



Lagardère

**Acquisition of Sportfive
Presentation to Analysts**

November 20th, 2006



Safe Harbor Statement

Acquisition of Sportfive - Presentation to analysts

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

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

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

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

Please refer to Lagardère SCA's Annual Report for the year ended December 31, 2005, for a description of certain important factors, risks and uncertainties that may affect Lagardère SCA's business.

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



Table of contents

Acquisition of Sportfive - Presentation to analysts

01 - Transaction overview and rationale	p. 3 to 5
02 - Sportfive overview	p. 6 to 11
03 - Rights Trading (57% gross margin)	p. 12 to 21
04 - Marketing (43% gross margin)	p. 22 to 25
05 - Competition – Sportfive is a clear leader	p. 26 to 27
- Competition – Sportfive is a clear leader	p. 26 to 27
portfive Business Review	p. 28 to 30



Transaction Overview

Acquisition of Sportfive - Presentation to analysts

Key Terms

- Lagardère to acquire 100% of Sportfive, the leading European sports rights agent, for € 865m (enterprise value) in cash from Advent, GSPE and RTL
- Subject to customary regulatory approvals

Key Dates

- Signing on November 19th, 2006
- Closing expected in early 2007



Transaction Rationale: The right transaction in an attractive market

Acquisition of Sportfive - Presentation to analysts

Sports Rights: A large and growing market

- € 12bn TV and Marketing rights in EMEA in 2006
- Solid organic growth of 6% pa through 2010
- Increasing role of sports rights agents

Sportfive: The right deal

- Leading European agency in the number 1 sport, football
- 2006e revenues of € 526m and 2006e EBIT of € 55m
- Profitable, predictable and cash generative business model
- Proven management
- Critical mass for further expansion

Excellent fit with Lagardère growth strategy

- Provides upstream position in the audiovisual rights value-chain
- Leverage on Lagardère's advertising sales know-how and international network
- Platform for Lagardère's development in the sports industry: Growth potential in new products, clients, territories and sports

Financial impact

- Limited financial commitments in ordinary course of business
- Accretive effect on EPS (before purchase accounting)



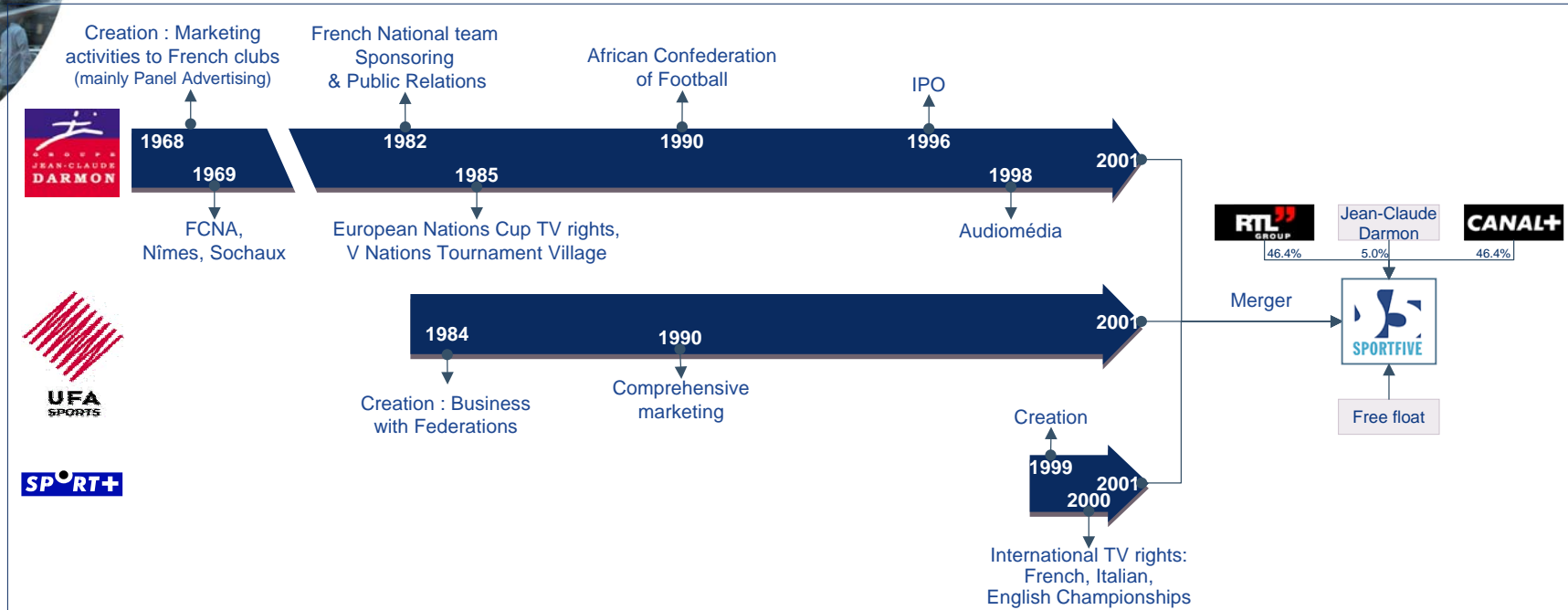
Table of contents

Acquisition of Sportfive - Presentation to analysts

01 - Transaction overview and rationale	p. 3 to 5
02 - Sportfive overview	p. 6 to 11
03 - Rights Trading (57% gross margin)	p. 12 to 21
04 - Marketing (43% gross margin)	p. 22 to 25
05 - Competition – Sportfive is a clear leader	p. 26 to 27
06 - Sportfive Business Review	p. 28 to 30
07 - Future Growth	p. 31 to 37

