



*Lagardère*

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**Investor Day  
Paris - June 12, 2008**

*Lagardère*  
**ACTIVE**

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# 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 labor 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.

# Agenda

- Opening remarks *Didier Quillot*
- Current market conditions “
- Where we are in 2008 “
- Focus on “Active 2009” *Alain Lemarchand*
- Focusing on growth: “Active 2009 Growth”
  - Maximizing growth potential of core assets *Didier Quillot*
  - Emerging countries “
  - Digital rollout *Julien Billot*
- 2012 vision for Lagardère Active *Didier Quillot*

# Agenda



## Opening remarks

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# Opening remarks

## In the past 18 months

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- We have changed our culture: reactivity, focus, costs, digital
- We have improved our profitability
- We are focusing our portfolio on a few strategic segments / media / geographies (upscale women, shelter, celebrity, automotive, music, news and kids in France)
- We have launched the digital transformation: digital will reach 5% to 10% of our turnover in 2008



## In the next 3 years

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We will continue to transform Lagardère Active

- Focused portfolio, targeting leadership segments in print / radio / TV / digital
- Cost streamlining
- Emphasis on 3 topline growth levers
  - Topline management of core assets
  - Emerging countries
  - Digital
- => Towards a fully-integrated plurimedia company
  - Generating 10%-20% of revenue from digital
  - Delivering EBIT growth

# Agenda



## Current market conditions

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### ■ Media consumption

- Magazine
- Radio
- TV
- Internet

### ■ Advertising spend

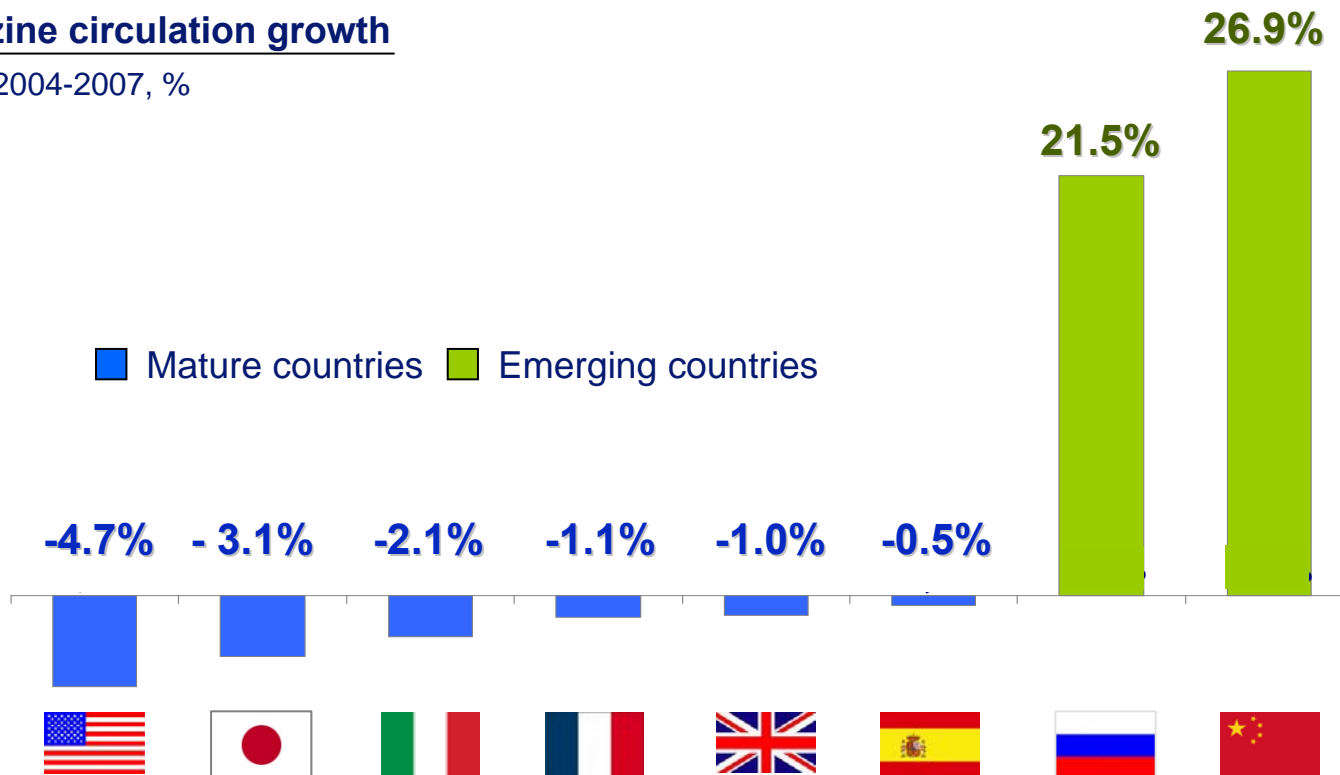
# Mixed picture for magazine circulation in mature countries, solid growth in emerging countries

Media  
consumption

Advertising  
spend

## Magazine circulation growth

CAGR 2004-2007, %



\*2004-2006

Sources: France: OJD / UK: ABC / Russia: TNS Gallup / Italy: ADS / Spain: OJD & Nielsen / US: ABC / China: claimed circulation / Japan: Research Institute for Publications 2008 - base print run

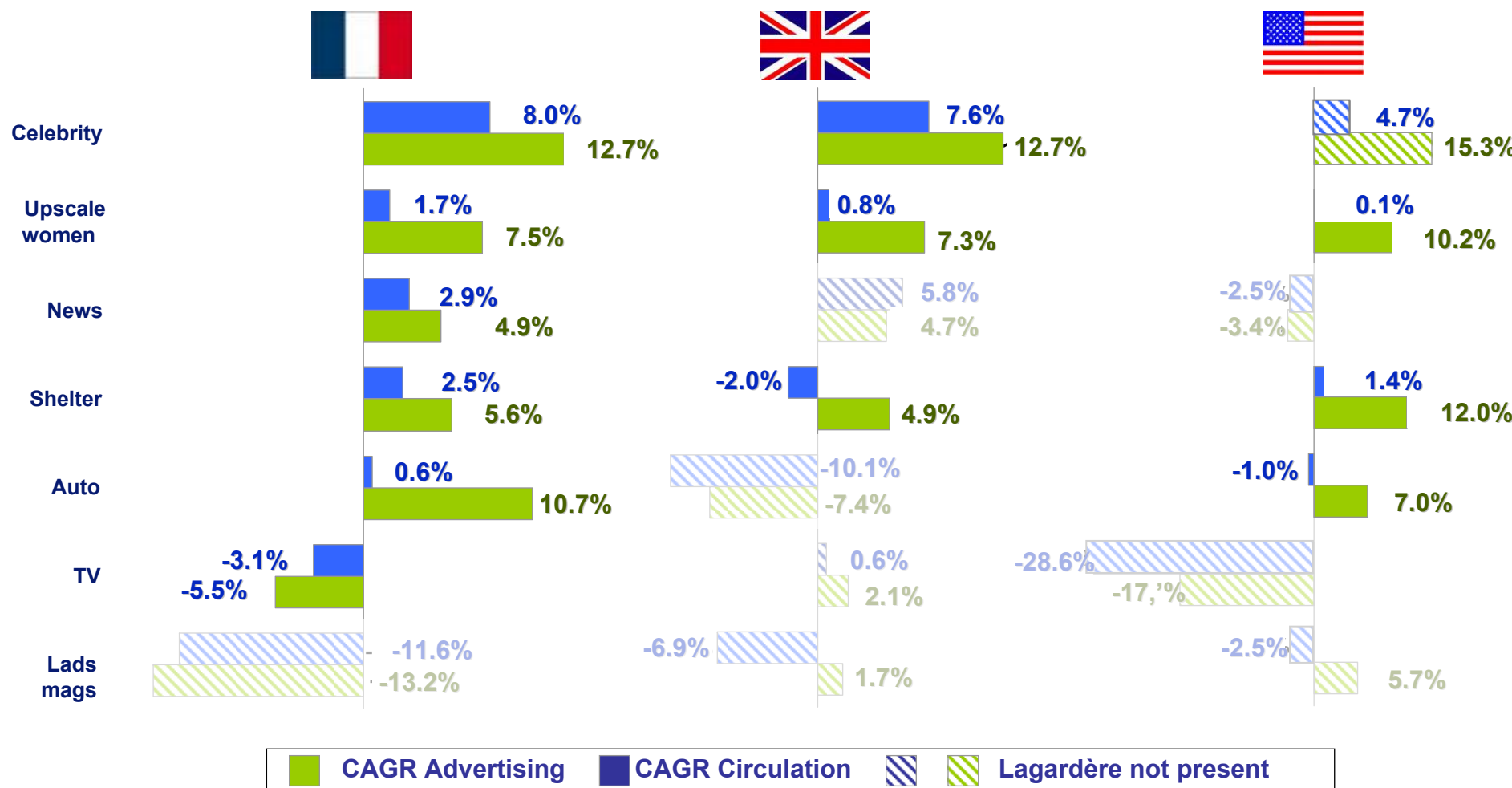
# Upscale Women & Celebrity

(main Lagardère Active magazine segments):

## dynamism confirmed

Media consumption Advertising spend

Gross advertising revenues & average circulation CAGR 2004-07, %



Sources – circulation: OJD, ABC

Sources – advertising: TNS Media Intelligence, Nielsen Media Research

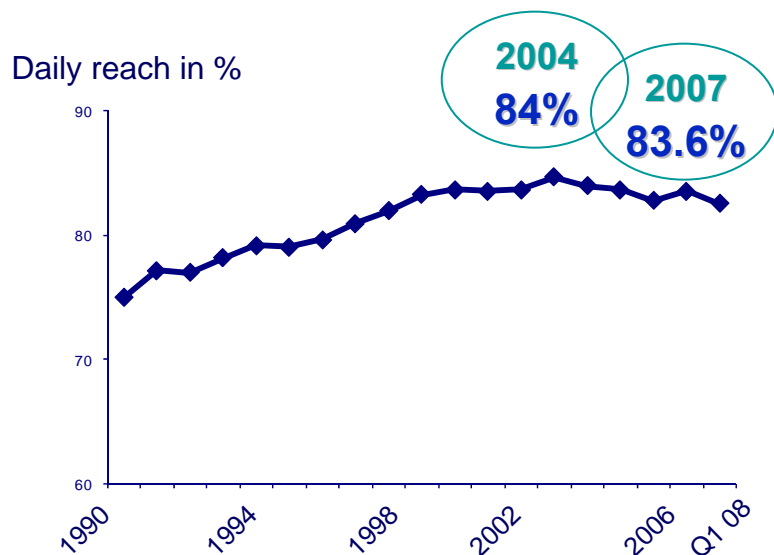


# Radio audience is still growing in emerging countries

Media  
consumption

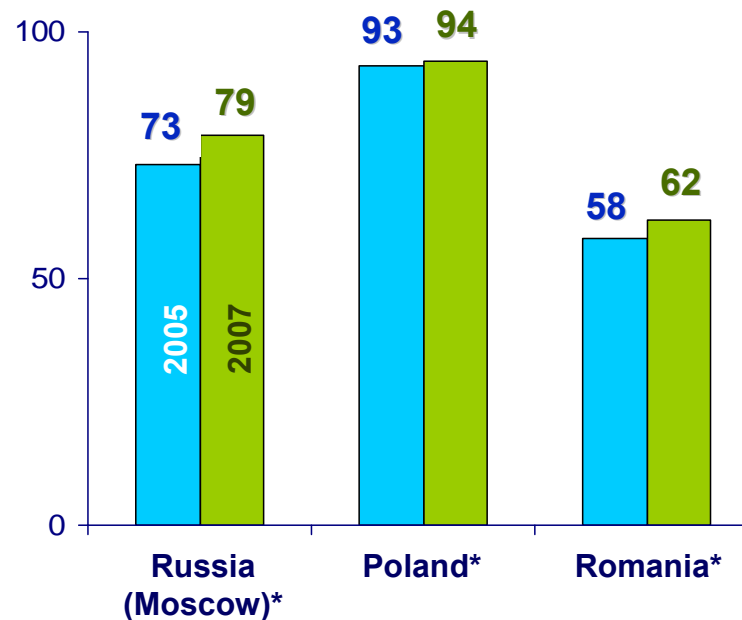
Advertising  
spend

## French radio listening\*



## Eastern Europe daily reach trends between 2005 and 2007

%\*\*



# Fast growing DTT and eroding analog TV audience

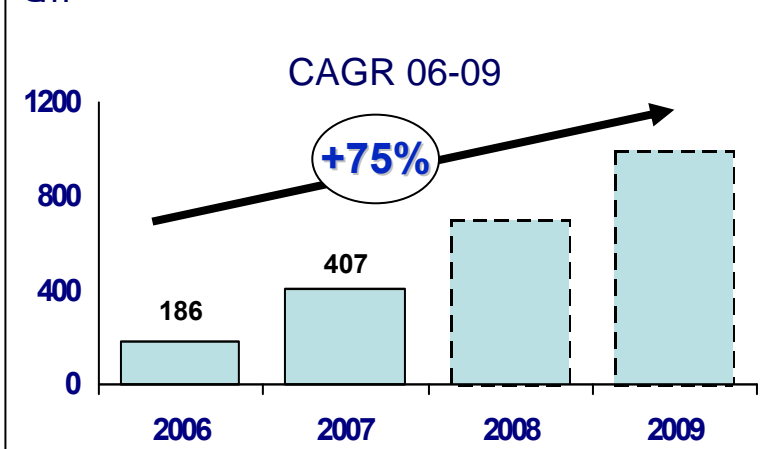
Media  
consumption

Advertising  
spend

## Very fast growth in DTT penetration

- ~9m households in 2008
- 100% by switchover in 2011

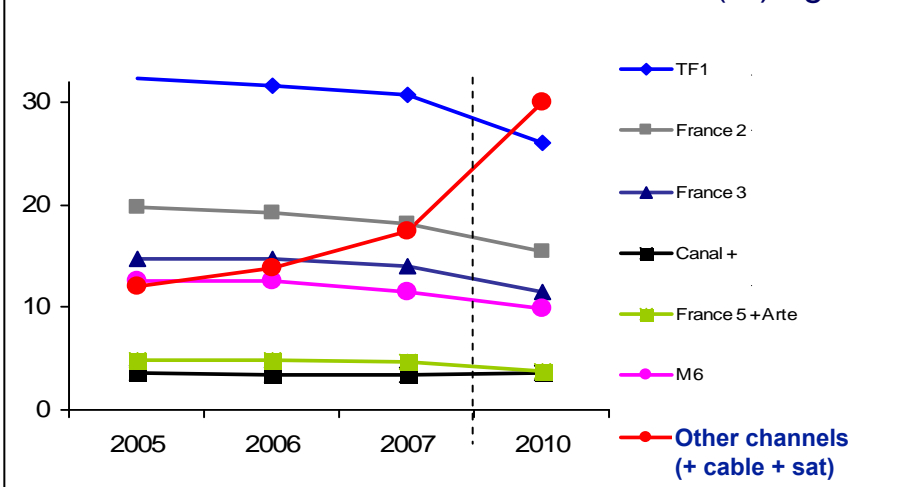
## Ad spend on DTT in France (gross) €m



## Other TV media under pressure

- Analog channel audience share: ↘ ↘
- Cable / Satellite market share: ↘, DSL & DTT ↗

