Analyst & Investor Day

31 May 2011

ON SE RETROUVE SUR TF1

GROUP GROWTH LEVERS IN ITS CORE BUSINESS

1 INNOVATIVE PLURIMEDIA ADVERTISING ENTITY

- ➔ TF1 Publicité: 360° advertising entity with a new approach to customers
- ➔ Innovative offers

Innovation workshop
- ✓ Connected TV: how does it work?
- ✓ Innovating to optimise resources
- ✓ Studio visit
- ✓ Showroom visit: 4-screen strategy

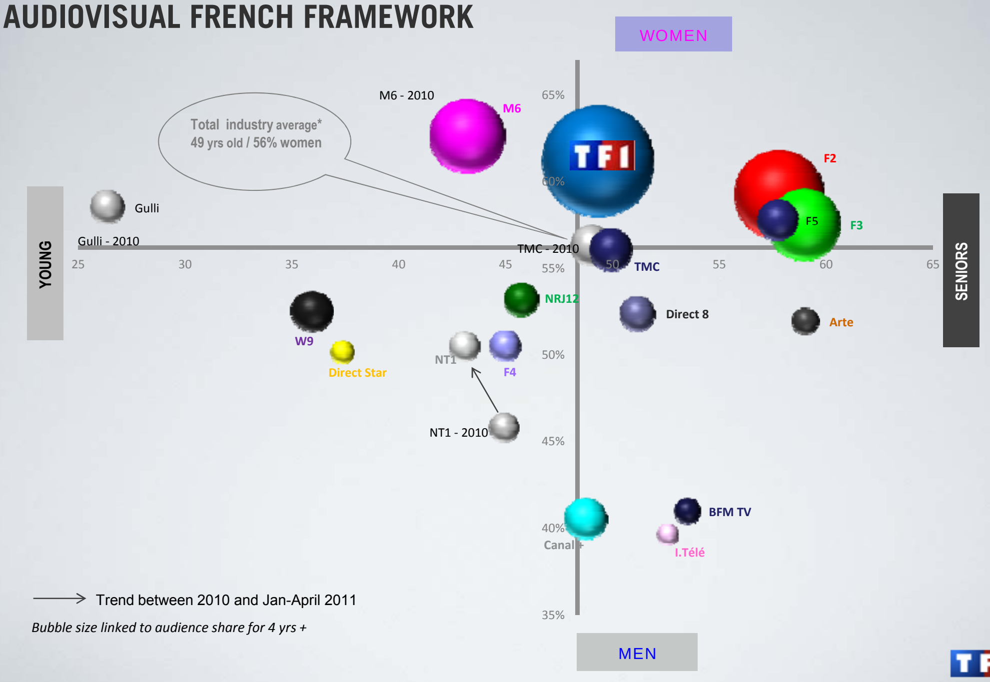
2 DEVELOPMENT OPPORTUNITIES LINKED TO DIGITAL PLATFORMS

- ➔ Digital strategy to create value
- ➔ A 360° strategy generating new B2C revenus
- ➔ Development of synergies between Group channels

3 OPTIMISING THE BUSINESS MODEL

- ➔ Changes in regulatory framework
- ➔ Performance management

AUDIOVISUAL FRENCH FRAMEWORK



Sources: Médiamétrie / Médiamat and Files Mediaplanning

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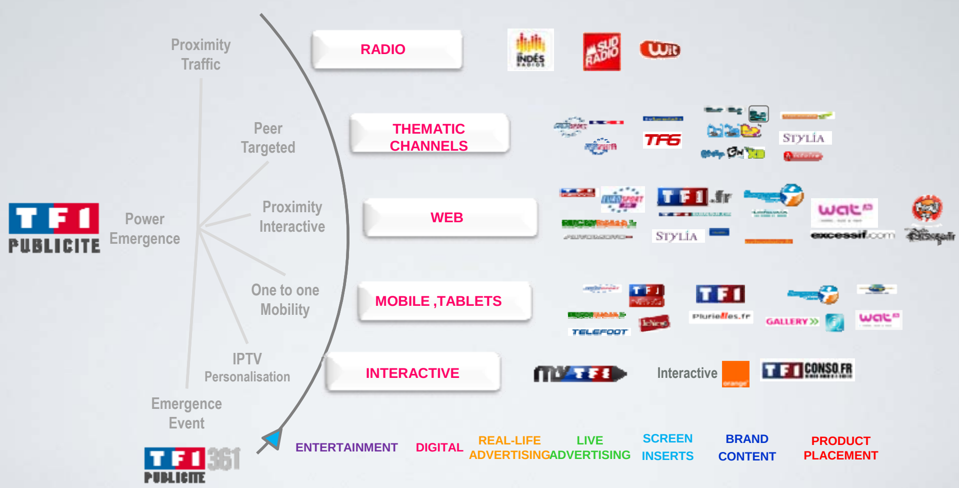
TF1 PUBLICITÉ: 360° ADVERTISING ENTITY WITH A NEW APPROACH TO CUSTOMERS

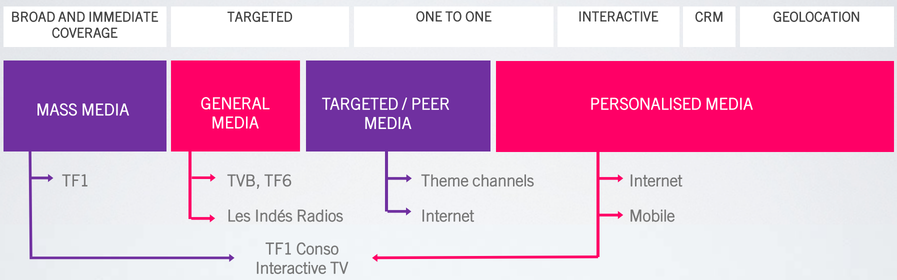
Laurent BLIAUT:

Deputy Managing Director, Marketing - Research - Revenue Management - Strategy

TF1 PUBLICITÉ RECOGNISED BY ALL CUSTOMERS AS LEADING PLURIMEDIA ORGANISATION (CSA "Customer Satisfaction" barometer 2010)



TF1 PUBLICITÉ PRESENT IN ALL CONTACT TYPES



HUGE CHANGES IN ADVERTISING WORLD

Advertisers dealing with:

- BROADER AUDIOVISUAL OFFER (INTERNET, DTT…)
- CRISIS IN 2009 SPURRED A SAVINGS DRIVE

➡ COMMUNICATION STRATEGIES HAVE CHANGED

TF1 STRATEGY:
REMAIN LEADING MASS MEDIA

TF1 has stengthened its lead over the competition since 2005

(Q1 2011 vs Q1 2005)

AUDIENCE SHARE 4+ DOWN

Audience Share: 32% in 2005
→ 24% today

PEAK HOLDING UP WELL FOR WMHS<50

Audience share: 34% in 2005
→ 31% today

GROWING LEAD OVER COMPETITION

TF1 audience share lead (4+) over other freeview channels
x 4 in 2005 → x 7 in 2011

Source: Médiamétrie – Q1 2005 vs Q1 2011 – Peak : 8.30 pm – 10.45 pm* Comparison 03/01/2011 – 27/03/2011 vs 03/01/2005 – 27/03/2005