Key milestones of Sportfive history: from origin to 2001

Acquisition of Sportfive - Presentation to analysts

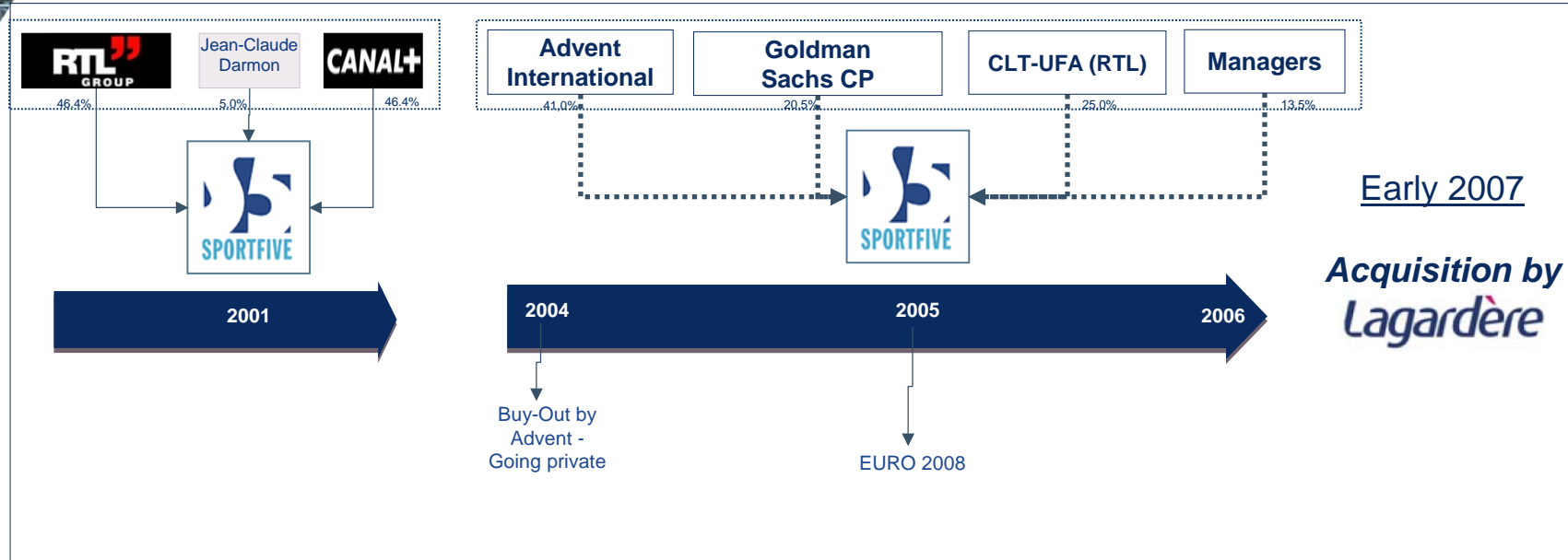


➔ Creation in 2001 with the merger of UFA Sports, Sport + and Groupe Jean-Claude Darmon

- Jean Claude Darmon built the business from scratch in France
- Opening up a new market: assisting rights owners to improve return on their assets via Rights Trading & Marketing Services
- Market consolidation

Key milestones of Sportfive history: 2001 → 2006

Acquisition of Sportfive - Presentation to analysts



- 2001-2004: Limited integration achieved
- 2004-2006: Preparing the platform for growth
 - Integration of the 3 entities and successful renewal rate of contract portfolio
 - Successful reorganisation in France following departure of JC Darmon (no major contracts lost)
 - Winning bid for Euro 2008



Decentralized management with close relationships to contractors

Acquisition of Sportfive - Presentation to analysts

→ Germany

- Philip Cordes – over 14 years with Sportfive
- Robert Müller von Vultejus – over 12 years with Sportfive
- Thomas Röttgermann – over 15 years managing football clubs
- Erika Tertilt – former Bertelsmann / RTL executive

→ France

- Alain Krzentowski – manager 1992 Olympic games & former Chairman of ASO
- Gilles Moretton – former tennis champion & organiser of tennis ATP tournaments

→ International

- Laurent Scharapan – creation of 1992 Olympic games marketing division (Meridian)
- Andrew Croker – former head of sports of BskyB

Large base of local managers

Sportfive operates through a network of subsidiaries, representative offices and agents worldwide to offer highly localized services: 25 subsidiaries, 11 offices

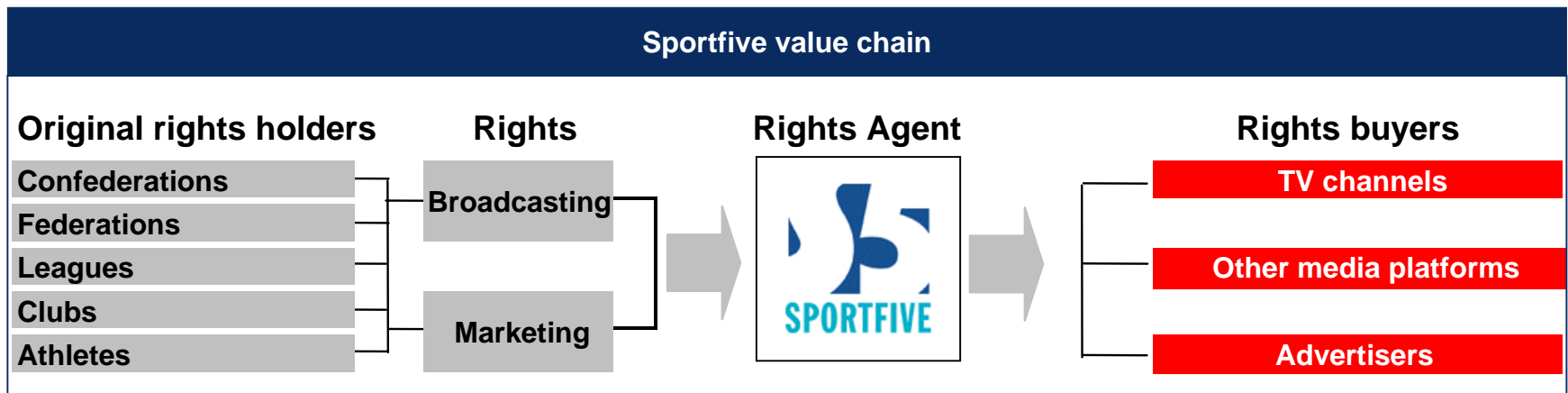


The right transaction: A clear and focused strategy...