## TV audience in France - Audience share (%) age 4+



# The internet consumption boom is not slowing down and end-users are multimedia and multitasking

Media consumption

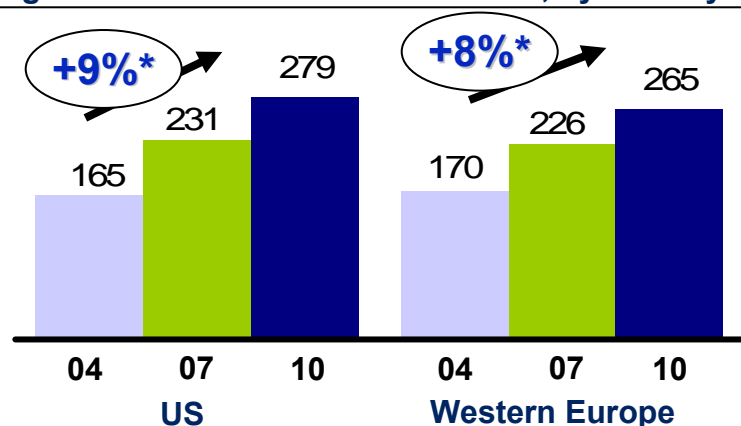
Advertising spend

## People using the Internet at least once a week, by country

million

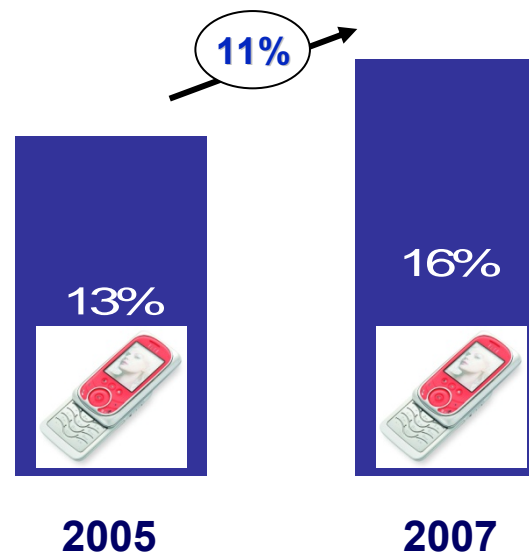
CAGR

2004-2010



## Increasing mobile internet usage

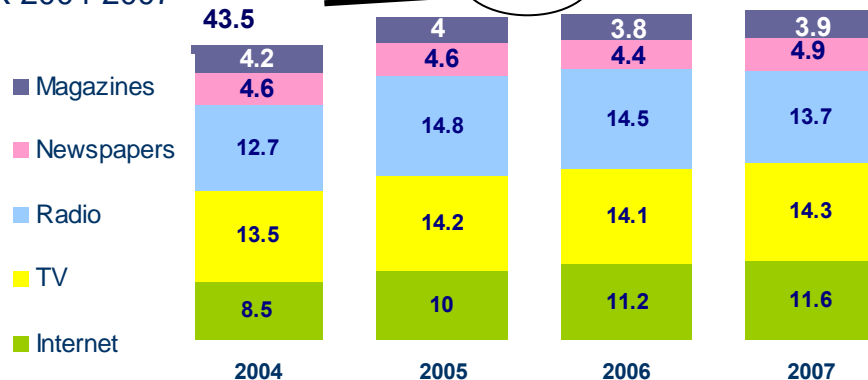
% of Internet users also using Internet Mobile in France - CAGR 2005-2007



## Time per week spent on media in Europe

(average weekly number of hours)

CAGR 2004-2007

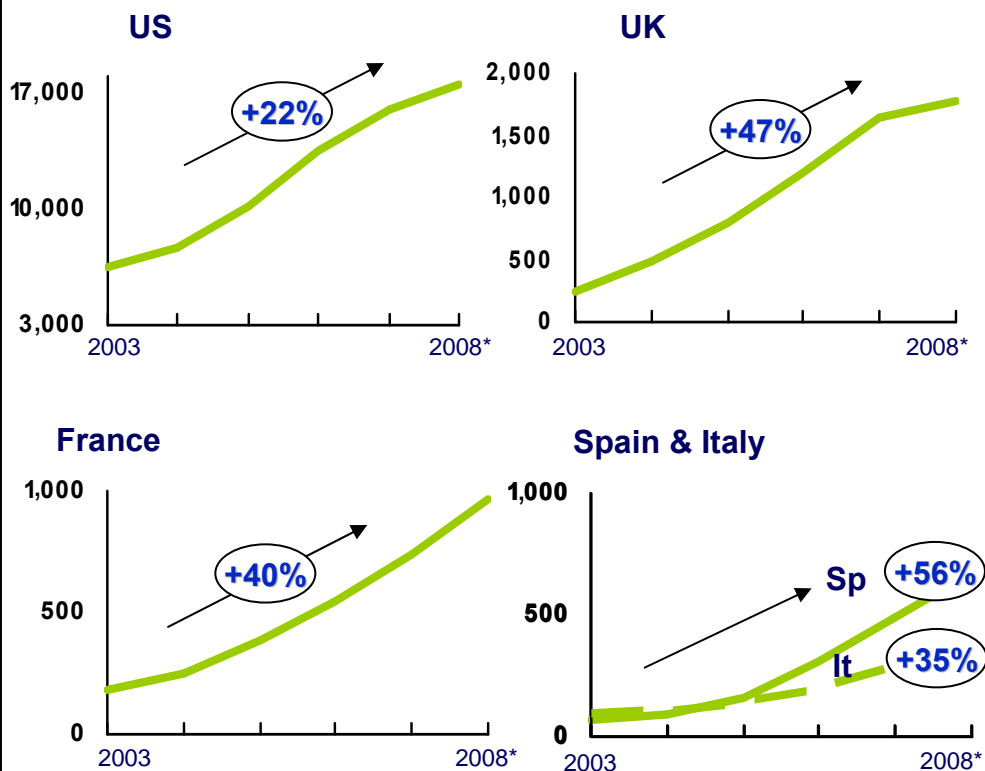


# ...leading to high revenue growth

Media  
consumption

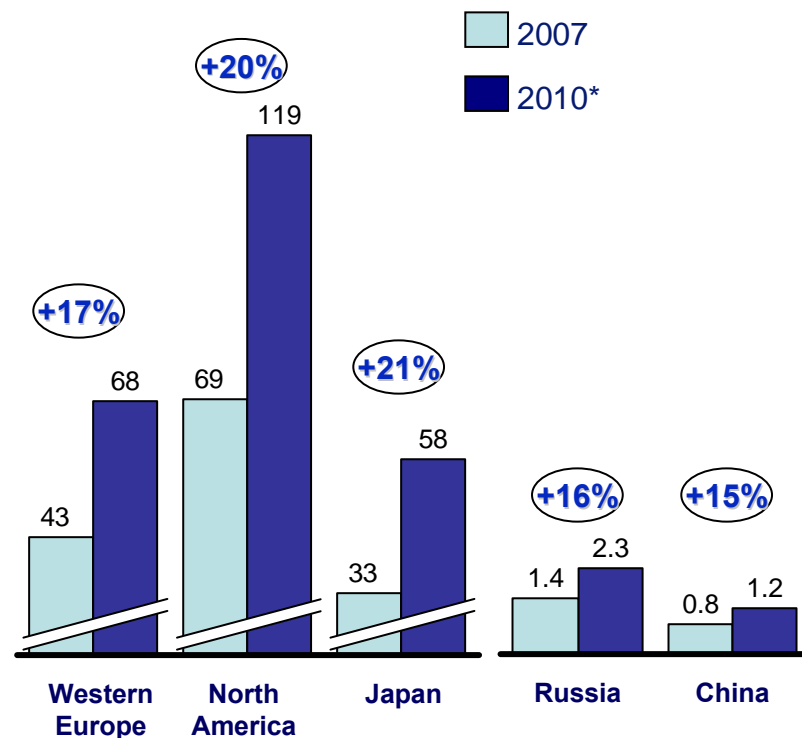
Advertising  
spend

## Internet advertising spend, €m - CAGR 2003-2008



## e-commerce forecast

e-commerce spend, €bn  
CAGR 2007-2010



Note: \*Estimates

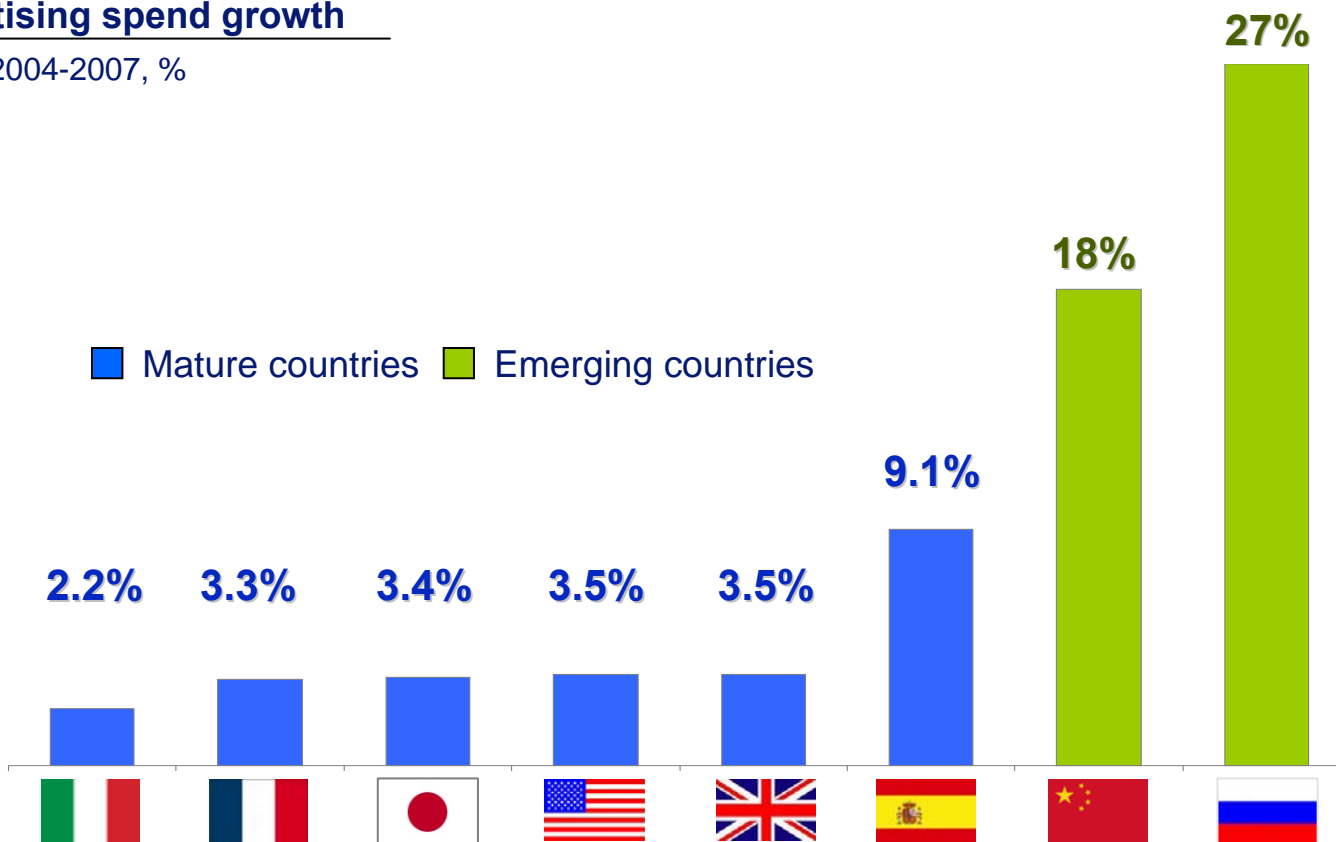
Source: Ad Barometer - Bipe, Eurostat/nVision; Euromonitor

# Advertising spend growth is soft in mature countries and strong in emerging countries...

Media consumption  
Advertising spend

## Advertising spend growth

CAGR 2004-2007, %

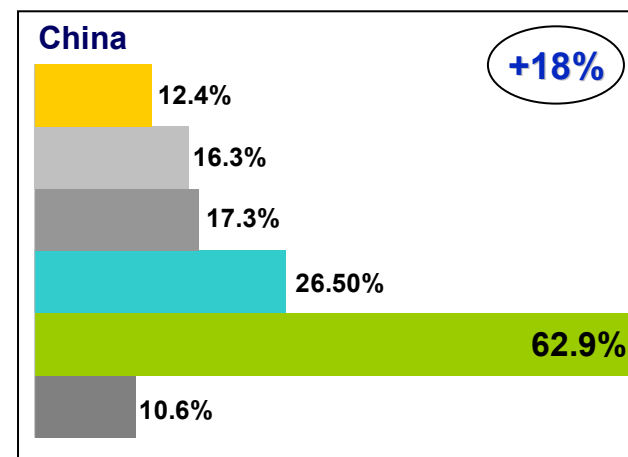
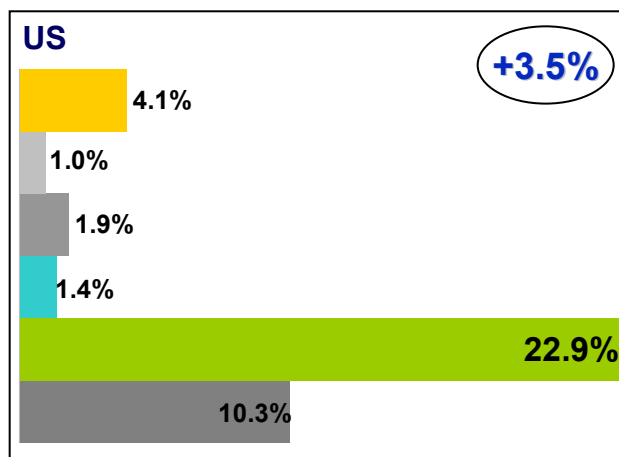
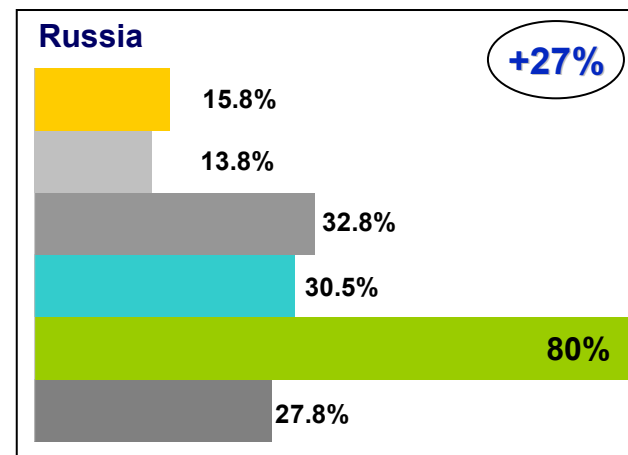
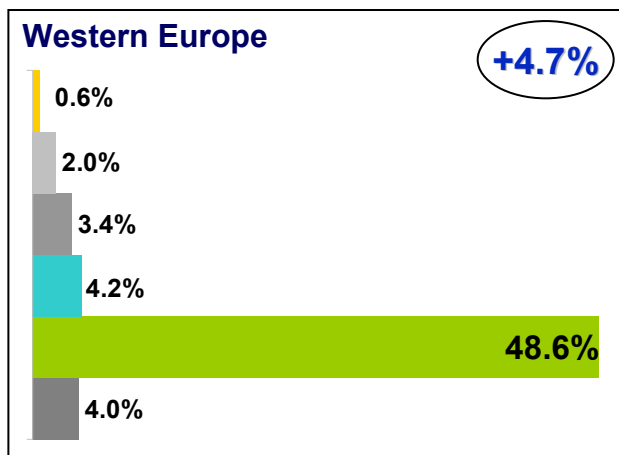


# In mature countries, Internet is driving ad spend growth; in emerging countries, all media are on an uptrend

Media consumption Advertising spend

Advertising spend by media, CAGR 2004-2007, %

-  Magazines
-  Newspapers + freesheets
-  TV
-  Radio
-  Internet
-  Other (outdoor + cinema)



## The market is affected by the 2008 recession: 2008/2009 addressable advertising market outlook

■ **US:** -5% to -10% in 2008 → ~ 0% to -2% in 2009

■ **Western Europe:** -2% to +1% in 2008 → ≤ 0 % in 2009

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■ **Emerging countries:** > +20%

■ **Digital:**

- Mature countries 20% to 25%
- Emerging countries > 50%

# Conclusion on market trends

## Structural trends

### Magazine

- The higher end of the market is performing well
- Magazine circulation growing solidly in emerging countries

### Radio

- Eastern European countries are still growing, though the French market is mature

### TV

- Strong growth in multichannel homes is expected until 2012

### Web/Mobile

- Broadband access and time spent online is increasing

### Plurimedia

- Cross-media advertising spend is gradually increasing

## New trends

- Economic slowdown is affecting media advertising spend in most countries
- Strong segments and leadership titles/stations are resisting better in a tough environment
- Shift of audience from analog channels to DTT is accelerating in France
- Media consumption on mobile devices is increasing
- Cross-media advertising offers are being developed



