

Earnings as at 31 March 2006

Meeting on 3 May 2006, GBL's Board of Directors approved the group's consolidated unaudited IFRS earnings for the period ended 31 March 2006, based on financial data provided by the associated companies.

Consolidated net income as of 31 March 2006 amounted to EUR 26 million, slightly higher than the first quarter 2005. This evolution reflects primarily the improved contribution of Bertelsmann and the recovery of withholding tax on foreign dividends (notably Suez and Total), offset by additional expenses related to external financing.

Cash earnings of EUR 2 million in the first quarter of 2006 were not significant, given that dividends on shareholdings will only be collected as from the second quarter.

Adjusted net assets on 2 May 2006 amounted to EUR 12.8 billion, compared to EUR 11.1 billion on 31 December 2005.

This change stemmed in large measure from:

- the cash brought in by the **GBL capital increase**. The transaction released at the end of March 2006 was highly successful: existing shareholders participated for 95.2% and new investors fully subscribed the remaining shares by means of scrips.
The operation raised a total of EUR 709.4 million with the issue of 8.8 million new shares.
- the continued investment in the capital of **Lafarge**, in which GBL holds as at 2 May 2006 a 9.2% interest in capital.

1. IFRS consolidated results

The financial reporting for the period ended 31 March 2006 is not compliant with IAS 34.

In EUR million	March 2006				March 2005	
	Cash earnings	Mark to market and other non cash	Associated companies	Eliminations and capital gains	Consolid.	
Net earnings from associated companies	-	-	27.6	-	27.6	24.0
Net dividends on investments	-	-	-	-	-	-
Interest income and expenses	(4.2)	(2.5)	-	-	(6.7)	1.7
Other financial income and expenses	0.8	(1.2)	-	-	(0.4)	1.6
Other operating income and expenses	(3.8)	(0.2)	-	-	(4.0)	(3.5)
Earnings on disposals and impairments on non-current assets	-	-	-	-	-	-
Income taxes	9.3	0.2	-	-	9.5	0.1
Consolidated result for the period	2.1	(3.7)	27.6	-	26.0	23.9
<i>Basic earnings per share</i>					0.20	0.18
<i>Diluted earnings per share</i>					0.22	0.18

Given the seasonal nature of cash earnings and of the results of associated companies, as well as the volatility of mark to market impact, the first quarter results cannot be considered a reliable basis for making projections for the remainder of the year.

However, it should be noted that the cash earnings, for 2006 as a whole, will be positively influenced by the impact of the higher dividends paid on shareholdings : Imerys +10%, Total +20% and Suez +25% as well by the contractually agreed Bertelsmann dividend of EUR 120 million, to be received for the last time in 2006. GBL will also collect for the first time a dividend from Lafarge.

A. Cash earnings and mark to market

Net dividends, which make up the bulk of cash earnings, are collected as from the second quarter of the year and so do not contribute to results for the first quarter.

B. Associated companies

The net contribution of associated companies amounts to EUR 28 million, compared to EUR 24 million for the same period in 2005:

In EUR million	March 2006	March 2005
Bertelsmann	12.8	8.3
Imerys	14.9	15.7
Ergon Capital Partners	(0.1)	0.0
TOTAL	27.6	24.0

Bertelsmann

Based on the information provided by the company, Bertelsmann's revenues, over the first quarter of 2006, amounted to EUR 4,463 million, up by 17.3% compared to first quarter 2005 (EUR 3.804 million). This growth was seen both in the European core markets and in the U.S. In particular an essential contributor to this positive performance were the acquisitions made in the fiscal year 2005, which were not consolidated yet in the first quarter of 2005. Adjusted for portfolio and currency effects, revenues were up by 4.5%.

Operating EBIT grew by 35.2% to a record EUR 215 million at end March 2006 (EUR 159 million in March 2005). This increase is attributable to positive business performance in the divisions.

Net income over the quarter reached EUR 90 million and nearly doubled year on year (EUR 48 million in the first quarter of 2005). Net income, group share, amounted to EUR 51 million as at 31 March 2006 (EUR 33 million over the same period in 2005).

Based on 25.1% investment, Bertelsmann positively contributed to GBL quarterly result for EUR 13 million, against EUR 8 millions in March 2005.

The record first-quarter result continues the positive business development seen in 2005. Building on this strong foundation, Bertelsmann confirms its forecast of a significant improvement in revenues and result for 2006.

Bertelsmann will pay GBL a dividend of EUR 120 million in May 2006, which will be entered under cash earnings. The preferential part of this dividend, i.e. EUR 48 million in 2006, compared to EUR 39 million in 2005, will not be eliminated in consolidation and will thus be part of Bertelsmann's contribution to GBL's 2006 results.

Imerys

In the first quarter of 2006, Imerys continued to grow on contrasting and particularly competitive markets. Its turnover climbed by 10.8% to EUR 834 million, owing particularly to the sound performance of acquisitions made in 2005.

Current operating income stood at EUR 104 million, a 5% increase over the first quarter of 2005. This growth takes into account the positive exchange rate effect and net changes in group structure. It also reflects the efforts made by Imerys Group as a whole to offset continued high inflation in external costs (particularly energy).

Net income from current operations increased by 13.2% to EUR 65 million, resulting from a slight improvement in financial expense and a virtually stable tax burden.

In spite of higher net income from current operations, net result, group's share slipped to EUR 56 million, a 5% decline from 2005, as a result of restructuring expenses of EUR - 8.6 million, mainly in Europe.

Imerys contributed EUR 15 million to GBL's net income, compared to EUR 16 million in 2005.

C. Calculation of earnings per share

The weighted average number of shares used to calculate basic earnings per share is 132,978,059 (132,541,097 on 31 March 2005); for diluted earnings per share, it is 138,241,374 (133,102,087 on 31 March 2005).

2. Adjusted net assets

	2 May 2006		31 December 2005	
	Share price EUR	Contribution EUR million	Share price EUR	Contribution EUR million
Total	221.60	5,204	212.20	4,984
Suez	32.29	2,969	26.30	2,418
Bertelsmann	-	2,103	-	2,090
Lafarge	98.55	1,599	76.00	450
Imerys	69.80	1,169	61.10	1,023
Other investments		125		89
Portfolio		13,169		11,054
Net cash		(347)		56
Adjusted net assets		12,822		11,110
Adjusted net assets per share (EUR)		87.13		80.33
Share price (EUR)		89.90		82.85
Number of shares		147,167,666		138,300,053

On 2 May 2006, the figure of EUR 2,103 million for Bertelsmann is based on GBL's share in Bertelsmann's IFRS consolidated shareholders' equity as of 31 December 2005, adjusted by the results for the first quarter 2006 (management accounts). This figure does not represent an estimate of the value of the investment, but merely a book reference. The market will determine the true value of the holding.