishing and Lagardère Travel Retail for €6 million and €4 million respectively, and mainly resulted from the implementation of cost-cutting measures.

Restructuring costs for the first half of 2014 totalled €22 million, including €10 million incurred by Lagardère Travel Retail, mainly related to distribution activities in Belgium, with the balance divided between Lagardère Publishing (€3 million), Lagardère Active (€5 million) and Lagardère Unlimited (€4 million).

Note 6 Gains (losses) on disposals of assets and associated risks

In the first half of 2015, this item represented a €19 million net gain including €17 million recognised by Lagardère Travel Retail, which essentially reflected a €32 million gain on the sale of distribution activities in Switzerland and a €12 million loss on the sale of the American distribution subsidiary, Curtis Circulation Company.

In the first half of 2014, this item represented a €2 million net loss including €4 million incurred by Lagardère Active comprising:

- an €8 million expense corresponding to the €20 million provision recognised at 30 June 2014 in respect of the loss recorded on the sale of ten Magazine Publishing titles on 10 July 2014, less the €12 million reversal of a provision recognised at 31 December 2013 for a restructuring plan announced with a view to refocusing the Press business on its most powerful brands;
- a reversal of provisions for €4 million for sellers' warranties recognised in 2011 in respect of the sale of the International Magazine Publishing business.

Note 7 Impairment losses on goodwill, property, plant and equipment and intangible assets

At 30 June 2015, impairment tests were carried out only on those assets for which an indication of impairment had been identified at that date.

As stated in note 10 to the consolidated financial statements for 2014 in relation to the LeGuide group (Lagardère Active), the increased exposure of Google Shopping offers on Google's general search engine, combined with changes decided by Google in its search algorithm, have led to a significant decrease in traffic for all other price comparison sites, including those of the LeGuide group.

At the end of 2014, the new search algorithm launched by Google had already reduced LeGuide's visitor numbers, and successive updates to the algorithms, the latest of which was in April 2015, have accelerated the decrease in visibility of LeGuide group's websites and have had a strong adverse effect on visitor numbers in the first half of 2015. As a result, performance has contracted significantly in first-half 2015 compared to the assumptions set out in the budgets prepared at end-2014.

On 15 April 2015, the European Commission sent a statement of objections to Google alleging that the company had abused its dominant position by systematically favouring its own price comparison site in its general search results pages.

The Group therefore carried out a new valuation of LeGuide group's recoverable amount based on revised business plan cash flow forecasts which incorporate the following assumptions:

- a reduction in revenues generated by the website activity factoring in the negative effects on traffic volumes of the new updates to the search algorithms;
- a return to a more balanced competitive environment as a result of developments in the regulatory framework imposed by the European Commission which will require Google to alter its practices to provide access to "rival links" to price comparison sites at the beginning of 2016;
- the successful diversification into new businesses, notably with the development of the Blacklist.me social shopping site, the launch of new services and the development of the partner activity.

The impairment test carried out based on these assumptions led to the recognition of a €25 million impairment loss in first-half 2015. Consequently, goodwill related to the LeGuide group amounted to €35 million at 30 June 2015.

Other impairment losses in respect of fully consolidated companies recognised in first-half 2015 relate to individual assets of Lagardère Travel Retail for €3 million.

As stated in note 10 to the consolidated financial statements for 2014, the value of Lagardère Unlimited's assets remains subject to performance conditions for contracts in progress based on the advertising environment and the sporting context specific to each event, the ability to renew current contracts or win new ones and the related profit margins.

No significant impairment losses were recognised in first-half 2014 with the exception of €2 million mainly relating to individual assets of Lagardère Unlimited.

Note 8 Other operating expenses

	First-half 2015	First-half 2014
Asset impairment losses	(21)	(14)
Net additions to provisions for contingencies and losses	-	-
Foreign exchange losses	-	(4)
Financial expenses other than interest	(1)	(1)
Other expenses	(4)	(6)
Total	**(26)**	**(25)**

Asset impairment losses totalled €21 million in first-half 2015 (€14 million in first-half 2014) and principally related to advances paid to writers by Lagardère Publishing.

