

1,434,982

11,066,914

141,644

1,154,400,000

10,000  
10,691  
97,032

1,910,780,000

12,220,260  
12,962,269  
11,527,287

2007 Activity and results

104,310

78,824

1,100,941

116,176

19,780

121,471



66, rue des Archives  
75003 Paris

[www.lasergroup.eu](http://www.lasergroup.eu)



A creative customer-value company

## 2007 Activity and results

|  |                |
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329,635

1,10

12,96

1,





12,710,000 12,229

1,678,781 1,387,636 191,145 13.77%

223,129 106,506 47.73% 00.941 11,066,914

121,471 11,527,287

569,400,000

62,269 19,780

,426 329,630 223,129 106,506 47.73%











In 2008, Médiatis' priorities will be to optimise its multi-channel marketing strategies while reinforcing the brand's position as regards Customer Service value.

#### **Credit operations with recruitment by means of a network of brokers**

Within the framework of the debt consolidation market, the brokerage channel represented by the company DCAC, Dax Courtaiges Assurances Crédit, continued to develop in 2007 with a 50% increase in production. This channel now employs 125 staff. It should be noted that new premises were made available to them in December 2007 in Pau. The network (approximately 500 brokers) has been run since the end of 2007 by organising visits by salespeople working in the field. A new classic personal loan product that comes under the debt consolidation category with a guarantee in the form of a bond was also launched on the market thanks to a partnership with Generali. The LaSer group's potential to recruit and sell face-to-face was also reinforced by operations conducted by Assurtis, a network of brokers that market insurance products from the brokerage group April under this brand name, together with Médiatis brand credit products. At the end of 2007, the Assurtis network had fifty franchisees spread across every region of France.

### **Financial partnerships in France**

#### **Banque du Groupe Casino, a jointly-owned subsidiary of Groupe Casino**

In 2007, credit production went up by +7% for a volume of 530 million euros. At the same time, the Bank's outstanding credit went up by +17.5% reaching 972 million euros at the end of December.

The first factor to contribute to growth in the Banque du Groupe Casino's 2007 operations was the continued development of operations conducted under the Groupe Casino commercial brands with:

- the recruitment of new customers in Casino supermarkets being stepped up;
- the development of business activity with Casino supermarkets being upheld;
- the success of a new partnership with the brand Cdiscount, that at 31 December 2007 accounted for almost 8% of the Banque du Groupe Casino's total outstanding credit in the amount of 76.8 million euros.

The second growth factor affecting operations in 2007 was the implementation of an active policy to reinforce new media.

Thus, Banque du Groupe Casino consolidated its network of branches by opening three additional branches in 2007 taking the total number of Banque Casino branches to nineteen at the end of December 2007.

In 2007, Banque du Groupe Casino also developed Banque-Casino.fr via the web medium aimed at Groupe Casino customers and set up a finance department within a multi-brand commercial operation in the Bouches-du-Rhône department of France.

The third growth leverage factor was the continued development of product offer and of the brand.

The introduction of the Banque Casino brand's new visual identity, the progressive launch of the co-branded Casino MasterCard bank card, and an improved product package to consolidate debt, were the clinching factors. In 2008, Banque du Groupe Casino intends pursuing its strategy for substantial growth, drawing more particularly on the Groupe Casino brand names, its enhanced product package of classic personal loans to consolidate debt and its development in the e-commerce market thanks to the brand name Cdiscount.

#### **CDGP, Compagnie de Gestion et des Prêts, a jointly-owned subsidiary of Quelle SAS**

The introduction of a new card recruitment process conducted by telephone by its partner, Quelle, has enabled it to show a substantial increase in recruitments and to sustain its purchasing reserve production despite a difficult mail order sales. Together with the development of loyalty programmes for revolving personal loan accounts, this has compensated for cutbacks observed in correlation with a decline in the revolving credit market in France.

