Lagardère Sports:

Building a Global Leader in the Sports Ecosystem

Warning

Certain of the statements contained in this document are not historical facts but rather are statements of future expectations and other forward-looking statements that are based on management's beliefs. These statements reflect such views and assumptions as of the date of the statements and involve known and unknown risks and uncertainties that could cause future results, performance or future events to differ materially from those expressed or implied in such statements. When used in this document, words such as "anticipate", "believe", "estimate", "expect", "may", "intend" and "plan" are intended to identify forward-looking statements which address our vision of expected future business and financial performance. Such forward-looking statements include, without limitation, projections for improvements in process and operations, revenues and operating margin growth, cash flow, performance, new products and services, current and future markets for products and services and other trend projections as well as new business opportunities. These forward-looking statements are based upon a number of assumptions which are subject to uncertainty and trends that may differ materially from future results, depending on a variety of factors including without limitation:

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

Please refer to the most recent Reference Document (Document de Référence) filed by Lagardère SCA with the French Autorité des marchés financiers for additional information in relation to such factors, risks and uncertainties. Lagardère SCA disclaims any intention or obligation to update or review the forward-looking statements referred to above. Consequently Lagardère SCA is not responsible for any consequences that could result from the use of any of the above statements.

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The unique attributes of sports brands and events

- **Universal and global** – appeal to broad audiences and advertisers
- **Live and instantaneous** – each game is unique, no piracy
- **Recurring** – team story developing over time
- **Predictable** – long-term relationships and contracts

Sports: a strategic choice for the Lagardère Group

Market Entry Rationale

- **Double-digit margin business, solid growth** across markets and disciplines
- **Diversified business model** – multiple revenue streams, both measured media and "below the line"
- **Defensible position** in the value chain – resilient to global media trends
- **Fragmented market** – opportunity to consolidate leadership positions

Lagardère Sports Vision

- **Global leader** with scale benefits
- **Strategic partner** for rights-holders
- **Reinforcing** Lagardère's **position** in media

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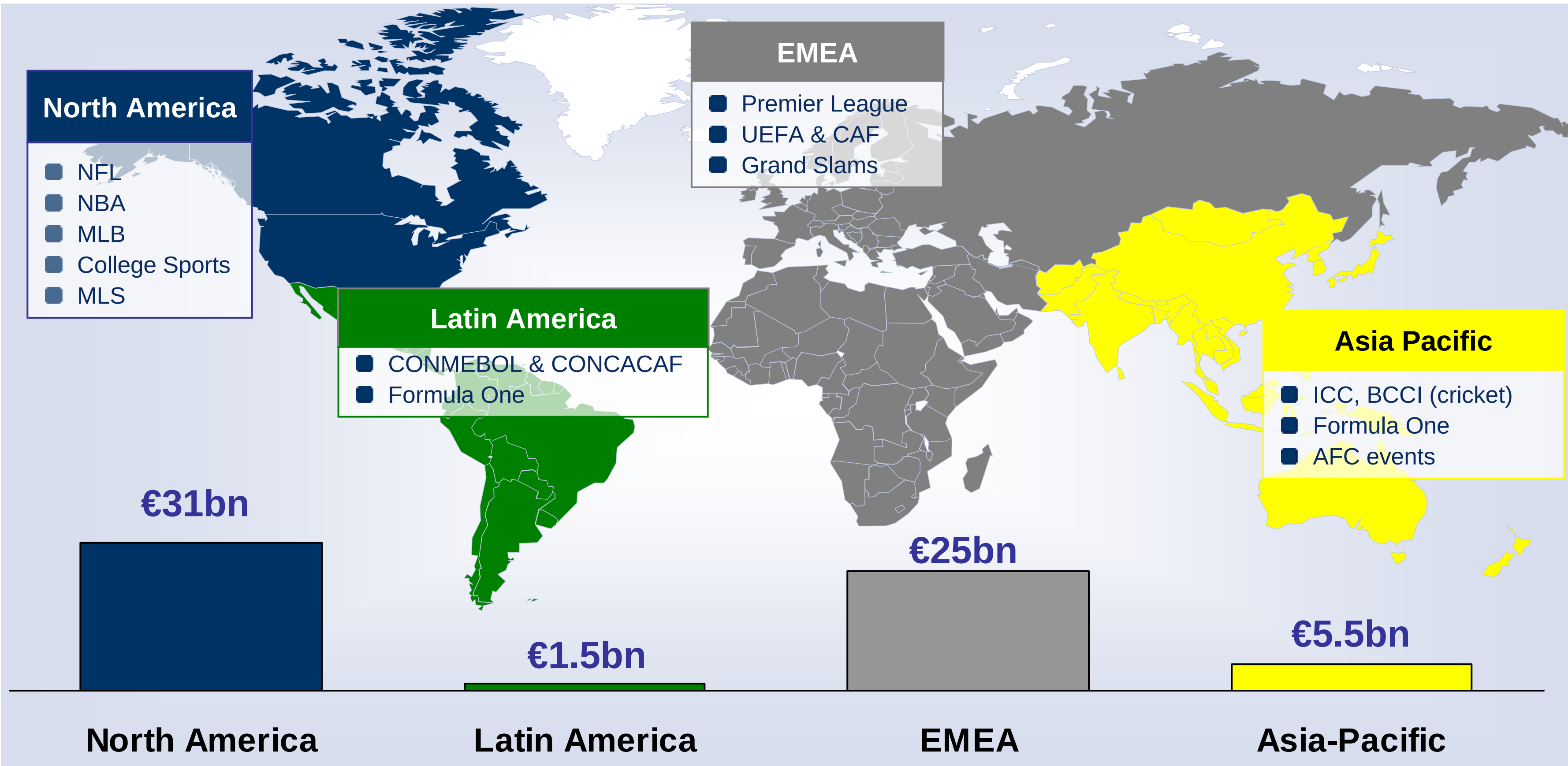
A global, €63bn market in 2007…



Geography

- Key leagues / events

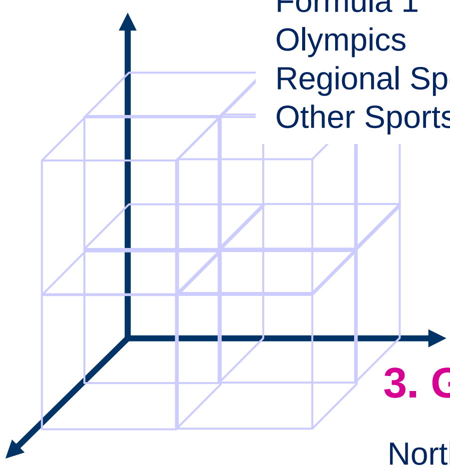
Notes: Euro / Dollar conversion: $1=€0.64
Does not include sports goods manufacturing
Source: IEG, Sportbusiness, TVSM