Note 9 Other operating income

	First-half 2015	First-half 2014
Net reversals of provisions for contingencies and losses	21	27
Foreign exchange gains	5	-
Other income	8	7
Total	**34**	**34**

Note 10 Financial income and expenses

Financial income and expenses break down as follows:

	First-half 2015	First-half 2014
Interest income on loans	1	1
Investment income and gains on sales of marketable securities	1	3
Gains on derivative financial instruments acquired as hedges of net debt	5	1
Other financial income	1	1
Financial income	**8**	**6**
Interest expense on borrowings	(27)	(37)
Loss on sales of marketable securities	-	-
Loss on derivative financial instruments acquired as hedges of net debt	(5)	(6)
Other financial expenses	(2)	(1)
Financial expenses	**(34)**	**(44)**
Total	**(26)**	**(38)**

Note 11 Income tax expense

Income tax expense breaks down as follows:

	First-half 2015	First-half 2014(*)
Current taxes	(20)	(59)
Deferred taxes	14	2
Total	**(6)**	**(57)**

(*) Restated to reflect the impact of the application of IFRIC 21 (see note 1.1 to the consolidated financial statements).

Current taxes included the 3% additional contribution in France on dividends paid, corresponding to €5 million in first-half 2015 (€28 million in first-half 2014).

Note 12 Earnings per share

Basic earnings per share

Earnings per share is calculated by dividing profit attributable to owners of the Parent by the weighted average number of ordinary shares outstanding during the period, excluding treasury shares. Changes in the number of shares as a result of employees exercising their share options (movements throughout the period) are included using the average of opening and closing balances for the period.

Diluted earnings per share

The only dilutive ordinary shares are (i) unexercised employee share options which are not covered by hedging contracts and whose exercise prices are lower than the average quoted price of the Lagardère SCA share over the reference period ("in-the-money" options), and (ii) free shares, when it is probable that they will vest at the vesting date set in the plan (specific case of performance shares).

	First-half 2015	**First-half 2014(*)**
Profit (loss) for the period attributable to owners of the parent (in millions of euros)(*)	9	(35)
Number of shares making up the share capital at 30 June	131,133,286	131,133,286
Treasury shares	(2,876,867)	(3,208,343)
Number of shares outstanding at 30 June	128,256,419	127,924,943
Average number of shares outstanding during the period	**128,201,793**	**127,935,829**
Basic earnings per share attributable to owners of the parent (in euros)(*)	**0.07**	**(0.27)**
Dilutive share options and free shares:		
Share options	-	-
Free shares	1,872,220	-(**)
Average number of shares including dilutive share options and free shares	**130,074,013**	**127,935,829**
Diluted earnings per share attributable to owners of the parent (in euros)(*)	**0.07**	**(0.27)**

(*) Restated to reflect the impact of the application of IFRIC 21 (see note 1.1 to the consolidated financial statements).
(**) In the first half of 2014, the free shares to be awarded, totalling 1,405,530, were considered to be non-dilutive as their inclusion in the calculation would have led to a reduction in basic earnings (loss) per share.

Note 13 Investments in associates and joint ventures

The Group's main equity-accounted companies are as follows:

	Joint shareholder	Main business	% interest		Balance sheet		Income statement	
			30 June 2015	**31 Dec. 2014**	**30 June 2015**	**31 Dec. 2014**	**First-half 2015**	**First-half 2014**
SDA (Société de Distribution Aéroportuaire)	Aéroport de Paris	Travel Retail	45%	45%	12	15	3	3
Gulli[(*)]	France Télévisions	Television	100%	100%	-	-	-	(4)
Société des Commerces en Gares[(**)]	SNCF Participations	Travel Retail	50%	50%	3	4	(1)	-
Other			-	-	3	7	-	1
Total joint ventures					**18**	**26**	**2**	**0**
Marie Claire (Holding Evelyne Prouvost)		Magazine Publishing	42%	42%	90	90	-	-
Éditions J'ai lu		Publishing	35%	35%	17	17	-	1
SETC (Société d'Edition de Télévision par Câble)		Magazine Publishing	49%	49%	9	10	-	-
Inmedio[(***)]		Travel Retail	49%	49%	9	9	-	-
Other			-	-	6	7	(2)	-
Total associates					**131**	**133**	**(2)**	**1**
Total investments in associates and joint ventures					**149**	**159**	**0**	**1**

(*) Accounted for under the equity method until end-October 2014 then fully consolidated as from November 2014 – see note 2 above.
(**) Accounted for under the equity method since September 2014 – see note 2 above.
(***) Accounted for under the equity method since December 2014 – see note 2 above.