Acquisition of Sportfive - Presentation to analysts

→ Sportfive is a sports rights agent

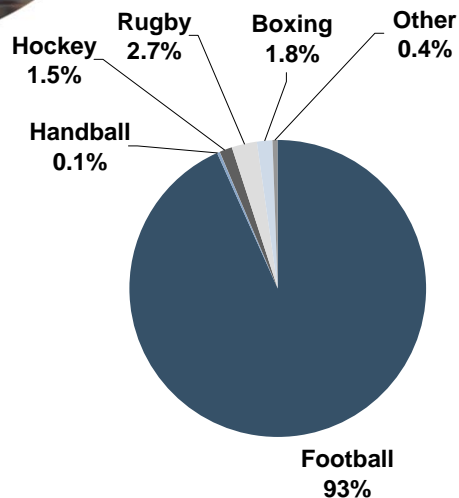
- Acts as agent between rights holders and buyers
- These rights are either acquired, or obtained through multi-year agency agreements



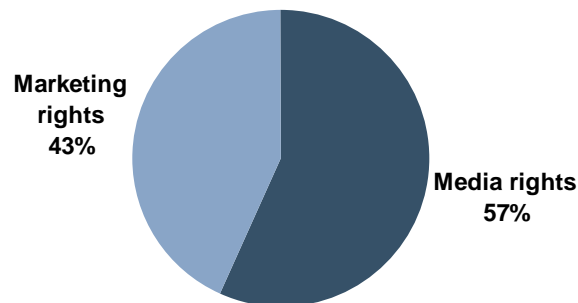
Business profile

Acquisition of Sportfive - Presentation to analysts

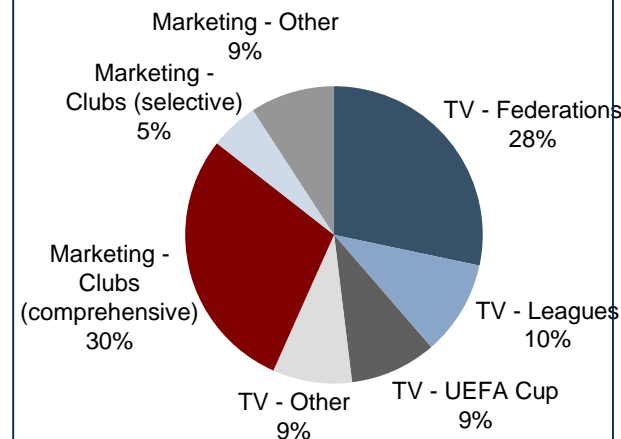
2006e Gross Margin by sport



2006e Gross Margin by rights type



2006e Gross Margin by activity



- ➔ Focus on football
- ➔ Balanced business mix between
 - TV and Media
 - Marketing
- ➔ Diversified portfolio of activities

Key financials (€m)

	2006e
Revenues	526
Gross Margin	107
EBITDA	85
EBIT	55



Table of contents

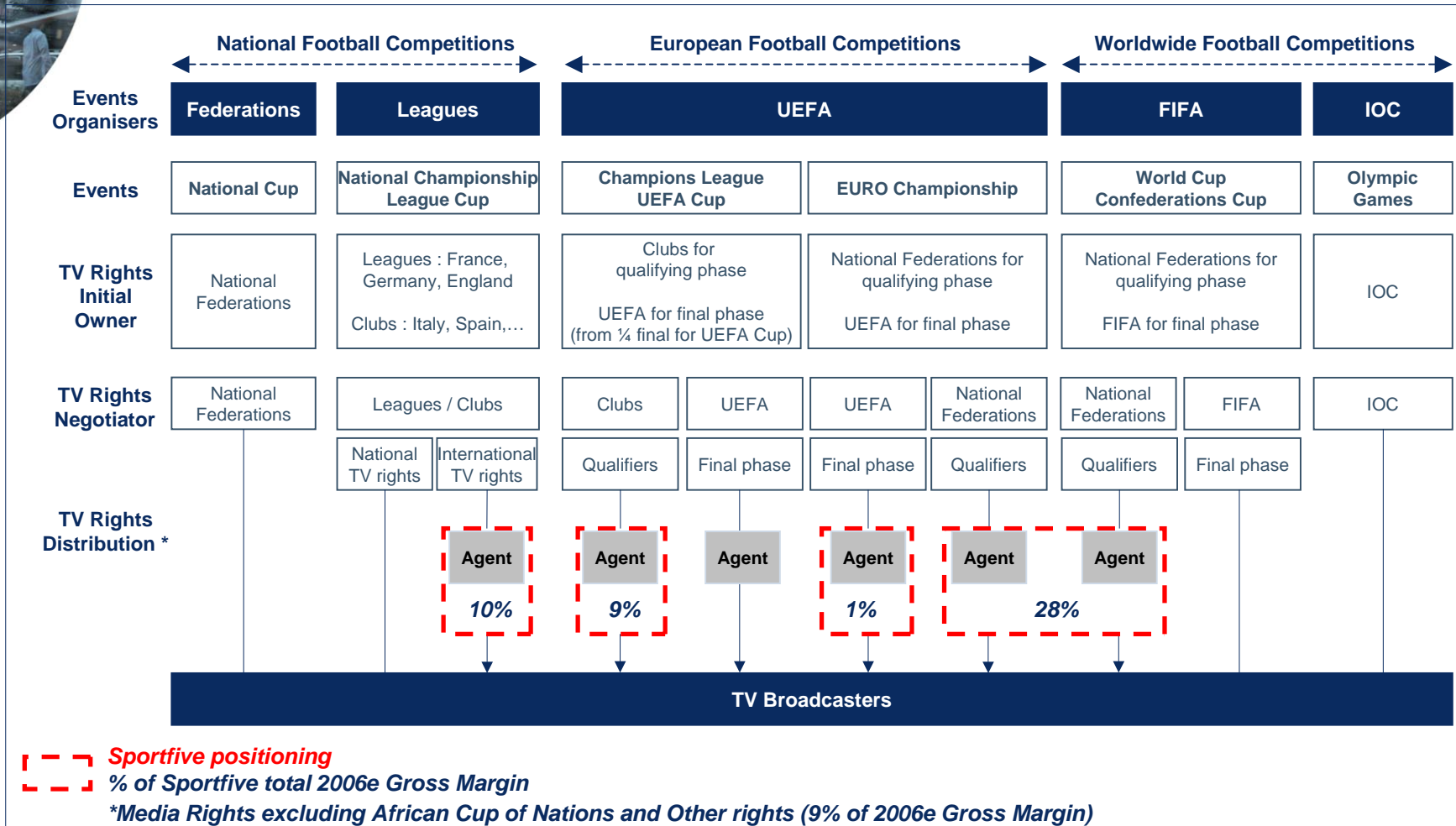
Acquisition of Sportfive - Presentation to analysts