…Structured around three key dimensions

Market Segmentation

1. Sports

US Sports [1]
Football
Formula 1
Olympics
Regional Sports
Other Sports



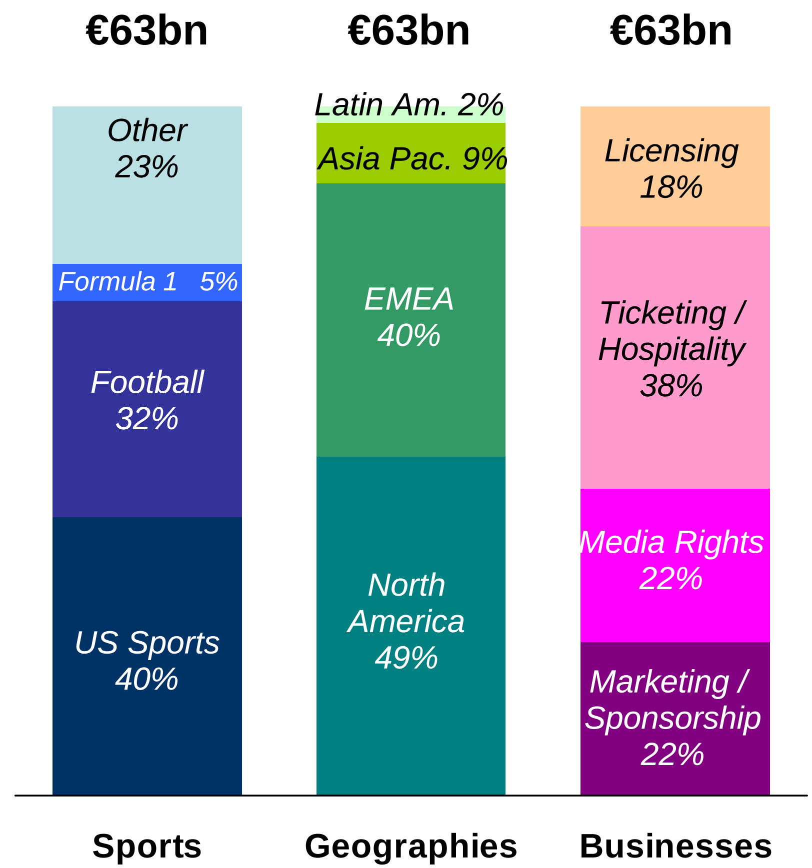
3. Geographies

North America
Europe, Middle East and Africa
Asia Pacific
Latin America

2. Businesses

Ticketing / Hospitality
Media Rights
Marketing / Sponsorship
Licensing

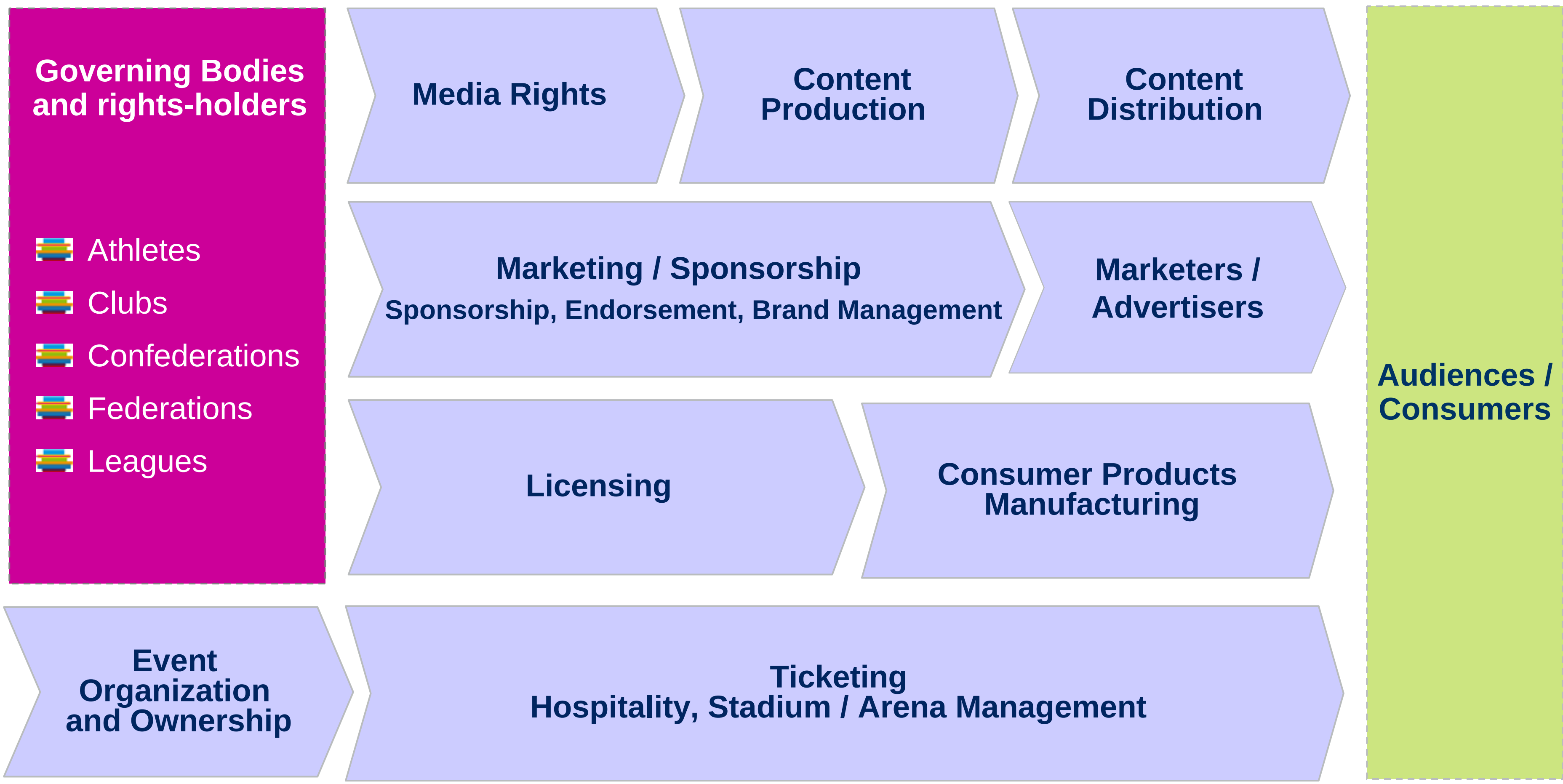
2007 Market Size (€bn)



Note: (1) US Sports include Major Leagues + NASCAR + College Sports + X games; Euro / Dollar conversion: $1=€0.64

Source: IEG, Sportbusiness, TVSM

Monetizing sports brands and events - value chain



Comprehensive offering for rights-holders

Sports Development Lifecycle - Service Needs

Rights value

Discipline Stage	**Seed**	**Emergence**	**Expansion**	**Maturity**
Rights-holder needs	Achieve relevant media coverage Secure funding	Develop audience Seek sponsors Package content	Develop rights value / coverage Invest in infrastructure Roll out new formats	Maximize rights value Defend established position Renew / refresh formats

Differentiated, increasingly sophisticated service platforms

Sports Development Lifecycle - Service Platforms

Discipline Stage

Service platforms

Seed	Emergence	Expansion	Maturity
Cost-efficient media access (digital, online)	Quality production Mass media access Event management Sponsorship Consulting	Media rights management and distribution Brand development Marketing partnerships	Revenue diversification Innovative content packaging