2007 will have seen the launch of a new partnership with the brand, Baby Walz, which is to be followed in 2008 by the firming up of partnerships with several e-trader sites. At the end of 2007, CDGP showed outstanding credit of 405 million euros, up by almost 22% in comparison to the end of 2006. Thanks to a good return on outstanding credit, optimised commercial expenses and general expenses and the containment of outstanding payments on new productions, CDGP's current analytical operating income experienced strong growth (+60%) in comparison to 2006.

#### **Banque Solfea, a jointly-owned subsidiary of Gaz de France**

In terms of the financing of Energy Gas' operations, 2007 should appear as a year of transition with the opening up of the energy markets, developments in Gaz de France's position in the market in the second half of the year and the marketing of new products on behalf of Banque Solfea.

At the end of December 2007, production reached 244 million euros, an increase of 5.1% in comparison to the previous year. The year was nonetheless marked by major disparities depending on the financial operation. Energy Gas' traditional operations generated 146 million euros. These operations that accounted for 81% of volumes produced in 2006 represented 59% of its 2007 production. However, the introduction of new products should make it possible to reverse this global trend, even if a proportion of Energy Gas' production is passed on to its Partners business which continues to grow. With more than 50% growth in comparison to 2006, operations conducted in partnership with others, generated within the context of commercial relations with Gaz de France, henceforth constitute 7% of total production.

Production from other products continues to experience strong growth (146% in comparison to 2006) and currently accounts for 33% of total production as opposed to 14% in the previous year. This growth is primarily due to the development of the Personal Loan business. Customer outstanding credit at period end amount to 569 million euros, up very slightly in comparison to the end of 2006.



### **EkspresBank (previously HandelsFinans) – Denmark**

HandelsFinans, the 100% owned subsidiary of LaSer in Denmark since 2005, is the leader in the Danish in-store credit market, with a business growth of 14%, and outstanding credits of 250 million euros at year end. In October 2007, HandelsFinans obtained bank status and is registered with the name of EkspresBank. This new status presents the subsidiary with new possibilities for expansion into other Nordic countries.

The principal partnerships signed in 2007 were Elgiganten, Dansk Supermarket, Post Danmark, IDEmøbler and T-hansen. New agreements with many Danish Internet stores give EkspresBank the opportunity to enter into competition with the major brands. In November 2007, EkspresBank launched a new bank card with VISA called OneCard. This card is only the beginning of a number of new card programmes for the future. Furthermore, classical personal loan products have been launched with Post Danmark and Bilka to boost marketing power across numerous sales outlets. The three partners work together in promotional marketing showing each others brands.

### **Credifin – Portugal**

Credifin BCC, 100% owned Portuguese subsidiary of the LaSer group, is showing more than 15% growth in its credit activities for 2007, to attain a outstanding credits of nearly 600 million eEuros in a market with only 7% growth. In 2007, the subsidiary consolidated its partnership with the Sonae group, Portugal's

leading distributor, by developing its products and brands already launched in 2006 and by initially setting up a loyalty card with Modelo/Continente, followed up by a payment card with the same retailer in September. These two big product launches with Modelo/Continente resulted in making Credifin a leader in the loyalty business with more than two million clients. In this way, nearly 50,000 payment cards were generated during the last quarter.

At the same time, Credifin fulfilled its undertaking to develop LaSer's global range by reinforcing its presence regarding vehicle financing and launching a classical personal loan product and pooling credit facilities.

### **Lafayette Services Nederland (LSN) – the Netherlands**

LSN has 100% shareholding in its Dutch subsidiary, LSN, since 2007 (as opposed to 60% previously). In a market with weak growth, LSN boasts very good commercial performance with a 21% production increase over last year. Outstanding credits improved by 4.9% and achieved 776 million euros at the end of the year.

LSN's management team was completely renewed at the beginning of 2007, a year that was, for the most part, dedicated to finalising the project of a total overhaul of all the IT equipment. This project was completed in October with the changeover to the new environment.