01 - Transaction overview and rationale	----- p. 3 to 5
02 - Sportfive overview	----- p. 6 to 11
03 - Rights Trading (57% gross margin)	----- p. 12 to 21
04 - Marketing (43% gross margin)	----- p. 22 to 25
05 - Competition – Sportfive is a clear leader	----- p. 26 to 27
06 - Sportfive Business Review	----- p. 28 to 30
07 - Future Growth	----- p. 31 to 37



A strong positioning in the Football media rights market

Acquisition of Sportfive - Presentation to analysts



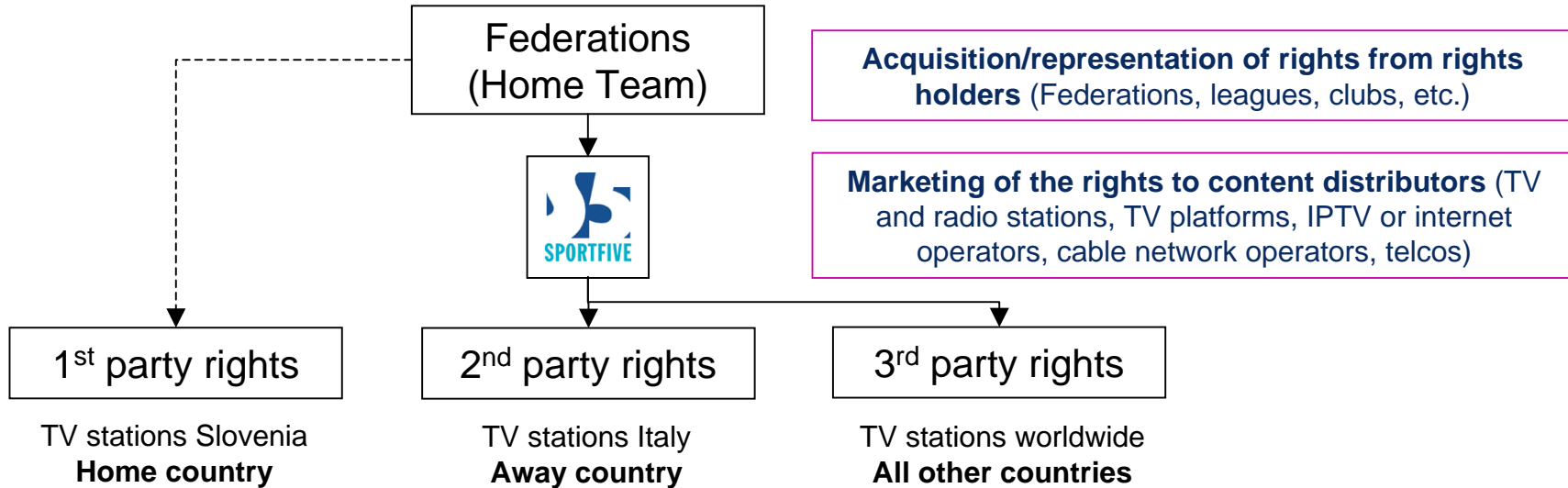


The media rights acquisition

Acquisition of Sportfive - Presentation to analysts

→ Sportfive TV and Media Business

Example: Slovenia vs. Italy, played in Slovenia

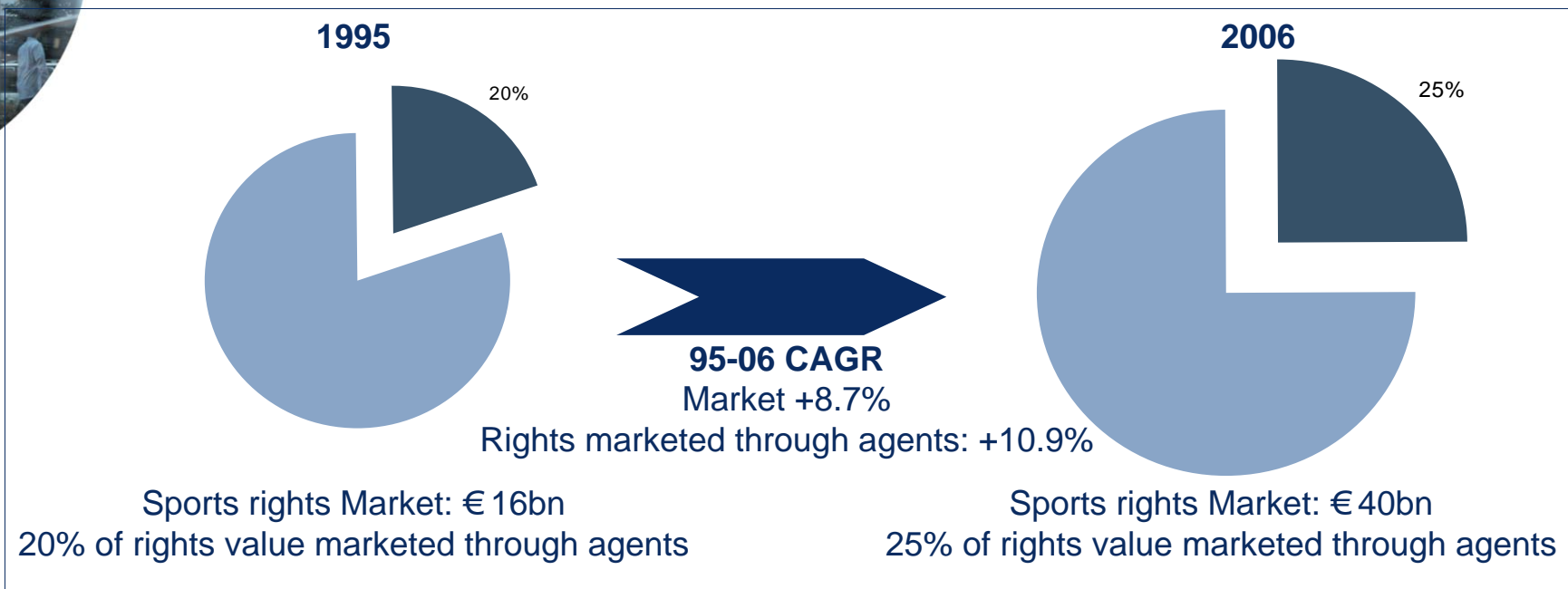


- Rights are mainly differentiated by geographies, availability (live / delayed) and duration



Sports media rights: A clear trend towards intermediation

Acquisition of Sportfive - Presentation to analysts



Source : Deloitte

- Trend towards intermediation sustained by:
 - Growing importance of new markets (e.g. Asia) complicates direct marketing by rights holders
 - Emergence of new media platforms adds complexity to rights sales
 - Sportfive allows small / medium size federations and clubs to access high-value rights trading deals through bundled packages, strong bargaining power, solid network of media contacts

Lagardère

Sports media rights: Two business models

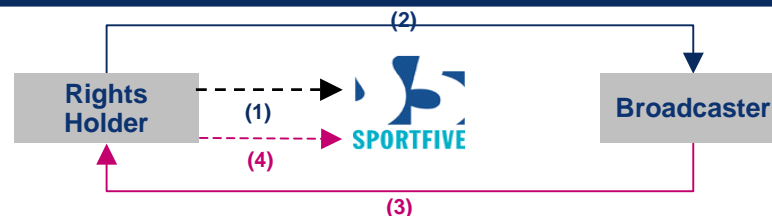
Acquisition of Sportfive - Presentation to analysts

Acting as Principal



- (1) Sportfive acquires rights from rights holder
- (2) Rights sold on to broadcaster
- Balance sheet:
 - Capitalisation of the acquired rights (amortised over the contract period if the rights covers more than 1 year)
- P&L:
 - Sale of rights recorded as revenue when event occurs
 - Amortisation of acquired rights over the lifetime of the rights

Acting as Agent



- (1) Selection of Sportfive as agent
- (2) Rights sold by rights holder to broadcaster thanks to Sportfive
- (3) Rights fee paid by the broadcaster to the rights holder
- (4) Commission paid to Sportfive (generally between 10% and 20% depending on type of rights)
- Balance sheet:
 - No impact
- P&L:
 - Commission recorded as revenue



Sports media rights: financial model