LEVERS FOR GROWING REVENUE

VOLUME

→ GRP stock

→ duration

Limited levers but still room for manoeuvre

VALUE

→ price

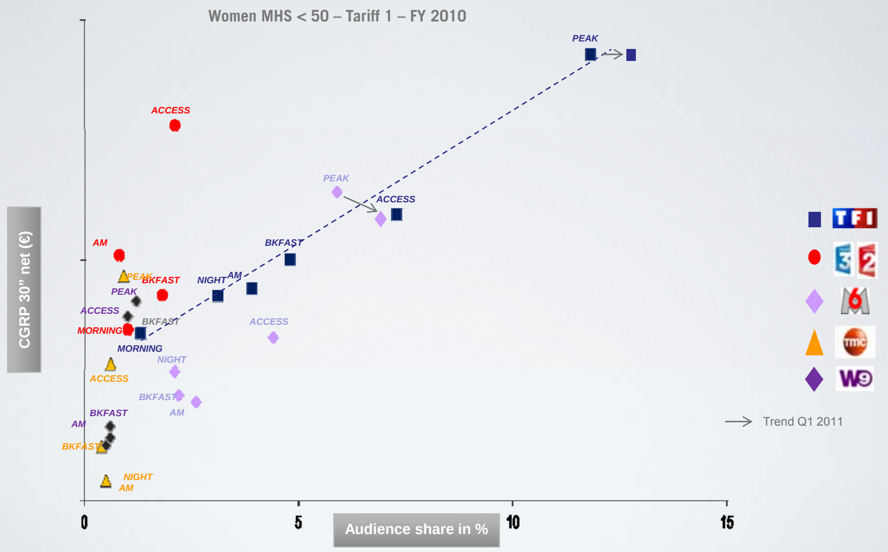
→ negotiation

Major levers for rebuilding value

BOLSTER THE VALUE OF TF1

BY SELLING EACH OF ITS OFFER SEGMENTS AT ITS RIGHT VALUE

TF1: A SPECIFIC OFFER



Source: Mediamat Médiamétrie – 2010 – Women MHS 15-49 yrs old – Price 1 – Peak: 2001-2199 – estimations on gross/net conversion rate

TF1: A MASS MEDIA OFFER FOR BETTER CAMPAIGN MEMORISATION

+ WEIGHT IN HIGH-AUDIENCE SLOTS

Slots ≥ 8 GRP

2005

TF1 86%

4,654 freeview TV slots

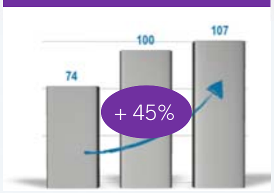
2010

TF1 98%

2,238 freeview TV slots

+ MEMORISATION

Memorisation of slots



TF1 vs competition

+ 12%
vs
F2, F3, M6

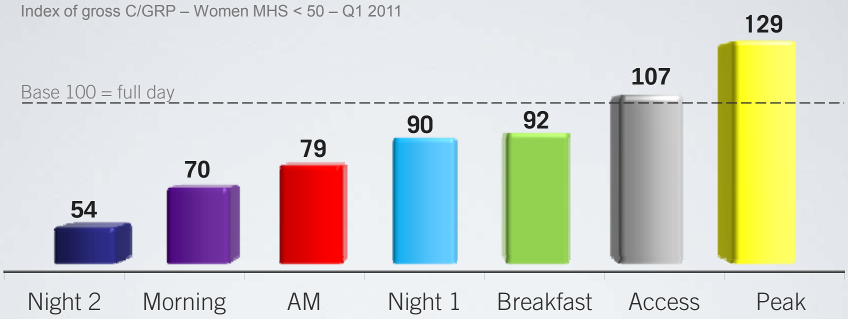
+ 25%
vs
TMC, W9, NT1, Direct 8, NRJ 12

Sources: Mediamat Médiamétrie – 2010 – 4+ - Base: freeview TV / TNS Sofres 2009 Impact Study - Memorisation index = memorisation score / average memorisation score 15-49 yr olds

OFFER SEGMENTATION

CONTINUED PRICE SEGMENTATION

Index of gross C/GRP – Women MHS < 50 – Q1 2011



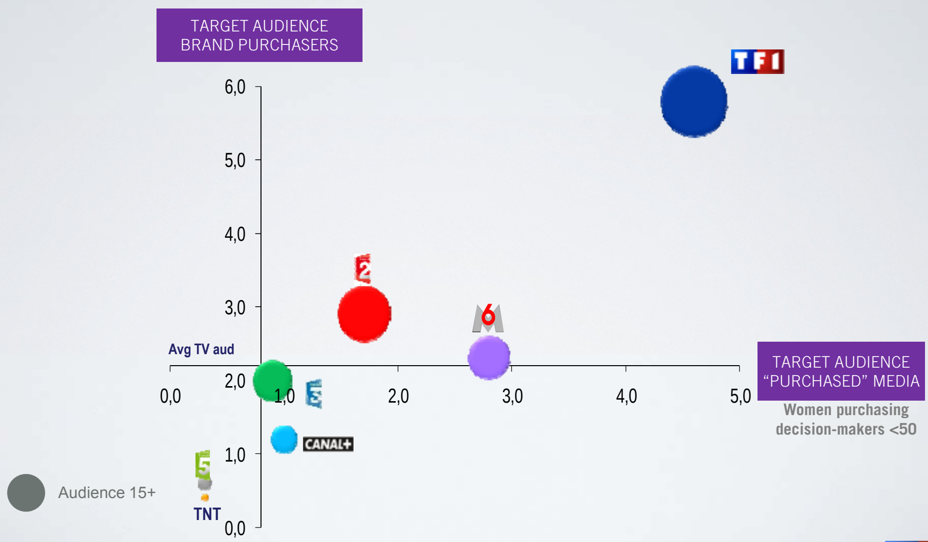
CREATION OF 'FIRST' SLOTS

Source: Médiamétrie – Kantar Média - Q1 2011

BOLSTER THE VALUE OF TF1

BY TAKING ADVANTAGE OF ALL LEVERS FOR ADVERTISING EFFECTIVENESS (MEDIAWAY)

TF1'S BROAD PUBLIC: AN ADVANTAGE FOR PURCHASING TARGETS



Source: Médiamat / Kantar Média – MEDIAWAY 2010 – For DTT, Médiaway data available from July 2010

TF1 PUBLICITÉ PLAYS A DRIVING ROLE IN MEASURING IMPACT ON SALES

By upgrading criteria for assessing effectiveness:

➔ **From socio-demographic targeting to purchaser targeting using MEDIAWAY tool**

MEDIAWAY, A MARKET TOOL BASED ON THE MOST REFERENCED PANEL FOR OUR CUSTOMERS

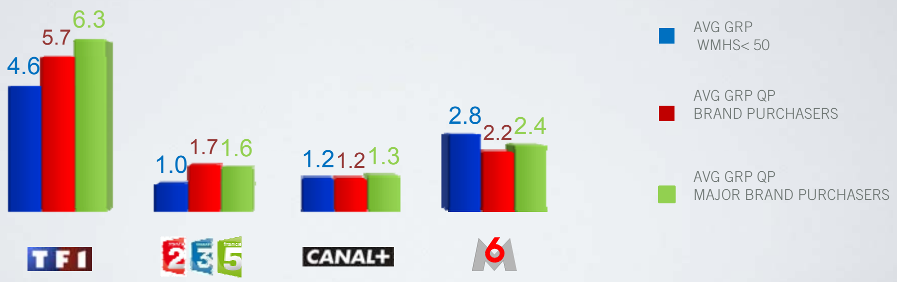
- **TF1 PUBLICITÉ IS STEPPING UP ITS EXPERTISE ON THE MEASUREMENT OF EFFECTIVENESS THANKS TO MEDIAWAY**
  - ➔ MediaWay is a media-market tool from TNS WorldPanel based on the comparison between audience data for slots and mass-retail purchasing data.
- **TO ASSESS THE PERFORMANCE OF CAMPAIGNS WITH TARGET PURCHASERS**
  - ➔ Assess the performance of channels with brand purchaser targets
  - ➔ Measure the impact of a campaign in terms of purchaser numbers, market share, quantities purchased, etc.