Joint ventures

As part of its business operations, Lagardère Travel Retail manages certain travel retail contracts in the form of 50-50 joint ventures entered into with concession grantors. The joint ventures set up by Lagardère Travel Retail with its partners are (i) Société de Distribution Aéroportuaire and Relay@ADP, with Aéroport de Paris, (ii) Société des Commerces en Gares, with SNCF Participations, (iii) Dutyfly Solutions and SVRLS@LAREUNION, with Servair, and (iv) Lyon Duty Free, with Lyon airport authorities.

Total sales generated by Travel Retail joint ventures (on a 100% basis) amounted to €590 million in first-half 2015 versus €375 million in first-half 2014. Fully consolidated entities invoiced joint ventures amounts of €161 million in first-half 2015 and €145 million in first-half 2014.

	Figures on a 100% basis		Lagardère's share (50%)	
	First-half 2015	First-half 2014	First-half 2015	First-half 2014
Total sales	590	375	295	188
Group sales with joint ventures	*(161)*	*(145)*	*(81)*	*(73)*
Adjusted sales	429	230	215	115
Recurring operating profit	12	11	6	6
Profit before finance costs and tax	11	10	6	5
Profit before tax	10	10	5	5
Profit for the period	5	6	3	3
Net debt	(38)	(8)	(19)	(4)

Note 14 Short-term investments

Short-term investments solely comprise available-for-sale investments measured at fair value. They can be analysed as follows:

	30 June 2015	31 Dec. 2014
Shares	49	38
Bonds	-	-
Total	**49**	**38**

Shares recorded under this item correspond to 2,836,835 Deutsche Telekom shares received in 2006 in exchange for T-Online shares as part of the merger between the two companies. In March 2015, the Group concluded the prepaid forward sale of these shares which have been pledged to the purchaser until the effective transfer date in June 2016.

Note 15 Cash and cash equivalents

Cash and cash equivalents reported in the statement of cash flows were as follows:

	30 June 2015	31 Dec. 2014
Cash and cash equivalents	402	528
Short-term bank loans and overdrafts	(93)	(68)
Cash and cash equivalents, net	**309**	**460**

Note 16 Debt

16.1 Breakdown of debt

	30 June 2015	31 Dec. 2014
Bonds	989	989
Bank loans	5	5
Finance lease liabilities	7	7
Debt related to put options granted to minority shareholders	32	18
Other debt	51	11
Non-current debt	**1,084**	**1,030**
Bonds	-	-
Bank loans	103	35
Finance lease liabilities	2	2
Debt related to put options granted to minority shareholders	-	4
Commercial paper	527	316
Other debt	171	133
Current debt	**803**	**490**
Total debt	**1,887**	**1,520**

16.2 Analysis of debt by maturity

Maturity Total	30 June 2016(*)	30 June 2017	30 June 2018	30 June 2019	30 June 2020	Beyond 5 years	Total
Bonds	-	-	492	-	497	-	**989**
Bank loans	103	1	1	-	-	3	**108**
Finance lease liabilities	2	3	1	1	1	1	**9**
Debt related to put options granted to minority shareholders	-	3	1	9	4	15	**32**
Commercial paper	527	-	-	-	-	-	**527**
Other debt	171	41	6	-	-	4	**222**
At 30 June 2015	**803**	**48**	**501**	**10**	**502**	**23**	**1,887**

(*) Debt due within one year is reported in the balance sheet under "Current debt".