Acquisition of Sportfive - Presentation to analysts

	Acting as Principal	Acting as Agent	
		Without minimum guarantee	With minimum guarantee
Type of contract	Predominantly used for TV rights with federations	<ul style="list-style-type: none"> - TV rights for Clubs - TV rights for Leagues - Club marketing 	<ul style="list-style-type: none"> - Club marketing - TV rights with federations
Risks	<p>✓✓✓</p> Risk of selling the rights below the acquisition price	<p>✓</p> No risk born by Sportfive	<p>✓✓</p> Risk of not selling the rights above the minimum guarantee
Rewards	<p>✓✓✓</p> Unlimited upside potential above the acquisition price	<p>✓</p> Percentage of rights sold	<p>✓</p> Percentage of rights sold
Potential financial models	-	<ul style="list-style-type: none"> - Signing fees - Financial loans - Commission mechanism 	<ul style="list-style-type: none"> - Signing fees - Financial loans - Financial guarantees - Commission mechanism



Sports media rights: revenues recognition

Acquisition of Sportfive - Presentation to analysts

	Acting as Principal	Acting as Agent
Revenues	Value of rights sale	Commission
(-)	(-)	(-)
Direct costs	Cost of rights acquisition (amortisation) Any direct costs	Any direct costs
(=)	(=)	(=)
Gross Margin	Trading margin	Net Commission



Business review: Media rights with Federations

Acquisition of Sportfive - Presentation to analysts

Portfolio - 40 federations



- Qualifying matches for EURO and World Cup:
 - Few 1st party rights (home country)
 - Mainly, 2nd party rights (away country) and 3rd party rights (all countries other than home and away)
- Examples of federations under contract:
 - French federation
 - English federation
 - Dutch federation
 - Swiss federation...



Business review: Media rights with Leagues

Acquisition of Sportfive - Presentation to analysts

Portfolio - 12 leagues

	Party rights	
	1st	3rd
 Italy - Serie A		x
 Spain - Primera Division		x
 England - Premier League		x
 Austrian League	x	
 Slovak League	x	x
 Polish League	x	x
 Chinese League		x
 Israel League	x	x
 Icelandic League	x	x
 Swiss League		x
 Portuguese League		x
 Greek League		x

- Sale of National Championship matches

- Outside home country (3rd party rights)
- Inside home country (1st party rights), mainly for small leagues