➔ **A tool used by the main agencies (Havas, Zénith Optimédia) and by TF1 Publicité and FTV Publicité**

FROM SOCIO-DEMOGRAPHIC GRP TO CONSUMER GRP

TF1: STRONGER AUDIENCE
IN PURCHASER TARGETS VS. SOCIO-DEMOGRAPHIC TARGETS

AVERAGE GRP WHOLE DAY FOR SLOTS BY CHANNEL AND TARGET*

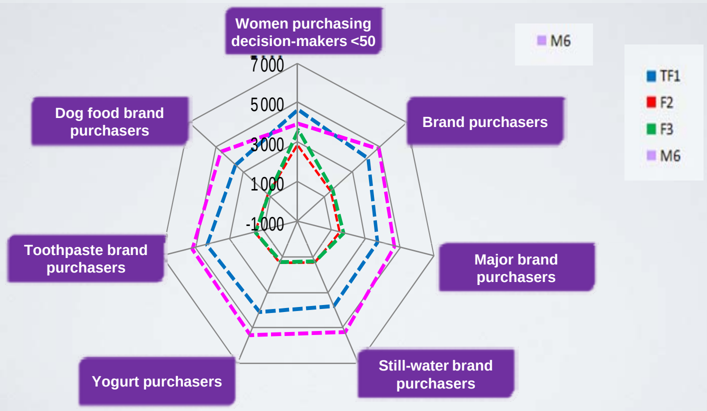


SOURCE : TNS WORLDPANEL MEDIAWAY / BASE TF1 PUBLICITÉ CAM at 26/12/2010 / Mediamat – Kantar Média 2010

FROM SOCIO-DEMOGRAPHIC GRP TO CONSUMER GRP

TF1: BETTER PROFITABILITY

AVERAGE GRP WHOLE DAY FOR SLOTS BY CHANNEL AND TARGET



SOURCE: TNS WORLDPANEL MEDIAWAY / BASE TF1 PUBLICITÉ CAM at 26/12/2010 / Mediamat – Kantar Média 2010

THE TF1 OFFER:
STRENGTHENED EFFECTIVENESS FOR CONSUMERS

From a particular case…

2 EQUIVALENT GRP PLANS

- IMPACT ON PURCHASER TARGET
  100 GRP purchased for WMHS < 50
  generate in "BRAND PURCHASERS"* target
- EFFECTIVENESS ON SHORT-TERM SALES

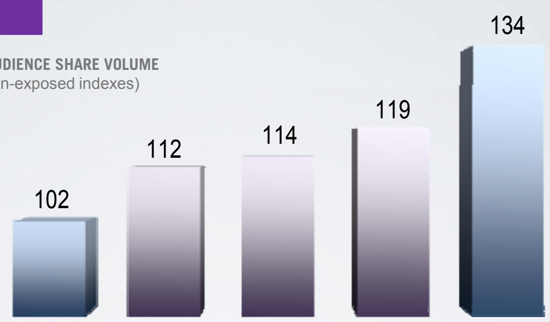
CAMPAIGN A	CAMPAIGN B
Plan 100% TF1	Plan 0% TF1
132 GRP	89 GRP
+ 23% Increase in audience share volume of the brand (exposed vs non-exposed)	+ 3% Increase in audience share volume of the brand (exposed vs non-exposed)

SOURCE: MEDIAMETRIE – MEDIAMAT / KANTAR MEDIA / 2010 / * 2 Cleaning and Toiletries/Beauty sector plans, with similar GRP WMHS<50 (300) and daypart (45% PT)

TF1: EFFECTIVE OFFER FOR SALES

… to a general case

INDEX OF EFFECTIVENESS ON AUDIENCE SHARE VOLUME
(comparison of exposed vs non-exposed indexes)



% OF GRP ATV* ON TF1	< 20%	20% to 39%	40% to 55%	55% to 69%	> 70%
Number of campaigns	28	105	327	96	27

Powerful slots (> 8%) contribute strongly to rise in market share volume

SOURCE TNS WORLDPANEL MEDIAWAY / BASE TF1 PUBLICITÉ – 583 CAMPAIGNS PGC + FLS / Mediamat – Kantar Média 2010 * ATV = all TV channels

TF1's POWER RESULTS IN LOYALTY AND NEW CUSTOMERS

TF1 EFFECTIVENESS ON SALES BASED ON:

- THE LOYALTY OF MAJOR BRAND BUYERS
  - ➔ TF1: brings families together
    More people from household / major consumers
- ATTRACTING NEW BUYERS
  - ➔ TF1: broad coverage
    Impact on all targets (related targets)

SOURCE: TNS WORLDPANEL MEDIAWAY / BASE TF1 PUBLICITÉ – 583 CAMPAIGNS PGC + FLS

CHALLENGE 2012:
A COMPANY PROJECT TO REBUILD VALUE

CHALLENGE 2012

THE NEED TO REDESIGN SALES PROCESSES

➔ CHALLENGE 2012

➔ The redesign is based on levers enabling us to activate a price increase:

- ✓ Segment the offer and control our inventory through an internalised programme
- ✓ Tighten the negotiation schedule to strengthen the negotiating power of TF1 Publicité
- ✓ Propose new optimisation targets

➔ These principles were presented to the UDA advertisers' union on 5 April 2011

REDESIGN OF OFFER SEGMENTATION AND PURCHASING MODES

NEW

Rate		C/GRP guarantee	
'First' rate	Classic rate	Internalised scheduling Plus	Internalised scheduling Standard
Scheduled by agency		Internalised scheduling (controlled inventory)	
Access to entire inventory		Access to a more limited inventory	

➔ **Segmentation of offer to meet the different needs of customers while maximising TF1 Publicité revenue and enhancing services**

THE MECHANICS OF INTERNALISED SCHEDULING

Media planning for a campaign → **Buying campaign ads**

AGENCY

&

TF1 PUBLICITÉ

Drawing up brief

Peak	20%
Day	80%
Period	2 W

Budget	€250 K
GRP	150
…	

Controlling ads chosen by TF1

Brief received

Internalised scheduling

- ✓ Expertise and responsiveness in scheduling
- ✓ Development of own tool to meticulously build campaigns
- ✓ Audience knowledge & forecast
- ✓ Marketing studies & research to make objective scheduling choices

TF1

DIFFERENTIATED SERVICE LEVELS

	C/GRP guarantee	
	Internalised scheduling Plus	Internalised scheduling **Standard**
Brief	Numerous purchasing criteria For example, being able to start campaign in peak, choice of day…	Fewer purchasing criteria
Target	Choice from 10 targets	Choice from 10 targets
Respect of brief	+++	+
Inventory	Full inventory excl. First slots Priority access to schedule	Full inventory excl. - First slots - Peak mid-programme slots

TF1

PURCHASING GUARANTEED C/GRP:

➔ Negotiating **guaranteed** net **C/GRP**

➔ Introducing **C/GRP indexes** per daypart and week

➔ Indexes **reviewed** through the year according to supply / demand balance

PRINCIPLE OF INDEXES

Example
Representative values

A grid of indexes for **the entire year** is published in the general sales conditions.
The indexes are the same for all guarantee contracts that will apply to the net C/GRP negotiated for everyone.

