



Lagardère

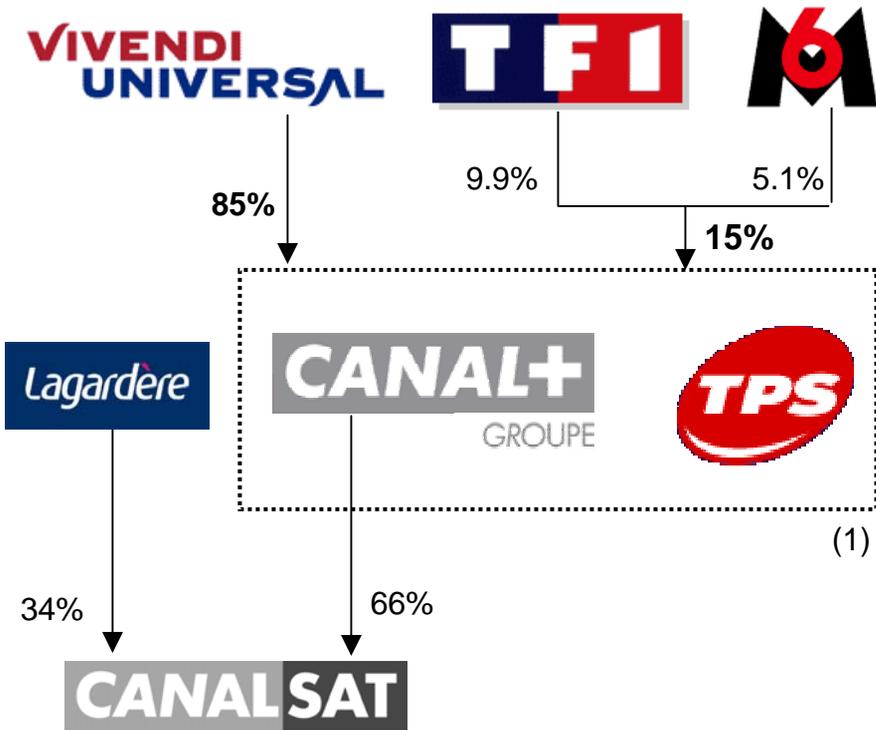
***Lagardère / Vivendi Universal Draft Agreement
on Canal+ France***

- February 17, 2006 -

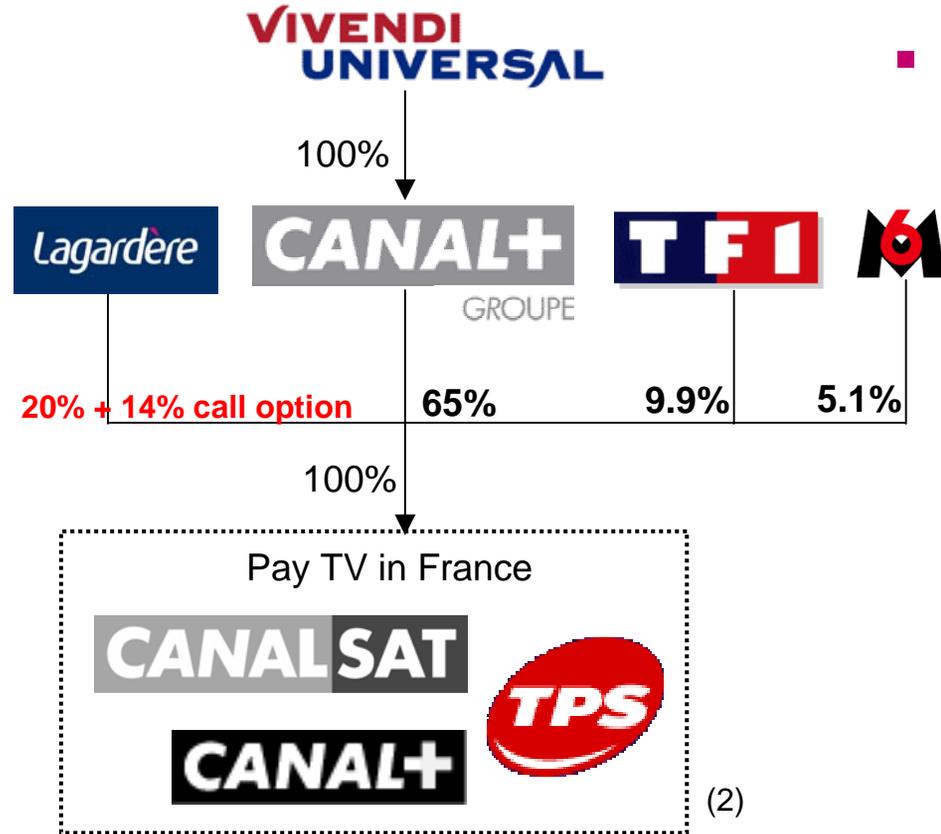
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Lagardère / Vivendi Universal Draft Agreement