This year also provided the opportunity to prove, once again, LSN's commercial vitality, with the establishment of partnerships with Volkswagen (bank and loyalty cards),

Specsavers, Batavus, Redcoon and Gamma. The partnership with Ikea has been extended to managing the Ikea loyalty card (Family Card), a programme that, in seven months, totals more than one million members. Finally, 2007 also saw the successful launch of direct marketing via the Internet under the Directa brand. 2008 will be a year of transformation that will enable LSN to improve its range of services, accelerate its development, especially in the sphere of client loyalty services, optimise its structures in all fields and reduce its operational costs in a Dutch market determined by a tightening of regulations, impacting severely on consumer credit activities, despite a more favourable economy.

### **LaSer Poland – Poland**

In 2007, the Polish branch, Sygma Bank Polska (SBP), boosted its production volume to nearly 390 million euros, which represents an increase of 80% compared to 2006.

The increase in sales was achieved mainly due to launching production via Dom Finansowy QS (DFQS), a brokerage centre specialising in consumer credit, acquired by LaSer during the second half of 2006. In 2007, SBP also considerably stepped up the issue of credit cards (private label cards and co-branded cards), resulting in a partnership agreement with Real, signed in 2006, and a contract with Selgros (a network of cash and carry supermarkets). The momentum of the bank card portfolio was boosted by the establishment of a partnership with MasterCard through the co-branded cards service offer.

For DFQS, 2007 has been a year of reinforcing its position on the credit brokerage market.

By offering other banks' products operating in Poland, the subsidiary has expanded its portfolio. Moreover, it launched Multika, a new name in the private network, whose aim is to heighten awareness of DFQS on the market.

### **Fidexis – Belgium**

Fidexis, in Belgium, has been a 100% owned subsidiary of LaSer Cofinoga since December 2007, following the buy-out of 51% of the capital held by Dexia. During 2007, Fidexis has seen a consolidation of its commercial development. The subsidiary accomplished a production volume of 181 million euros and, at year end, achieved outstanding credits of over 197 million Euros in a market with weak growth. Since the partnership formed in 2001 with the Metro group, Fidexis has renewed the agreement with Makro/Metro for the marketing of its payment card and intensified the expansion of its product range. Whilst relying on the support of its reference partners, Eldi and MediaMarkt/Saturn, Fidexis strengthened its presence on the Belgian market by developing new partnerships with prestigious brands such as Dell and Apple. The diversification of its products and recruitment channels initiated in 2006 has continued to bear fruit: debt consolidation and personal loans have seen strong growth due to the development of a network of brokers and the consolidation of the brand No Stress. Marketing in 2008 of the co-branded card with MasterCard-Isis will be the driving force of Fidexis in the coming years.



At the beginning of 2008, 5one plans on opening an office in South Africa, following its profitable operations on a local level these last few years with Clicks, Woolworths and Pick 'n Pay. The principal aim for 2008 is to help accelerate the Group's loyalty strategy across markets. The principal international brands of mass marketing are going to be a key factor in this process.

### Affinity Services

The activities of Affinity Services bring together all of the products and services offered to clients by LaSer Loyalty, the goal being that they are bought or consumed by customers.

In 2007, the Affinity Services organisation consolidated its positioning strategy regarding client-partner with the objective of:

- recruiting new clients on the principle of choice and freedom, allowing for better client knowledge, renewing opportunities to visit, attracting them through its gift cheque and card vouchers sold through works councils, the Post Office or offered on the Internet (mono and multi-branded – in various amounts and rechargeable), as well as by its prepaid card business;
- treating its customers in a personal manner using a double approach – affinity and statutory – by recognition, upgrading, action plans, and improved offers for premium and co-branded cards, or affinity clubs;
- stimulating its network of contributors, brand partners and sales force by designing “incentive” programmes with gift boxes and cards, and *ad hoc* awards;
- expanding its range of services by new products and services;
- increase the value of its client database by receiving a commission on sales, coupled with marketable products and services on

its files, such as insurance and subscriptions. The range of services offered by Affinity Services includes a variety of insurance products, subscriptions to magazines, a wine club, gift cheque and card vouchers, travel and leisure gift packs, premium cards and personal services. These products and services are offered to clients through multimedia channels: direct marketing, insertion with statements, mailings, Internet, gift packs, cards, single or in a package. Turnover in 2007 was 21.3 million euros, a rise of 3%.