P1	P2	P3	P4	P5	P6	P7	P8	P9	P10
80	80	80	80	100	100	110	120	120	120

Day	75
Access	105
Peak	130
Night	80

The index grid is revised upwards and downwards through the year depending on the supply/demand balance.
Reviews are planned every 4 to 6 weeks before broadcast.

P1	P2	P3	P4	P5	P6	P7	P8	P9	P10
80	80	80	80	100	100	110	125	120	120

+ 4.2% in W8

P1	P2	P3	P4	P5	P6	P7	P8	P9	P10
80	80	80	80	100	100	110	120	115	120

- 4.2% in W9

Day (0300-1899) – Access (1900-1999) – Peak (2000-2199) – Night (2200-2899)

DESCRIPTION OF THE MECHANICS OF INDEX APPLICATION

1. Publication of general sales conditions & annual index grid by period — **Sep**
2. Net C/GRP negotiation with target — **Sep / Dec**
3. Indexes adjusted upwards or downwards according to supply/demand balance between 4 and 6 weeks before broadcast
4. Possibility of cancelling the budget differential following the adjustment of indexes

2012 (steps 3 and 4)

TIGHTENING THE NEGOTIATION SCHEDULE

PRINCIPLES

- ➔ Negotiations open with launch of general sales conditions (Sep 2011)
- ➔ TF1 Publicité provides sales response within 10 business days

ADVANTAGES

- ➔ Deals made in period of strong advertising demand (increased bargaining power)
- ➔ Anticipation of visibility on the sales conditions granted
- ➔ More fluid negotiation process with faster answers

PROPOSED SCHEDULE

- **APRIL 2011**
  - ➔ Principles presented to the UDA advertisers' union and UDECAM media company union
- **JUNE 2011**
  - ➔ Mechanics of TF1 offers presented to the market
- **EARLY SEPTEMBER 2011**
  - ➔ Publication of general sales conditions and start of negotiations
- **SEPTEMBER TO DECEMBER 2011**
  - ➔ Negotiation period

OUR ENHANCED OFFER IS ACCOMPANIED BY NEW SERVICES AIMED AT BOOSTING VALUE

- **MAKING GRP QP A LEADING INDICATOR ON THE MARKET**
  - ➔ For all slots on national channels*, a media-market indicator (GRP QP) for each of the 10 categories of FMCG.
  - ➔ Market provided with new criteria for assessing advertising campaigns using media-planning tools.
  - ➔ In the 44 markets in which it is active, TF1 Publicité will provide a performance report in terms of purchase quantities in the market corresponding to the product.
- **FOR "INTERNALISED SCHEDULING PLUS" PURCHASES: A COMPLEMENTARY TARGETING CRITERION**
  - ➔ At the end of first-quarter 2012, the GRP QP will be included as a campaign optimisation criterion.
  - ➔ Scheduling and guarantee for socio-demographic target with optimisation proposed for GRP QP.

*TF1, France 2, France 3, France 5, Canal +, M6 / GRP QP for MHS target

GOING FURTHER IN TERMS OF EFFECTIVENESS AND THE QUALIFICATION OF THE OFFER

- **IMPLEMENTATION OF MEASURE OF EFFECTIVENESS FOR CAPITAL GOODS AND SERVICES**

  Automotive, Bank-Insurance, Telecommunications sectors:
  Awareness, Image, Appeal

- **PROJECT FOR A NEW "MEMORISATION β"**

  ➔ Memorised GRP used to qualify the special aspects of the TF1 offer

  ➔ Complementary optimisation item that will be included in media-planning tools

TF1

WHAT YOU NEED TO REMEMBER

- **STRENGTHEN SEGMENTATION**

  ➔ To sell each offer segment at the right value

- **MAKE GRP QP A LEADING INDICATOR ON THE MARKET**

  ➔ To boost value and demonstrate effectiveness

- **CHANGE PURCHASING MODES**

  ➔ For enhanced control of advertising inventory

- **REDEFINE THE SALES CYCLE**

  ➔ To strengthen power of negotiation

➔ **4 levers for advertising**

TF1

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INNOVATIVE OFFERS

Sylvia TASSAN-TOFFOLA:
Director TF1 Publicité DIGITAL and 361

INNOVATION:
AT THE HEART OF TF1 PUBLICITÉ STRATEGY

CONVERGENCE – A DAY-TO-DAY REALITY
MULTI-USE SCREENS AND MULTI-SCREEN USES

NEW SCREENS…

6.7

Screens per household
+ 2.5 vs 2005

… NEW USES…

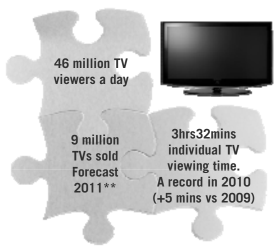
IP TV — 11.8 million catch-up consumers

35 mins a day Web consumption* — INTERNET

MOBILE — x2 Smartphone equipment in 1 year (10 million)

1 million tablets forecast in 2011 — TABLET

… COMPLEMENTARY TO TV



Sources: Médiamat / Médiamétrie – 2010 -4+ Global TV - GFK - *Nielsen NetRatings 15+ December 2010
* *sales forecasts by GFK. Screens: TV set, computer, PDA, mobile. telephone.

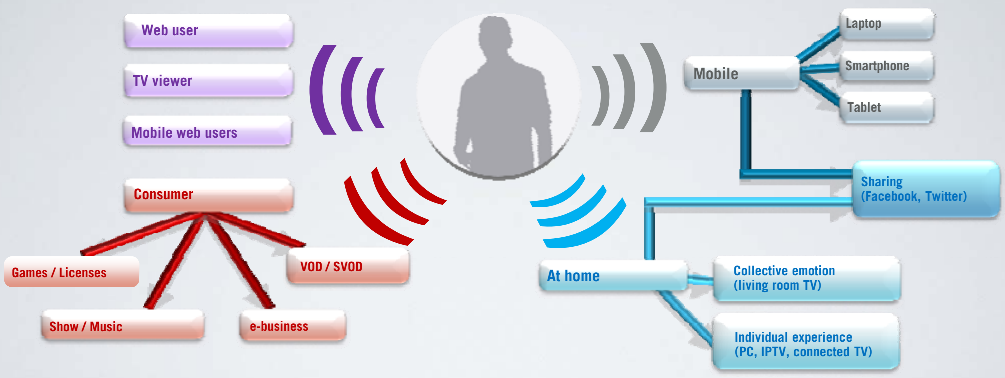
INNOVATION?