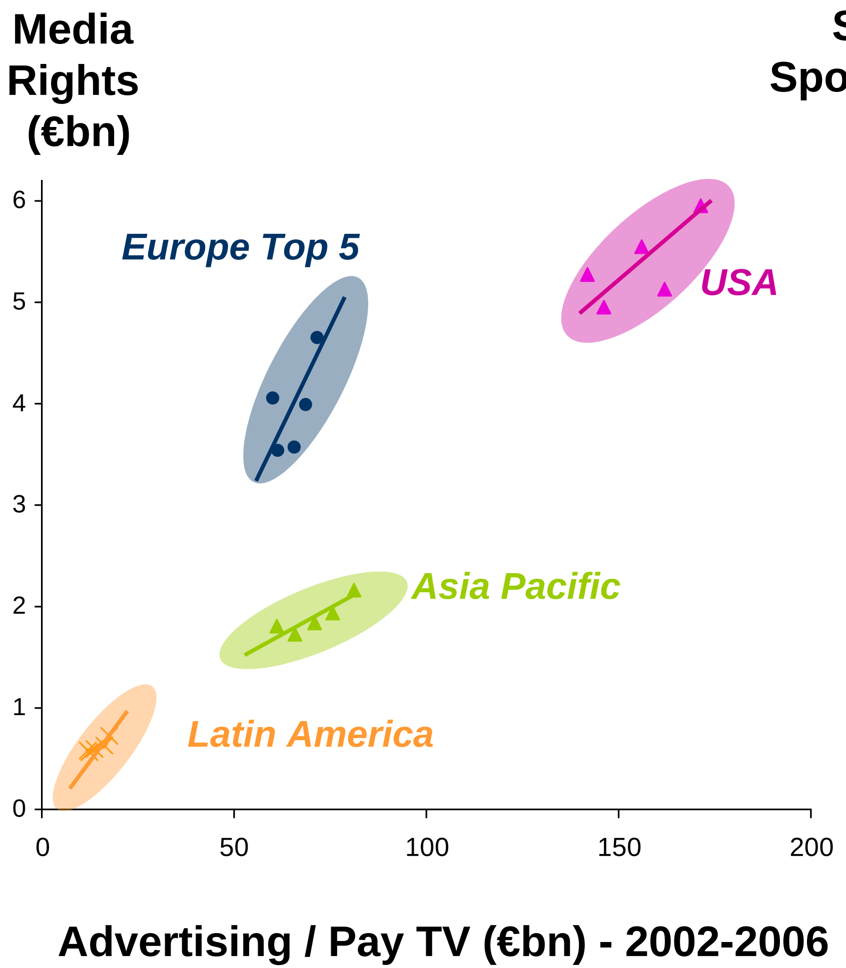
Lagardère SPORTS

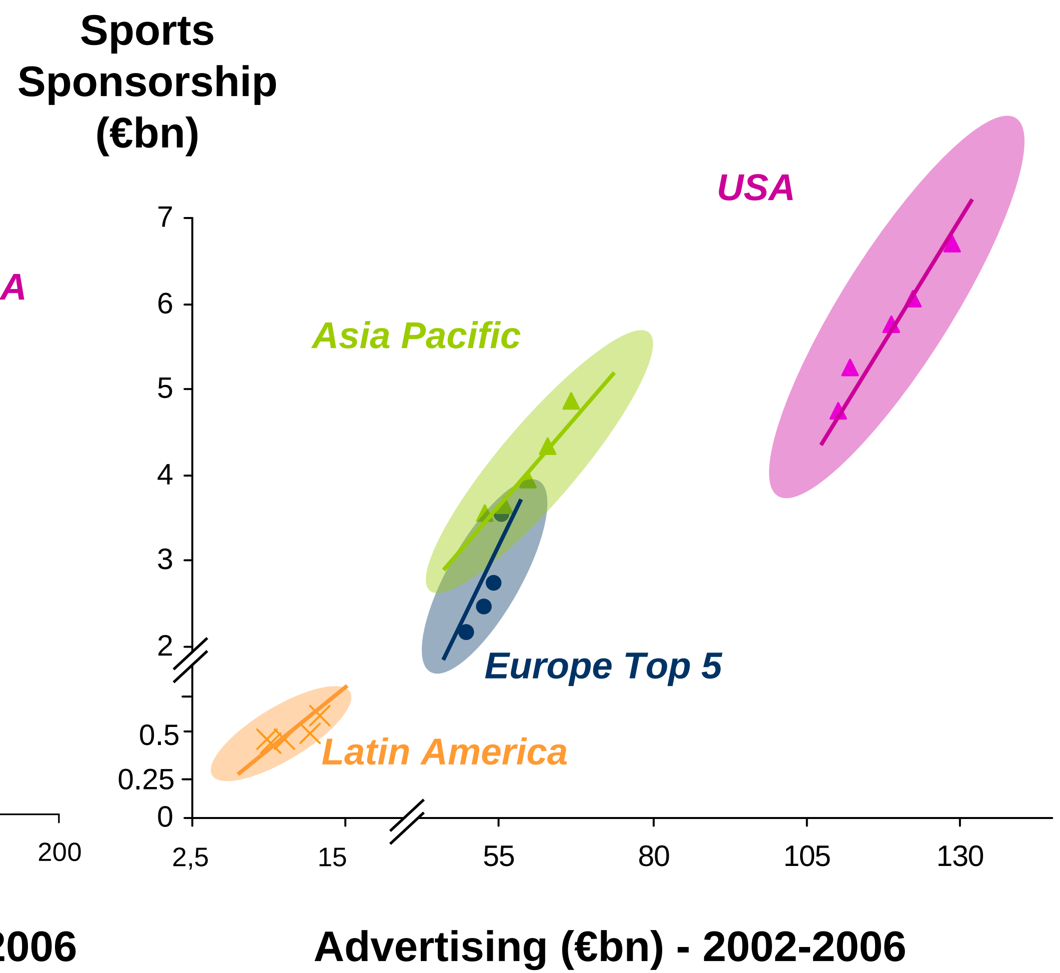
Market growth solidly grounded on typical media drivers

Business		Underlying Growth Driver	Global Market CAGR ('07-'12)
Media Rights	TV / new media advertising Pay TV	Pay TV and advertising funding content Competition between traditional players and new entrants for premium rights	+6-7%
Marketing / Sponsorship	Advertising (esp. below the line)	Sports well positioned to capture both above-the-line and below-the-line spend	+7%
Licensing	Consumer spend Apparel (esp. sportswear)	Competition across consumer markets driving sustained brand investment	+5-6%
Ticketing	Consumer spend	Live always a more valued experience than packaged media/home entertainment	+6-7%

Note: Total expected market growth, includes non-addressable markets (US major leagues, FIFA, …)
Source: EIU, PWC

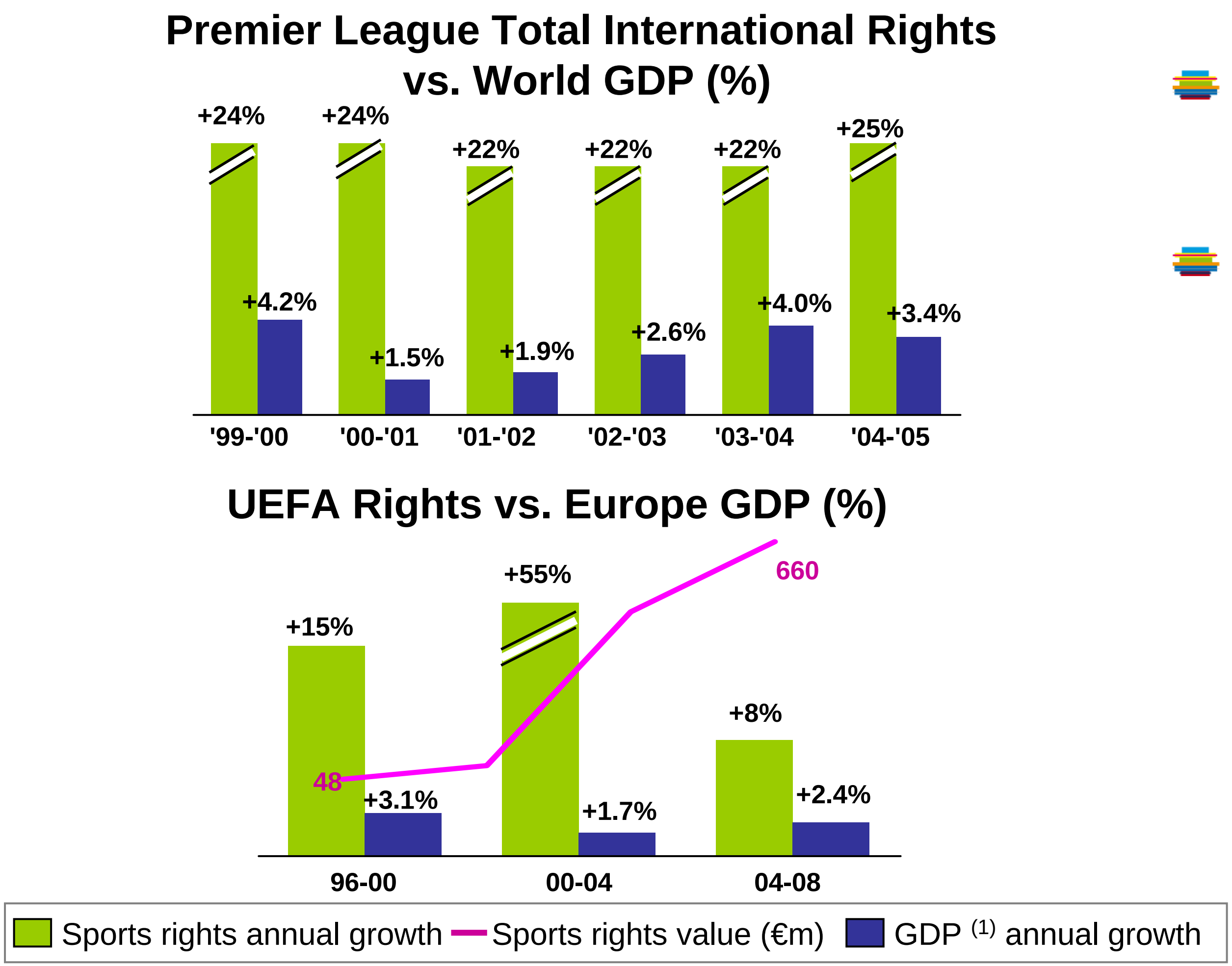
Predictable long-term market dynamics





Note: Euro / Dollar conversion: $1=€0.73
Source: PWC, Zenith Optimedia

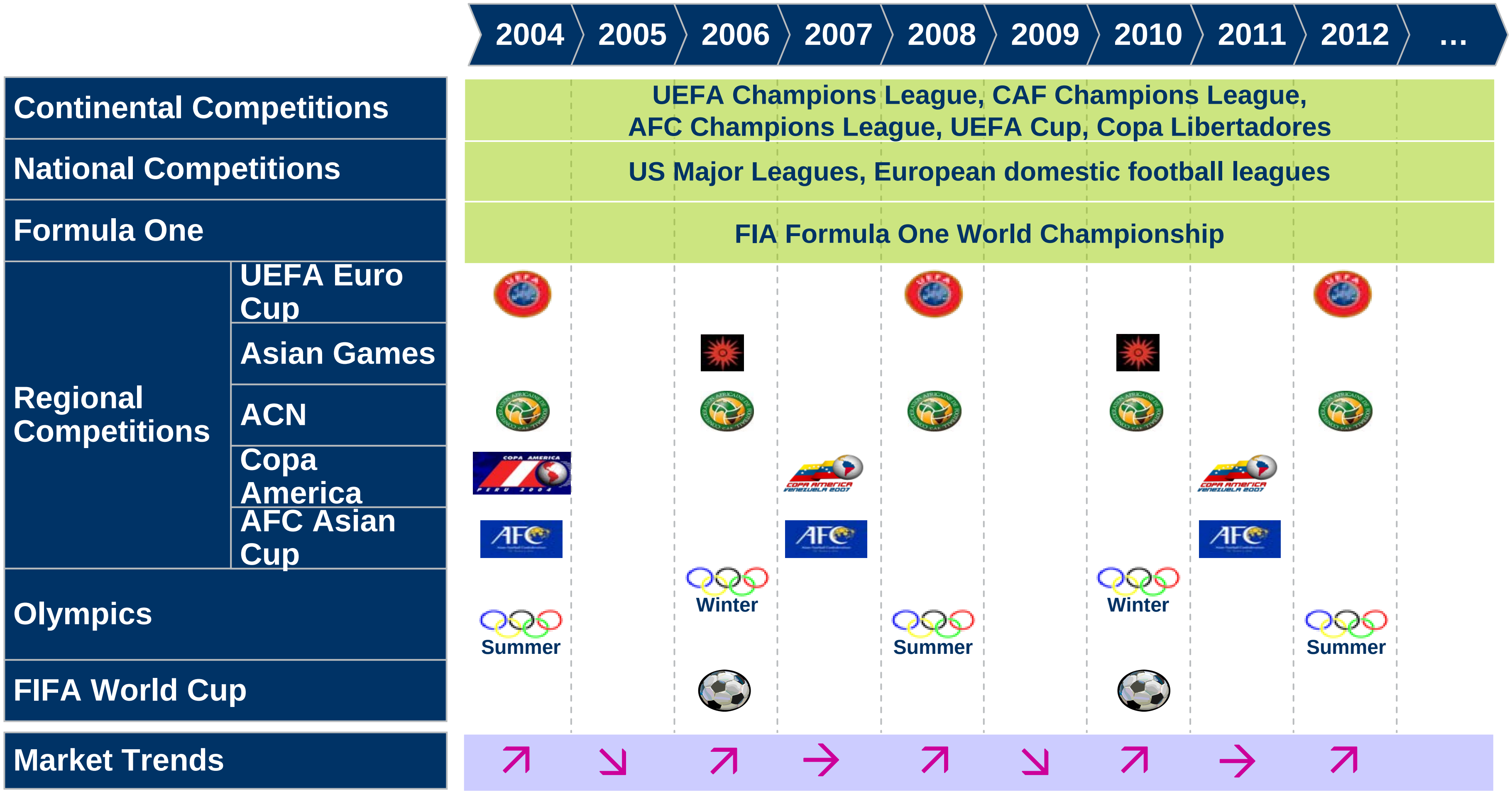
Multi-year contracts - recession-resilient



