



## **123 Multimédia to list on Euronext Paris**

### **Final offer price of 34 euros per share.**

Paris, 13 December 2004 - 123 Multimédia announces further details relating to its initial Public Offering (IPO) and listing on the Second Marché of Euronext Paris.

The offering consisted of :

- a public offering (*offre à prix ouvert*) to retail investors in France,
- an offering to institutional investors in France and internationally.

Details of the offering

- the final offer price is €34 per share.
- The offering of 123 Multimédia shares consisted of 1,437,100 shares among which 164,836 existing shares, all of the same class, representing approximately 2 % of the total share capital and voting rights, and of 1,272,264 new shares, all of the same class, representing approximately 15.5 % of the total share capital and voting rights.
- An over-allotment option representing a maximum of 15 % of offered shares has been granted to the underwriters and will be exercisable until 12 January 2005.
- The implied capitalisation of 123 Multimédia is approximately €279 million, excluding any newly issued share in the frame of the over-allotment option.
- The total gross proceeds from the sale, excluding the shares covered by the over-allotment option, if any, is €5,604,424 million, and the gross proceeds from the issue of new shares, excluding the shares covered by the over-allotment option, if any is €43,256,976.
- Trading in 123 Multimédia shares is expected to commence on the Second Marché of Euronext Paris on Tuesday 14 December 2004.

Credit Suisse First Boston acted as Global Coordinator, Lead Manager and Sole Bookrunner for the Offering. SG Corporate & Investment Banking acted as Joint-Lead Manager.

## **123 Multimédia today**

123 Multimédia, which is a subsidiary of Index Corporation (one of the most significant content providers relating to mobile services in Japan), is a leading provider of value-added multimedia products and services to individuals and corporate clients in France, most Western European markets and selected other countries.

It provides consumers with products that can be used to personalize mobile phones such as ring tones, logos and games using the Java programming language, as well as voicemail messages, video content, ring back tones, interactive jokes, video features for ring tones and voicemail, information services (for example, horoscopes, sports results and weather forecasts) and community services including games, chat, dating services and quizzes.

123 Multimédia's products and services are accessible via a number of channels, including premium-rate telephone services (Audiotex), mobile phones (via SMS, MMS and mobile Internet), the Internet and interactive television (through its two television stations). Services are billed through multimedia kiosks, established by fixed and mobile phone operators, based principally on premium-rate telephone numbers (Audiotex), SMS with surcharges (SMS Premium), MMS with surcharges (MMS Premium) and mobile Internet with surcharges such as Vodafone Live, Orange World or I-mode.

123 Multimédia has strong expertise in the creative process, creating much of the content that it offers to customers in house. It has one of Europe's leading multimedia content libraries, which comprises over 150,000 multimedia products and services that it has produced either internally or based on content licensed from leading entities such as BMG and EMI. Examples of such content include works of Keith Haring (by the Keith Haring Foundation and Art Merchandising), Tom & Jerry (by Turner Entertainment Networks International Limited) and Tintin (by Moulinsart) or, in the past, South Park (by Comedy Central/Paramount MTV).

In addition to providing value-added multimedia products and services directly to consumers (B2C), 123 Multimédia also leverages its creative, marketing and technological expertise to provide services to other businesses (B2B), such as media companies, mobile operators, mobile manufacturers or leading brand names.

123 Multimédia's revenues grew to €115 million in 2003 from €95 million in 2002 and €76 million in 2001. Approximately 71% of its revenues were derived from B2C services in 2003. It had revenues of €71 million for the first six months of 2004. 123 Multimédia has been profitable in each of its 17 years of operation. This has allowed the company to invest in its technological capabilities and develop its creative, marketing, and technology teams without third-party financing. It achieved a net profit of €9 million for 2003.

## **FINAL TERMS AND CONDITIONS**

Certain capitalized terms and expressions in this summary of the principal terms and conditions of the offering are defined in Chapter 2 of the *note d'opération*, which, with the *document de base*, received on 1 December 2004 visa no 04-941 from the *Autorité des marchés financiers*.

### **Issuer**

Corporate name	123 Multimedia
FTSE™ business line	547 Publishing and Printing
Nationality of the company	French

### **Shares for which admission to trading on the Second Marché of Euronext Paris has been granted**

All shares comprising the capital of the Company as of 13 December 2004, namely 8,202,935 shares fully subscribed and paid up and all of the same class, comprising, on the one hand, all of the 329,671 shares issued on 13 December 2004 upon exercise of the BCEs (as defined below) and, on the other hand, 1,272,264 new shares offered in the context of the Offering.

### **Offering Structure**

The offering of certain existing and new shares of 123 Multimédia (the **Offering**) consisted of:

- an offering to the public in France in the form of an *offre à prix ouvert*, principally intended for individuals (the **French Public Offering**),
- an international offering principally intended for institutional investors (the **Global Offering**) consisting of:
  - a public placement in France; and
  - an international private placement in certain countries.