INNOVATION:

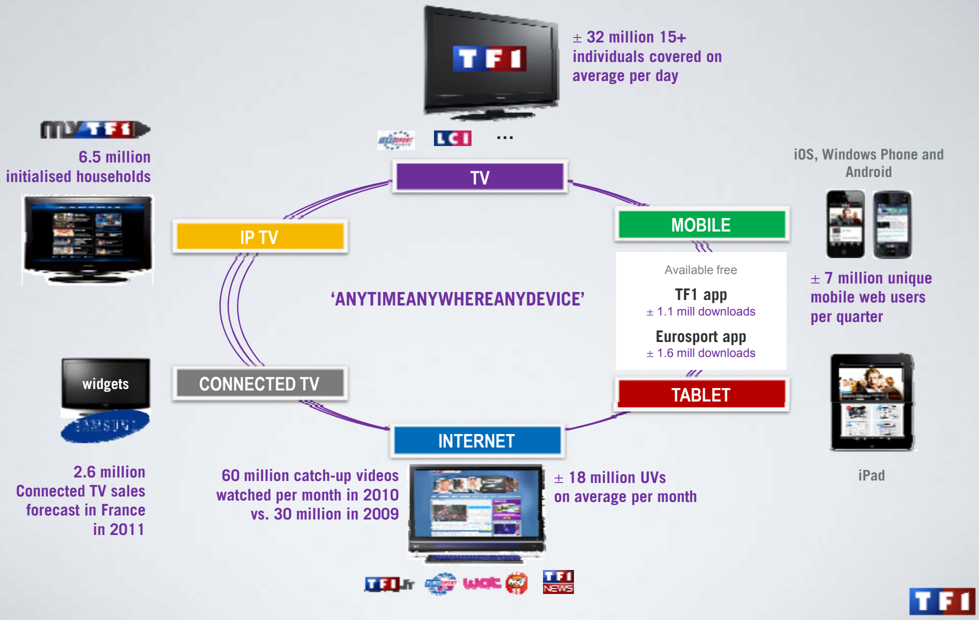
The ability to create value by contributing something new while ensuring buy-in of the new development, notably to gain a competitive advantage by meeting the needs of the market and company strategy.

> “Innovation differs from invention or discovery in that it implies a process of practical application leading to actual use.”

KEY MARKET ISSUE: COMMUNICATE EFFECTIVELY WITH THIS NEW PRO-ACTIVE CONSUMER



A NEW WAY OF CONSUMING MEDIA BRANDS



Médiamétrie (TV, theme channels, mobile) - Médiamétrie NetRatings (web) - Simavelec forecasts

THE DEPARTMENT HAS TO STRUCTURE AN ADVERTISING OFFER THAT INTEGRATES NEW CONTACT POINTS IN A RELEVANT FASHION

ORCHESTRATE PLURIMEDIA CONVERGENCE

➔ Identify growth sources in different media and channel/web rebound strategies.

➔ Digitalise our advertiser portfolio on the four screens by capitalising on video, a real competitive advantage.

EXTEND THE ADVERTISING EXPERIENCE

➔ Boost dialogue and closeness between viewer/consumer (TF1 Conso, Tags TV, interactive ads) and the brands.

MEASURE THE EFFECTS OF INNOVATIONS FOR OUR CUSTOMERS

➔ An "Effective Creation" approach coordinated at the Advertising Department with the support of Marketing and Research.

OUR CUSTOMERS' TAKE ON INNOVATION
CSA INSTITUTE STUDY

79%

of advertisers/agencies interviewed

see **innovation** as an **essential/important** aspect of **communication strategy**

Survey made by CSA from 6 to 12 April by telephone with 150 interviewees (100 advertisers, 25 consultancies and 25 media agencies).
Aggregate "Mostly agree" and "Completely agree".

CLEARLY IDENTIFIED BENEFITS FOR THE BRAND

According to the CSA survey with 150 of our advertiser and agency customers

➔ **96%** see innovation as a source of value added for the brand.

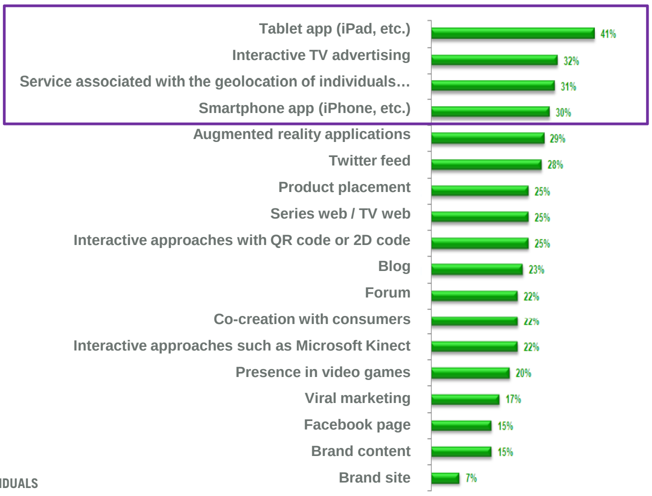
➔ **95%** see innovation as a lever to increase brand preference.

➔ **91%** see innovation as a way to differentiate the brand.

Survey made by CSA from 6 to 12 April by telephone with 150 interviewees (100 advertisers, 25 consultancies and 25 media agencies).
Aggregate "Mostly agree" and "Completely agree".

INNOVATIONS ENVISIONED BY OUR CUSTOMERS

You have never used but are planning to use soon:



Average: **4.3**

88% are going to use at least one innovation

BASE:
150 INDIVIDUALS

Survey made by CSA from 6 to 12 April by telephone with 150 interviewees (100 advertisers, 25 consultancies and 25 media agencies).
Aggregate "Mostly agree" and "Completely agree".

HOW WE PLAN TO STRUCTURE THE OFFER

GIVING PRACTICAL FORM TO OUR APPROACH: THE LAUNCH OF THE “LAB”

TF1 PUBLICITÉ LAB: FOR SHARING INNOVATION

"A place for dialogue between brands and the department and for partnerships focused primarily on advertising innovation and assessing the impact of advertising"

SHARED POLICY R&D STYLE

- ➔ Understanding new technologies and finding out about new uses
- ➔ Developing future innovations, sharing experience

MEASURING EFFECTIVENESS

- ➔ Assessing relevance with customers
- ➔ Measuring impact for brands

The Lab is an initial lever for capitalising on new contact points in a coordinated manner with our Key Accounts

TF1

A FOUR-PRONGED APPROACH

1 PERSONALISING THE RELATIONSHIP

- ➔ Develop link between brand and consumer
- ➔ Feed dialogue…
  - ✓ Interactive TV

2 TRANSFORMING CONTACTS

- ➔ Accompany consumer toward purchase act
- ➔ Sales…
  - ✓ TF1 Conso / Tags

3 MOVING INTO NEW PLATFORMS

- ➔ Develop new fields of expression for the brands
- ➔ Mobility, new screens…
  - ✓ Renault Z.E.