- **Multi-year contracts** – vs. typical 1 to 2 year economic down-cycles
- **Premium events growing faster than overall economy** driven by both demand and supply:
  - > Major media/marketers competing for rights
  - > Professional service providers creating new opportunities
  - > Significant football growth in late '90s - maturing market

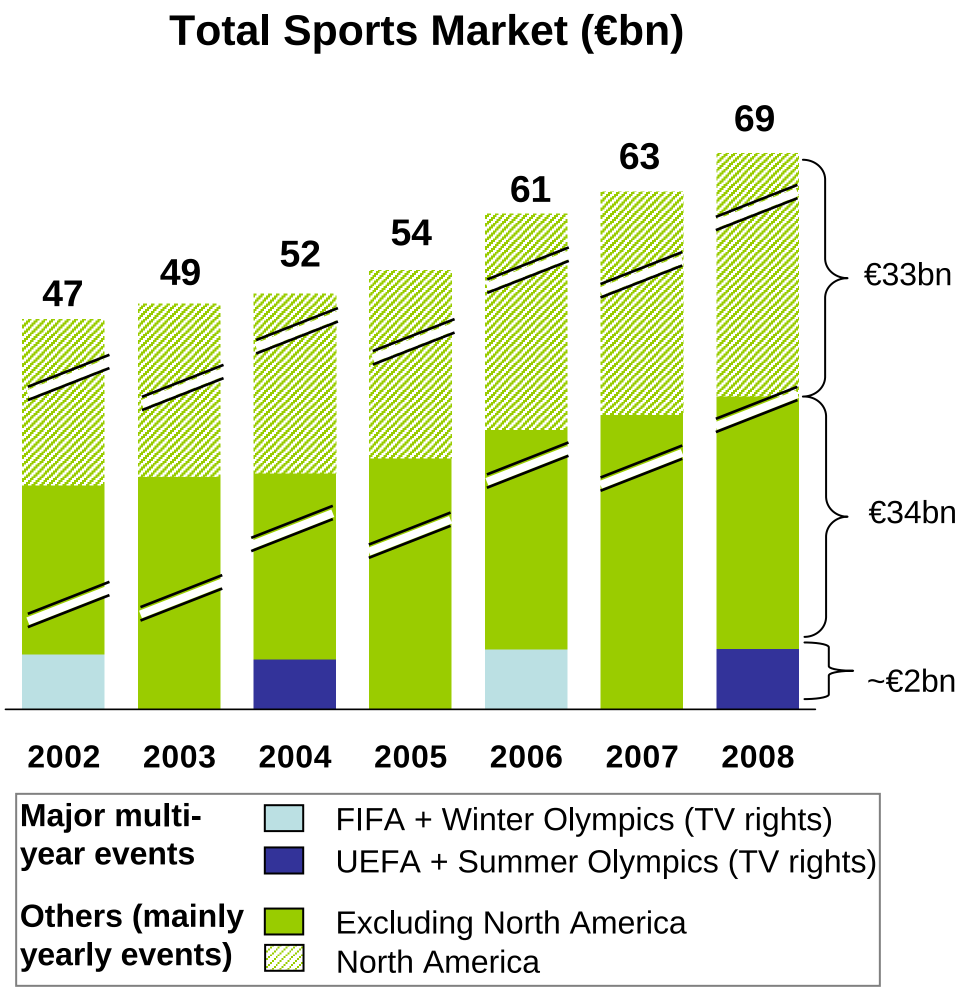
Note: (1) Real GDP growth
Source: EIU, Deloitte Football Finance

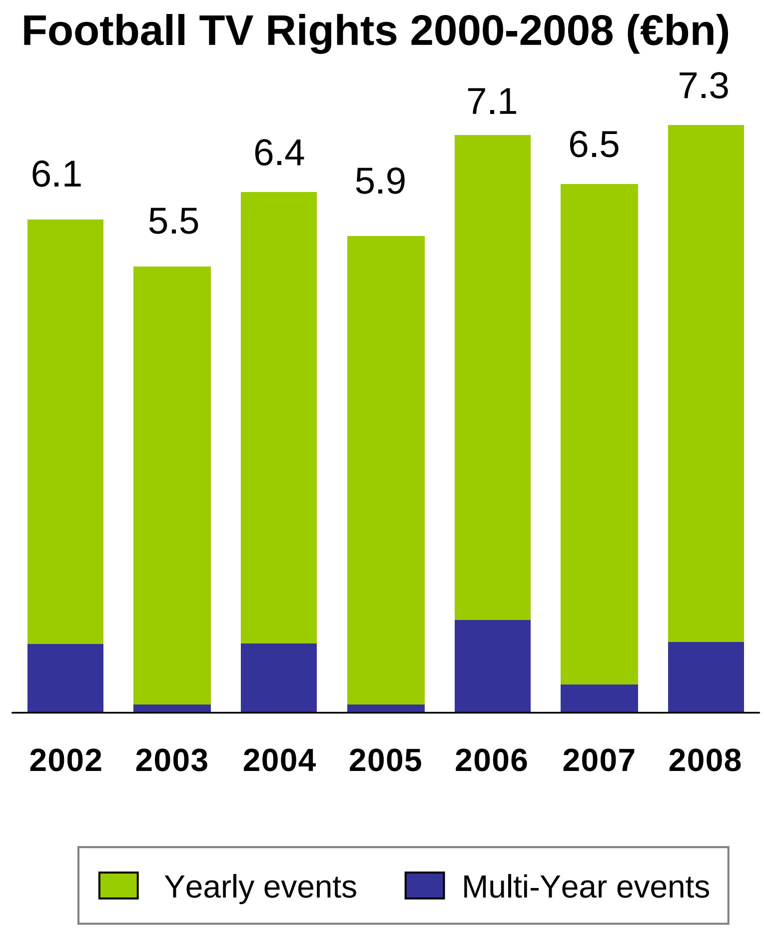
Combination of annual and multi-year growth trends