# Agenda



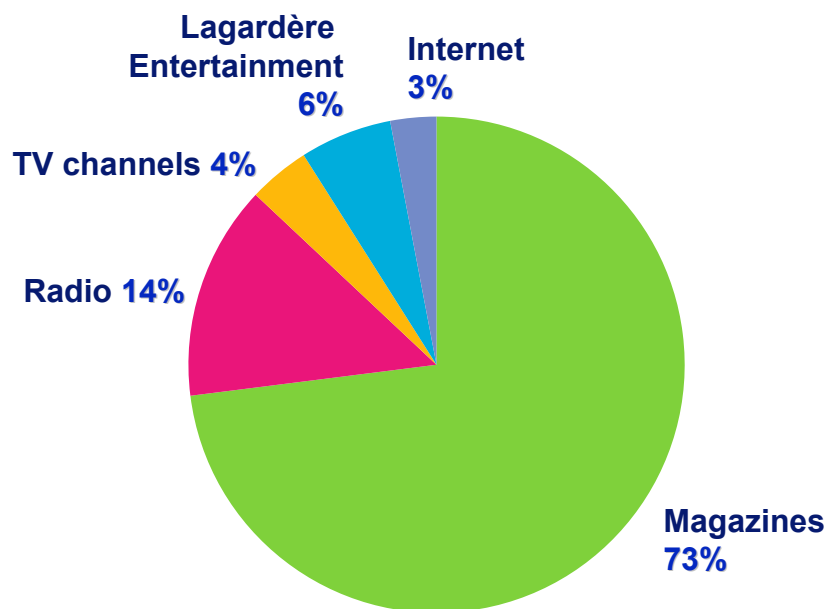
**Where we are in 2008**

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# Sales by activity and geography

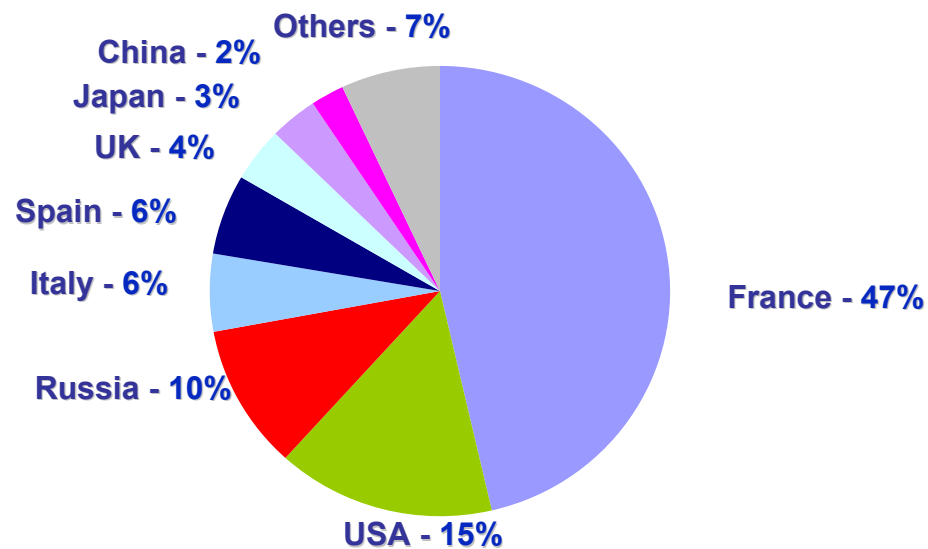
## Sales split per activity

2007 \*



## Sales split per country

2007 \*



magazines

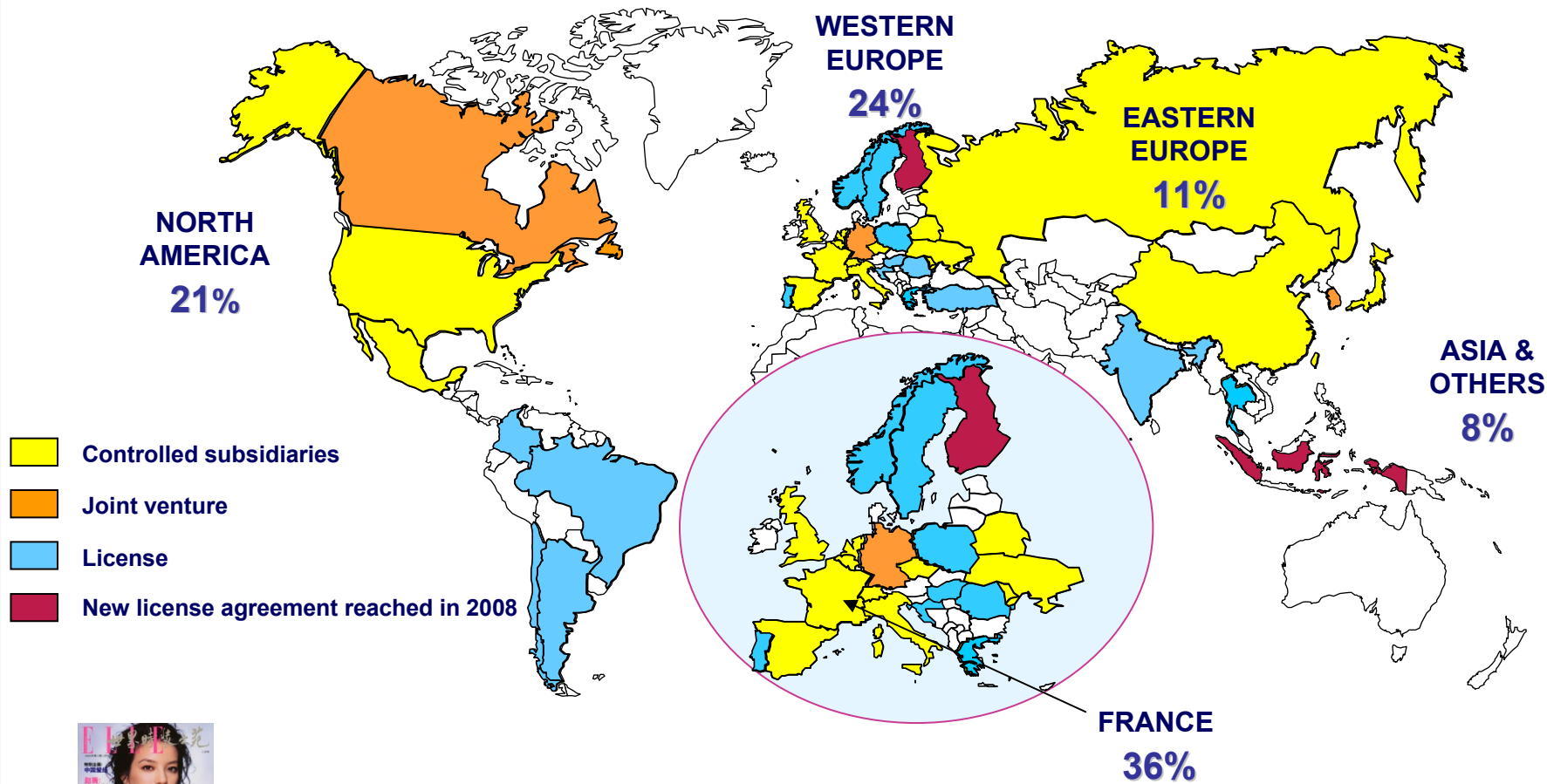
radio

TV

# Magazine footprint & Revenue split

(2008 footprint & 2007 revenue split excluding regional dailies)

An international network in 44 countries

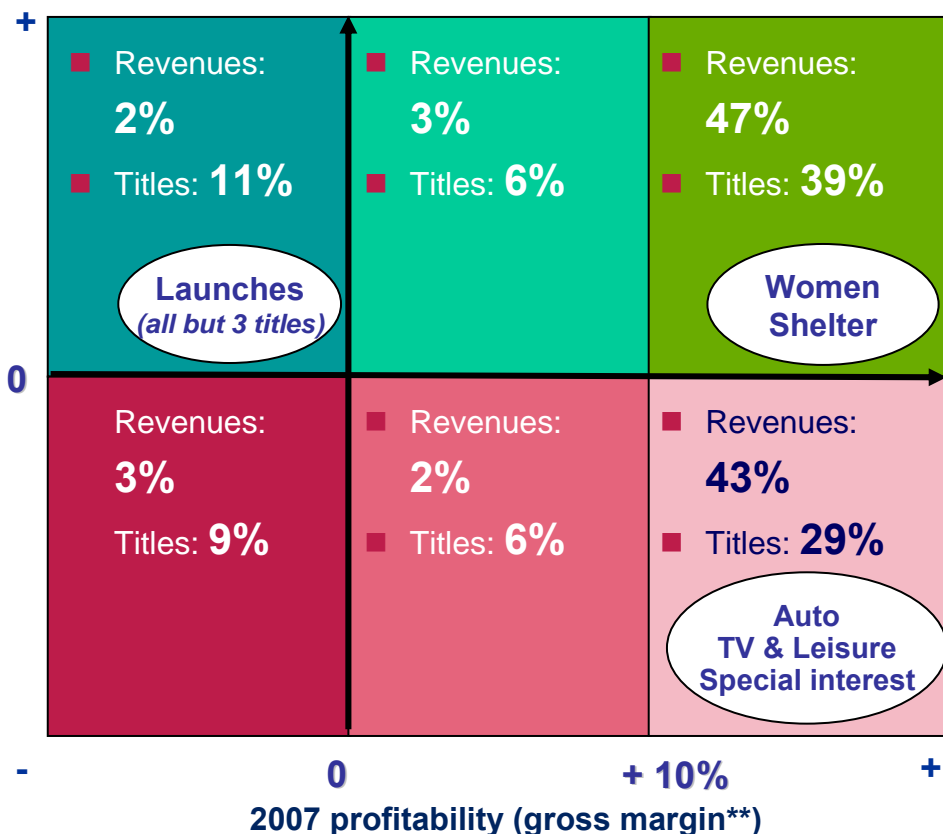


Brand extension dynamic **ELLE**  
41 editions (39 editions last year)

# Negative growth profile magazine assets under review

2007 magazine portfolio  
growth vs. profitability (~160 titles\*)

2005 – 2007 growth



## ■ In 2007, primary focus on unprofitable titles

- From 10% of revenues down to 5%
- From 36% of titles down to 20%, of which 11% are on a positive growth trend

## ■ From 2008 on, focus extended to negative growth profile titles

- Lads mags in France sold
- Milking strategy for TV titles
- Investigating solutions for some special interest magazines in the US
- Repositioning some titles
  - e.g. Tuttomoto => Riders
  - WD => Well-Being


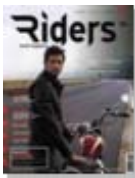




# Managing the portfolio is also about renewal

magazines

radio

TV

More than 7 titles\* launched successfully in the last 2 years...

|  |  |  | <u>Title</u>   | <u>Segment</u> | <u>Country</u>  |
|---|---|---|----------------|----------------|-----------------|
|   |   |   | ■ Psychologies | ■ Women        | ■ Russia, China |
|   |   |   | ■ Domoi        | ■ Shelter      | ■ Russia        |
|   |   |   | ■ Quo          | ■ Lifestyle    | ■ China         |
|   |   |   | ■ Riders       | ■ Lifestyle    | ■ Italy         |
|   |   |   | ■ Star Hit     | ■ Celeb        | ■ Russia        |
|   |   |   | ■ Home         | ■ Shelter      | ■ Italy         |
|  |  |  |                |                |                 |

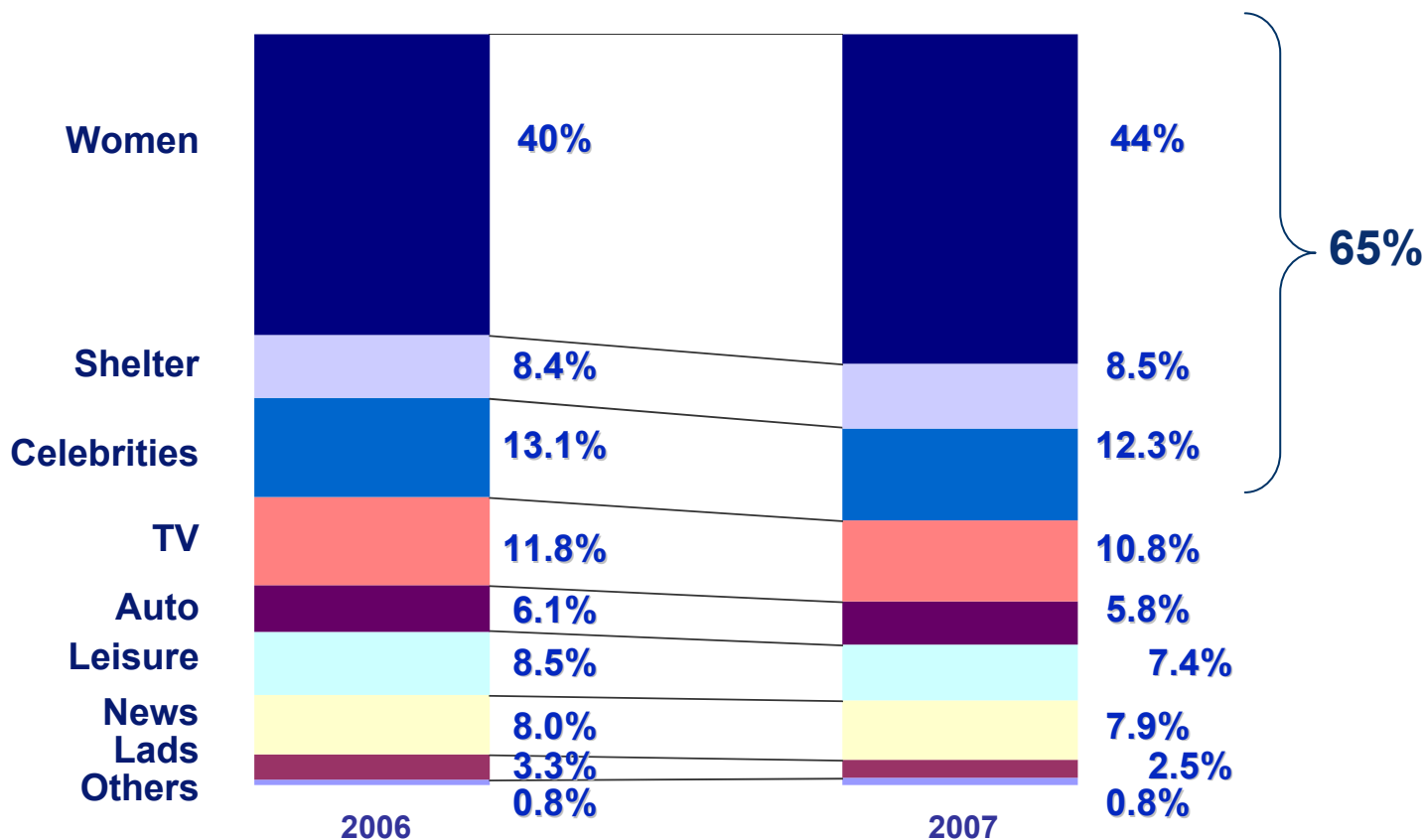
...and more than 20 titles\* launched successfully in the last 5 years

\* In addition to spin-offs

# Increasing focus on the Upscale women segment in mature countries...

## Lagardère Active Press revenue split by segment\*

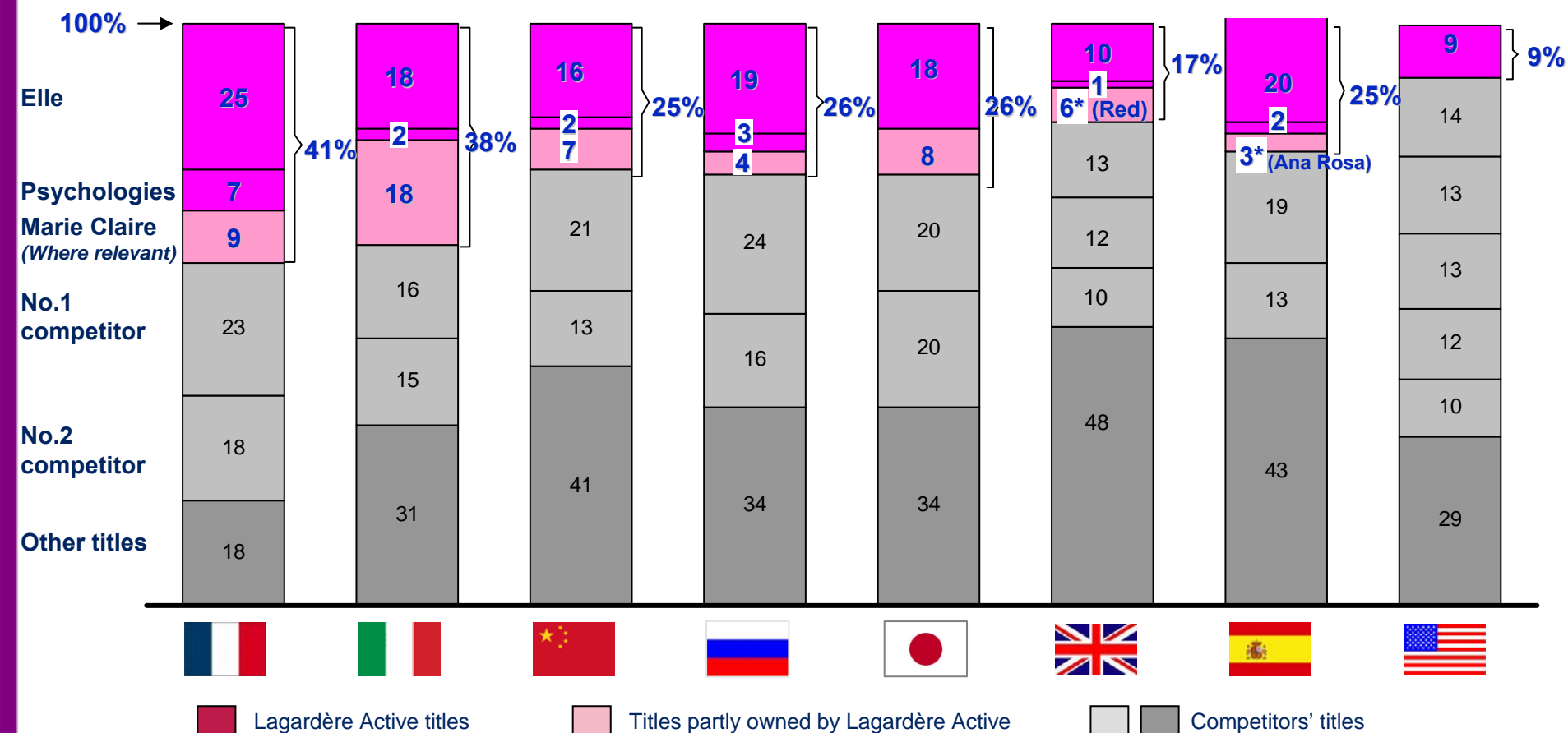
% of sales



# ... where Lagardère Active is already a clear leader

Gross advertising revenue market share for upscale women's magazines (*Elle*, *Psychologies* and *Marie Claire* vs top 2 competitors) in mature/emerging countries

2007,%



Note: \*Red in UK, Ana Rosa in Spain, no Marie Claire ownership in UK, Spain and US

Sources: TNS MI, TNS Gallup; Lagardère Global Advertising; country data, Nihon Ad. Stat.