### **Selling shareholders**

110 employees of the Company (the **Selling Shareholders**), who held 329,671 options to purchase company creators' shares (*bons de souscription de créateurs d'entreprise* – the **BCEs**) and who have both exercised all their BCEs by 13 December 2004 at the latest and sold 164,836 shares issued upon exercise of such BCEs in the context of the Offering.

### **Shares subject of the offering**

The maximum total number of shares offered to the public and the origin of such shares are as follows:

*Initial number of shares made available to the market in the context of the Offering:*

- 164,836 existing shares of the Company, all of the same class, representing approximately 2 % of the total share capital and voting rights of the Company, after completion of the capital increase mentioned below and before exercise, if any, of the Over-Allotment Option, and

**NOT FOR DISTRIBUTION IN THE UNITED STATES, CANADA, AUSTRALIA OR JAPAN**

- 1,272,264 new shares, all of the same class, representing approximately 15.5 % of the total share capital and voting rights of the Company after completion of the capital increase mentioned below and before exercise, if any, of the Over-Allotment Option.

*Final number of shares made available to the market in the context of the Offering:*

The initial number of new shares of the Company issued in the context of the Offering and made available to the market may be increased by a maximum number of 215,763 new shares in the event of the full exercise of the Over-Allotment Option granted by the Company to the underwriters. The total number of shares made available to the market would then be increased to 1,652,863 shares. No extension option is envisaged.

*Over-Allotment Option:*

In order to cover over-allotments, if any, or for the purpose of stabilization, Credit Suisse First Boston, acting for and on behalf of the underwriters, has been granted the option to, in the following order:

- firstly, acquire or procure the acquisition of from the Selling Shareholders, at any time until 12 January 2005, a maximum number of 36,263 shares at the Global Offering Price, and
- secondly, after having firstly exercised the option described above, subscribe for a maximum number of 179,500 new shares issued upon the exercise of warrants (*bons de souscription d'actions* or **BSAs**) issued by the board of directors (*conseil d'administration*) of the Company on 13 December 2004 by virtue of the eleventh resolution adopted by the extraordinary general meeting of shareholders held on 4 October 2004. The BSAs, which are reserved to Credit Suisse First Boston acting for and on behalf of the underwriters, give the right to subscribe for one share at the Global Offering Price. The BSAs, which are exercisable at any time until 12 January 2005, will enable the underwriters to subscribe, if applicable, to a maximum number of 179,500 additional shares.

The total number of shares that may be offered to the investors as part of the Over-Allotment Option will therefore be a maximum of 215,763 shares, i.e. approximately 15 % of the shares initially offered on the market.

*Number of Shares allotted to the French Public Offering, before exercise, if any, of the Over-Allotment Option:*

143,710 shares, i.e. 10 % of the total number of shares made available to the market before exercise, if any, of the Over-Allotment Option.

*Number of Shares allotted to the Global Offering, before exercise, if any, of the Over-Allotment Option:*

1,293,390 shares, i.e. 90 % of the total number of shares made available to the market before exercise, if any, of the Over-Allotment Option.

*Price per share:*

The final offer price of the shares through the French Public offering and the Global Offering is €34.

## **Sale of existing shares**

### *Dividend entitlement:*

The existing shares confer on their holders, as from 1 January 2004, an entitlement to any dividend paid out in respect of the fiscal year ended 31 December 2004.

### *Number of shares offered:*

164,836 shares, which may be increased to 201,099 shares in case of full exercise of the Over-Allotment Option.

### *Gross proceeds from the sale:*

€6,837,366 in the event 201,099 shares are sold (including the 36,263 shares sold in the event of full exercise of the Over-Allotment Option).

## **Capital increase**

### *Dividend entitlement:*

The new shares confer on their holders, as from 1 January 2004, an entitlement to any dividend paid out in respect of the fiscal year ended 31 December 2004.

### *Maximum number of shares issued:*

1,272,264 shares, which may be increased to 1,451,764 shares in case of full exercise of the Over-Allotment Option.

### *Gross proceeds from the issue:*

A maximum of €49,359,976 in the event the maximum number of 1,451,764 shares are issued (including the 179,500 shares issued in the event of full exercise of the Over-Allotment Option).

## **Underwriting**

The Offering was underwritten by a syndicate of financial institutions led by Credit Suisse First Boston as Global Coordinator, Joint-Lead Manager and Sole Bookrunner. Such underwriting relates to the whole shares initially offered and constitutes, as regards the issuance of the new shares, a *garantie de bonne fin* (a firm commitment underwriting) as contemplated in article L.225-145 of the French Commercial Code. The underwriting agreement contains a customary termination clause and may be terminated under certain circumstances likely to prejudice materially or render impossible or unlikely the success of the Offering. In the context of the underwriting agreement, the Company is expected to indemnify the underwriters against certain losses they may suffer.