Note 17 Components of other comprehensive income (expense)

The components of other comprehensive income (expense) can be analysed as follows:

First-half 2015 *(in millions of euros)*	**Other reserves**	**Translation reserve**	**Valuation reserve**	**Equity attributable to owners of the parent**	**Minority interests**	**Total equity**
Currency translation adjustments		**86**		**86**	**2**	**88**
Change in fair value of:						
derivative financial instruments			(1)	**(1)**		**(1)**
- unrealised gains and losses recognised directly in equity			*(1)*	*(1)*		*(1)*
- amounts reclassified from equity to profit or loss			-	-		-
investments in non-consolidated companies			11	**11**		**11**
- unrealised gains and losses recognised directly in equity[(*)]			*11*	*11*		*11*
- amounts reclassified from equity to profit or loss			-	-		-
Actuarial gains and losses on pensions and other post-employment benefit obligations	5			**5**	-	**5**
Share of other comprehensive income (expense) of equity-accounted companies (net of tax)		(2)		**(2)**		**(2)**
Tax relating to components of other comprehensive income (expense)	(2)		(1)	**(3)**	-	**(3)**
Other comprehensive income for the year, net of tax	**3**	**84**	**9**	**96**	**2**	**98**

(*) The €11 million capital gain recognised in equity during first-half 2015 corresponds to the remeasurement at fair value of the Deutsche Telekom shares at 16 March 2015 as part of the forward sale transaction (see note 14 to the consolidated financial statements).

First-half 2014 *(in millions of euros)*	**Other reserves**	**Translation reserve**	**Valuation reserve**	**Equity attributable to owners of the parent**	**Minority interests**	**Total equity**
Currency translation adjustments		**28**		**28**		**28**
Change in fair value of:						
derivative financial instruments			(2)	**(2)**		**(2)**
- unrealised gains and losses recognised directly in equity			-	-		-
- amounts reclassified from equity to profit or loss			*(2)*	*(2)*		*(2)*
investments in non-consolidated companies			(1)	**(1)**		**(1)**
- unrealised gains and losses recognised directly in equity			*1*	*1*		*1*
- amounts reclassified from equity to profit or loss			*(2)*	*(2)*		*(2)*
Actuarial gains and losses on pensions and other post-employment benefit obligations	(20)			**(20)**	(1)	**(21)**
Share of other comprehensive income (expense) of equity-accounted companies (net of tax)	-		-	**-**		**-**
Tax relating to components of other comprehensive income (expense)	6		1	**7**		**7**
Other comprehensive income (expense) for the period, net of tax	**(14)**	**28**	**(2)**	**12**	**(1)**	**11**

Tax relating to components of other comprehensive income (expense) breaks down as follows:

	First-half 2015		
(in millions of euros)	**Before tax**	**Tax**	**After tax**
Currency translation adjustments	88	-	**88**
Change in fair value of: - derivative financial instruments - investments in non-consolidated companies	 (1) 11	 (1) -	 **(2)** **11**
Actuarial gains and losses on pensions and other post-employment benefit obligations	5	(2)	**3**
Share of other comprehensive income (expense) of equity-accounted companies (net of tax)	(2)	-	**(2)**
Other comprehensive income (expense) for the period	**101**	**(3)**	**98**

	First-half 2014		
(in millions of euros)	**Before tax**	**Tax**	**After tax**
Currency translation adjustments	28	-	**28**
Change in fair value of: - derivative financial instruments - investments in non-consolidated companies	 (2) (1)	 1 -	 **(1)** **(1)**
Actuarial gains and losses on pensions and other post-employment benefit obligations	(21)	6	**(15)**
Share of other comprehensive income (expense) of equity-accounted companies (net of tax)	-	-	**-**
Other comprehensive income for the period	**4**	**7**	**11**

Note 18 Off-balance sheet commitments and contractual obligations

The main changes in first-half 2015 compared to the commitments presented in notes 32 and 33 to the consolidated financial statements at 31 December 2014 were as follows:

Contractual obligations

Lagardère Unlimited

- At 30 June 2015, the minimum payments guaranteed under long-term contracts for sports rights sales totalled €1,465 million, compared to €559 million at 31 December 2014.
- At 30 June 2015, commitments received under contracts signed with distributors and partners totalled €1,624 million compared to €1,167 million at 31 December 2014.