Trend: ↘ *Low* → *Intermediate* ↗ *High* Yearly events

Overall market experiencing steady growth

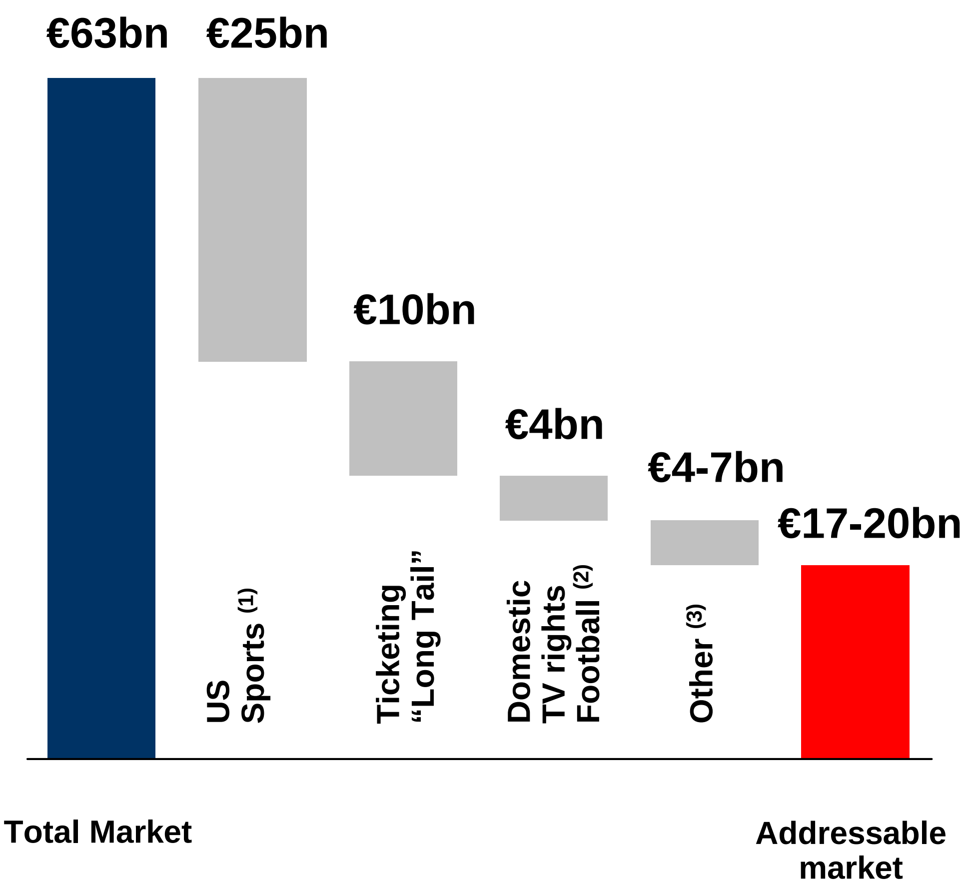


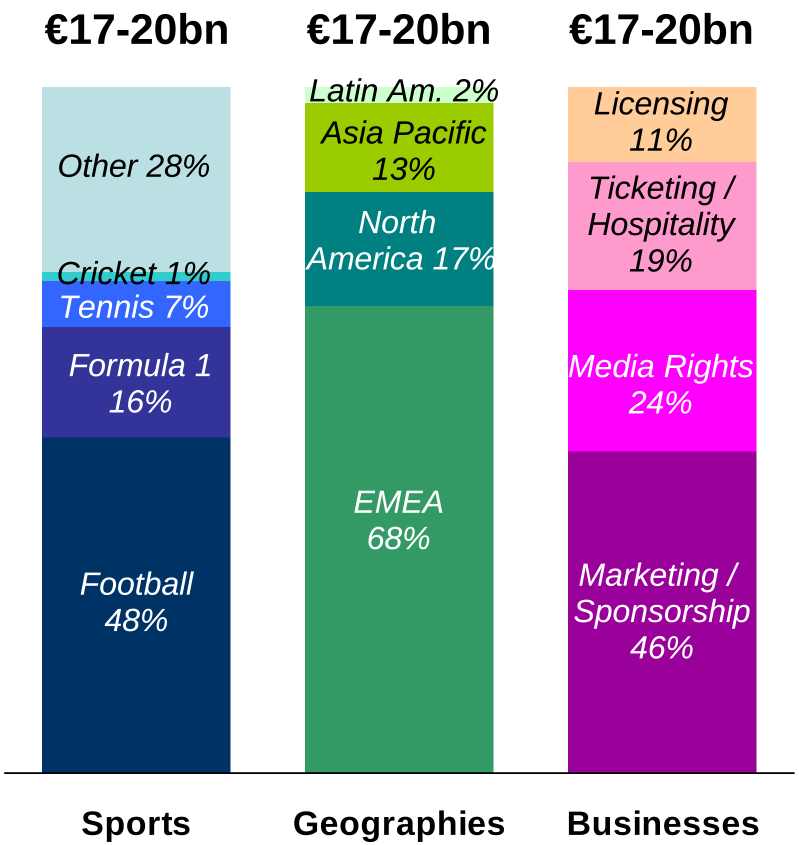


Note: Euro / Dollar conversion: $1=€0.64
Source: IEG, Sportbusiness, TVSM

€17-20bn addressable market

Addressable Market (2007)





Notes: (1) US Sports include Major Leagues + Minor Leagues + NASCAR + College Sports + X Games; (2) Domestic TV rights for Major Leagues; (3) Long tail sponsorship, long tail TV rights… ; Euro / Dollar conversion: $1=€0.64

Source: IEG, Sportbusiness, TVSM

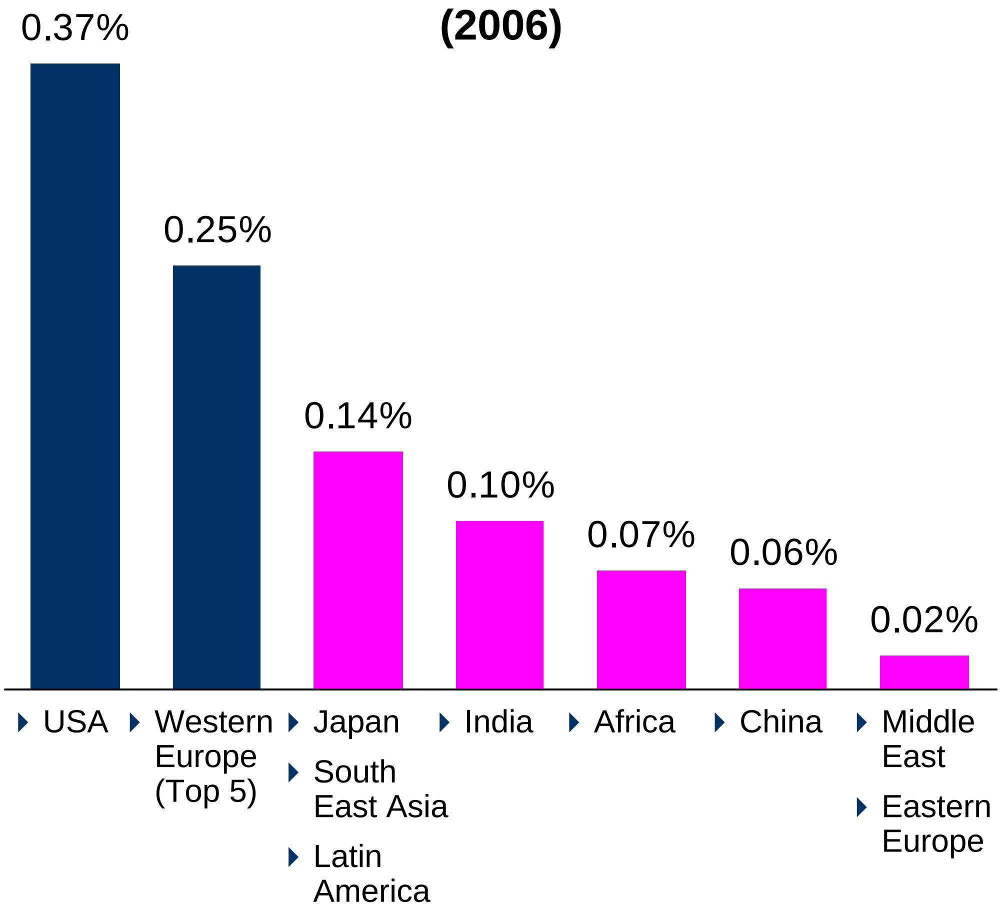
Faster growth in addressable markets…

2007–2012 Annual Growth	Total Market	Addressable Market	Rationale for Faster Growth in Addressable Markets
Media Rights	+6-7%	+7-8%	**Mature US market –** early growth driven by favorable economic and cultural factors **Significant growth potential across other regions** – professionalization and development of undervalued leagues / disciplines **Sustained need for professional service providers outside the US** – rights-holders and media fragmented across nations, no rationale for consolidation
Marketing / Sponsorship	+7%	+7%	
Licensing	+5-6%	+7%	
Ticketing	+6-7%	+7-8%	
Total	+6%	+7-8%	

Source: EIU, PWC

…Fueled by professionalization and investment

Sports Market in GDP % (2006)



Global Sports Infrastructure Investment Examples

- **Dubai:** *Sports City*, $3bn Sports complex
- **Singapore:** *Sports Hub*, $1bn sportainment facility
- **Qatar:** *Aspire Sports,* $2.8bn complex built to attract 2006 Asian Games
- **France:** *Grands Stades 2016* commission

Source: EIU, PWC

Sports ecosystem dynamics - key takeaways

- "Sports = king of premium" - resistant to audience fragmentation and piracy
- €63bn global ecosystem with strong underlying growth
- Grounded on typical media drivers, multi-year contracts - predictable in the long term, recession-resilient
- €17bn-€20bn addressable market - sustainable, growing faster
- Fragmented market - multiple pathways to build leadership position