Institutions that are parties to the underwriting agreement mentioned above are:

- Credit Suisse First Boston
- Société Générale

In accordance with the provisions of European Commission Regulation 2273/2003 and the articles 631-7 and following of the "*réglement général de l'Autorité des marchés financiers*", stabilization operations are likely to be undertaken by Credit Suisse First Boston during a period beginning on

**NOT FOR DISTRIBUTION IN THE UNITED STATES, CANADA, AUSTRALIA OR JAPAN**

the first date that the shares trade on the *Second Marché* of Euronext Paris and ending 30 calendar days after that date, i.e. from 14 December 2004 until 12 January 2005 included.

Such stabilization transactions are intended to support the market price of the shares on the *Second Marché* of Euronext Paris. They shall not in any circumstances be executed at prices above the definitive offering price. Such stabilization transactions, if undertaken, may be discontinued by Credit Suisse First Boston at any time.

## **Listing**

### **Indicative calendar of the Offering**

13 December 2004	First listing of the Company's shares
14 December 2004	Start of trading of the Company's shares on the <i>Second Marché</i> of Euronext Paris.
16 December 2004	Settlement – delivery of shares offered in the French Public Offering and the Global Offering
12 January 2005	Deadline for exercise of the Over-Allotment Option

**ISIN code** FR0004061513

## **Contact for investors**

Jeremy Prince  
Head of Investor Relations  
123 Multimédia  
36 rue Jacques Babinet  
31100 Toulouse

Telephone: (33) 5 61 43 50 50  
Fax: (33) 5 61 44 40 05  
mail : jeremy.prince@123multimedia.com  
www.123multimedia.com

## **Financial Intermediaries**

Credit Suisse First Boston – Lead Manager and Sole Bookrunner  
SG Corporate & Investment Banking – Joint-Lead Manager

## **Prospectus**

A prospectus, consisting of a *document de base* filed with the *Autorité des marchés financiers* on 19 November 2004 with registration no. I.04-204 and of a *note d'opération* dated 1 December 2004, has received visa no. 04-941 of the *Autorité des marchés financiers*.

Copies of these documents are available without charge from 123 Multimédia, 36 rue Jacques Babinet, 31100 Toulouse, France, as well as from the financial intermediaries mentioned above.

**NOT FOR DISTRIBUTION IN THE UNITED STATES, CANADA, AUSTRALIA OR JAPAN**

The prospectus may also be viewed on the website of the *Autorité des marchés financiers* ([www.amf-france.org](http://www.amf-france.org)), as well as on 123 Multimédia's website ([www.123multimedia.com](http://www.123multimedia.com)).

**Notice**

The document de base contains the following notice from the *Autorité des marchés financiers* :  
“the *Autorité des marchés financiers* draws the attention of the public to the auditors’ observations on the matters set out at Note 3.2 of the notes to the financial statements relating to the change in the presentation of certain revenues that are now accounted for net of the telecom operator fees”.

*This announcement is released in accordance with the provisions of article 222-10 of the Règlement Général of the Autorité des marchés financiers. It does not constitute an offer of securities for sale in the United States. Securities may not be offered or sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended (the “Act”). 123 Multimédia does not intend to register any portion of the planned share sale under the Act or to conduct a public offering in the United States. Any public offering of securities to be made in the United States will be made by means of a prospectus that will contain detailed information about 123 Multimédia and its management, as well as financial statements.*

*This information memorandum is only being distributed to and is directed only at persons (i) who are outside the United Kingdom, or (ii) who have professional experience in matters relating to investments or (iii) who are persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations, etc.”) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 (as amended) or (iv) to whom it may otherwise be lawfully communicated (all such persons together being referred to as “relevant persons”). The ordinary shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire the ordinary shares or any other investment activity to which this communication relates will be engaged in only with, relevant persons. Any person who is not a relevant person must not act or rely on this document or any of its contents. Persons distributing this information memorandum must satisfy themselves that it is lawful to do so.*

*Credit Suisse First Boston and SG Corporate & Investment Banking are acting for 123 Multimédia and the selling shareholders in connection with the Offering and will not be responsible to anyone other than 123 Multimédia and the selling shareholders for providing the protections offered to its clients nor for providing advice in relation to the Offering.*

*Stabilisation activities, if any, will be conducted in accordance with applicable laws and regulations.*

*FSA/Stabilisation.*

*The distribution of this announcement in certain countries may constitute a breach of applicable law. This announcement should not be distributed in or into the United States, Canada, Australia or Japan. The information contained in this document does not constitute an offer of securities for sale in the United States, Canada, Australia or Japan.*