4 DEVELOPING POWER OF 360° CONTACTS

- ➔ Use force of 360° contact
- ➔ Instant convergence
  - ✓ Fivefold power

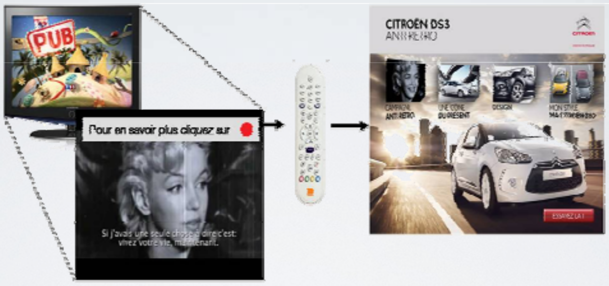
TF1

1 - PERSONALISING THE RELATIONSHIP

INTERACTIVE TV

Overlay during an advertising slot

Showcase



➔ **Watching a regular ad film,** TF1 viewers press a button on their Orange LiveBox remote to access an advertiser-dedicated interactive mini-site on their TV, where they can find out more about the product and the brand and order documentation, etc.

➔ **3 million households** signed up to Orange via ADSL

1 - PERSONALISING THE RELATIONSHIP

PROCTER / GILLETTE

"The thing I like is when I'm interested in a product or an offer I don't have to go and get more information on the web." Orange survey on interactive TV uses

GOOD RESULTS

➔ Average browsing time on dedicated mini-sites **> 2 minutes**
➔ Average click rate to access mini-sites: **0.35%**
- ✓ This rate varies according to the consumer promise and the number of interactive ads during the campaign.

2 - TRANSFORMING CONTACTS

ACT 1: TF1 CONSO

- ➔ More than 60 ads broadcast during campaigns
- ➔ 400 participating hypermarkets
- ➔ 6 major partner brands
- ➔ 2 million coupon booklets distributed per campaign
- ➔ + 7% on AWS (Averaged Weekly Sales) in volume and value*

TELEVISION → **INTERNET** → **POINT OF SALE**

TV campaign on TF1

Checking offers and printing coupons

Webcoupon® use and distribution of "smart" coupon booklets

Media budgets ⟷ Non-media budgets

*Nielsen studies – made after the campaigns / Comparison of AWS: Before / During / After and campaign/non-campaign stores

2 - TRANSFORMING CONTACTS

ACT 2: TAGS

- ➔ Tags well perceived by general public
  - ✓ Coupon TAG: 98% think "it's a **good idea**"
  - ✓ Bonus TAG: 84% think "it's a **good idea**"
  - ✓ Info Conso TAG: 86% think "it's a **good idea**"
- ➔ **80% of women MHS < 50 say they are willing to visit websites** dedicated to brands having run ads on TV to access these three types of information

TELEVISION / INTERNET / POINT OF SALE	TELEVISION / INTERNET	TELEVISION / INTERNET
COUPONS	BONUS	RESPONSIBLE CONSUMPTION
This TAG indicates the presence of reduction coupons on TF1Conso.fr and at stores.	This TAG indicates the presence of additional content on the product (games, videos, sample requests, catalogue requests, etc.).	This TAG indicates sustainable development and responsible consumption initiatives from the brand.

ROI approach ⟷ Branding approach

Monavismédia panel "Powered by Toluna " - Online survey made from 2 to 5 May 2011 – Sample of 299 Women MHS < 50

2 - TRANSFORMING CONTACTS

ACT 3: TAGS 2.0 AND THE M-TAG

➔ DTT 2.0: interactivity for all

Based on the HbbTV standard*, "DTT 2.0" will make TV flows interactive for all people equipped with HbbTV Ready connected TVs.

3 - MOVING INTO NEW PLATFORMS

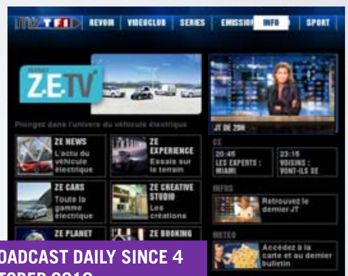
BRAND CHANNEL WITH RENAULT Z.E. ON MYTF1

➔ The concept

Editorial content focused on the environment and electric cars via an innovative media (IPTV)

➔ The system

- ✓ Dedicated channel on MyTF1: content (Z.E. News, Z.E. Planet, Z.E. Cars, etc.) and a contact form (Z.E. Booking)
- ✓ Editorial focus: contextualised link-up (homepage, redisplay, etc.)
- ✓ Ad focus: ad film broadcast upstream or in the middle of the catch-up rebroadcast on MyTF1, leading channel content



BROADCAST DAILY SINCE 4 OCTOBER 2010

4 - DEVELOPING THE POWER OF 360° CONTACTS

YVES ROCHER

FIVEFOLD POWER: TV, WEB, MOBILE, TABLET, IPTV

Exclusive 90-min slot on Sunday at 8.40 pm
+ 5 ten-minute teasers broadcast in peak time from Friday evening

100% share of voice from 6 pm to 9 pm for teaser broadcast on Sunday
100% share of voice from 9 pm to midnight for Sunday reveal
+ 10-minute teaser broadcast from Friday
+ homepage on TF1.fr

5 ads between 9 pm and midnight
+ 5 teasers a day from Friday evening

Also, 60 ads broadcast on Les Indés Radios network

INITIAL RESULTS FOR THE SYSTEM:

- ➔ Nearly 4.1 million women 25-49 exposed to the campaign on TF1 and 2.3 million exposed to radio teasers broadcast on Les Indés Radios.
- ➔ 82% of women 25-49 see the system as "a good idea".
- ➔ Strong impact for the brand:
  - ✓ Spontaneous awareness of Yves Rocher up 12 pts
  - ✓ Purchase intention up14 pts

TF1 Publicité / Ipsos ASI survey
Differential = gain between women having seen at least one creation vs. those who haven't – target: women 25-49

REDEFINING THE CUSTOMER RELATIONSHIP

“We want to change, with you, the dynamics of dialogue. This will require a more open and integrated approach.

Our objective is to go beyond traditional “silos” to become a leader in media convergence.

We are convinced that this new way of working together puts us all on the beneficial road to the “co-creation of value” and we are counting on your support to ensure implementation.”