# We are constantly strengthening our portfolio (1/2)

While continuing to focus our portfolio, we are building market share in key segments via selective acquisitions

magazines

radio

TV

## ■ France

- Focus on weeklies, for which circulation increased on average by 2.6% in 2007
- Acquisitions in the upscale women and shelter segments:
  - Version Femina April 2007
  - Arts & Décoration + Maison & travaux April 2008
  - Psychologies May 2008

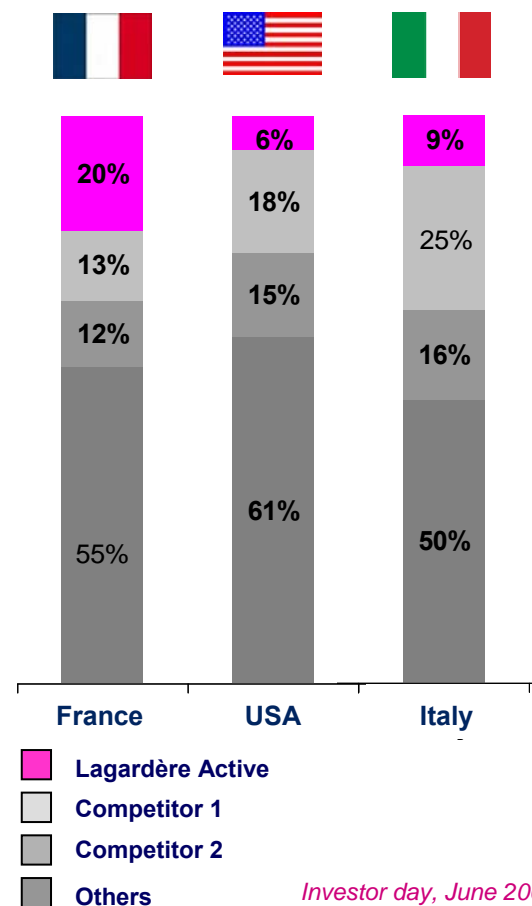
## ■ US

- Focus on 4 pillars: women, wellness, shelter, automotive
- Dynamic transformation to digital in automotive in 2007, next step women

## ■ Italy

- Portfolio mainly focused on women's segments
- Improved quality and upscale repositioning (e.g. *Riders & Home*)

2007 - Magazine ad revenue market share





# We are constantly strengthening our portfolio (2/2)

magazines

radio

TV

## ■ Spain

- Leadership position with a well diversified portfolio
- Streamlined organization, with the highest profitability within Lagardère Active

## ■ UK

- Focused on dynamic segments (women and celebrity), where the UK is an important market
- Increased profitability post restructuring
- Web/print synergies (Digital Spy)

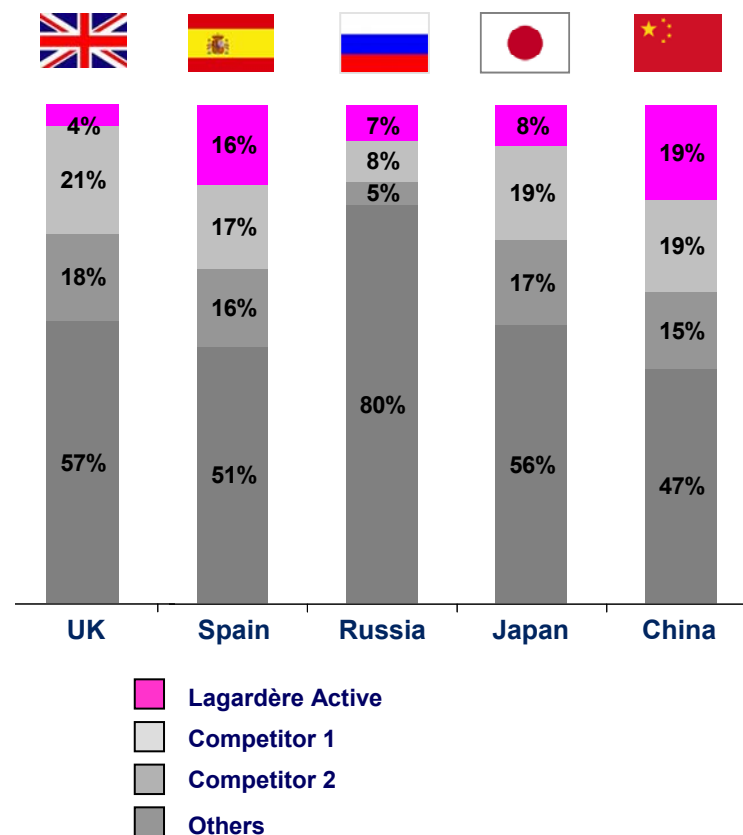
## ■ Japan

- High profitability post restructuring, and stable
- Fragmented advertising-based market
- Looking for solutions in digital

## ■ Russia & China

- Portfolio expansion, with many launches

2007 - Magazine ad revenue market share



# Radio in France (52% of 2007 total Radio revenue): market leadership in advertising

magazines

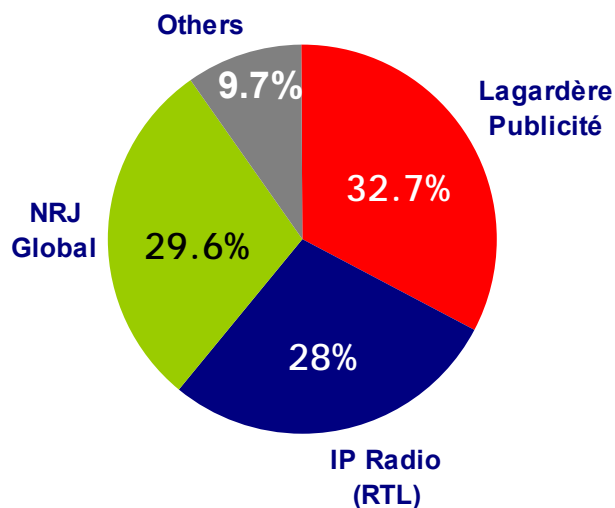
radio

TV

## Advertising

- No.1 sales house

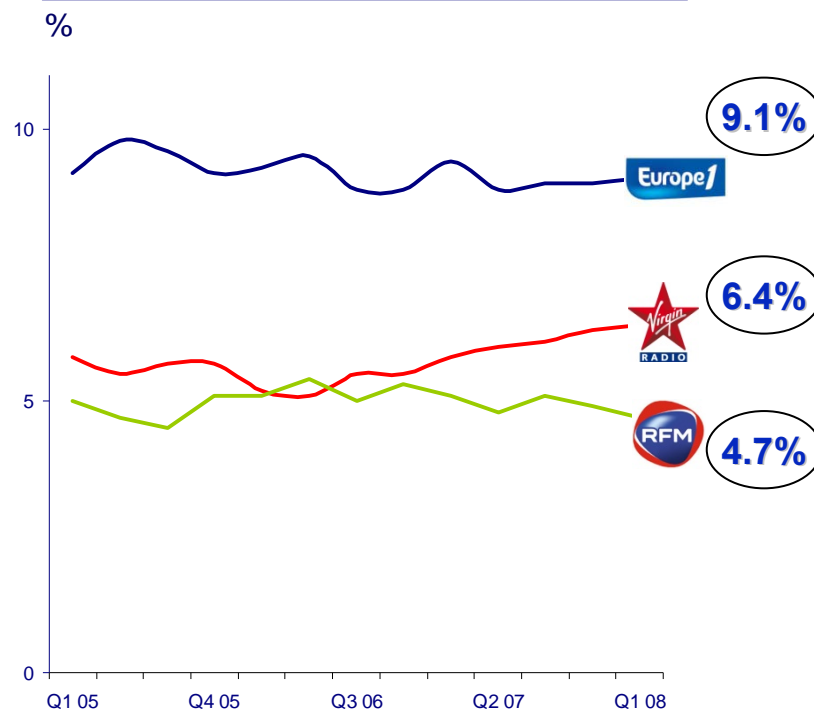
### Advertising market share, 2007



## Audience

- Leading position for Europe1
- Improving performance for Virgin Radio (formerly Europe2)

### Cumulative daily reach



# Radio in Eastern Europe (48% of 2007 total Radio revenue): strong increase in both revenue & profit, with clear leadership position in all countries

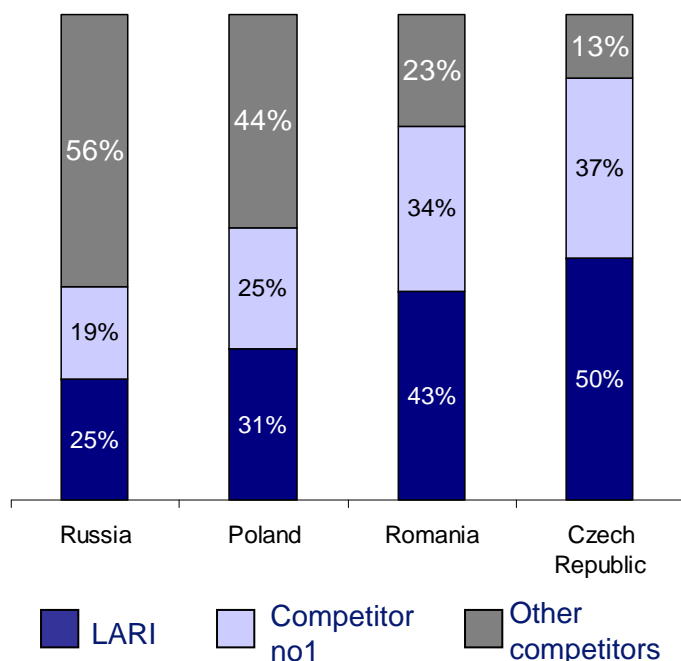
magazines

radio

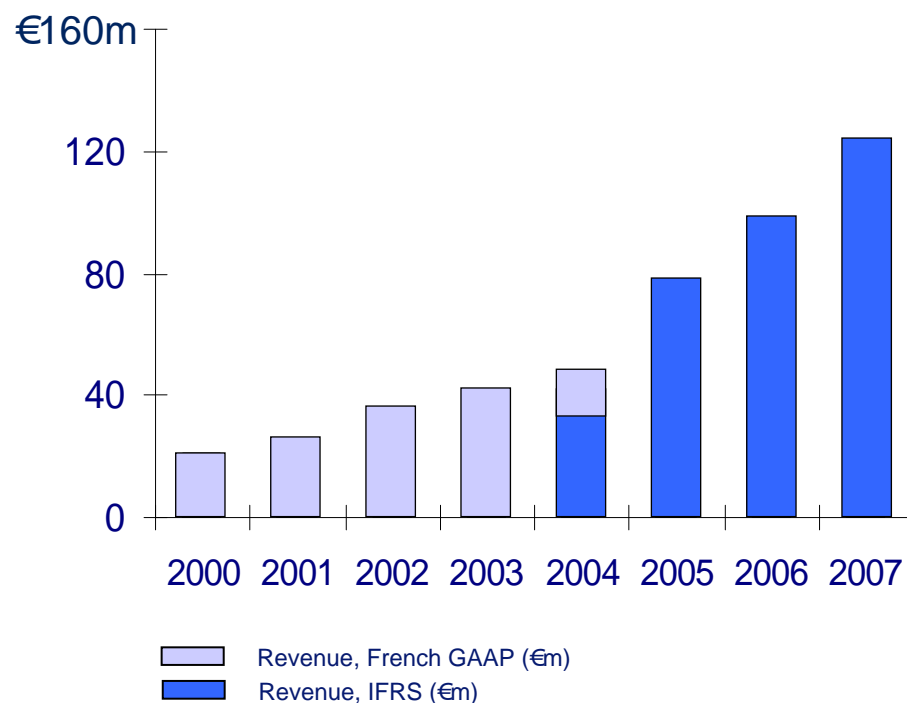
TV

- LARI operates 22 radio stations with a combined daily audience of 33 million people

**LARI Advertising Market Share**  
(Sales house market share)



**LARI revenue 2000-2007**



# TV channels: leader in our segments

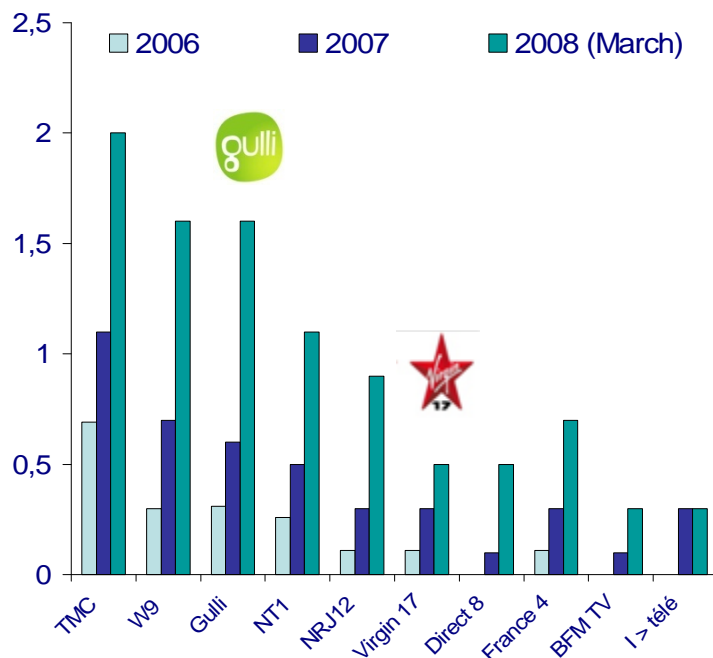
(kids and music) on all platforms (DTT, cab/sat)

magazines

radio


TV

National audience share (%)  
for DTT channels (age 4+)



- Successful launch of DTT channels

-  **3.5% audience share**  
leader in 4-14 age group

-  **1.5% audience share**  
leader in 15-24 age group

- Leader in Children's TV segments  
with **13.6% national audience share**  
of 4-10 age group



- Leader in Music TV segment



# Key messages on where we are

## ■ Increased value of portfolio through

- Selling / closing down some low added-value titles
- Improving quality / revamping core titles
- Concentrating on segments with clear leadership

## ■ Focus on emerging countries

- Consistent increase of footprint both in magazines and radio
- Room for a more mid market value proposition

## ■ Close monitoring of portfolio performance, and flexibility in a changing environment

=> Potential adjustments to portfolio assessed on a regular basis

Value oriented



Low added value

# Agenda

A decorative graphic on the left side of the slide, consisting of a stack of horizontal bars in various colors (red, yellow, blue, green, orange, purple, etc.) that are slightly offset from each other, creating a sense of depth and movement. A thin purple line extends from the right side of this graphic towards the 'Focus on Active 2009' text.