- High value added from Sportfive


- Sale of rights in many countries, often far from the home country



Business review: Media rights with Clubs

Acquisition of Sportfive - Presentation to analysts

Portfolio - > 250 clubs	
<u>UEFA Cup</u>	Qualifying matches - 1 st round (Home & Away matches)
	Qualifying matches - 2 nd round (Home & Away matches)
	1 st round (Home & Away matches)
	Group stage (5 matches)
	Round of 32 (Home & Away matches)
	Round of 16 (Home & Away matches)
	Quarter finals (Home & Away matches)
	Semi-finals (Home & Away matches)
	Final (1 match)
<u>Champions League</u>	Qualifying matches - 1 st round (Home & Away matches)
	Qualifying matches - 2 nd round (Home & Away matches)
	Qualifying matches - 3 rd round (Home & Away matches)
	Group stage (6 matches)
	Round of 16 (Home & Away matches)
	Quarter finals (Home & Away matches)
	Semi-finals (Home & Away matches)
	Final (1 match)

 *Matches marketed by agents*

- Qualifying matches for Champions League and UEFA Cup (2nd & 3rd party)



Table of contents

Acquisition of Sportfive - Presentation to analysts

01 - Transaction overview and rationale	p. 3 to 5
02 - Sportfive overview	p. 6 to 11
03 - Rights Trading (57% gross margin)	p. 12 to 21
04 - Marketing (43% gross margin)	p. 22 to 25
05 - Competition – Sportfive is a clear leader	p. 26 to 27
06 - Sportfive Business Review	p. 28 to 30
07 - Future Growth	p. 31 to 37



Marketing rights

Acquisition of Sportfive - Presentation to analysts



Shirt-Sponsorship



Market-Research



Media-Rights



Ticketing

Stadium Advertising



Merchandising

Special Advertising



Hospitality

Event Creation



Stadium Consulting
Stadium Naming



Marketing rights with clubs (1/2)

Acquisition of Sportfive - Presentation to analysts



- Comprehensive marketing with 20 clubs in Germany (8), France (9) and Italy (3)
 - Shirt sponsorship
 - Panel advertising
 - Hospitality
 - Stadium naming
- Selective marketing with 12 clubs In Germany (5) and France (7)
- Business model: Commission-based marketing contracts with limited upfront payments or long term contract (8/12 years) with signing fees.
- Local service teams of 5 to 10 professionals at the club premises



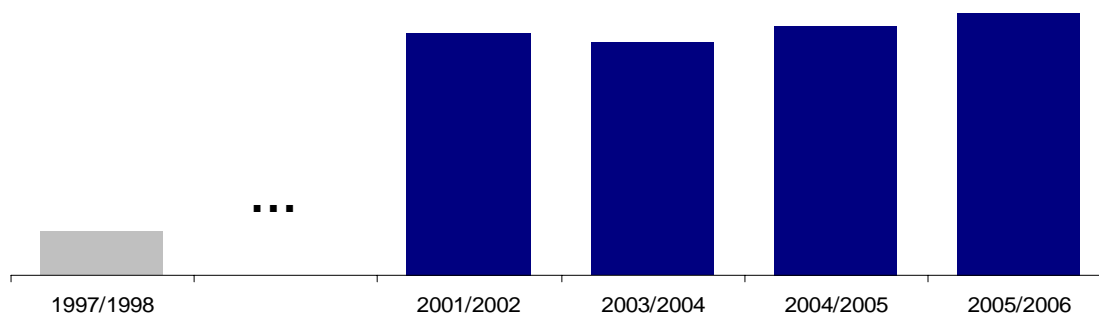
Marketing Rights with Clubs (2/2)

Acquisition of Sportfive - Presentation to analysts

→ Case Study – Comprehensive Marketing (Hamburg SV)

Sportfive helps create value for football clubs

- Sportfive has marketed Hamburg SV's rights since 1998
- Commercial revenues rose 6x after Sportfive was hired
- Growth was boosted by refurbishment of the AOL Arena, with the first stadium naming rights ever sold in Germany



■ Revenue after Sportfive was hired
■ Revenue before Sportfive was hired



Lagardère



Table of contents

Acquisition of Sportfive - Presentation to analysts

01 - Transaction overview and rationale	p. 3 to 5
02 - Sportfive overview	p. 6 to 11
03 - Rights Trading (57% gross margin)	p. 12 to 21
04 - Marketing (43% gross margin)	p. 22 to 25
05 - Competition – Sportfive is a clear leader	p. 26 to 27
06 - Sportfive Business Review	p. 28 to 30
07 - Future Growth	p. 31 to 37

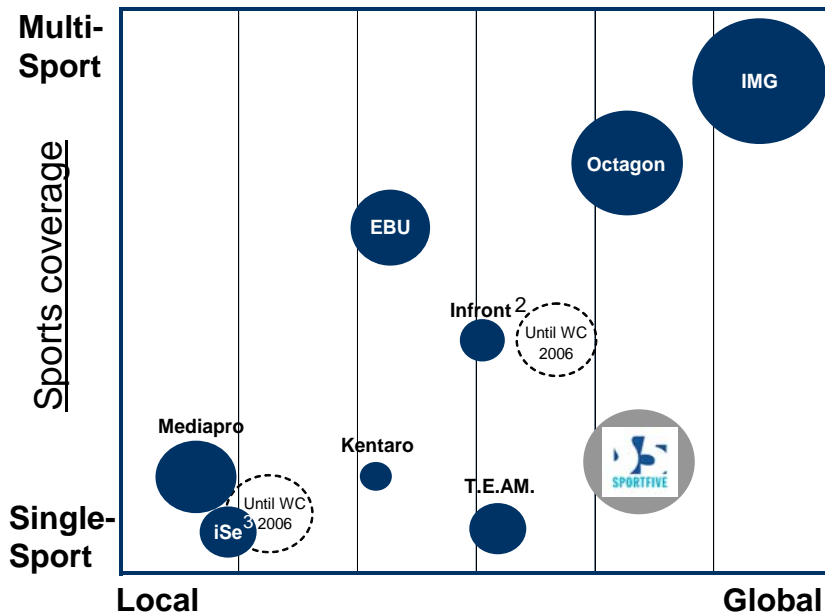


Sportfive manages an unparalleled portfolio of rights in football

Acquisition of Sportfive - Presentation to analysts

- Sportfive is primarily focused on football
- Large number of contracts in a variety of markets gives well-spread risk distribution