JEAN-LUC CHETRIT
Director of Operational Marketing at Procter & Gamble

INNOVATION COMMITTEES

- A WAY OF DIALOGUING WITH BRANDS AND THEIR AGENCIES IN AN R&D, EXPERIENCE-SHARING REGISTER
- PERMANENT WATCH ON INNOVATIVE FORMATS INETRNATIONALLY AND IN FRANCE
- ORGANISATIONAL TRANSITION TO A MATRIX STRUCTURE
- AGREEMENTS WITH TF1 ON AN ANNUAL “INNOVATION” BUDGET

UPCOMING PRODUCTS:
ADVERTISING INNOVATIONS

THE ROLLOUT OF 3 ADVERTISING PRODUCTS

PLAY ALONG

SUMMER 2011

3D

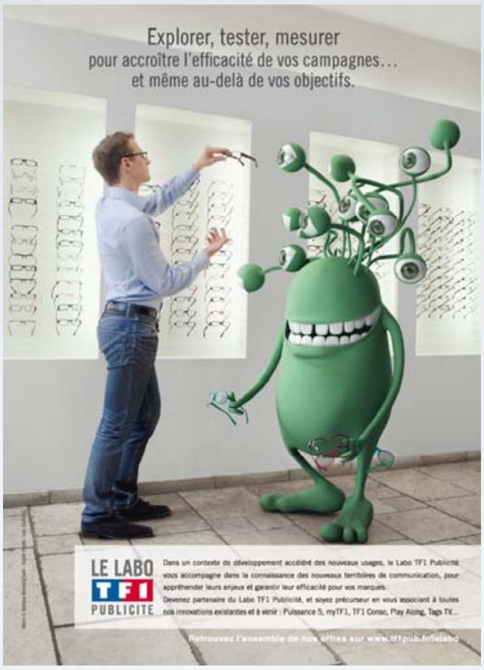
SEPTEMBER 2011

GEOPT'IN

Promotional SMS sent to Bouygues Telecom* subscribers in or near to a point of sale.

* Subscribers having accepted to receive geolocated SMS ads.
** Subscribers having accepted to receive advertising SMS and/or MMS.

OCTOBER 2011



WHAT YOU NEED TO REMEMBER

- **TF1 PUBLICITÉ OFFERS ADVERTISERS A STRUCTURED AND INNOVATIVE SOLUTION**
  - ➔ To build in the new uses and behaviours of "consum-actors"
  - ➔ To offer advertisers a competitive advantage
  - ➔ To offer more dialogue and proximity
  - ➔ To increase the effective impact of campaigns
- **TF1 PUBLICITÉ BUILDS REVENUE STREAMS FROM NEW CONTACT POINTS**
  - ➔ By personalising the relationship
  - ➔ By transforming the contact
  - ➔ By occupying territory in new channels
  - ➔ By developing the power of 360° contacts

QUESTIONS & ANSWERS

Nonce PAOLINI: Chairman and CEO

Philippe DENERY: Executive Vice President, Group Finance

Laurent BLIAUT: Deputy Managing Director, Marketing - Research - Revenue Management - Strategy

Sylvia TASSAN-TOFFOLA: Director of TF1 Publicité DIGITAL and 361

31 May 2011

GROUP GROWTH LEVERS IN ITS CORE BUSINESS

1 INNOVATIVE PLURIMEDIA ADVERTISING ENTITY

- → TF1 Publicité: 360° advertising entity with a new approach to customers
- → Innovative offers

Innovation workshop

- ✓ Connected TV: how does it work?
- ✓ Innovating to optimise resources
- ✓ Studio visit
- ✓ Showroom visit: 4-screen strategy

2 DEVELOPMENT OPPORTUNITIES LINKED TO DIGITAL PLATFORMS

- → Digital strategy to create value
- → A 360° strategy generating new B2C revenus
- → Development of synergies between Group channels

3 OPTIMISING THE BUSINESS MODEL

- → Changes in regulatory framework
- → Performance management

HOW DOES CONNECTED TV WORK?

Gilles MAUGARS :

Deputy Managing Director, Technologies, Information Systems,
Internal Resources and Sustainable Development

CONNECTED TV, WHAT IS AT STAKE ?

- SITUATION AND OUTLOOK
- PLAYERS
- CHALLENGES
- TF1 ACTIONS

CONNECTED TV

Broadcast

Broadband

TODAY

A responsible and regulated publisher **broadcasting to** a protected TV viewer…

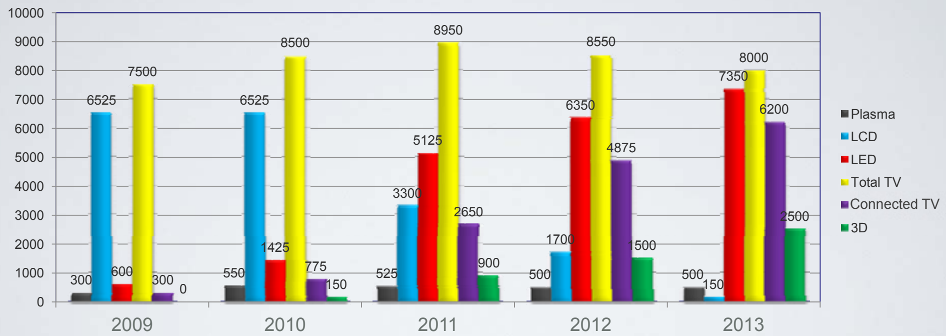
TOMORROW

An independent TV viewer **choosing and receiving** content from numerous origins

Source: Press

CONNECTED TV: OUTLOOK

Following TV via ADSL (2004), DTT (2005) and HDTV (2008), connected TV will be the major new advance in the coming years.



SALES FORECASTS FOR TVs IN FRANCE
Source: SIMAVELEC press conference, 16 January 2011

CONNECTED TV: PLAYERS

❑ Players

- CHANNELS AND SERVICES
- ISPs

- MANUFACTURERS

- O.T.T.

CONNECTED TV: CHALLENGES AND TF1 ACTIONS

- TECHNOLOGIES
  - ➔ HbbTV
  - ➔ Google TV
  - ➔ DRM
  - ➔ Screen synchronisation
  - ➔ Network capacity
- RIGHTS
  - ➔ SVOD rights
  - ➔ Internet rights
  - ➔ Catch-up
  - ➔ Bonus

- TECHNOLOGIES
  - ➔ HbbTV
  - ➔ TNT 2.0 (DTT)
  - ➔ Tablet apps
  - ➔ ISP partnerships
  - ➔ Debate on web neutrality
- RIGHTS
  - ➔ Strengthened rights
    - ✓ VOD / SVOD
    - ✓ IP
    - ✓ Social
    - ✓ Bonus

CONNECTED TV: CHALLENGES AND TF1 ACTIONS

REGULATION

- Advertising
- Minors
- Finance
  - ✓ Fiction
  - ✓ Cinema
  - ✓ Writers and artists
- Tax

REGULATION

- Publishers charter
- C.S.A. debate
- Government Mission

OFFERS

- Catch-up
- VOD / SVOD
- Applications (TV apps)
- Intermediation
- Social

OFFERS

- MyTF1
- TF1 Vision
- Smartphone & Tablet apps
- WAT
- TV widgets
- T-Commerce
- Interactive ads

GROUP GROWTH LEVERS
IN ITS CORE BUSINESS

1 INNOVATIVE PLURIMEDIA ADVERTISING ENTITY

- TF1 Publicité: 360° advertising entity with a new approach to customers
- Innovative offers

Innovation workshop
- ✓ Connected TV: how does it work?
- ✓ Innovating to optimise resources
- ✓ Studio visit
- ✓ Showroom visit: 4-screen strategy

2 DEVELOPMENT OPPORTUNITIES LINKED TO DIGITAL PLATFORMS

- Digital strategy to create value
- A 360° strategy generating new B2C revenus
- Development of synergies between Group channels

3 OPTIMISING THE BUSINESS MODEL

- Changes in regulatory framework
- Performance management

INNOVATING TO OPTIMISE RESOURCES

Hervé PAVARD:
Technical Director

ENHANCED PRODUCTION AT THE TECHNICAL DEPARTMENT

- **THREE KEY FOCUSES IN LAST 4 YEARS**
  1. Innovation
     - ✓ Technological, but above all in production methods
  2. Organisation
     - ✓ Better use of our human and technical means
  3. Modernisation
     - ✓ For greater productivity with no impact on quality
- **AN ADDITIONAL FOCUS FOR THE COMING YEARS**
  4. Pooling the technical skills of the TF1 Group

ENHANCED PRODUCTION AT THE TECHNICAL DEPARTMENT

1 INNOVATION

➔ In the four years from 2006 to 2010 we switched from occasional HD production to primarily HD programming, while controlling technical costs.