### Contact

For LaSer Contact, 2007, like the two previous financial years, saw strong growth in turnover of 41%. The level thus attained of 81.3 million euros confirms LaSer Contact's place among the major players in the French market.

This performance was achieved, notably, by:

- the successful implementation during the first quarter of two major contracts signed in 2006: Gaz de France and Électricité de France;
  - the start-up of new activities and nurturing of existing clients: Cetelem, La Poste, Telecom Italia;
  - the renegotiation or prolongation of large contracts;
  - the growth of LaSer Contact Tunisia business.
- The policy of investments, indispensable to achieve ambitious development plans for the coming years, was emphatically pursued. Particularly in the field of human resources management, LaSer Contact was awarded the “Label de Responsabilité Sociale” in 2007, specific to the profession, and signed an innovative long-term agreement with the organisations concerned, relating to the employability of disabled workers.

The development prospects for 2008 fall within the scope of a strategy, on the horizon for 2010, of doubling LaSer Contact's volume of production alongside an appreciable improvement of all the financial ratios.

The actions selected to take priority for the coming financial year will be concerned with:

- commercial development with:
  - signing of new important contracts,
  - an effective start to a presence in Europe,
  - positioning on new ranges with added value;
- strengthening and improving the performance of operational and support structures with:
  - targeted expansion of production capacities,
  - the search for offshore operations,
  - strong and targeted actions concerning productivity and quality of services;
- the search for innovative actions in the field of human resources management with, in particular, concerted action regarding opportunities offered by teleworking.

### LaSer Loyalty prospects in 2008

The favourable developments seen in 2007 in terms of growth in business volume and profitability should be confirmed in 2008. They will principally be the result of a strong commercial initiative illustrated by the growing participation in large-scale tender invitations and the success obtained at the end of 2007 in this field.

Take, as an example, the choice made by SNCF to entrust a consortium, comprised of La Banque Postale and LaSer Loyalty, with the development of a prepaid, co-branded bank card aimed at a target of 12-17 year olds. Within this agreement, LaSer Loyalty will furnish the essentials of marketing services linked to the acquisition, animation and development of customer loyalty of card holders, as well as remote customer relations.

In a more general manner, the development of services in the “prepaid” sphere, commercial multi-channel animation and data analysis in liaison with the British company 5one acquired in 2007, will contribute to the success of the differentiation strategy and growth set up within LaSer.

## 3.3 Other activities

### GIE Recherche Haussmann

In 2007 the action of GIE Recherche Haussmann was organised around two axes:

- monitoring and research/innovation: in the form of publications, organisation of committees and trade discussions, GIERH organised the observation of technological trends, marketing and innovation in the domain of client relations. LaSer delegated to GIE Recherche Haussmann in 2007 the management of its internal actions within the framework of the FING (Fondation Internet Nouvelle Génération) action programmes;
- the Modernité programme: in 2007 serious research was initiated on themes linked to ecological, technological and societal issues of the immaterial economy. It contributed to the preparation of debates on modernity organised at the Théâtre du Rond-Point. In 2007, the themes of these debates were “The Internal Combustion Engine in the Economy of Knowledge”, “New Origins” and “Can the Commitment made by Companies be sincere and authentic?”.

# 4. outlook for 2008

## GEIE Echangeur

The positioning of the Echangeur as a reference site for technological and marketing innovations has been strengthened in the context of intense development of technologies and their uses, and its link with LaSer reaffirmed.