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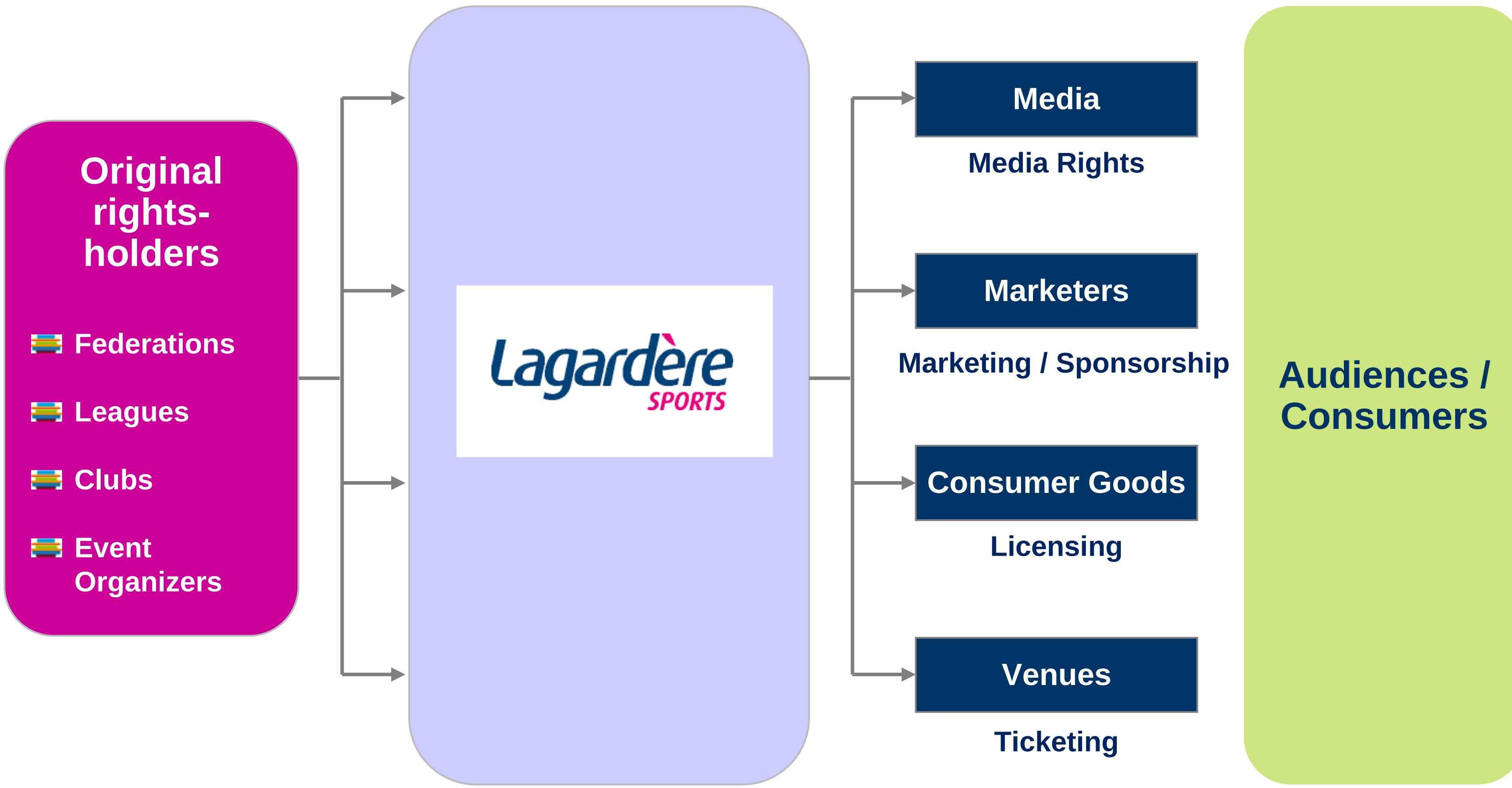
Monetizing sports events and brands: four main activities



Media Rights: helping rights-holders maximize the value of their content across media windows

Rights-holders	Sports Event	Lagardère SPORTS	Media
Confederations Federations Leagues Clubs	National cups National championship league cups International competitions	**Provide access to global media network** **Support with sales / distribution know-how** **Variabilize cost structure**	TV Radio Internet Telecom

Media Rights: helping rights-holders maximize the value of their content across media windows

Rights-holders → Sports Event → Lagardère SPORTS → Media

Buy-out model: ~82% of Lagardère Sports media rights revenues

- Sell rights to Lagardère Sports

→

- Acquire rights from rights-holder
- Sell rights to individual media customers

→

- Buy rights from Lagardère Sports

Commission model: ~18% of Lagardère Sports media rights revenues

- Sell rights to media owners

→

- Facilitate sale against 10-20% commission
- Commit to minimum guarantee (optional)

→

- Buy rights from right holder

- Media right revenues consist of a **mix of buy out and commission** deals
- This **mix may evolve**, subject to rights-holders' needs
- As a result it is **difficult to predict revenue trends**

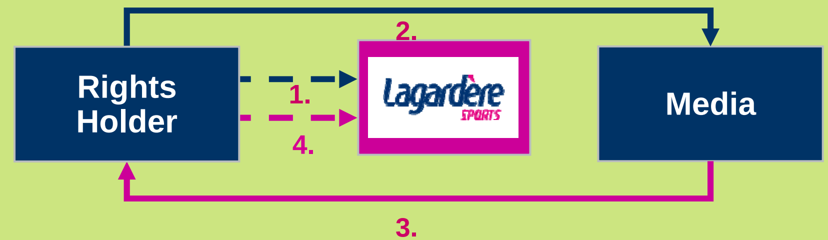
Buy-out and Commission models

Buy-Out Model (Principal)

1. Strategic partner acquires rights from rights-holder
2. Rights sold on to broadcaster

- **Balance Sheet:** capitalization of acquired rights (amortized over contract period)
- **P&L:**
  - Sale of rights recorded as revenue when event occurs
  - Amortization of acquired rights over the lifetime of the rights

Commission Model (Service Provider)



1. Rights-holder selects strategic partner
2. Rights-holder sells rights to media owner through strategic partner
3. Media owner pays fee to rights-holder
4. 10%-20% commission to service provider

- **Balance sheet:** no impact
- **P&L:** commission recorded as revenue

Buy-out and Commission models

Role	Buy-Out Model (Principal)	Commission Model (Service Provider)	
		Without Minimum Guarantee	With Minimum Guarantee
Contract Type	Mainly for Media Rights With Federations	– Media Rights for Clubs – Media Rights for Leagues – Club Marketing	– Club Marketing – Media Rights for Federations
Risks	Risk of Selling Rights Below Acquisition Price	No Risk	Risk of Selling Rights Below Minimum Guarantee
Upside potential	Unlimited Profit Potential Above Acquisition Price	% of Rights Sold	% of Rights Sold
Financial Model	–	– Signing fees – Commission	– Signing fees – Guarantees – Commission

Media Rights case study: African Cup of Nations 2008

Event Rights Value

100
Before Lagardère Sports Added Value (2006)

Lagardère Sports Value Proposition

- Access to new geographies
- Access to new media channels
- Improved signal quality
- New marketing ideas

124
Result of Lagardère Sports Added Value (2008)

Note: base 100 figures

Marketing / Sponsorship: connecting marketers and rights-holders to build relevant brand partnerships

Rights-Holders	Marketing Rights	Lagardère SPORTS	Marketers
Clubs	Billboards	**Strong relationship with rights-holders**	Global / national advertisers
Leagues	Jersey sponsorship	**Marketing know-how**	Local businesses
Federations	Stadium naming	**Direct relationship with marketers**	
Arena owners			

Marketing / Sponsorship: connecting marketers and rights-holders to build relevant brand partnerships

Rights-Holders → Marketing Rights → Lagardère Sports → Marketers

Commission model: 94% of Lagardère Sports sponsoring revenues

- Sell rights to marketers

→

- Facilitate sale against 10-20% commission
- Commit to minimum guarantee (optional)

→

- Buy rights from rights-holder

Buy-out model: 6% of Lagardère Sports sponsoring revenues

- Sell rights to Lagardère Sports

→

- Acquire rights from rights-holder
- Sell rights to individual marketers

→

- Buy rights from Lagardère Sports

Marketing / Sponsorship case study: Hamburg S.V.

Total Marketing Revenues

100

(1998)

Lagardère Sports Value Proposition

- Sell and maximize Hamburg SV's rights from 1998
- Achieve the first naming rights ever sold in Germany

600

Following Sportfive Added Value (2006)

Note: base 100 figures

Enduring need for independent service providers

Barriers to disintermediation

- **Economic model:** most rights-holders lack scale to absorb fixed costs and develop know-how
- **Complexity:** multiplicity of revenue streams and business models drives complexity and need for broad and deep offering
- **Capabilities:** most rights-holders lack marketing know-how and capabilities (market research, …) - rather focus on core discipline development activities
- **Comparable to other media professional services** - e.g., communication agencies serving even the largest, global marketers which insource only selected capabilities

Examples

- **FIFA** - outsourcing hospitality management (*Sportfive* supplying key regions)
- **UEFA** - Champions League managed by *T.E.A.M.*, Euro 2008 sold through *Sportfive*
- **IOC -** supported by IMG on tendering rights

Business model - key takeaways

- **Diversified base of activities - media rights, marketing / sponsorship, licensing, ticketing / venue management**
- **Two complementary value creation mechanisms - buy-out and commission, with distinct impacts on the balance sheet and P&L**
- **Strong barriers to disintermediation - based on economic model and capabilities**
- **Key success factor: a professional service relationship with rights-holders supported by a set of value added services**

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Our ambition: become "the first choice of rights-holders"…

Mutually Beneficial Relationship

Benefits for rights-holders

1. **Rely on a long-term business partner** for a critical funding source
2. **Benefit from enhanced service offering** - higher monetization potential
3. **Access comprehensive network** of relationships and distribution channels

Benefits for Lagardère Sports

1. **Secure defensible competitive position** closest to the source of value
2. **Develop new revenue streams** - increase portfolio resilience
3. **Participate early in emerging markets** and disciplines as they professionalize