Pre-deal



Acquisition of a 20% stake in Canal+ France + a 14% call option



(1) Scope: Pay TV in France (66% CANALSAT, TPS, CANAL+, multiThématiques, MediaOverseas) + STUDIOCANAL, Cyfra+, CANAL+ Régie, PSG, i>TELE and 20% of Ypso;

(2) Scope: Pay TV in France = 100% CANALSAT, TPS, CANAL+, multiThématiques, MediaOverseas.

→ Lagardère will hand over:

- Its 34% stake in CanalSat
- €525m in cash

→ Lagardère will receive in return:

- 20% of CANAL+ France (100% CanalSat, TPS, Canal+, multiThématiques, MediaOverseas, Canal+ Distribution)
- A cash adjustment of approximately €150m to the value of CanalSat's equity
- A 3-year market value call option over a further 14% of CANAL+ with a floor valuation of €1.05bn
- An 8-year liquidity clause (including 2 12-month lock-up periods: the first from 0-12 months post completion, the second starting 2 years and 3 months after completion): sale to Vivendi Universal or IPO
- Pre-emptive bid rights over Canal+ France

- Underlying valuation of CANAL+ France in line with the entry valuation of TF1 and M6
- Satisfactory outcome to renegotiation of distribution contracts for Lagardère's themed channels on CanalSat

- Draft agreement subject to consultation with the CSA (French audiovisual regulator) and the employee representative bodies, and approval by antitrust authorities
- Target for deal completion: 3rd quarter of 2006
- 20% stake in CANAL+ France to be equity-accounted after completion

1. Enhanced presence in French Pay TV market

- Greater exposure to premium content
- Capitalize on value creation driven by the consolidation in the French Pay TV market initiated by the Canal+ / TPS merger
- Benefit from turnaround in Canal+ premium business successfully implemented by the new management

2. More flexibility - Lagardère can now:

1. Raise its stake to 34% by exercising the call option
2. Keep its CANAL+ France holding at 20%
3. Acquire 100% if Vivendi Universal sells
4. Sell its stake

3. Enhanced liquidity:

1. Shareholder in a larger business (CANAL+ France) with a stronger market presence
2. 8-year liquidity clause giving opportunity to exit at market price:
 - by negotiating a sale to Vivendi Universal
 - or via an IPO

- Digital technology is driving a revolution in the media sector

- What this means:
 - Prospects for growth and for opening up new markets
 - Fragmentation of consumer demand in terms of digital content and preferred distribution channel
 - A fast changing competitive environment

→ Our approach

- To keep our privileged partnership within the leading digital Pay TV platform in France
- Invest in the sector, to capitalize on the growth and value creation generated by digital technology
- Investment policy focused on flexibility and liquidity, to reflect the growing changeability of digital business models

→ Building a logical business mix

- Content: Books (Tier 1 Worldwide), Magazines (Tier 1 Worldwide), Radio (Tier 1 France), TV Production (Tier 1 France), Children's and Music Themed Channels, Mobile Phone Content (Blingtones), 20% of Canal+ Premium
- Distribution: Radio, VirginMega, 20% of CanalSat