In 2007 the Echangeur has celebrated its 10th birthday. Since it opened, the Echangeur has accompanied businesses in their steps towards innovation with the help of an original method: render innovations visible and concrete in order to boost the imagination and build future strategies.

This year has been particularly singled out by:

- a very large growth in turnover of +42%,
- the creation of an extension, the Echangeur Small Business in partnership with the Paris Chamber of Commerce and Industry,
- "Experience 2017", an event that looks towards the future.

## GIE S'Miles

The groups Galeries Lafayette, Casino, SNCF and the Caisse d'Epargne are the four members of GIE S'Miles. LaSer is one of the service providers of GIE. For S'Miles, the year 2007 was characterised by the following elements:

- a growth in client activity: the flow of clients between the brands of the Alliance grew strongly, supported, notably, by the arrival of the Caisses d'Epargne, which were launched in February 2007. Four million active clients, i.e. 37% more than in 2006, spread over several brands in 2007;

- a development in the momentum of Alliance: in 2007 cross marketing operations between the members intensified on the basis of an improvement in the data analysis of client behaviour, which generated a development in client flow. To be noted, in particular, is the first common direct marketing campaign carried out by the nine core brands of the Alliance: SNCF, Caisses d'Epargne, the shops Galeries Lafayette, BHV and Monoprix, the brands of the Cofinoga network, the Géant Casino hypermarkets, the Casino supermarkets, the Casino cafeterias and the Shell petrol stations;
- a communication overhaul aimed at enhancing the reputation of the S'Miles logo was set up by a multimedia, television and Internet campaign as well as a press conference which celebrated the five years of the Alliance. A vast promotional operation was organised at the same time throughout all of Alliance's core brands;
- there was a graphic and editorial overhaul of the web site which became transactional, moreover, by offering the possibility of consulting the balance of S'Miles;
- a development in the graphic chart;
- the instigation of thoughts and actions relating to the consequences of the implementation of co-branded cards on the operation of the Alliance. With the major objective of developing the flow of clients, 2008 will be pinpointed by both the improved functioning of the group's members, and new advances in the field of marketing.

For LaSer, 2008 will be a year for consolidating the new label set up in 2007 and harmonising all the European subsidiaries, which symbolise its positioning as a diversified company.

LaSer will continue with its diversification abroad and with the pursuit of services linked to client relations in order to intensify its growth and optimise the balance of the contributions of its activities. This challenge is all the more important as the French renewable credit market no longer enjoys its historic growth. Internationally, LaSer is preparing its entry into new countries.

Profiting from its European expertise, LaSer will accentuate its positioning on the French co-branded card market in order to continue with and reinforce the development of partnerships, notably in the retailer sector. At the same time, the consolidation of competitiveness and risk control will continue to be LaSer's priorities for its management and colleagues.

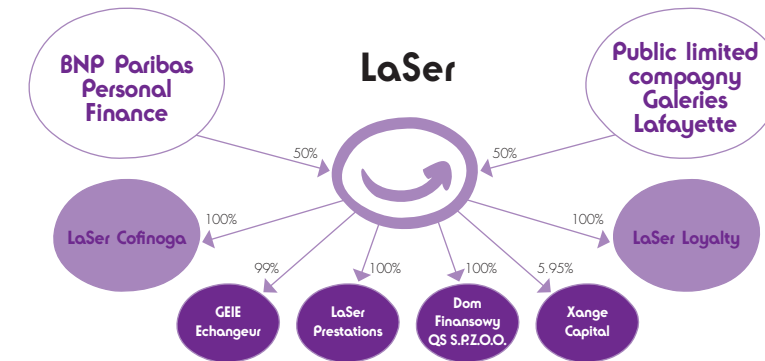
Globally, LaSer's strategy is to maintain a profitable and independent development path over the long term, with the support of its two powerful and complementary shareholders.