## Focus on Active 2009

# Active 2009 objectives reminder

## Active 2009 objectives

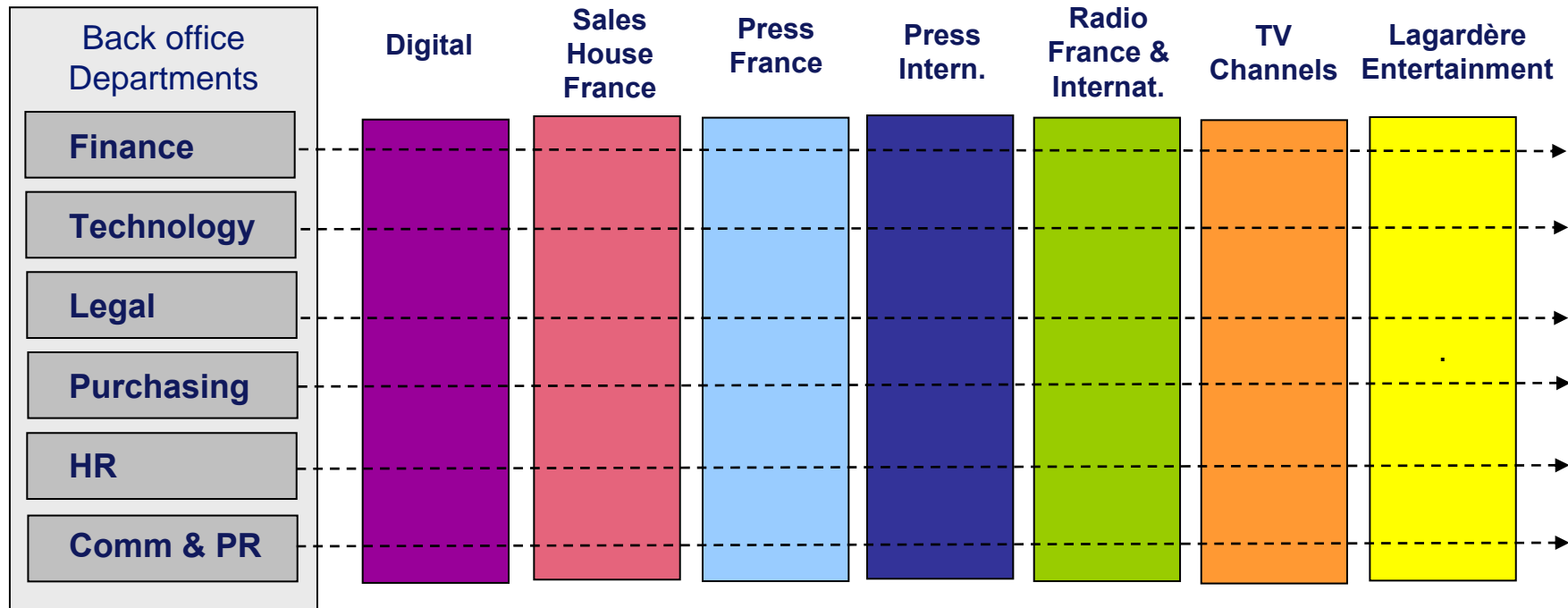
- **Change culture**
- **Improve profitability**
  - Rationalize portfolio
  - Cost cutting
- **Merge sales houses in France**
- **Move to Digital**

## Implemented to date

- **New management & organization**
- **Profitability levers activated**
  - 12 titles closed, 11 countries shifted to license or activities sold
  - Cost reduction program across all countries and activities
- **Merger of sales houses in France achieved in September 2007**
- **35 sites launched or re-launched 7 acquisitions**

## A new mindset...

- Fresh look at portfolio: no assets off-limits
- Emphasis on digital culture, bringing in some entrepreneurial spirit
- Bringing down barriers: from a silo to a matrix organization
  - => mutualization of back office functions across the board (business and country wise)



=> sharing of best practices



## ... that allows sharing of best practices

### ELLE synergies case

- Two-fold magazine content sharing
  - Coproductions between main editions
  - Syndication to all editions



- Share expertise and best practices
- Leverage network factor to increase brand power

*Depending on the country, from 1% to 50% of magazine content syndicated from other countries*

=> International editor and publisher committees headed by **ELLE** main edition

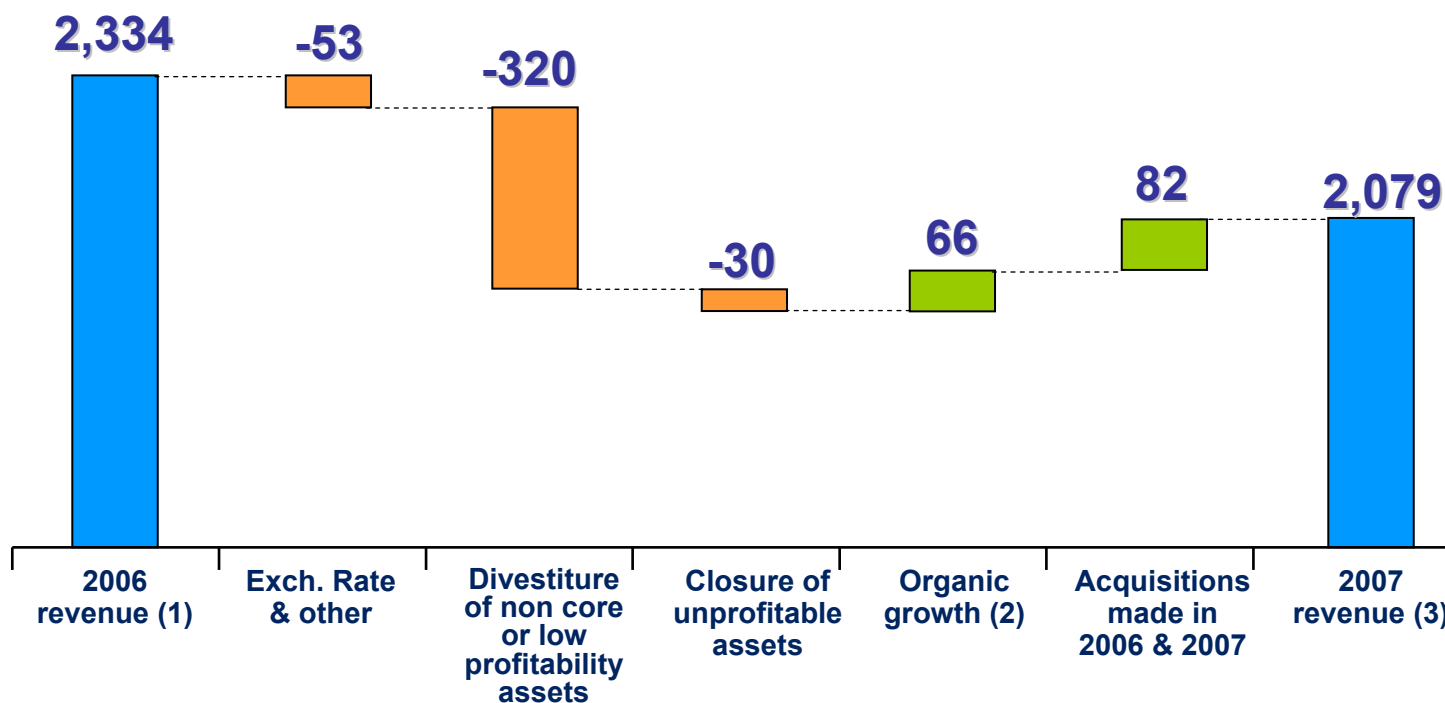
### Synergies for radio – leveraging expertise

- Programs: research, training, tools (selector)
- Brand marketing
- Sales: market & competition analysis, commercial strategy
- Technical & IT: broadcast network optimization, technology and system solutions

# Substantial portfolio reshuffle in 2007

## Revenue growth split

€m



- (1) 2006 IFRS (proforma)
- (2) Including launch of new titles/activities
- (3) 2007 proforma, net of regional dailies divestiture

# Active 2009 portfolio reshuffle

Full year impact  
(based on 2006  
figures, €m \*)

|   | As forecast<br>in Jan. 2007 |                   | Achieved as of<br>June 12 <sup>th</sup> , 2008 |                   | New estimate       |                   |
|---|-----------------------------|-------------------|--|-------------------|--------------------|-------------------|
|   | Revenue                     | EBIT              | Revenue  | EBIT              | Revenue            | EBIT              |
| Divesting non core assets                     | -260                        | +4                | -270   | -1                | -270               | -1                |
| Country portfolio - shift<br>to license model | -40                         | +1                | -28  | +2                | -28                | +2                |
| Closing down<br>non profitable activities     | -90                         | +7                | -30  | +13               | -59                | +14               |
| <b><u>Total</u></b>                           | <b><u>-390</u></b>          | <b><u>+12</u></b> | <b><u>-328</u></b>                             | <b><u>+14</u></b> | <b><u>-357</u></b> | <b><u>+15</u></b> |
| <i>Cellfish divestiture *</i>                 | -75                         | +6                | -75  | +6                | -75                | +6                |

\* Cellfish accounted for as an associate

# Cost reduction initiatives

## Production costs

■ Paper



■ Printing



■ Distribution and circulation



■ Digital copyflow and pre-press



■ Broadcasting contracts



## Payroll & Other costs

■ Editorial costs reduction



■ Sales streamlining



■ Overhead reduction



■ Other procurement



Status : 100% 0%

# “Active 2009”

## Achievements by end of 2007 / beginning of 2008

### Active 2009 objectives

■ Change culture

■ Improve profitability

— Rationalize portfolio

— Cost cutting

■ Merge sales houses in France

■ Move to Digital

### Implemented to date

■ New management & organization

■ Profitability levers activated

— 12 titles closed,  
11 countries shifted to  
license or activities sold

— Cost reduction program  
across all countries  
and activities

■ Merger of sales houses in France achieved in September 2007

■ 35 sites launched or re-launched  
7 acquisitions

### Achievements

■ Better sharing of best practices underway

■ Profitability improvements

— €20m EBIT improvement on a full year basis

— Around €30m cost reduction in 2007

A major contribution to LA 2007 profit margin improvement

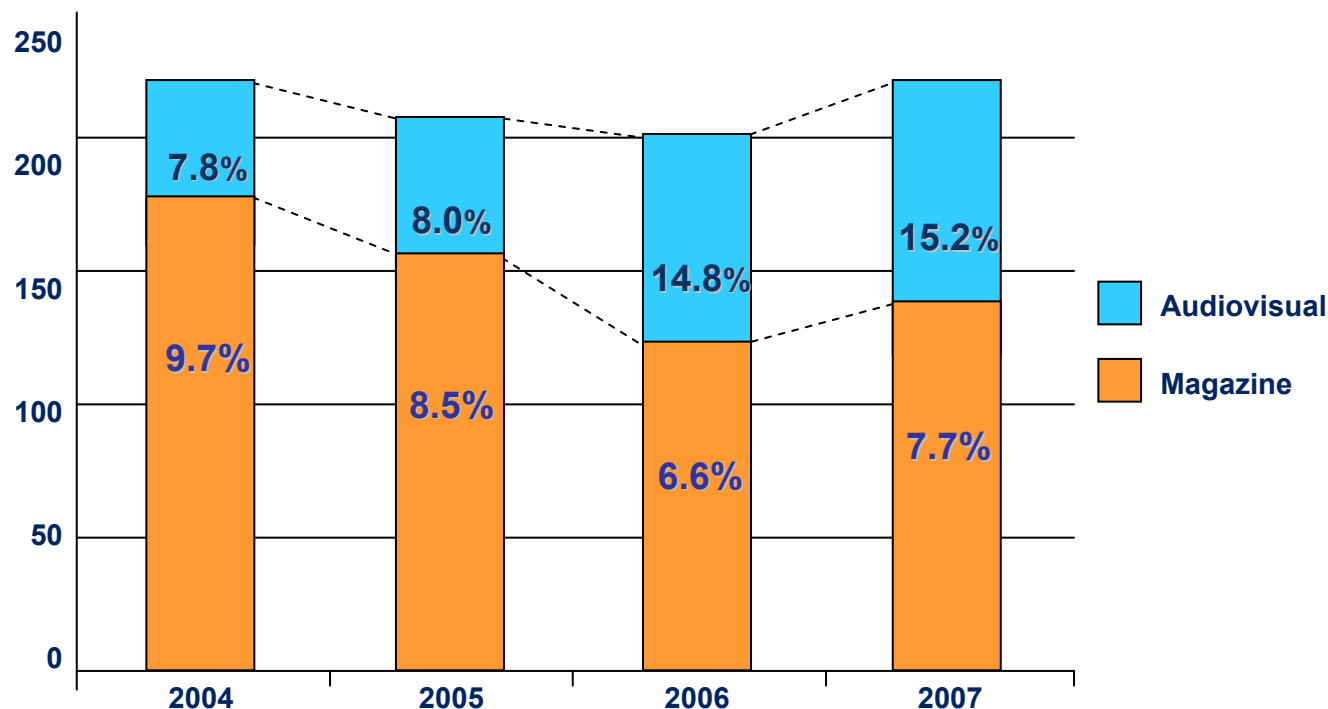
■ Leaner organization  
Development of cross media offer

■ 2006: Less than 1% of revenues  
2007: 3%  
April 2008: 7.1%  
Target (5 to 10%) reached  
1 year early

## 2007: a turnaround in profitability profile

EBIT

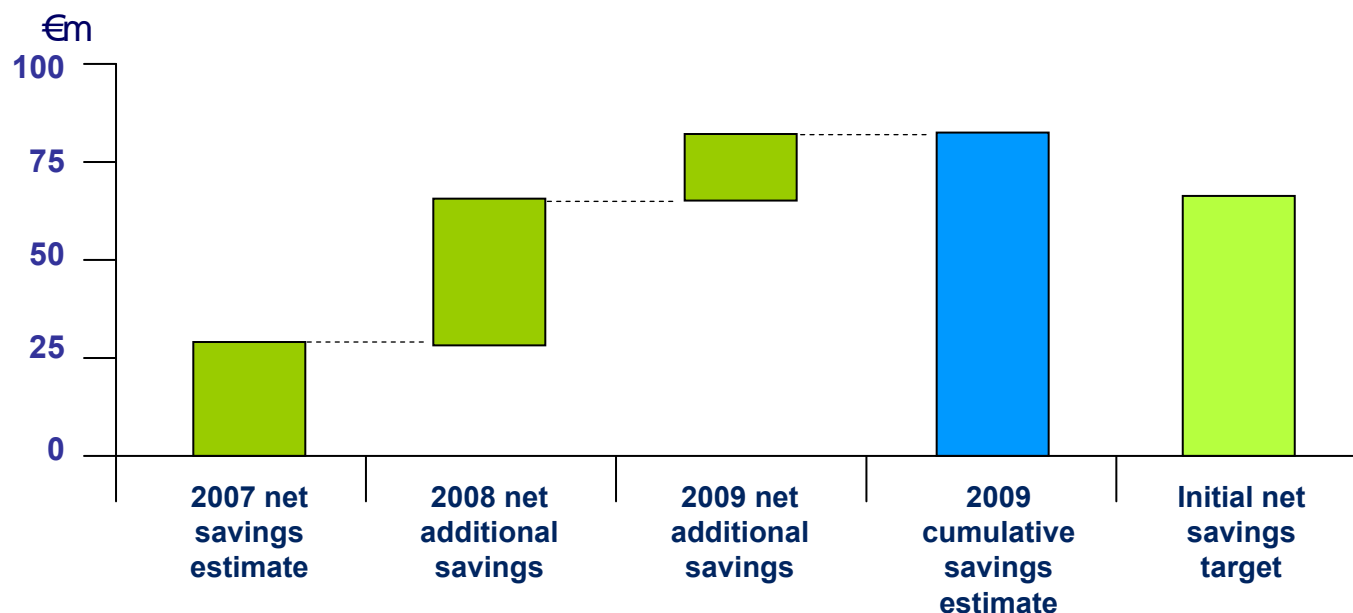
€m



**Combined profitability improved from 8.3% in 2006 to 9.3% in 2007**

## Active 2009 target confirmed

**Lagardère Active will over deliver its €70m targeted net savings \***



**Before possible impacts beyond Lagardère Active's control...**

## ... Risk factors

### Economic environment has changed since January 2007

#### Factors

#### Rationale



- Weak \$ / € exchange rate

- US is one of the main contributing countries to Active 2009



- Strong paper price inflation

- Energy and industrial overcapacity drastically reduced



- Print, Freight and Postal costs escalation

- Energy...