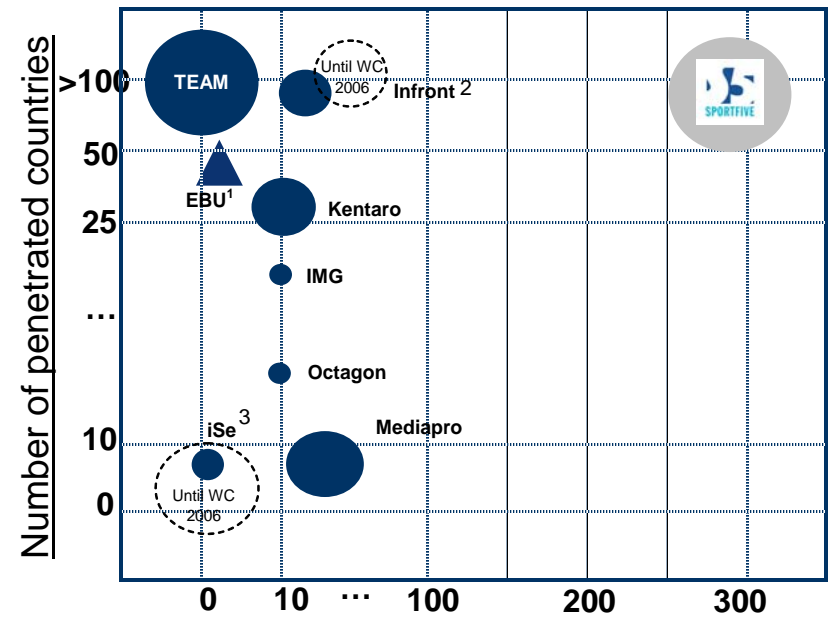
Geographic Reach



Note: size of bubble represents company revenues

1. EBU: no gross margin evaluation possible due to sale of rights at purchase costs
2. Infront distributed FIFA broadcast rights to the 2002 and 2006 World Cups
3. iSe marketed the hospitality rights to the 2006 World Cup

Number of contracts in Football



Note: size of bubble represents est. share of gross margin from football



Table of contents

Acquisition of Sportfive - Presentation to analysts

01 - Transaction overview and rationale	----- p. 3 to 5
02 - Sportfive overview	----- p. 6 to 11
03 - Rights Trading (57% gross margin)	----- p. 12 to 21
04 - Marketing (43% gross margin)	----- p. 22 to 25
05 - Competition – Sportfive is a clear leader	----- p. 26 to 27
06 - Sportfive Business Review	----- p. 28 to 30
07 - Future Growth	----- p. 31 to 37



A Strong portfolio diversification... ... providing good visibility

Acquisition of Sportfive - Presentation to analysts

Business Segment	No. of contracts	Contract Duration
TV Rights - Federations	40 federations	4-8 years
TV Rights - Leagues	12 leagues	5-7 years
TV Rights - UEFA Cup	> 250 clubs	Avg. 3 years
Marketing - Comprehensive	20 clubs	> 8 years
Marketing - Selective	12 clubs	Avg. 5 years
Major Events	EURO 2008 ACN	4-8 years

Visibility

- High proportion of gross margin secured by existing contracts:
 - For 2007-08 approx. 75% of total gross margin secured
 - For 2007-2010 approx. 60% of total gross margin secured

Limited risk of non-renewal

- Acquisition by Lagardère supported by main Sportfive clients (UEFA, FFF, clubs,...)
- Longstanding relationships with clients
- Numerous contracts with renewal clause:
 - Matching bid right
 - Exclusive right of first negotiation
 - Automatic renewal



2006e key financial figures

Acquisition of Sportfive - Presentation to analysts

(€m 31/12)	2006e	
<i>Revenues</i>	526	
Gross Margin Media rights	61	*
Gross Margin Marketing rights	46	
Total Gross Margin	107	*
<i>% of Revenues</i>	20.2%	
EBITDA	85	
<i>% of Revenues</i>	16.2%	
EBIT	55	
<i>% of Revenues</i>	10.5%	

- Estimated Capex for 2006: € 34m; estimated year end working capital: close to zero.
- The 2006e operating results reflect the positive effects of:
 - Completion of integration of the 3 entities (Groupe Jean-Claude Darmon, UFA Sport and Sport+)
 - The successful renewal of the TV and Marketing rights contract portfolio
- The platform is now ready for growth



Table of contents

Acquisition of Sportfive - Presentation to analysts

01 - Transaction overview and rationale	----- p. 3 to 5
02 - Sportfive overview	----- p. 6 to 11
03 - Rights Trading (57% gross margin)	----- p. 12 to 21
04 - Marketing (43% gross margin)	----- p. 22 to 25
05 - Competition – Sportfive is a clear leader	----- p. 26 to 27
06 - Sportfive Business Review	----- p. 28 to 30
07 - Future Growth	----- p. 31 to 37

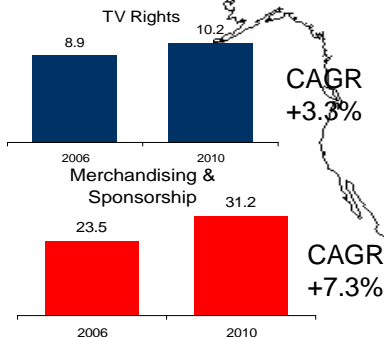


World sports TV & Marketing rights market growth 2006-10

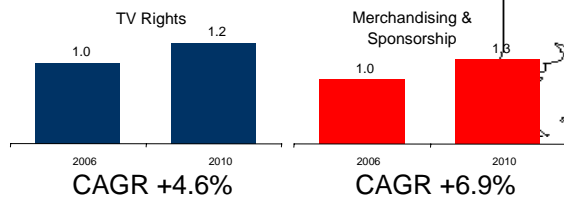
Acquisition of Sportfive - Presentation to analysts