Lagardère Travel Retail

- At 30 June 2015, the minimum payments guaranteed under long-term contracts for concession agreements totalled €1,165 million, compared to €971 million at 31 December 2014.

Off-balance sheet commitments

Confirmed, unused lines of credit

On 11 May 2015, Lagardère SCA signed a five-year multicurrency syndicated loan with two possible one-year extensions for €1,250 million, which replaced the previous syndicated loan for €1,645 million signed in 2011.

At 30 June 2015, the amount of undrawn credit on the syndicated loan amounted to €1,250 million.

Note 19 Litigation

Inquiry by the French Financial Markets Authority (*Autorité des marchés financiers* – AMF), criminal investigation and legal action by shareholders of EADS (renamed Airbus Group on 2 January 2014)

This investigation is described in note 34 to the consolidated financial statements at 31 December 2014. Following the events reported therein, with regard to the action initiated against person or persons unknown as part of the investigation for insider trading in EADS shares, the Court of Cassation (*Cour de cassation*) referred the two priority preliminary rulings on the issue of constitutionality to the Constitutional Council (*Conseil constitutionnel*). On 18 March 2015, the Constitutional Council declared unconstitutional the provisions of the French Monetary and Financial Code (*Code monétaire et financier*) which allow a person to be prosecuted twice for the same offence, at the initiative of the AMF for breaching insider trading regulations and for insider trading by a criminal court judge.

Pursuant to the Constitutional Council's decision, on 18 May 2015 the Paris criminal court (*tribunal correctionnel de Paris*) upheld the AMF Enforcement Committee's conclusion of 27 November 2009 that there was no case against Lagardère SCA in the EADS case, ruling that this was the sole decision applicable and ending all proceedings against the Lagardère group in this matter.

Brazilian Environmental Protection Authority

This dispute is described in note 34 to the consolidated financial statements at 31 December 2014. Following the events reported therein, on 29 April 2015, the President of the Brazilian governmental body IBAMA, rejected the second appeal filed by Salvat Do Brasil (SDB) in May 2009 and confirmed the fine with interest.

SDB is preparing an appeal to the federal judge against the decision.

World Sport Group/Indian Premier League contracts

This dispute is described in note 34 to the consolidated financial statements at 31 December 2014. Following the events reported therein, MSM has increased its claim to 1.9 billion rupees plus interest of 5.33% on part of the total amount.

Furthermore, WSG India has paid a deposit and launched an appeal following the Indian tax authorities' audit of its operations.

Competition investigations in the e-books market

This dispute is described in note 34 to the consolidated financial statements at 31 December 2014. Following the events reported therein, on 18 June 2015, the federal court of appeal in Canada rejected the appeal brought by the e-book distributor Kobo, which subsequently filed an appeal before the Supreme Court of Canada to have the judgement set aside.

Dispute with former employees of Matra Manufacturing & Services (formerly Matra Automobile)

This dispute is described in note 34 to the consolidated financial statements at 31 December 2014. Following the events reported therein, a hearing was held before the Orléans Appeal Court in April 2015 and a ruling is expected in fourth-quarter 2015.

Note 20 Related parties

During the first half of 2015, no new transactions were undertaken by the Lagardère group with related parties other than those described in note 35 to the consolidated financial statements at 31 December 2014.

Note 21 Events after the reporting period

No significant events that could have a material impact on the consolidated financial statements occurred after the end of the interim reporting period.

3 - STATUTORY AUDITORS' REPORT

MAZARS	ERNST & YOUNG et Autres
Tour Exaltis	1/2, place des Saisons
61, rue Henri-Regnault	92400 Courbevoie – Paris-La Défense 1
92400 Courbevoie	S.A.S. à capital variable
S.A. au capital de € 8.320.000	
Commissaire aux Comptes	Commissaire aux Comptes
Membre de la compagnie	Membre de la compagnie
régionale de Versailles	régionale de Versailles

This is a free translation into English of the statutory auditors' review report on the half-yearly consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users. This report also includes information relating to the specific verification of information given in the Group's interim management report. This report should be read in conjunction with and construed in accordance with French law and professional standards applicable in France.

