

**BNP Paribas**

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**Strengthening Cetelem's European  
Leadership in  
Consumer Credit**

*29 March 2005*

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- A unique opportunity
- Cofinoga: a major consumer credit player
- An ambitious industrial project
- A value creating transaction for BNP Paribas

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## A new step in the long standing partnership between Cetelem and the Galeries Lafayette Group

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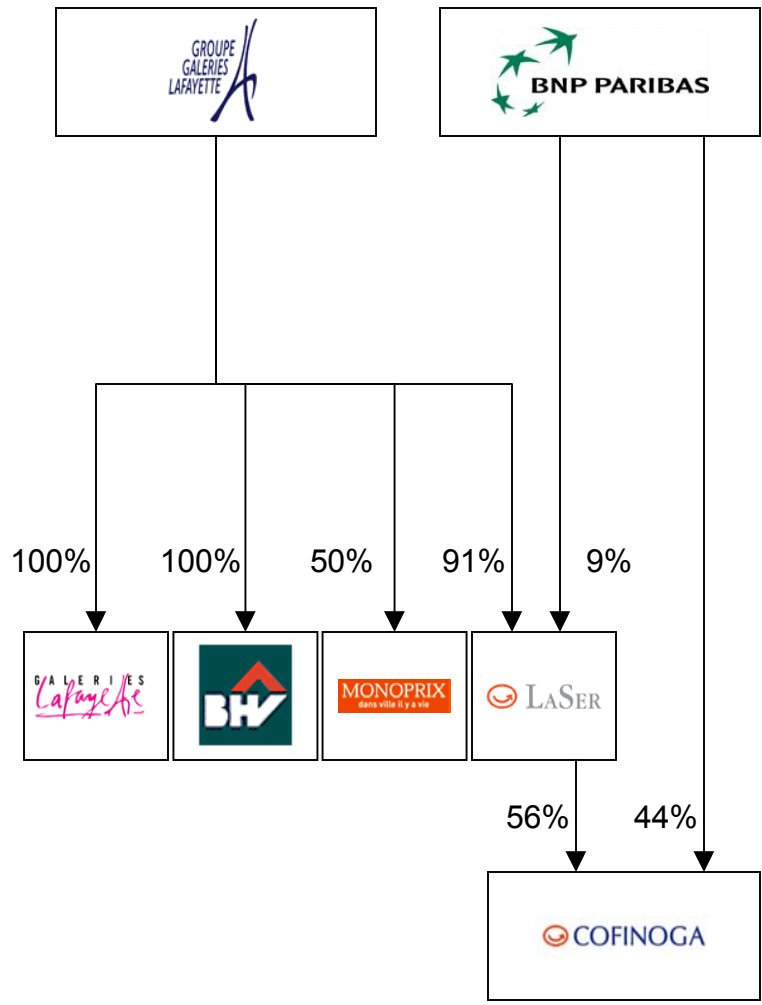
- **Cooperation started in 1966 in the financing of credit sales**
- **Cetelem acquired an interest in Cofinoga's share capital in 1993**
  - currently, a 44% direct stake and an economic interest of 49%
  - historical cost below €200m
- **Following the transaction, Cetelem and the Galeries Lafayette Group will jointly control Cofinoga 50/50**
  - transition from a financial investment to a genuine industrial alliance
  - strengthening of Cetelem's European leadership position