Sustainable Ecosystem

… Building leading positions across key markets and expanding our service offering

From Agent…

- **Strong focus on selected disciplines**
- **Expertise focused on media rights and sponsorship**
- **Local positions and “strongholds”**

…To Strategic Partner

- **Market leader across premium sports and events**
- **Full service offering along the sports value chain**
- **Global footprint of regional leaders**

Over the last 18 months: we have delivered

- ✓ **Successful acquisitions – building a footprint of networked market leaders**
- ✓ **New talent – experienced team with proven market traction**
- ✓ **Solid organic growth – winning new business with compelling value proposition**

Acquisitions: clear focus on market leaders

Acquisition Criteria

- **Market leaders** in our target segments (sports, geographies, businesses)
- **Talented teams** committed to building the Lagardère Sports business
- **Sustainable businesses** contributing to overall portfolio logic

Acquisition History

2006 – SPORTFIVE
- Leader in **football**
- Leader in **Europe**

2007 – IEC IN SPORTS
- Complementary **skill set**
- New disciplines (**tennis**, athletics, …)

2007 – upsolut
- Expansion in **event organization**
- New disciplines (**cycling**, triathlon)

2008 – Prevent
- Expansion in **event ownership** (tennis)

2008 – worldsportgroup
- Reinforcing global **football** leadership
- Leadership in **Asia**
- Attractive adjacencies (**arena mngt.**)
- New disciplines (**cricket**)

Experienced team managing and developing a global network of professionals

Integration Philosophy: Market-centric Organization

Lagardère Sports Role

- **Preserve structure of new acquisitions** to favor entrepreneurship and initiative
- **Attract and retain key talent** and managers to strengthen the network
- **Support with scale and network** to deliver a superior performance

Local Talent Network

- 650 professionals in 35 offices across 25 countries
- Key managers brought onboard:
  - **Stéphane Schindler**, Group COO
  - **Richard Worth**, CEO Sportfive
  - **Jonas Persson**, CEO IEC in Sports
  - **Seamus O'Brien**, CEO WSG
  - **Trevor Birch**, COO Sportfive

A broad, compelling service offering

Governing Bodies and rights-holders

- Athletes
- Clubs
- Confederations
- Federations
- Leagues

Media Rights

Content Production

Content Distribution

Marketing / Sponsorship
Sponsorship, Endorsement, Brand Management

Marketers

Licensing

Consumer Products Manufacturing

Audiences / Consumers

Event Organization and Ownership

Ticketing
Hospitality, Stadium / Arena Management

Partnership with 300+ rights-holders

← ***Lagardère Sports Presence*** →

3,000+ "downstream" customers

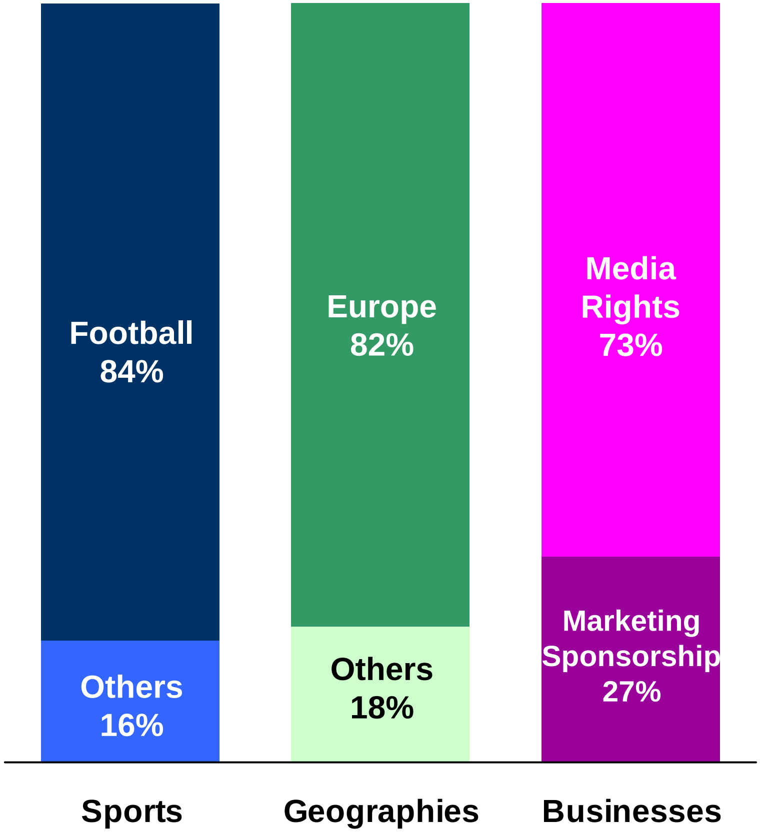
Key decisions and group coordination resulting in major wins - acceleration over the last 18 months

- **Africa Cup of Nations – contract renewal until 2016**
- **Olympique Lyonnais – marketing contract until 2020**
- **Juventus – contract until 2023**
- **Transorientale – new rally event organization in 2008**

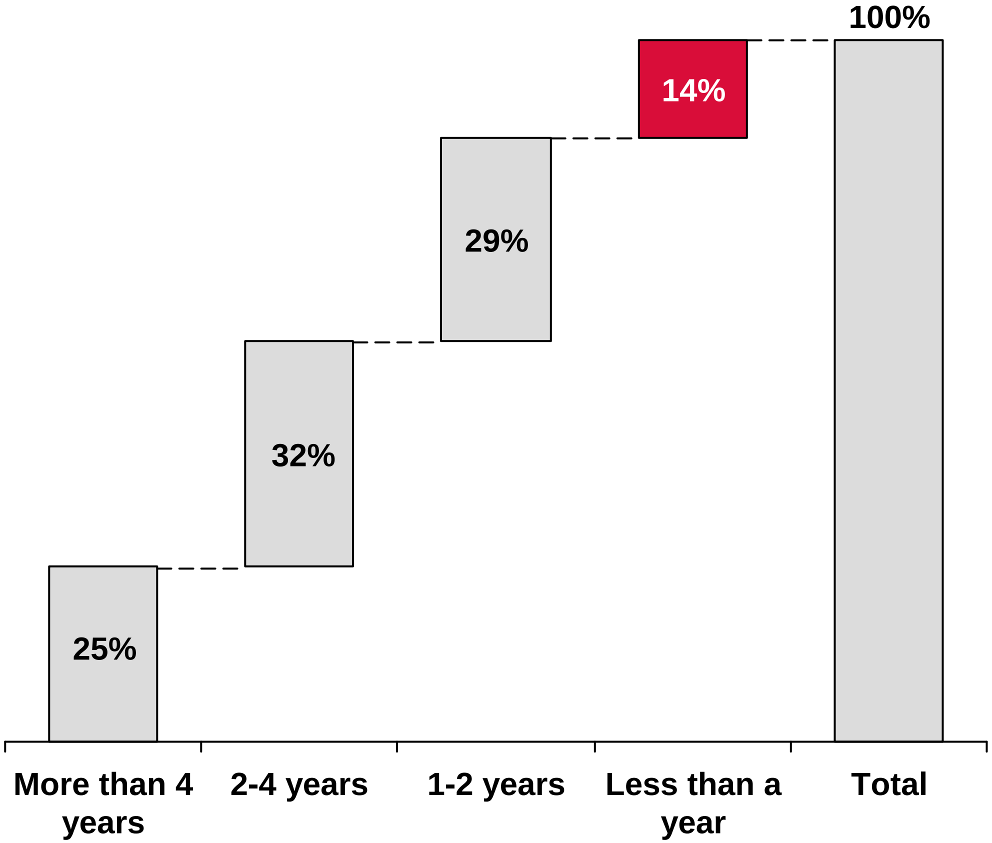
The result: a secure, sustainable business portfolio

Lagardère Sports Revenue Base

By market / business segment (2007)



By contract length (from 2007)



Note: Excluding World Sport Group
Euro / Dollar conversion: $1=€0.73, 2007 average rate

Lagardère SPORTS

Going forward: maintain course towards global leadership

- **Pursue attractive acquisitions complementing the portfolio**
- **Position for future organic growth - e.g. develop event ownership**
- **Consolidate distinctive position in a fragmented competitive space**

Relevant acquisitions: World Sport Group…

1. Build up Football Position:

- Leader in Asian football
- Strategic partner for Asian Federation Cup

2. Move into attractive adjacencies:

- Event organization (Barclays Golf Open)
- Arena management (Singapore Sports Hub consortium)