Lagardère S.C.A.

Period from January 1 to June, 30, 2015

Statutory Auditors' Review Report on the First Half-yearly Financial Information for 2015

To the Partners,

In compliance with the assignment entrusted to us by your general shareholders' meetings and in accordance with the requirements of article L.451-1-2 III of the French monetary and financial code, we hereby report to you on:

- the limited review of the accompanying condensed half-yearly consolidated financial statements of Lagardère S.C.A., for the period from January 1 to June 30, 2015, and
- the verification of the information contained in the interim management report.

These condensed half-yearly consolidated financial statements were drawn up under the responsibility of the Managing Partners. Our role is to express a conclusion on these financial statements based on our limited review.

1. Conclusion on the financial statements

We conducted our limited review in accordance with professional standards applicable in France. A limited review mainly consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our limited review, nothing has come to our attention that causes us to believe that the condensed half-yearly consolidated financial statements are not prepared in all material respects in accordance with IAS 34 – standard of the IFRSs as adopted by the European Union applicable to interim financial information.

Without calling into question the conclusion expressed above, we draw your attention to Note 7 to the condensed half-yearly consolidated financial statements, which sets out that:

- The value of the assets of the Lagardère Unlimited division still depends on the conditions in which current contracts will be completed, on the ability to renew these contracts or to win new ones, as well as on the related margin conditions.

- The value of the assets of LeGuide (Lagardère Active) relies in particular on the assumptions of the re-establishment of a more balanced competitive environment by the beginning of 2016, and on the success of diversification into new activities.

2. Specific verification

We have also verified the information presented in the interim management report in respect of the condensed half-yearly financial statements subject to our limited review.

We have no matters to report as to its fair presentation and its consistency with the condensed half-yearly financial statements.

French original signed at Courbevoie and Paris-La Défense on July 29, 2015

By the statutory auditors

MAZARS	ERNST & YOUNG et Autres
Thierry Blanchetier	Bruno Bizet

4 - PERSONS RESPONSIBLE FOR THE INTERIM FINANCIAL REPORT – DECLARATION BY THE MANAGING PARTNERS

We hereby declare that, to the best of our knowledge, the condensed interim consolidated financial statements for the first half of 2015 have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the Company and all the entities included in the consolidation, and that the accompanying interim management report presented on pages 4 to 15 provides a fair view of the significant events of the first six months of the year, their impact on the financial statements, the principal related-party transactions and a description of the main risks and uncertainties for the remaining six months of the year.

The Statutory Auditors' report on the 2014 condensed interim consolidated financial statements presented on page 38 of the 2014 Interim Financial Report contains two observations concerning note 7 "Impairment losses on goodwill, property, plant and equipment and intangible assets" to the consolidated financial statements, which describes:

- the value of the assets of the Lagardère Unlimited division, which, as was already the case at 31 December 2013, still depended on the conditions in which current contracts would be completed, the ability to renew those contracts or to win new ones, as well as the related margin conditions;
- the value of the assets of LeGuide (Lagardère Active), which, as was already the case at 31 December 2013, relied in particular on the re-establishment of a fairer and more balanced competitive environment.

The Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2014 contains an observation concerning note 10 to the consolidated financial statements related to the intangible assets of Lagardère Unlimited and the LeGuide group.

The Statutory Auditors' report on the 2015 interim consolidated financial statements presented on page 42 of the 2014 Interim Financial Report contains one observation concerning Note 7 “Impairment losses on goodwill, property, plant and equipment and intangible assets” to the consolidated financial statements, which describes:

- the value of the assets of the Lagardère Unlimited division still depends on the conditions in which current contracts will be completed, on the ability to renew these contracts or to win new ones, as well as on the related margin conditions;
- the value of the assets of LeGuide (Lagardère Active) relies in particular on the assumptions of the re-establishment of a more balanced competitive environment by the beginning of 2016, and on the success of diversification into new activities.

Paris, 29 July 2015

For Arjil Commanditée-Arco

Dominique D'Hinnin