# Principles and key terms of the transaction

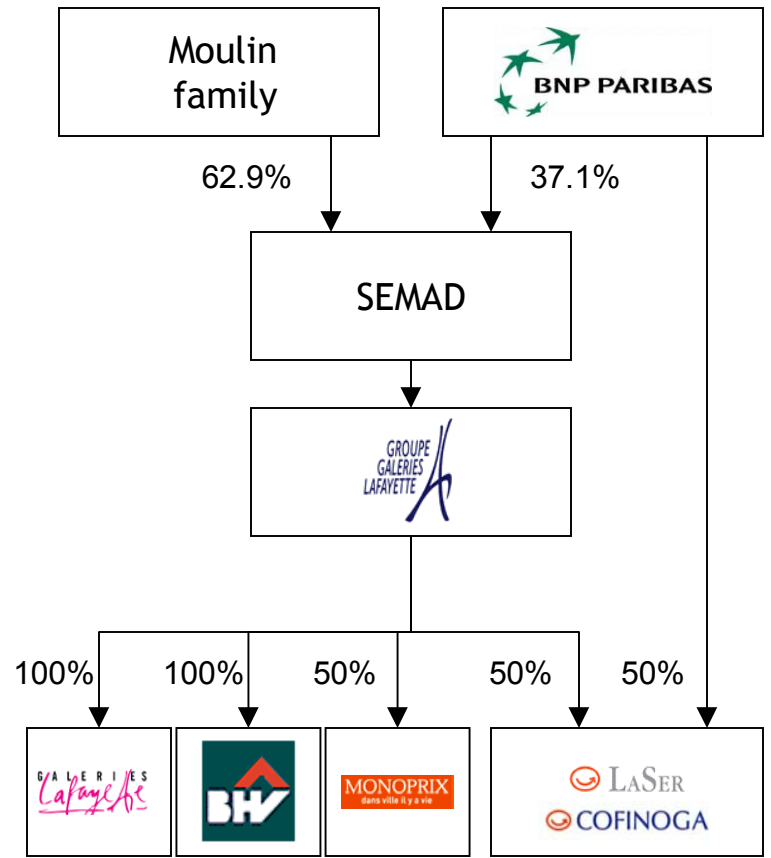
- **Acquisition of control and proposed delisting of the Galeries Lafayette Group by the Moulin family with financial backing from BNP Paribas**
  - concert between the Moulin family and BNP Paribas in respect of 61.1% of the share capital of the Galeries Lafayette Group following the acquisition of the Meyer stake by BNP Paribas
  - contribution of the Galeries Lafayette shares owned by the concert to SEMAD, owned by the Moulin family and BNP Paribas, 62.9% and 37.1% respectively
    - equity investment from BNP Paribas post transaction: €585m
  - shareholders agreement between BNP Paribas and the Moulin family at SEMAD level, including conditions relating to the liquidity of the BNP Paribas stake
  - launch of a public tender offer by SEMAD on the remaining share capital of Galeries Lafayette Group at €235 per share
  - organisation of the future exit of BNP Paribas from SEMAD's share capital
- **Following the transactions, Cetelem will acquire joint control of Cofinoga\*, 50/50 with the Galeries Lafayette Group**
  - shareholders' agreement between Cetelem and the Galeries Lafayette Group regarding Cofinoga

*\* Subject to approval from competition authorities*

## Group structure before the transactions



## Group structure after the transactions



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## Cofinoga: a European reach (1/2)

