

Press Release

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HACHETTE FUJINGAHO AND SUMITOMO CORPORATION

ENTER INTO STRATEGIC ALLIANCE IN JAPAN

Hachette Fujingaho, fully owned subsidiary of Lagardère Active in Japan, and Sumitomo Corporation have signed an agreement to develop by September 2009 an E-commerce business around the ELLE brand and to sell advertiser-branded products as well as products selected by ELLE magazine Japan and by the ELLE.co.jp as well as licensed products by capitalizing on all the media brands of Hachette Fujingaho (ELLE Girl, ELLE Deco, 25 ans, Fujingaho, etc.) and on Sumitomo's distribution channels (E-Commerce, M-Commerce, TV shopping...).

This strategic alliance calls for the establishment of a new entity dedicated to E-commerce within Hachette Fujingaho. Sumitomo Corp will also be acquiring a 34 % stake in Fujingaho. Lagardère Active will retain operational control of the company with Sumitomo Corp contributing its expertise in E-commerce to the newly created entity. This transaction is subject to antimonopoly approvals.

Lagardère Active has been present in Japan since 1989 with the launch of the Japanese edition of ELLE magazine. Hachette Fujingaho, its fully-owned subsidiary headed by Yves Bougon, is today:

- One of the leading magazine publishers in Japan, notably in the upscale women's magazine segment with strong brands such as: **ELLE, 25ans, Fujingaho, Marie Claire** (under licence with Marie Claire Album) and **MEN'S CLUB**.
- **A trailblazer in the digital media** with the launch of the **ELLE site as early as 1996**, which attracts over 1 million Unique Visitors per month, ranking it among the top 10 women's sites there.

Japan is a key market for Lagardère Active as it is **the world's second largest advertising market**. This applies especially true to digital media. That is also where the **ELLE brand has over time become a global consumer brand** thanks to its sale of licensed products.

To **further extend the reach of its brands and boost its digital activities**, Lagardère Active chose to develop an E-commerce business in the country that is best suited to do that, and with an industrial partner that is a leader in home shopping and distribution: Sumitomo Corp.

Sumitomo Corp. is based in Tokyo. Its CEO is Susumu Kato.

- **It is the 4th largest Japanese conglomerate in terms of sales. In addition to its media presence, the Group also has transportation, construction and real estate operations.**
- The leading cable operator in Japan with the **J-Com network** and the leading **home shopping operator with the Shop Channel**.
- A recognized operator and specialist in all distribution channels (shops, mail-order, E-commerce, home shopping) across the entire value chain (sourcing, production, logistics and IT)
- A pioneer in media and trade convergence



Didier Quillot, Lagardère Active CEO, said: « Thanks to this alliance, we are realizing Lagardère Active's strategy of extending its brand territory into the digital arena and E-commerce, beginning with Japan as the second largest advertising market. This will enable us to put in place a new business model for our media in Japan. »

Yves Bougon, Hachette Fujingaho CEO, added: « This alliance is a terrific opportunity for our two groups to develop new media and distribution models and offer new services to both consumers and advertisers. We will contribute our expertise on how to target upscale women in both print and digital media. For its part, Sumitomo will bring on board its retail experience, its access to new media and its intimate knowledge of the Japanese market. »

Shigeru Ohashi, General Manager of Sumitomo's Media, Network & Lifestyle Retail division, said that: « Retail sales field in Japan is currently undergoing a big Paradigm shift. In addition to store business, we were therefore moved ahead on Multi-retail channel business using multiple medias such as TV, Web, Mobile etc. This capital alliance will put impact and accelerate this trend. We have high expectation on Hachette Fujingaho's media brand force, editorial skill and international network. We will send experienced human resource in retail business and with the best partner, we will create a new value in the luxury field together. »

About LAGARDERE ACTIVE

Lagardère Active is one of the 4 corporate brands of Lagardère SCA, together with Lagardère Publishing, Lagardère Services and Lagardère Sports. Present in 45 countries, with some 220 print titles, 27 radio stations and 9 TV channels, Lagardère Active in 2007 had consolidated sales of 2.29 billion Euros.

Lagardère Active is France's largest media group with over 15 Million de-duplicated Unique Visitors and the 8th largest French group in terms of digital audience.

About SUMITOMO CORPORATION

Sumitomo Corporation is a leading general trading company, boasting 150 locations in 70 countries throughout the world. The Sumitomo Corporation Media/ Lifestyle Business Unit integrate a wide range of business segments in the field of media, networks and lifestyle retail business. In the media field, it is a major player in the cable TV (CATV) and the multichannel television programming segment and is also involved in the film related businesses. In the network field, its business activities center on the IT solutions, Internet related business and mobile communication. In the lifestyle and retail fields, it owns the largest TV shopping business in Japan, and a wide range of portfolios in the retail sector including supermarkets and drugstores and is heavily engaged in the brand related business. Its brand portfolio includes Marc Jacobs Japan, Lancel Japan, Barneys Japan, NARA CAMICIE and FEILER.

PRESS CONTACTS contactpresse@hfp.fr

Valérie Blondeau – + 33 (0)1 41 34 67 16

Lucie Dugit-Gros – + 33 (0)1 41 34 79 25