## P&L dynamics over the 2007-2009 period

- **Portfolio reshuffle\* to improve profitability**
  - €432m impact on turnover
  - +€21m impact on EBIT
- **Active 2009 net full year savings (from 2009 on)**
  - €80m to €90m
- **Growth profile and mix of assets improved**  
(mature => emerging, traditional => digital)
- **Increased investment in new developments**  
(organic=>immediately & fully expensed)
  - stable at +€15m to €20m more than in 06
- **Cost inflation**
  - ~ 3% / year
  - (~€1.8bn / €1.9bn consolidated cost basis)

### EBIT margin improvement:

**Initial target of >1% per year on average over the 2007 to 2009 period confirmed**

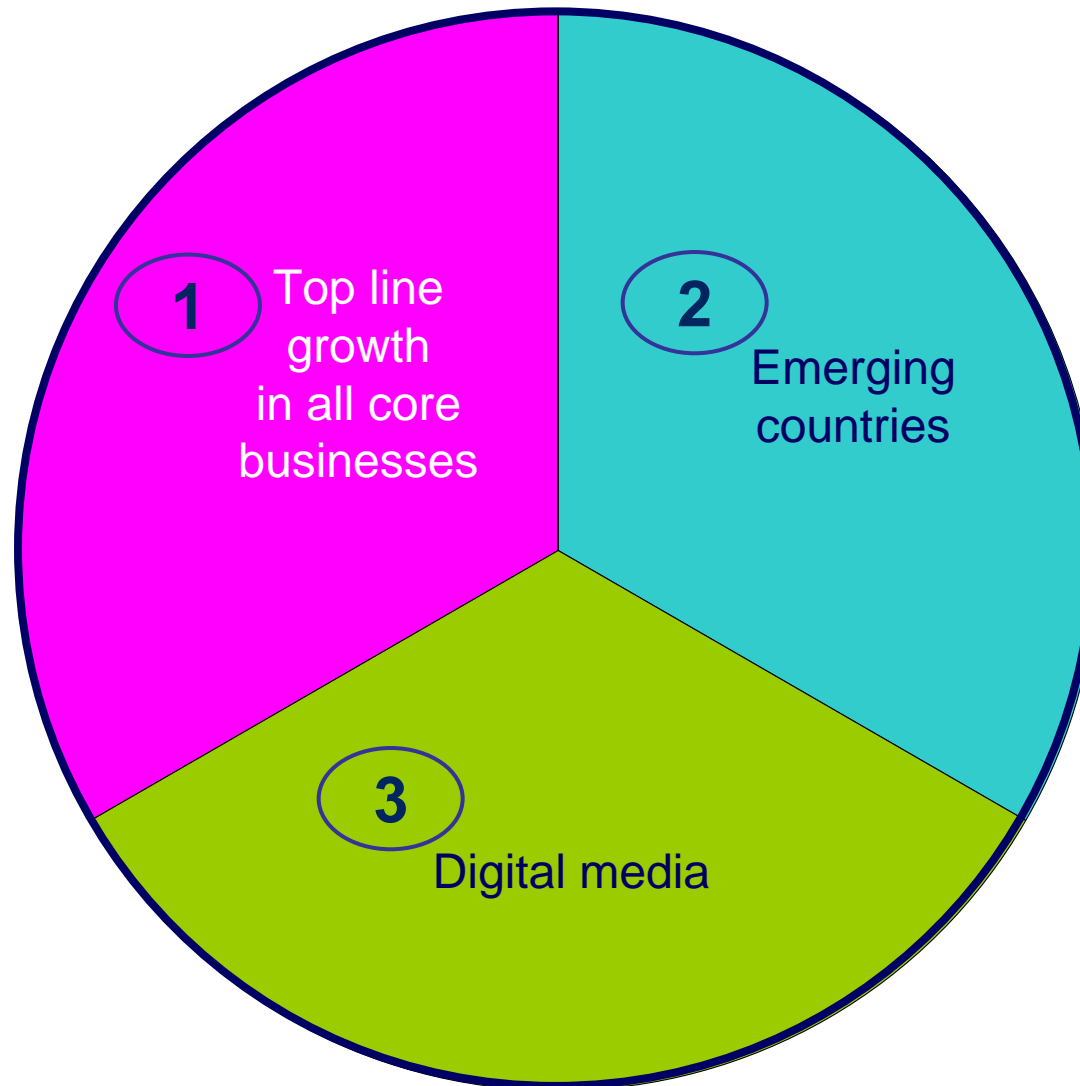
# Agenda



**Focusing on growth  
“Active 2009 growth”**

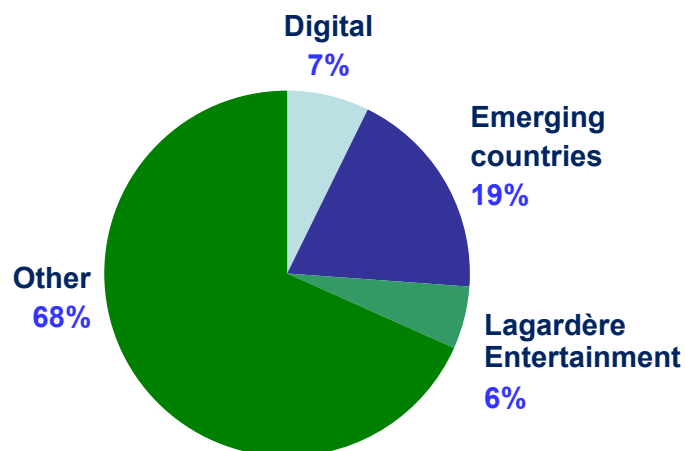
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## Three main structural growth levers



# Three main structural growth levers

2008 revenue breakdown (estimate)



## Beyond

- Portfolio management
- Cost reduction initiatives

**Topline growth management will contribute to profitability improvement plan:**

- ① Systematic review of all topline levers for core traditional assets
- ② Increased footprint and portfolio in emerging countries
- ③ Digital transformation

# Agenda

**Focusing on growth:**

**1**

## **Top line management of core assets**

- **Core assets: top line optimization**
- **Lagardère Entertainment**
- **New opportunities (Digital Radio, Personal Mobile TV)**

# Maximizing growth potential of core assets

core  
assets

Lagardère  
Entertainment

new  
opportunities

## Systematic review of top line levers:

**Advertising  
revenue**



- ① Optimizing ad-offer / pricing
- ② Improving ad-sales stimulation & organization
- ③ Improving account management

**Circulation  
revenue**



- ④ Optimizing cover pricing
- ⑤ Improving subscription
- ⑥ Optimizing distribution
- ⑦ Optimizing marketing spend allocation

⑧ Revamping / repositioning magazines

**Other  
revenue**



- ⑨ Expanding brand in other / non media
- ⑩ Creating add-on products and diversifying revenue

# Increasing advertising revenue in a stable or downward oriented market

core  
assets

Lagardère  
Entertainment

new  
opportunities

## 1 Develop creative & proactive ad offer/ pricing

- Plurimedia, crossmedia offerings and strong link with web
- Pricing (CPM, position...)



"Women in Hollywood" Dinner,  
October 2007

## 2 Improve account management

- Specific marketing strategy for each kind of account:
  - prioritizing large accounts
  - growth opportunities in medium accounts or non endemic categories

**Elle US: 2.1% market share gained between 2003 and 2007**

## 3 Improve ad-sales stimulation & organization

- Rigorous sales processes, systems and incentives
- Sales force time focused on client relationship
- Focus on key accounts
- Creativity in special operations

# Increasing circulation revenue through cover pricing ...

core  
assets

Lagardère  
Entertainment

new  
opportunities

## 4 Optimize cover pricing

### Key criteria to be checked:

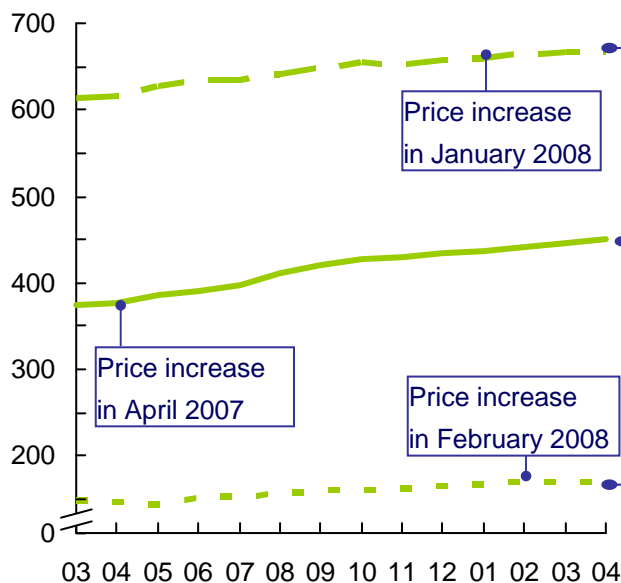
- Price elasticity of the magazine
- Positioning of the magazine
- Competitors' pricing policy

E.g. France:

increased cover prices - no negative effect on circulation

Average LTM paid circulation in France

March 2007 to April 2008, number of issues sold ('000)



€2.30 in 2007

€2.40 from Jan. 2008



€1.20 in 2006

€1.30 from April 2007



€2.00 in 2006

€2.90 from March 2007

€3.50 from Feb. 2008



# ... and subscription

core  
assets

Lagardère  
Entertainment

new  
opportunities

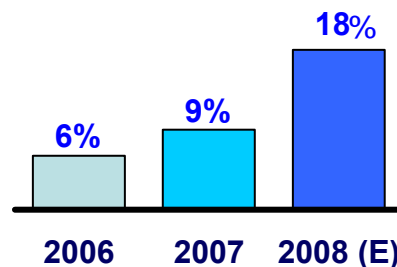
## 5 Improve subscription marketing

- Partnership development
- Online subscription fostering
- Automatic renewal incentive
- Promotional costs optimization

Japan



Subscription growth rate



**ELLE JAPON**

**SUBSCRIBE NOW!**  
エル・ジャポン定期購読キャンペーン

**1年購読コース**  
通常 定価580円(税込)×12冊=6,960円  
**13冊で6,960円**

① 特別価格号との差額はいただきません!  
② 送料0円!  
③ 発売日09/04/2008までにお申込にお届け!

**さらに!**  
アニエス ベーの  
メイクアップセットを  
お申込者全員にプレゼント!

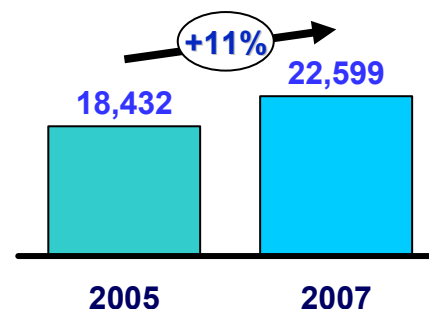
※品切れなどにより、代替品をお送りする場合がございます。  
※プレゼントは雑誌本誌とは別便でのお届けになります。

*Present!*

US



Online subscription growth  
number of new subscribers



**SUBSCRIBE TO ELLE**

▶ [CLICK HERE TO SUBSCRIBE](#)  
▶ GIVE ELLE AS A GIFT  
▶ CUSTOMER SERVICE

.....

**ELLE.COM NEWSLETTER**

Enter email address

**SIGN UP**

# Increasing circulation revenue by focusing on new distribution channels and better marketing spend allocation

core  
assets

Lagardère  
Entertainment

new  
opportunities

## 6 Optimize distribution

- Specialized distribution channels to reach qualified targets
- Focusing on growing channels
- On-sale date alteration
- Travel size

## 7 Marketing spend optimization

- Systematic cost / opportunity analyses



- *L'Espresso* mailed to male VIP customers

=> Revenue from advertising based on VIP quality profile



- From Monday to Saturday:  
=> +26% in average circulation\*

\* Apr.-Dec. 2007 vs Jan.-Apr. 2007, excluding special issues

# Increasing revenue through revamping / repositioning our magazines

core  
assets

Lagardère  
Entertainment

new  
opportunities

## 8 Revamp/ reposition magazine

- Improve **circulation**
- Improve position on relevant readership
- Better monetize **advertising**

Italy



From a technical magazine...



...to a lifestyle companion around the motorcycle universe

- Average circulation increased by 22%

Italy



From a supplement magazine...



... to a service oriented magazine with a luxury mood

UK



From a young / hip positioning...



... to a premium fashion magazine

- Average circulation increased by 3%
- Median reader age from 26.9 to 28.3 years

# Developing additional revenue through brand expansion...

core  
assets

Lagardère  
Entertainment

new  
opportunities

## 9 Expand brand in other media and non-media

- Systematic **spin-off** policy
- Media extensions or partnerships
- Licensing
  - Already 6% of ELLE revenue
- Music multimedia **event** management
  - Increased brand awareness
  - 1.5% of music division revenue



Elle digital player



Elle sunglasses



Elle bowling bag



Virgin Show



RFM Party Show



Car And Driver  
Radio

## ... and add-on products

core  
assets

Lagardère  
Entertainment

new  
opportunities

### 10 Create add-on products and diversify revenue

- Add-on products
- Product selection is key (tops and flops)
- Interactive revenue: e.g., in Poland interactive revenue (SMS, etc...) accounts for over 20% of radio revenue

Italy, May 2007



Chanel mascara  
sold with *ELLE*:  
+ 42% in sales

France, May 2008



DVD sold with *TV 7 Jours*:  
Magazine + DVD: €5.95  
Magazine only: €0.95  
⇒ +7% of revenue  
& +2% circulation

# Our ambition: to become a European Entertainment business



## Audiovisual Production

- Leadership position in multi-format audiovisual contents (Scripted, Unscripted, Animation) in France
- Addressing the western European market as well

## Music & Live

- Integrated business model with global artist management (360° image, concerts and rights), focused on independent production and established French artists - European strategy to be defined



# Lagardère Entertainment

## Development opportunities in TV production...

core  
assets

Lagardère  
Entertainment

new  
opportunities

### Lagardère Active positions

#### ■ No.1 in scripted production

|   |                     |     |
|---|---------------------|-----|
| <b>Prime time<br/>2006-2007<br/>(hours)</b> | Lagardère<br>Active | 102 |
|   | Carrère             | 79  |
|   | Telfrance           | 72  |

#### ■ No.3 in unscripted production

|   |                     |      |
|---|---------------------|------|
| <b>Weekly<br/>2006-2007<br/>(hours)</b> | Endemol             | 17.1 |
|   | Carrère             | 15.5 |
|   | Lagardère<br>Active | 12.5 |

### Development strategy

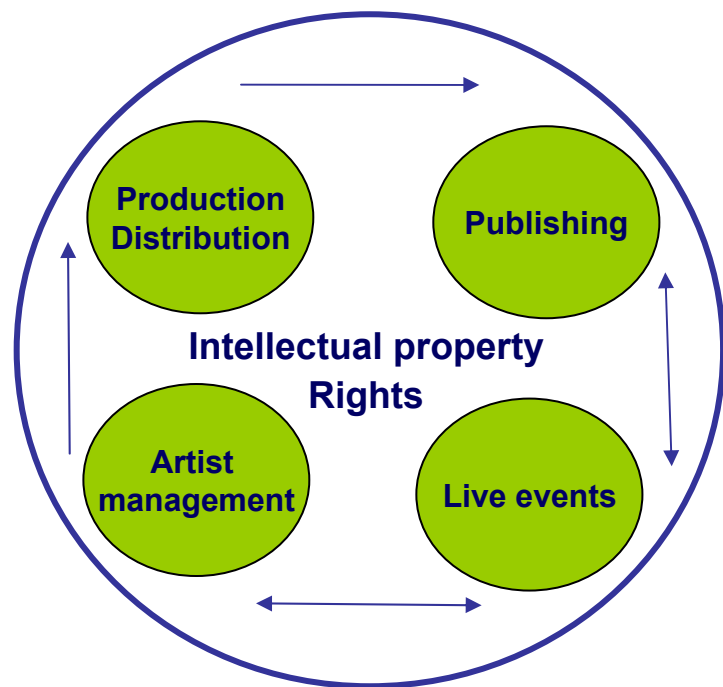
- Finalize portfolio rationalization
- Consolidate leadership in scripted production in France
- Shorter formats for scripted production
- Develop in day-time and access prime-time production
- Increase international potential (train authors, focus on long series...) and hence diversification potential (licensing...)
- Develop unscripted production (reality shows, game shows...) which enjoys high margin potential and where we have little presence
- Look for acquisitions with complementary skills (low cost production for DTT...)