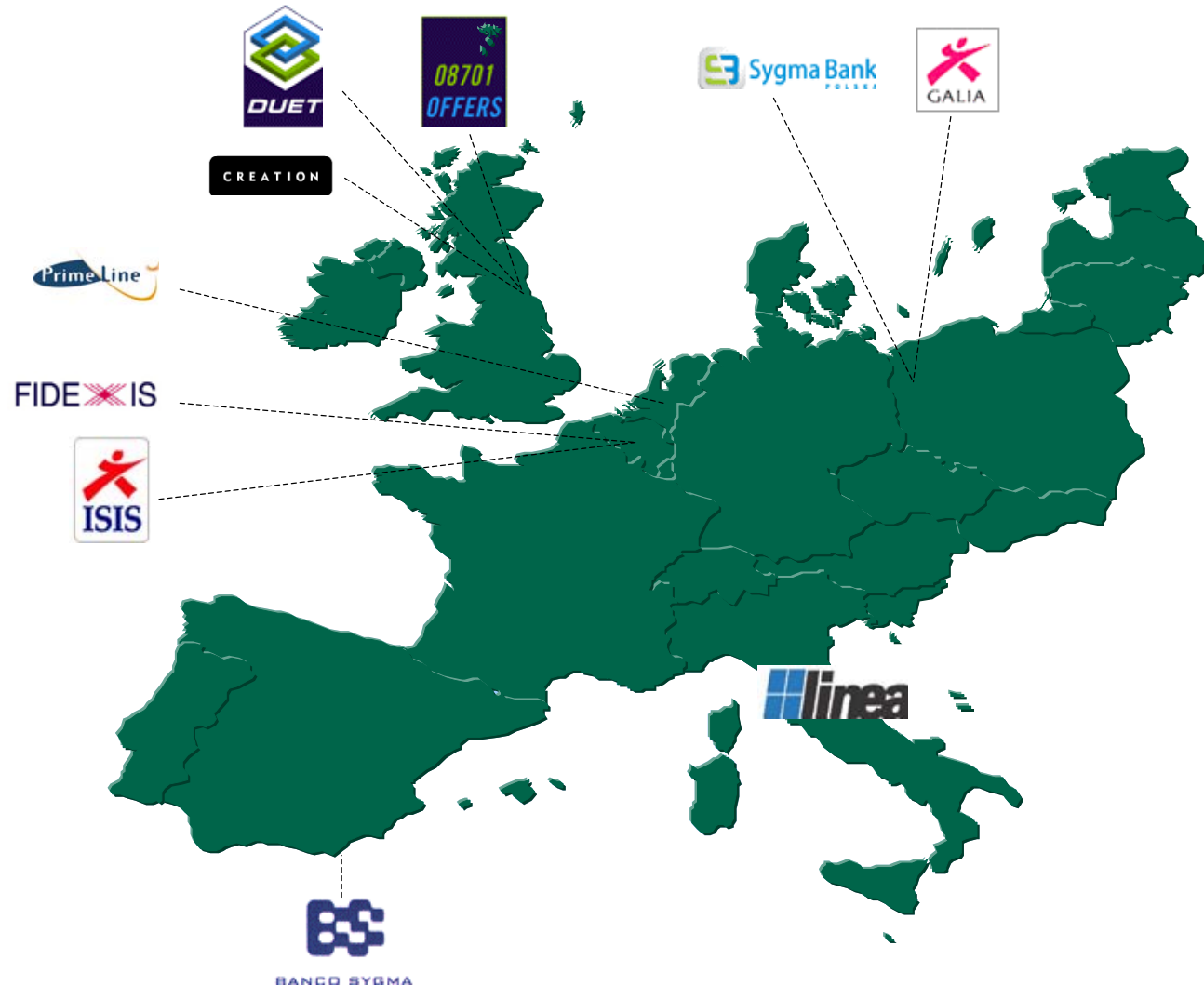
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- €10bn managed receivables, 40% outside France
- Specialist in consumer credit, in particular revolving credit
  - #3 consumer credit specialist in France
  - approximately 4% market share in consumer credit in France
- Specific expertise:
  - highly efficient customer loyalty and CRM tools
  - debt consolidation and “near sub-prime” financing businesses with high growth potential (Médiatis)
- Very attractive partnerships (Banque Casino, Pétrofigaz...)