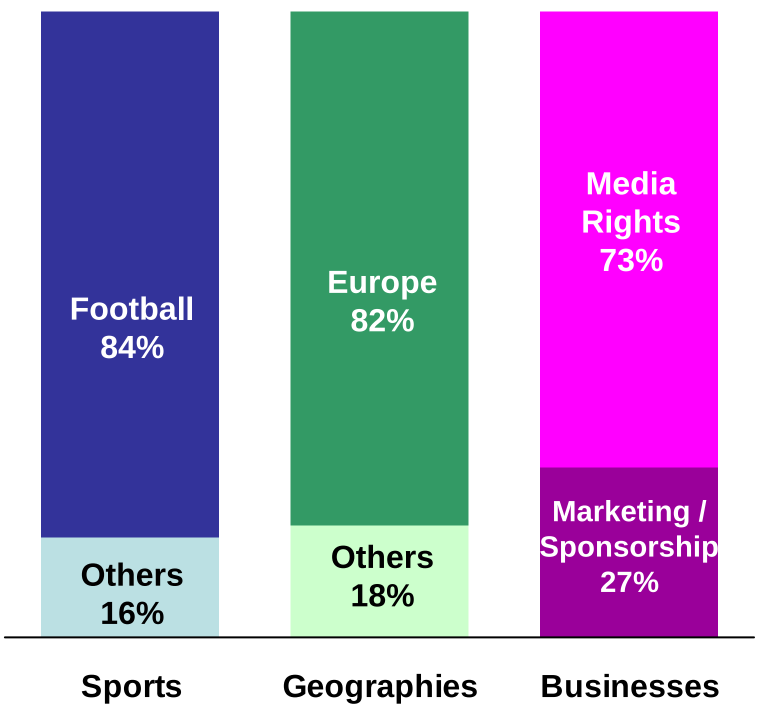
3. Globalize footprint:

- Leading Asian sports group
- 1,000 hours+ programming live in 30+ countries
- Leader in rapidly growing cricket format (Twenty20)

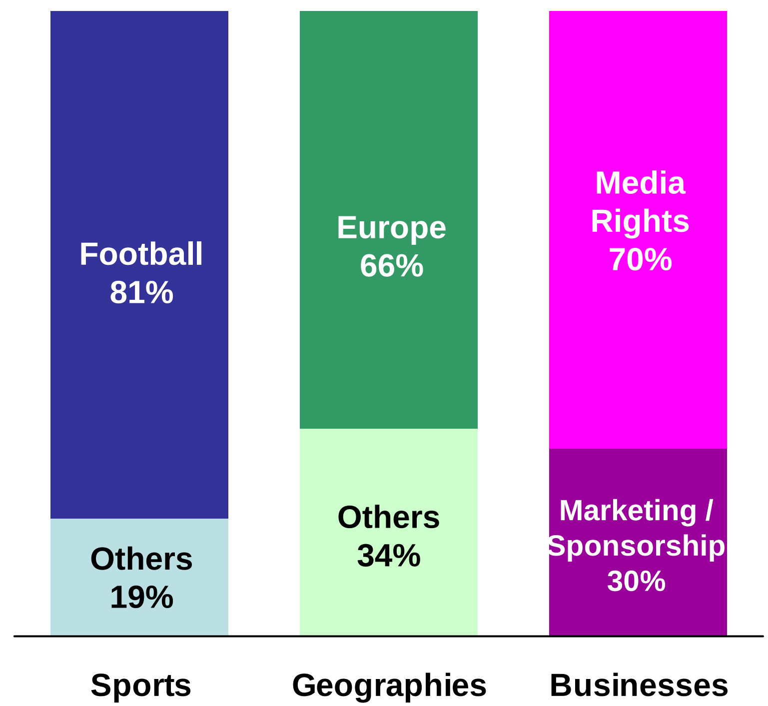
…Further reinforcing our business portfolio

Lagardère Sports Revenue Base

Excluding World Sport Group
(2007 actual, total: €440m)



Including World Sport Group
(2007 pro-forma, total: €546m)



Note: Euro / Dollar conversion: $1=€0.73, 2007 average rate

Strengthening our differentiated competitive position…

Lagardère SPORTS

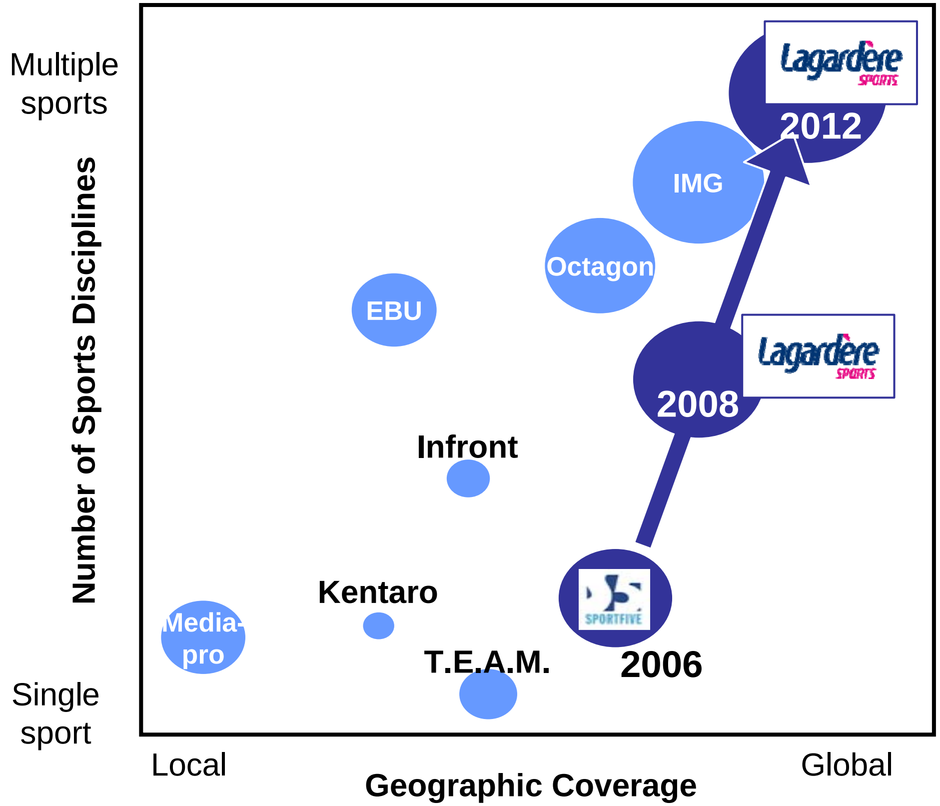
- **Moved decisively** to secure key positions
- Now a **reference** across geographies and markets
- **Natural partner for rights-holders** - combining know-how, scale, ability to attract talent and long-term vision

	Competitors	Limitations
Rights Holders	UEFA (T.E.A.M.) FIFA	Few players with the scale required to amortize fixed internal operations and international network
Independent Agencies	Infront Kentaro ASO	Ultimately lack scale
Private Equity Firms	Fortsmann Little (IMG / TWI) CVC Bridgepoint	Struggle to retain entrepreneurial talent beyond earn-out clauses
Global Advertising Groups	WPP (MediaPro) Interpublic (Octagon) Dentsu	Conflict between maximizing rights value and serving marketer needs
TV Broadcasters and Telcos	EBU News Corp Globo TV	Conflict between maximizing rights value and securing content for their own media / pipelines

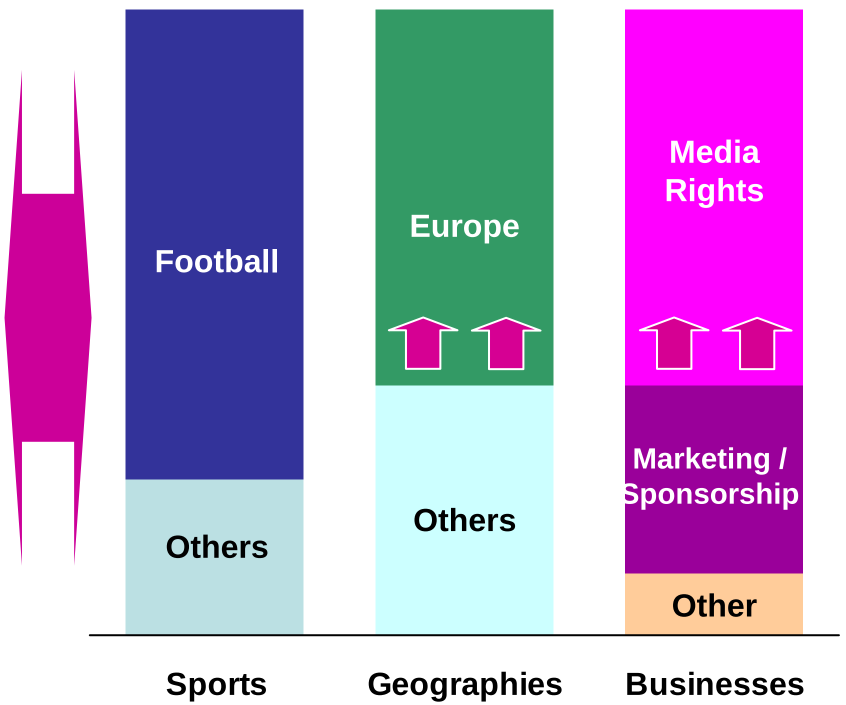
…Towards global leadership

2012 Vision

Competitive Position



Business Portfolio



Source: Sportfive Acquisition analyst presentation (Nov 2006)

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- **Global leader** with scale benefits
- **Strategic partner** for rights-holders globally
- **Profitable, predictable** business
- Reinforcing Lagardère's **position** in media
- **Strong contributor** to the Group's bottom line