## ... and Live Events: a 360° strategy

core  
assets

Lagardère  
Entertainment

new  
opportunities



=> High value added (artistic, marketing...)

=> Increased emphasis on exclusivity

### Development strategy

From Production/Distribution only to...

#### ■ Publishing

- High profitability and stability
- Development opportunities in a digital world

#### ■ Live events

- Touring
- Event production
- Concert halls

#### ■ Artist management

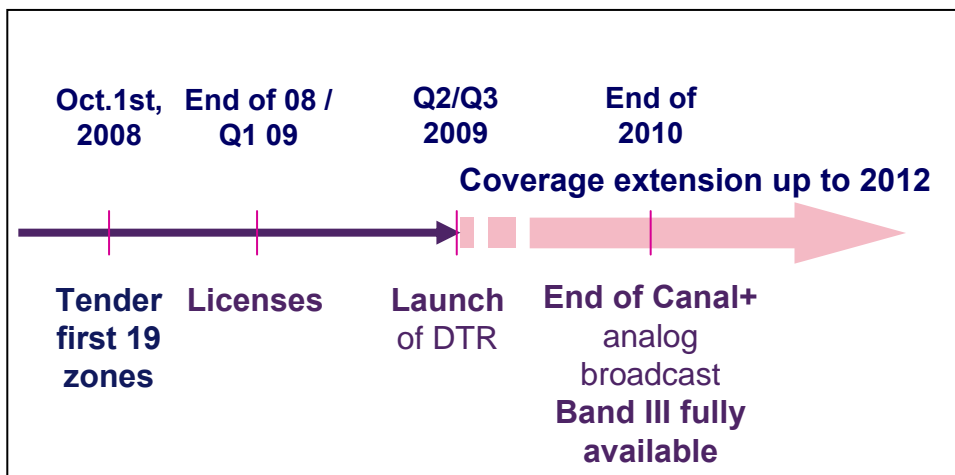


# Our strategy to capture digital radio opportunities

core  
assets

Lagardère  
Entertainment

new  
opportunities

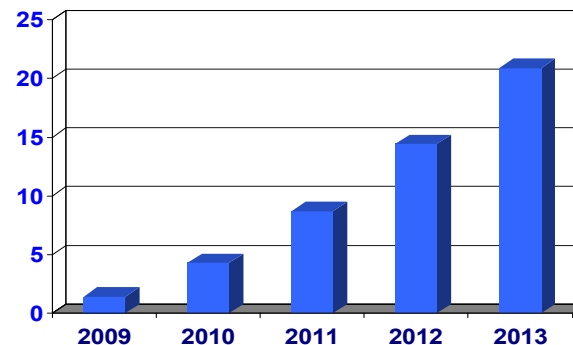


## ■ Key digital radio benefits

- Coverage (up to 85% of population)
- Sound quality
- Enriched programs and enlarged Radio offering
- Embedded Radio features

## ■ Increased Radio attractiveness VS plurimedia expectations

French population equipped to receive digital radio (estimate, m)



## ■ Reinforce Lagardère Active's market share in Radio



+ possible application for new licenses

e.g. Europe 1 **99.9 SPORT**

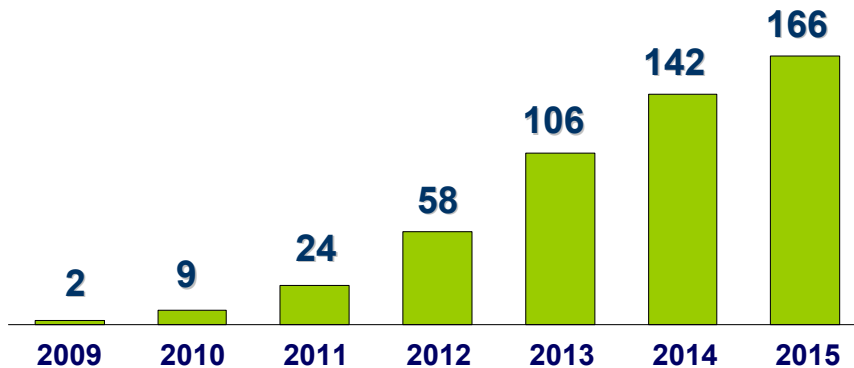
# Personal Mobile TV: LA has been awarded a mobile TV license for Virgin 17

core  
assets

Lagardère  
Entertainment

new  
opportunities

## Advertising Mobile TV - France (€m)



■ Growth opportunity

■ Virgin17 mobile TV showing significant potential



# Agenda



2

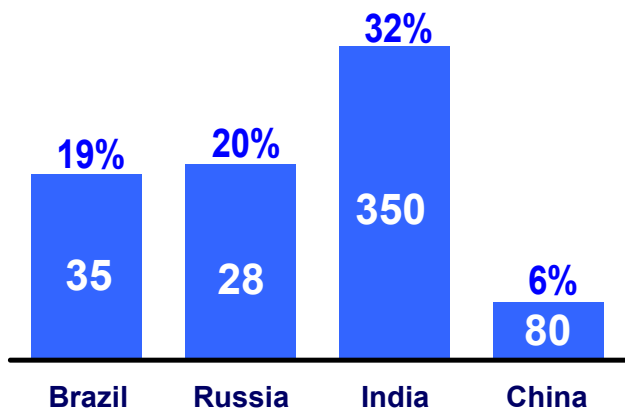
## Focusing on growth: Emerging countries

---

# A buoyant economy is driving advertising growth in emerging countries

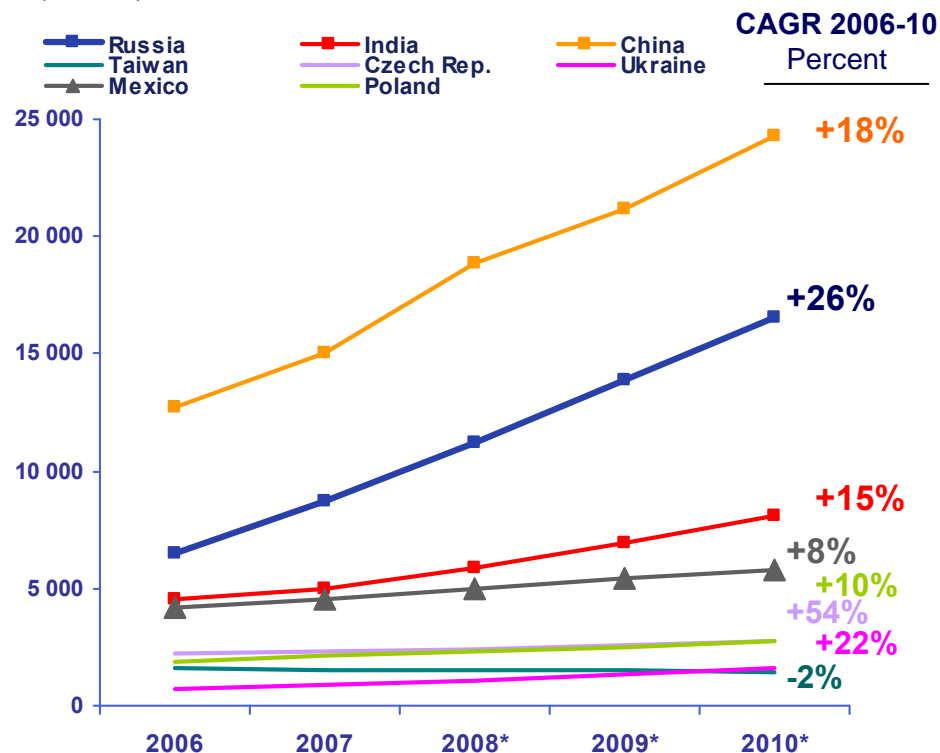
## Emerging middle class

2007, Percent of total population and size of middle class (million people)



## Booming advertising spend

(US\$m)



Emerging countries: from 7.6% of Lagardère Active revenue in 2004 to 16.1% in 2007

CAGR 04-07 above 25% per year

# We are strengthening our portfolio in emerging countries

## Press main launches

### Russia and Ukraine

- 2006 **Psychologies**
- 2007 **Domoi**
- 2007 **Star Hit**
- 2007 **Elle Deluxe**



=> 16% of revenues from recent titles\*

### China

- 2006 **Psychologies**
- 2007 **Quo**
- 2008 **Femina**
- 2008 **Lads title**



=> 18 % of revenues from recent titles\*

## Radio acquisitions and launches

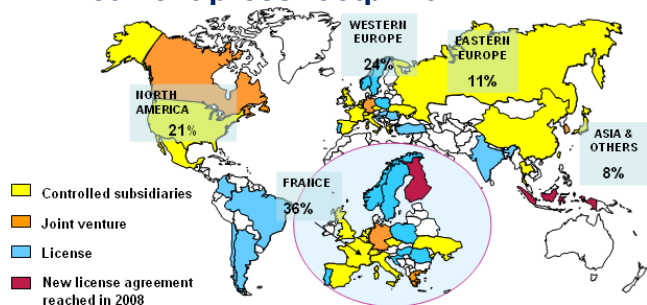
- 2006 **R. Czech** **Bonton Radio**
- 2006 **Poland** **Pogoda Radio**
- 2006 **Russia** **RBMH**
- 2007 **Slovakia** **Okey Radio**
- 2007 **Romania** **acquisition of 30 frequencies**
- 2007 **Poland** **Adpoint**
- 2007 **Russia** **Kekc FM**
- 2008 **S. Africa** **Acceleration media**
- 2008 **Russia** **5<sup>th</sup> frequency in Moscow**

- 3<sup>rd</sup> network (Prague + Moravia)
- Additional networks and regional strategy
- 2 radio stations in Moscow + St Petersburg
- New country
- Network extension + 3<sup>rd</sup> network (Vibe Fm)
- Additional networks and regional strategy
- Launch
- On line digital agency



# Keep on extending our footprint in emerging countries

## ■ LA current press footprint:



## Action plan:

- Enter radio and magazine markets in new geographies
- Step up digital operations in key emerging countries
- Pursue license extension policy in riskiest or smallest markets
- Seize opportunities for an international roll-out of some of our French TV channels

## ■ LA current radio footprint:



# Agenda

## Focusing on growth

3

## Rollout of Digital strategy

- Publishing approach
- A three-fold strategy
- Development plan

# Significant audience growth achieved by Lagardère Active over the last 18 months

Publishing

**Strong audience growth 2007-08:**

■ Only 1 website >1m UV in Sept.06

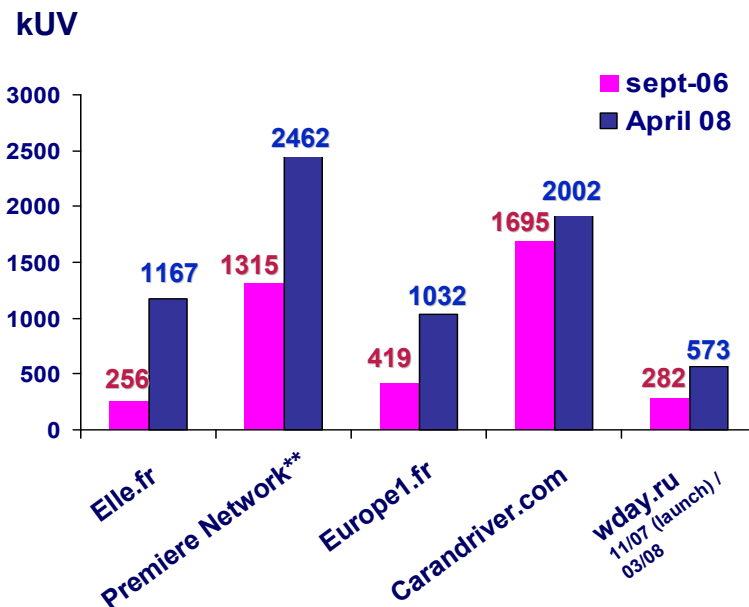


■ 13 websites / networks >1m UV in April 08

- Elle.fr, Premiere Network, Infobebes.com, Europe1.fr, Sports.fr Network, Boursier.com, lejdd.fr, Doctissimo.fr Network
- Elle.com, womansday.com, Carandriver.com, Roadandtrack.com (US)\*
- Digital Spy.co.uk

## Audience growth

Q4 06-Q1 08 - examples



\*internal data US 03/08

\*\*premiere.fr, mcm.net, tele7.fr network, public.fr unduplicated UV - (April 07-08)

Source: Nielsen + internal data 03-04/08



# Organic rollout: strong focus on 5 key priority segments France + International

Publishing

January 07

June 07

January 08

June 08

5 priority segments

## Women

**ELLE**  
re-launch  
ELLE France

**PARENTS**  
launch  
PARENTS  
France

**ELLE**  
re-launch  
ELLE UK

**femina**  
re-launch  
FEMINA  
France

**Les Copines  
S'en Mêle!**  
launch  
LES COPINES  
S'EN MAIL France

**Charles's Choice**  
launch  
CHARLIESCHOICE NL

**ELLE**  
re-launch  
ELLE China

**ELLE**  
re-launch  
ELLE Japan

**ELLE**  
re-launch  
ELLE NL

**ELLE**  
re-launch  
ELLE US

**ELLE**  
re-launch  
ELLE Italy

**WDay.ru**  
launch  
WDAY RU

**ELLE**  
re-launch  
ELLE Spain

**WomansDay**  
launch  
WDAY China

## Health/well-being

- roll-out **PSYCHOLOGIES** websites in UK, Italy and Spain

## Shelter

**POINTCLICKHOME**  
launch  
POINTCLICKHOME US

- launch  
**DECORATION  
PORTAL** France

## Automotive

**CAR AND DRIVER**  
re-launch  
CAR AND DRIVER US

- rollout **Automotive websites** in Italy and Spain

## Entertainment

**PREMIERE**

launch **PREMIERE** France

**7**

launch **TELE7** France

**SUGARSCOPE**

launch **SUGARSCOPE** UK

- launch  
**ENTERTAINMENT  
PORTAL** France

France-specific

## News

**Le Journal  
du Dimanche**  
launch **JDD** France

**Europe 1**

launch  
**EUROPE 1** France

## Kids

**TIJI**

re-launch **TIJI** France

**gulli**

launch **GULLI** France

**CANAL J**

launch **CANAL J** France

## Music

**Europe 2**

rebranding  
**Europe2+Europe2TV**

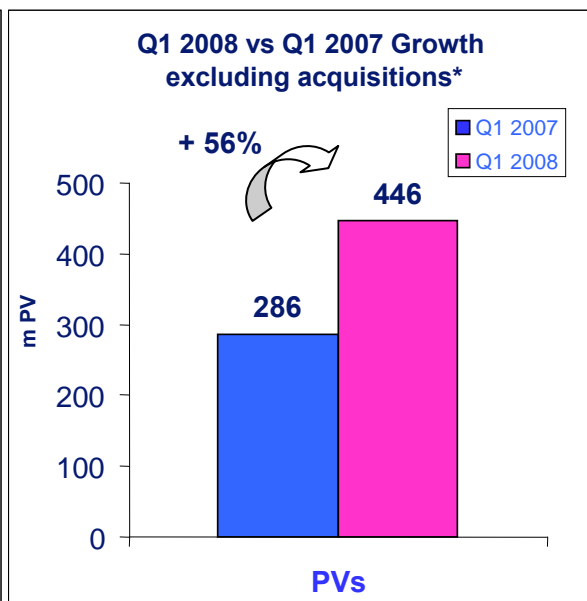
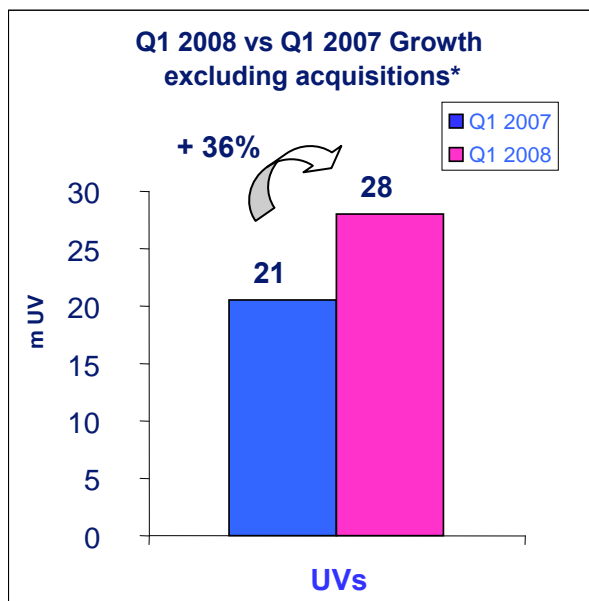
**musiLine**

launch exclusive service  
on Orange.fr

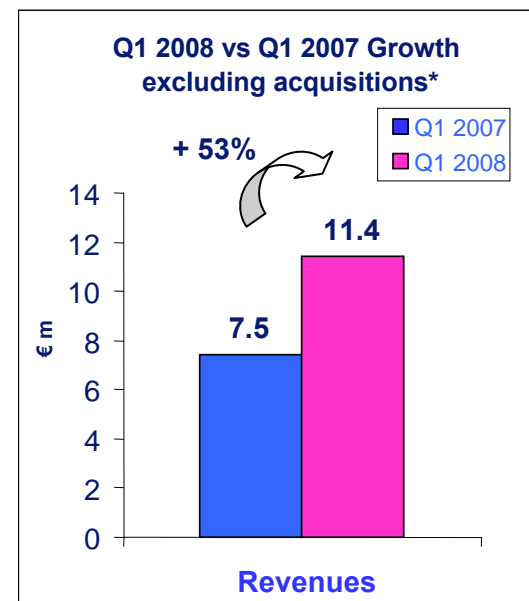
## ...bearing fruit in terms of audience and revenue