## Cofinoga: a European reach (2/2)

- A presence across 7 European countries



## Cofinoga: strong growth features

(euros in millions)	2003	2004	03-04 Growth
Production <sup>(1)</sup>	6,709	7,350	9.6%
o/w own activity France	2,598	2,716	4.5%
o/w partnerships France	1,561	1,787	14.5%
o/w international	2,550	2,847	11.6%
Managed receivables <sup>(2)</sup>	8,900	10,280	15.5%
o/w own activity France <sup>(3)</sup>	4,325	4,745	9.7%
o/w partnerships France <sup>(4)</sup>	1,192	1,426	19.6%
o/w international	3,383	4,109	21.5%
Consolidated NBI	812	878	8.2%
Consolidated gross op. income	304	328	7.9%
Cost / income ratio (%)	62.5%	62.7%	
Consolidated net income	96	115	19.7%

- Including 100% of the production of each of Cofinoga's subsidiaries, as opposed to group share
- Managed receivables as of 31/12. Including 100% of financed receivables of each of Cofinoga's subsidiaries, as opposed to group share. Excluding receivables managed on behalf of BNP Paribas
- Excluding Banque Casino and Banque Petrofigaz
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# Key principles of the industrial project

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- **Maintain Cofinoga's commercial autonomy**
- **Rapidly realise substantial cost synergies**
- **Benefit from the BNP Paribas Group's expertise to develop new activities**

# Maintain Cofinoga's commercial autonomy

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- **Commercial autonomy based on specific brand and operations**

- **Products**

- specialist in selected types of consumer credit
- specialist in loyalty program and non-financial services to retailers

- **Distribution channels**

- privileged relationships with department stores and high street stores

- **Commercial and geographic coverage**

- strong brands: Cofinoga, Médiatis,...
- significant presence across Europe

- **Strategy includes several specialist features**

- preferred vehicle for partnerships with financial institutions in France
- lead partner for developments in Northern Europe

## Clearly identified synergies

- Funding cost synergies through access to BNP Paribas Group's refinancing spreads
- Operational cost synergies derived mainly from process sharing
- Synergies arising from lower cost of risk in new production in France through enhanced credit criteria and the sharing of best-practice tools in customer risk assessment
- Cost synergies from international operations due to closer cooperation in countries where both players are present

### Substantial total synergies\* by 2009

- €23m for Cofinoga (of which 50% to be consolidated by Cetelem)
- €7m for Cetelem

*\*Figures are post tax, on existing activities*

- Increase customer penetration at Cofinoga and Galeries Lafayette with respect to
  - insurance products
  - protection products
  - assistance products

**Total additional revenue synergies\* by 2009**

**→ €14m at Cofinoga (of which 50% to be consolidated by Cetelem)**

*\*Figures are post tax*

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# A triple impact on the Group's accounts

Consolidation  
of 50%  
of Cofinoga

Consolidation of  
Galeries Lafayette  
and SEMAD  
under the equity  
method

Consolidation  
of BNP Paribas  
group share  
synergies

- Proportional consolidation of Cofinoga by Cetelem and BNP Paribas
  - 50% of Cofinoga 2004 NBI (before synergies): €439m
  - 50% of Cofinoga 2004 gross operating income (before synergies): €164m
  - Net Income Group Share: +€2m
    - additional 1% economic interest

- Income accounted for under the equity method: approximately +€40m\*

- Consolidation of 50% of Cofinoga synergies and 100% of Cetelem synergies
- Synergy phasing for BNP Paribas