In USD bn

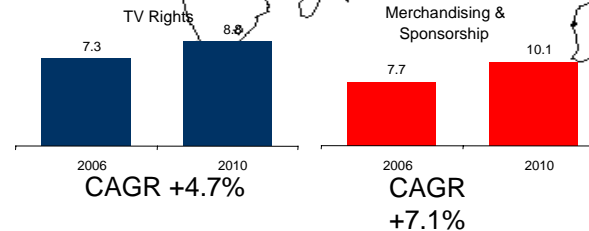
United States & Canada



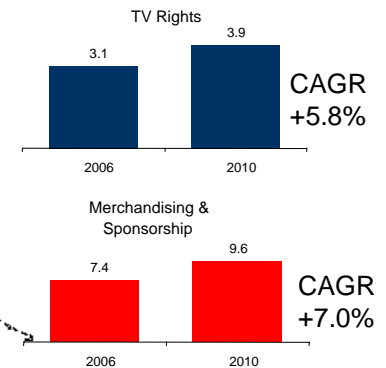
Latin America



Europe, Middle East & Africa



Asia-Pacific



Source:
Global Media
& Entertainment
Outlook 2006-10,
PriceWaterhouseCoopers

- Global market growth of 6.3% expected over the next four years.



Media rights: New projects and Growth Perspectives

Acquisition of Sportfive - Presentation to analysts

→ The market opportunity

- Sustained growth of Media rights trading on existing business lines
- Increased value of rights
 - More segmentation and competition (TV, Broadband, mobile..)
 - General increase of value for sports Media Rights or major events (p36)

→ Sportfive strategy

- Creation of Media Production department (TV, mobile & internet)
- Digital media distribution
- Major events of other sports (Basketball, Volleyball, Athletics...)
- Development on new territories (Asia, Middle-East, Africa...)

→ Gross margin growth of around 5% p.a. expected to 2010



Digital Growth Perspectives (1/2)

Acquisition of Sportfive - Presentation to analysts

→ The market opportunity

- Sports is a major content for digital media:
 - World Cup Football 2006 mobile rights were sold around €2 millions to SFR just for France
 - French Football League sold mobile rights for €29 millions per year to Orange (06-09)
- New offers:
 - Broader distribution of premium content:
 - *Additional platforms*
Orange's acquisition of mobile rights for the French League 1 & 2
 - *Additional regions*
e.g. German Bundesliga matches available in Middle East via the Internet
 - *Additional exposure*
VOD, archives, clips, etc...: available at any time
 - Distribution of secondary content (so far not broadcast on TV):
 - *Secondary football matches such as second leagues, UEFA cup matches, etc...*
 - *Other sports such as Boxing, Ice Hockey, Cricket, etc...*
 - *Low production and distribution costs*
 - *Direct contact with end consumers*



Digital Growth Perspectives (2/2)

Acquisition of Sportfive - Presentation to analysts

→ Sportfive strategy

- Enhance rights holders capacity to leverage the multiplication of distribution platforms (mobile, broadband, ...)
- Examples:
 - African Cup of Nations 2006 broadcast live on the web in the US;
 - 2006 Football World Cup qualifying and friendly games available on the Internet.
- Production and distribution of digital video content:
 - Internet: live video streaming (pay per view), highlight videos;
 - Mobile devices: short clips – DVB-H will allow live streaming in 2008.

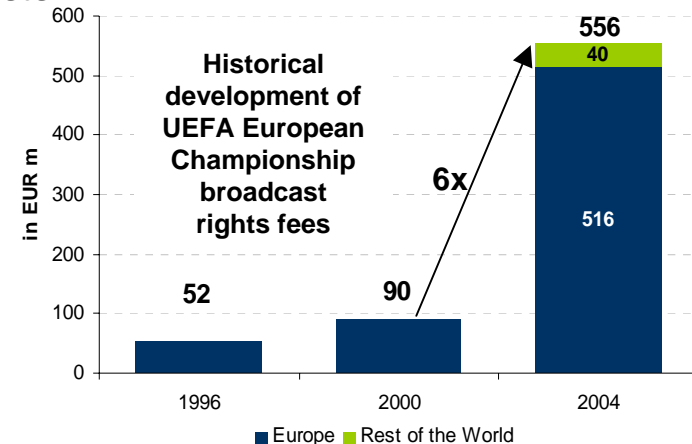


Media Rights: Football Major Events

Acquisition of Sportfive - Presentation to analysts

→ UEFA EURO 2008

- EURO 2008 is one of the largest global sports event marketed by an independent sport rights agency.
- Outbidding EBU and Infront, Sportfive was retained by the UEFA as agent (with no financial guarantee) to sell the TV broadcasting rights in Europe.
- From 1996 to 2004, the rights were sold by EBU, a European consortium of public service broadcasters.
- Sportfive was the successful bidder for the EURO 2008 European TV rights because :
 - Sportfive is one of only a handful of agencies capable of marketing premium events on a global scale;
 - Sportfive has built up broad experience in this field including the African Cup of Nations and the Handball IHF World Championships.



- A six fold increase from 2000 to 2004 due to:
 - increased recognition by broadcasters, in particular commercial broadcasters with substantial financial resources, of the ability of football to deliver big audiences;
 - increased competition from independent agencies.
- According to UEFA Chief Executive, Lars-Christer Olsson “the market value [of TV rights] should be above € 600 m in the European market”, which reflects a 20% increase.

Lagardère



Marketing rights: New projects and Growth Perspectives

Acquisition of Sportfive - Presentation to analysts

- Significant growth expected for Marketing rights business on existing business lines and sports already covered
 - Slight growth from existing portfolio
 - Shift of club contracts from selective to comprehensive marketing
 - Growth of the number of clubs
 - Development of Football Clubs Marketing in New territories (Italy, Nordic, Eastern Europe, Africa...)

- Additional growth provided by development of New projects
 - Marketing for federations (ie. French Federation)
 - Hospitality for major events
 - Consultancy for sports Sponsors
 - Events organisation
 - Other sports

- Gross margin growth in the region of around 11% p.a. expected to 2010