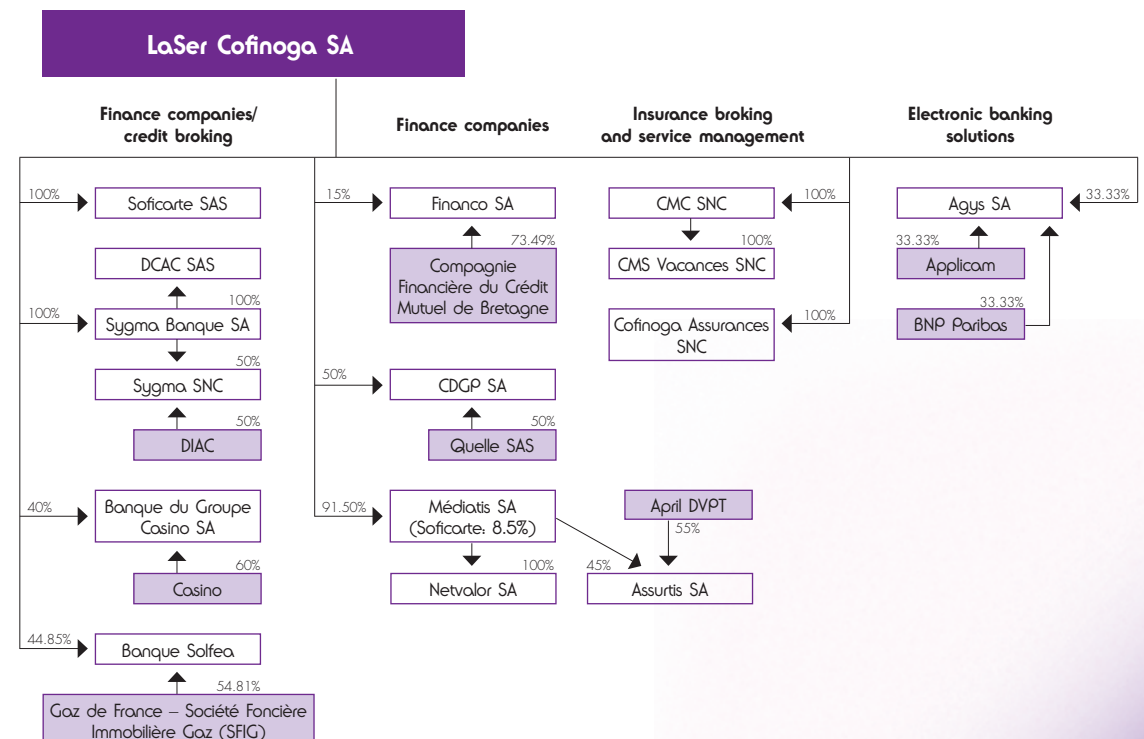
# 6. simplified legal organization CHART 2007