*Post-tax net income from synergies, in €m*

2006	2007	2008	2009
9	17	21	25

## BNP Paribas Group: A carefully controlled and value creating transaction

A  
carefully  
controlled  
capital  
investment

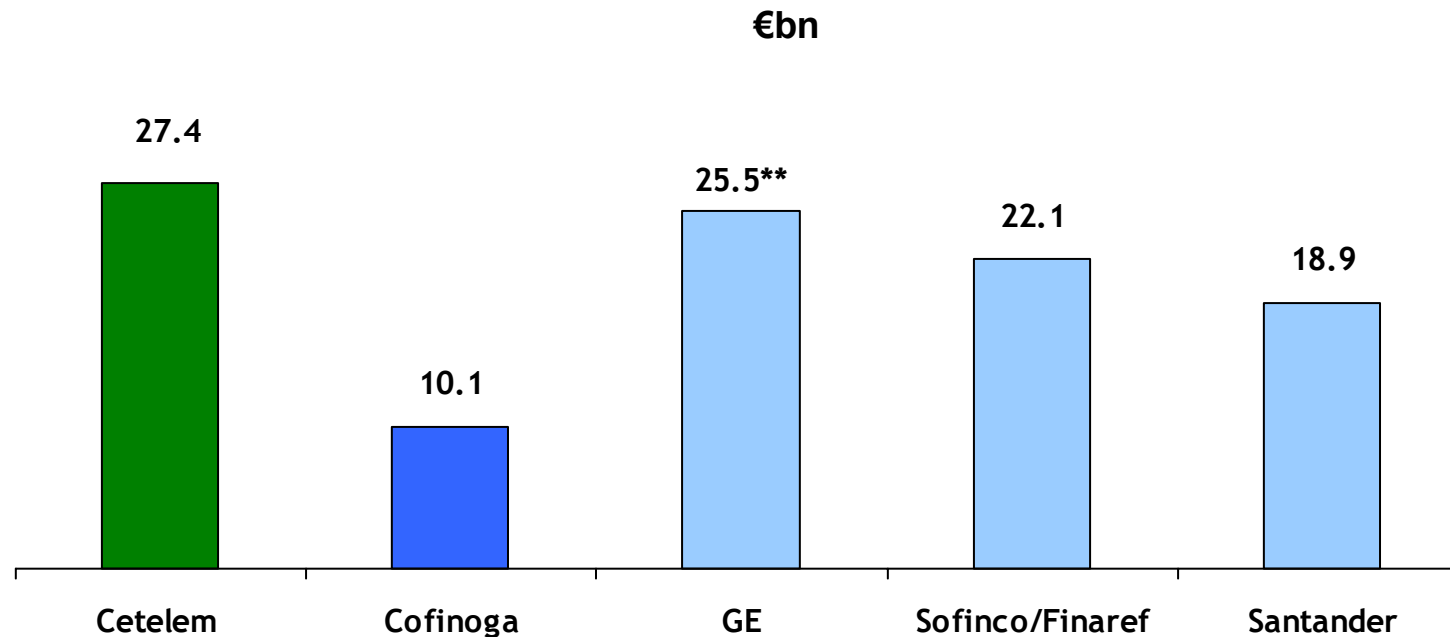
- “*Private equity*” style investment of €585m
- BNP Paribas’ experience in the management of such investments
- Future liquidity of the investment (shareholders agreement with the Moulin family)
- Moderate impact on solvency ratio: -30bps

A  
value  
creating  
investment

- Net income\*: +€40m (before impact of synergies)
- Consolidation of run rate synergies representing €25m additional net income
- Joint control over Cofinoga, a strategic asset for the development of the Group

# Cetelem: Strengthening its leadership in Europe

Gross managed receivables (\*) excluding parent company in Continental Europe  
by the top 4 specialists as at year-end 2003



(\*) Credit receivables to private customers, i.e. excluding finance leases, long-term car rental,...

(\*\*) BNP Paribas estimates

- Shift from a financial investment to an industrial alliance
- Improved profitability through clearly identified cost synergies
- Development of revenue synergies and of new activities



**Strongly value  
creating  
strengthening of BNP  
Paribas in consumer  
credit**

# Appendix

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Tuesday 29 March 2005

Filing of Offer with AMF

Publication of filing notice by AMF describing the main features of the Offer project

Publication of press release by the Company

Tuesday 5 April 2005

Offer terms approved (*avis de recevabilité*) and publication of notice by AMF

Wednesday 6 April 2005

Offer document approved (*visa*) by AMF

Thursday 7 April 2005

Publication of offer document on the AMF website and in a national daily newspaper

Notice of beginning of the offer period

Monday 11 April 2005

Opening of the offer period

Friday 13 May 2005

End of the offer period

Thursday 26 May 2005

Notification of final acceptance levels by AMF