- Organic audience build-up\* in France and in 3 main regional areas (*Europe, US, Asia*):  
+36% UV Q1 08 vs 07
- Revenue growth even faster than audience growth  
+53% revenue\* Q1 08 vs 07

### Audience



### Revenue



# Partnerships as a way to accelerate the uptake of innovative products: the MusiLine case

musiLine






## Key figures (03/08)

- 211k UV
- 1m programs created
- 30' average listening
- 30% of total traffic Orange Music channel

- Product innovation, leveraging Lagardère Active experience in music programming
- Music programming web service
  - Edited program
  - personalized
  - streaming
  - free
- Exclusive partnership with orange.fr in Phase 1
- Standalone service in Phase 2 and integration on all Lagardère Active websites

# Complementary acquisitions in publishing...

## Publishing

|        | <u>Acquisition</u>  | <u>Date</u> | <u>Segment</u>             | <u>Key figures at acquisition</u>  |
|--------|---|-------------|----------------------------|--|
| France |    | ■ Dec. 06   | ■ Sports, news, automotive | <ul style="list-style-type: none"> <li>■ 3m UVs in March 08</li> <li>■ €8.7m revenues and €1.8m EBIT in 2007</li> </ul>  |
|        |    | ■ Feb. 08   | ■ Women                    | <ul style="list-style-type: none"> <li>■ Market leader in segment with 7m UV in April 08</li> <li>■ €11.5m revenues in 2007, ~40% op. margin</li> </ul>            |
| UK     |  | ■ April 08  | ■ Entertainment            | <ul style="list-style-type: none"> <li>■ 4<sup>th</sup> largest entertainment news website in UK</li> <li>■ 2.1m UV on the news section, 3.1m on forums</li> </ul> |

# ... to accelerate leadership build-up

## Publishing

### ■ Immediate positive contribution

### ■ Strong competitive positions built in **France** and **UK**

#### France

- no.1 media group with 11m UV in 04/08
- no.1 in women's websites with Doctissimo

#### UK

- no.3 entertainment news website Q2 08
- no.1 UK publisher with 5.4m UV in 04/08

#### US

- Jumpstart Network no.5 in automotive in 03/08 with 6.4m UV\*

### France

| Group                       | mUV<br>Apr. 08 | Rank     |
|-----------------------------|----------------|----------|
| Google                      | 23.0           | 1        |
| Microsoft                   | 21.5           | 2        |
| France Telecom              | 17.0           | 3        |
| Illiad                      | 14.2           | 4        |
| Pages jaunes                | 12.6           | 5        |
| Yahoo                       | 12.1           | 6        |
| E-bay                       | 11.8           | 7        |
| <b>Lagardère<br/>Active</b> | <b>11.0</b>    | <b>8</b> |

Up from no. 28 in April 07

# Strategy is threefold: publishing, sales and on-line marketing

## Our key beliefs

1

### Digital publishing

- Audience driven by content, brands & applications/services
- Value captured by leaders
- Scale effect for global players

2

### Online advertising sales houses

- Close sales & publisher integration
- Expertise in sophisticated advertising models
- Scale & cross media expertise

3

### Online marketing agencies

- Search + database marketing (~>50% of the market)
- Multiplatform convergence under way

# Significant moves in Sales and Online Agencies

## Organic growth

(France + International)

- Additional inventory
- Offer restructuring
- New advertising formats
- Adserving technology



Aug. 07



April 07

## Acquisitions: key figures

- French ad sales leader in e-commerce and high-tech
- €1.1m gross profit in 2006
- US leading online advertising network in automotive
- \$27.6m 2007 revenues, breakeven in 2006

2

Online  
advertising  
sales  
houses

3

Online  
marketing  
agencies

- Web agency
- Database marketing



Aug. 07



Feb. 08

### France:

- Full package of services to advertisers

### South Africa:

- 40% growth in 2007, strong client portfolio
- Acquired by 50/50 JV with LARI

# Acquisitions are bringing significant synergy opportunities

## Acquisition

## Synergies created or to be created

1

### Publishers

**newsweb**

digital spy

Doctissimo

- News
- European rollout for automotive
- Potential to monetize UK traffic
- Entertainment digital content database
- Cross site traffic management in France
- European rollout

2

### Ad sales rep

iD  
Régie

jumpSTART  
AUTOMOTIVE MEDIA

- Adserving technology
- Performance-based advertising format know-how
- Critical size on automotive websites
- Leverage of Jumpstart product range

3

### Online agency

NEXTEDIA

- Leverage of online marketing competencies (search, SEO, SEM, traffic management,...)



# The plan is to grow our brands' territories...

## The ELLE example

1  
Publishing



# ...and to roll them out in key segments and geographies

1

Publishing

## ■ 5 key segments:

women

ELLE

health/well-being

Doctissimo

PSYCHOLOGIES

shelter

automotive

newsweb

CAR DRIVER

entertainment

PREMIERE

digital spy

## ■ 4 geographies: Europe, US, Russia, Asia

## ■ Rollout of key assets, leveraging digital acquisitions

e. g.

newsweb

+

CAR DRIVER

2008 in Europe

Doctissimo

+

PSYCHOLOGIES

2008/2009 in Europe

## ■ Additional potential target acquisitions:

- Asia
- US (women,...)
- ...

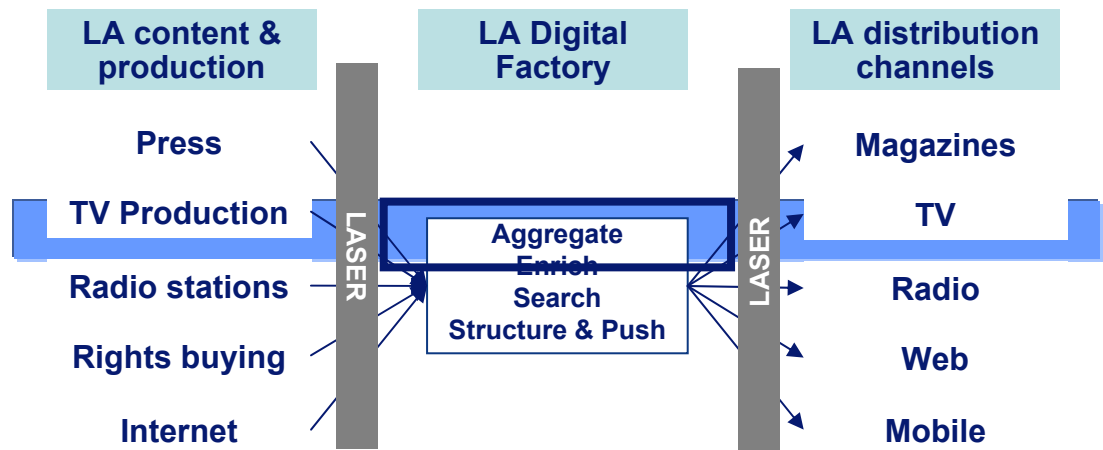
# The Digital Factory will impact our overall editorial approach and business model

## Key benefits

- Cross-media, seamlessly re-usable content



- **Competitive advantage:**
  - Cost synergies
  - Maximization of audiences
  - Additional revenue streams





# Conclusion for Digital

- **Key priority** for Lagardère Active
- **2009 objectives**
  - Financials
    - **10% of total revenues**
    - **overall breakeven**
  - Positions
    - Strong **women's** positions secured in strategic territories (Europe, US, Asia)
    - Presence in relevant women adjacencies (health, well-being,...)
    - Leading positions in **automotive** and international rollout (by 2010)
    - Strong presence in **entertainment** in France + start-up in additional European countries
- **Approach**
  - **Enlarged positioning** to maximize audience and revenue
  - **International roll-out**
  - **Cost synergies**
  - **Cross media**

# Agenda

## 2012 vision for Lagardère Active

---

# Active 2009 transformation under way

## In the past 18 months, we have:

- Focused our portfolio on strategic segments / media / geographies
- Improved our profitability
- Launched our digital transformation (organic & acquisitions)



### ■ A streamlined and more profitable business:

- Target is >1% per annum margin improvement between 2006 and 2009

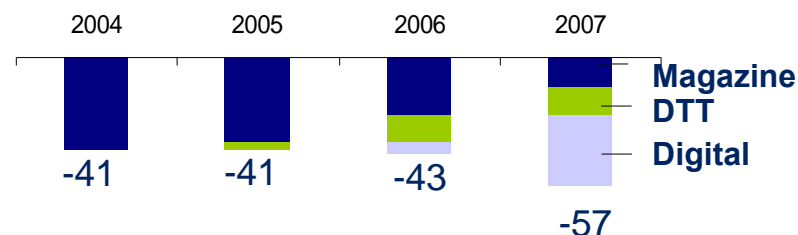
### ■ EBIT growth between 2006 and 2009 targeted, despite

- A much tougher than expected advertising environment
- Increased development costs (+40%)

### ■ By 2009 Lagardère Active will be well positioned to benefit from a potential advertising upturn

#### Development costs\* by media

2004 – 2007, €m



# Continued transformation beyond Active 2009

## Our key market assumptions:

- Cautious advertising trend estimate in mature countries
- Continuous shift of advertising towards digital and cross media



## We will pursue and accelerate our transformation:

- Cost streamlining action plan to be deepened in all countries and activities
- Continued portfolio refocusing: invest in segments with the best long-term prospects and prune underperforming assets
- Optimization of growth potential
  - Implement “Active 09 organic growth plan” for core traditional businesses
  - Pursue and accelerate development in emerging countries & digital

# Our current model vs. our ambition for 2012

From a traditional media company to a fully integrated traditional / digital plurimedia company

■ Digital breakeven in 2009  
(organic + acquisitions)

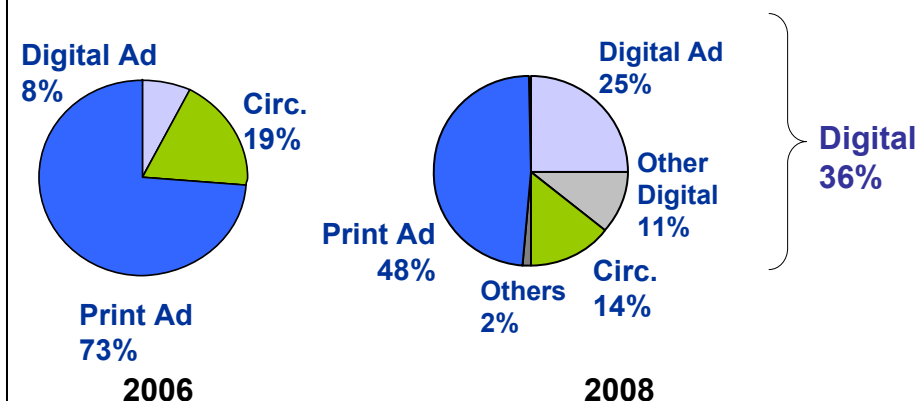
■ Digital revenues in key segments and geographies

|  | 2006 | 2012  |
|--|------|-------|
| Digital revenues in key segments and geographies | < 1% | > 20% |

■ Digital contribution to EBIT in key segments and geographies

|  | 2006 | 2012  |
|--|------|-------|
| Digital contribution to EBIT in key segments and geographies | <0   | > 40% |

Example - Automobile US: Mix print/ digital media



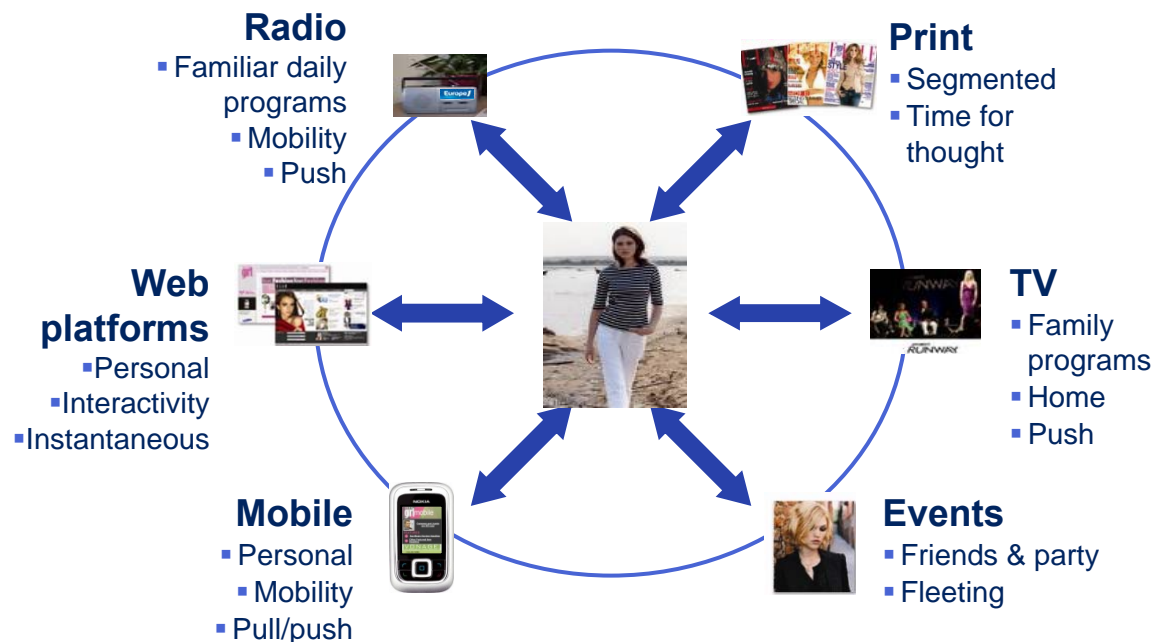
|               | Women & shelter       | Motor                 | News                  | Health / Well-being   | Entertainment         |
|---------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| US            | Existing capabilities | Existing capabilities | Existing capabilities | Existing capabilities | Existing capabilities |
| France        | Existing capabilities | Existing capabilities | Existing capabilities | Existing capabilities | Existing capabilities |
| W. Europe     | Existing capabilities | Existing capabilities | Existing capabilities | Not yet present       | Existing capabilities |
| Russia/E. Eur | Existing capabilities | TBD                   | Existing capabilities | TBD                   | Not yet present       |
| Asia          | Existing capabilities | Not yet present       | Existing capabilities | TBD                   | Existing capabilities |

Current capabilities status:  Already Strong  Existing capabilities  Not yet present



# A fully integrated plurimedia company serving advertisers by aggregating fragmented audiences

## The global consumer



**Our key beliefs and management values:**

**Portfolio Focus, Digital, Time to market, Cost management**

# Where we want to be in 2012

## Magazine

- Leadership position & diversified portfolio in France, Spain, Russia
- Portfolio focused on strategic segments (women, celeb, shelter, automotive) in other countries

## Radio

- Consolidated leadership position in France
- Increased footprint in emerging countries

## TV

- Leadership position in kids and music in France...
- ... to be developed internationally depending on opportunities

## Lagardère Entertainment

- Leadership in TV production
- Development in rights management and events

## Internet

- Leadership position in key segments and geographies in publishing / ad sales / agency
- 10 to 20% of total revenues

# Investor Day Paris - June 12, 2008

**Lagardère**  
ACTIVE