## 5.2 consolidated income statement at 31 december 2007

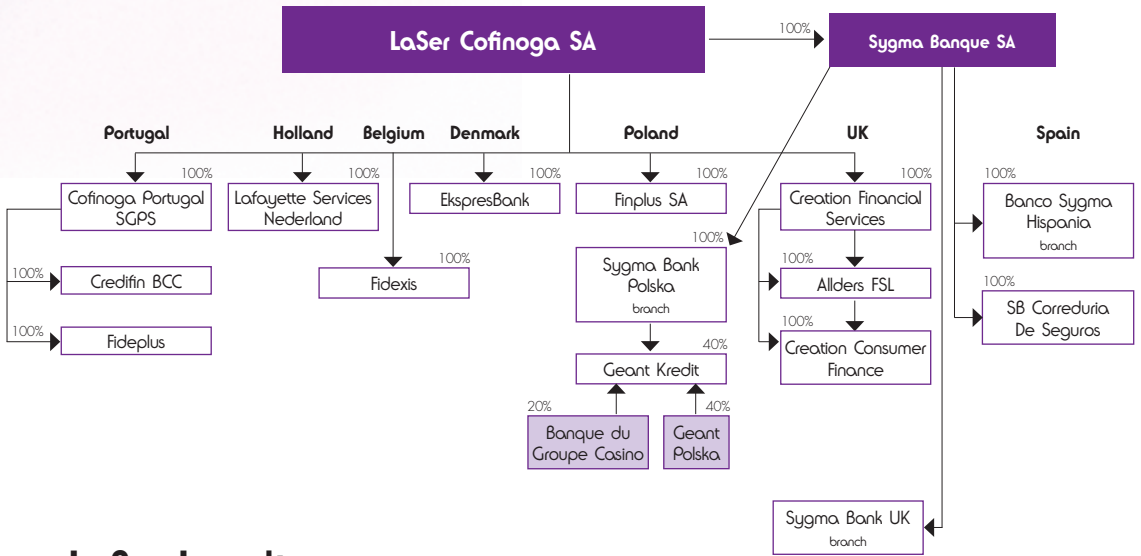
| In thousands of euros                             | 31/12/07         | 31/12/06         | Variation in K€ | Variation as a % |
|---|------------------|------------------|-----------------|------------------|
| Sales of retail goods                             | 32,129           | 26,592           | 5,537           |                  |
| Production sold                                   | 187,077          | 146,622          | 40,455          |                  |
| Revenue from credit operations                    | 1,688,628        | 1,405,567        | 283,061         |                  |
| <b>Turnover</b>                                   | <b>1,907,834</b> | <b>1,578,781</b> | <b>329,053</b>  | <b>20.84%</b>    |
| Other revenue from operations                     | 405              | 158              | 247             |                  |
| Cost of goods sold                                | (26,135)         | (19,534)         | (6,601)         |                  |
| Cost of financing credit operations               | (409,938)        | (267,800)        | (142,138)       |                  |
| Payroll expenses                                  | (325,130)        | (278,020)        | (47,110)        |                  |
| External charges                                  | (425,188)        | (402,161)        | (23,027)        |                  |
| Taxes and duties                                  | (32,279)         | (31,430)         | (849)           |                  |
| Depreciation                                      | (32,703)         | (24,700)         | (8,003)         |                  |
| Provision   | (7,688)          | (14,746)         | 7,058           |                  |
| Net expense for credit activity client risk       | (257,397)        | (169,737)        | (87,660)        |                  |
| Provision for loss of future margin               | (110,209)        | (114,936)        | 4,727           |                  |
| Other operating revenue and costs                 | 135              | 79               | 56              |                  |
| <b>Current operating income</b>                   | <b>281,707</b>   | <b>255,954</b>   | <b>25,753</b>   | <b>10.06%</b>    |
| Other operating revenue and costs                 |                  | 73,681           | (73,681)        |                  |
| <b>Operating income</b>                           | <b>281,707</b>   | <b>329,635</b>   | <b>(47,928)</b> | <b>-14.54%</b>   |
| Cost of financial debt                            | (10,576)         | (4,608)          | (5,968)         |                  |
| Other financial revenue and costs                 | 3,973            | (9,358)          | 13,331          |                  |
| <b>Net financial expense/income</b>               | <b>(6,603)</b>   | <b>(13,966)</b>  | <b>7,363</b>    |                  |
| <b>Profit before tax and non-recurrent items</b>  | <b>275,104</b>   | <b>315,669</b>   | <b>(40,565)</b> | <b>-12.85%</b>   |
| Income tax expenses                               | (81,904)         | (84,064)         | 2,160           |                  |
| Share of companies according to the equity method |                  |                  |                 |                  |
| <b>NET INCOME</b>                                 | <b>193,200</b>   | <b>231,605</b>   | <b>(38,405)</b> | <b>-16.58%</b>   |
| Group share                                       | 175,156          | 214,066          | (38,910)        |                  |
| Minority Group share                              | 18,044           | 17,539           | 505             |                  |
| Net earnings per share (in euros)                 | 20.74            | 24.86            |                 |                  |



## LaSer Cofinoga France



# LaSer Cofinoga International



# LaSer Loyalty