➔ In the six years from 2005 to 2011 we migrated to full-digital and multi-platform networks (DTT, HD DTT, ADSL, etc.).

The most important innovations have been made in our production methods

Ex 1: Production of Téléfoot / Automoto and 7 à 8 using fixed sets:

- ➔ Saving 22 days/person of work per week for more quality and flexibility.
- ➔ A savings of €500,000 a year since 2006 (+ €150,000 of storage).

Ex 2: News Bulletin Department: new dep't for LCI with 3 technicians (compared with 5 previously).

- ➔ Sound engineers and cameraman replaced by automation.
- ➔ Current operations 200% the forecast.
- ➔ A savings of €375,000 a year since 2010.

TF1

ENHANCED PRODUCTION AT THE TECHNICAL DEPARTMENT

2 ORGANISATION

The technical departments of TF1 and LCI merged in 2009

➔ Professional networks were set up to get the most out of our skills and manage resources and employability in the long term.

➔ Human and technical resources were made available for use by the entire Group.

Ex 1: Studio Max - 50' *Inside*

➔ The use of technicians from the news show dep't to produce the programme.

- ✓ 8 people x 44 programmes a year = €240,000.

➔ The use of technical infrastructure (control room, broadcasting system) and support functions (maintenance) with no additional cost.

Ex 2: Parole directe

➔ TF1's politics programme produced on the TF1 PROD set.

- ✓ €24,000 per programme internally vs €42,000 externally.
- ✓ Savings of €180,000 / 10 programmes.
- ✓ Also located close to the 8 o'clock news set.

TF1

ENHANCED PRODUCTION AT THE TECHNICAL DEPARTMENT

3 MODERNISATION

➔ Of NewsFactory

- ✓ Today, a new production tool for TF1, LCI and TF1 Production.
  - A shared tool in HD
  - Image at the core of the work station
  - The development of journalistic editing
- ✓ Increasing number of transmissions in IP and 3G.
  - Numerous stories arrive via Internet
  - Link-ups with Live U systems
  - Migration of our contribution network with HD for the price of SD

➔ Of MediaFactory

- ✓ Today, the master control room has been modernised to rationalise HD and SD processes.
- ✓ Our modernisation efforts are currently being made in two areas:
  - Facilitating the exchange of information within the Group
  - Developing the automation of catch-up and VOD processes, for example accelerating the provision of live programming in catch-up.

ENHANCED PRODUCTION AT THE TECHNICAL DEPARTMENT

4 POOLING THE SKILLS OF THE TF1 GROUP'S TECHNICAL DEPARTMENTS

➔ Today, several structures at several sites handle specific needs for television.

- ✓ TF1 and LCI at head office
- ✓ TF1 Production and e-TF1 close to head office
- ✓ Eurosport in Issy-les-Moulineaux
- ✓ TMC and NT1 in Monaco and at head office
- ✓ Stylia, Ushuaïa TV, Histoire and TV Breizh in Lorient or at head office

➔ We recently created a network, a Central Technical Department to:

- ✓ Continue developing technological innovation for broadcasting
- ✓ Share our analysis and research efforts
- ✓ Consolidate a Group vision of projects over 3-5 years
- ✓ Strengthen the presence and influence of the Group with market suppliers
- ✓ Take coherent technological decisions to favour the interconnection of structures
- ✓ Manage functional networks at Group level to optimise payroll
- ✓ Enable the smallest structures to benefit from the economy of scale of TF1
- ✓ Use the agility and speed of light structures on TF1

WHAT YOU NEED TO REMEMBER

1 INNOVATION TO:

- ➔ Produce with more flexibility and agility
- ➔ Directly reduce our costs

2 ORGANISATION TO:

- ➔ Pool human and technical resources for the channels
- ➔ Increase productivity and optimise payroll

3 MODERNISATION TO:

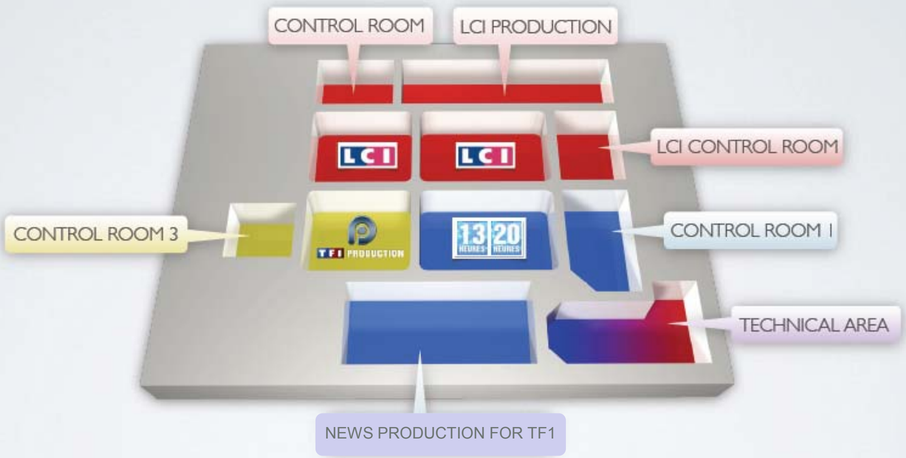
- ➔ Maintain a reliable and upgradable production tool to respond to changes in use
- ➔ Develop efficient solutions to new challenges

4 POOLING OUR TECHNICAL SKILLS TO:

- ➔ Consolidate our expertise
- ➔ Create a collaborative work infrastructure

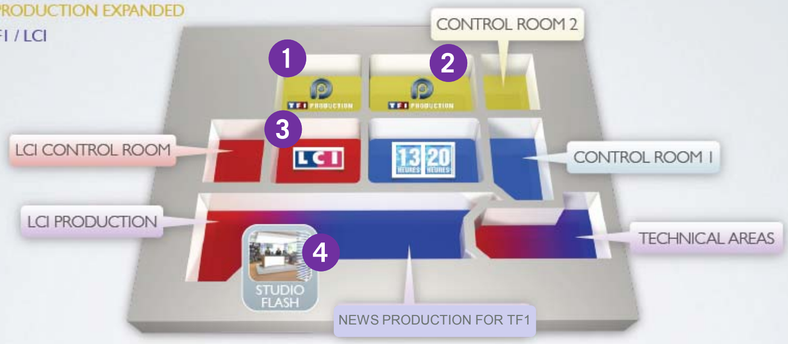
STUDIO VISIT

IN 2009



RATIONALISED HEAD OFFICE STUDIOS IN 2010

LCI PRODUCTIVITY
INTERNAL PRODUCTION EXPANDED
SYNERGY TF1 / LCI



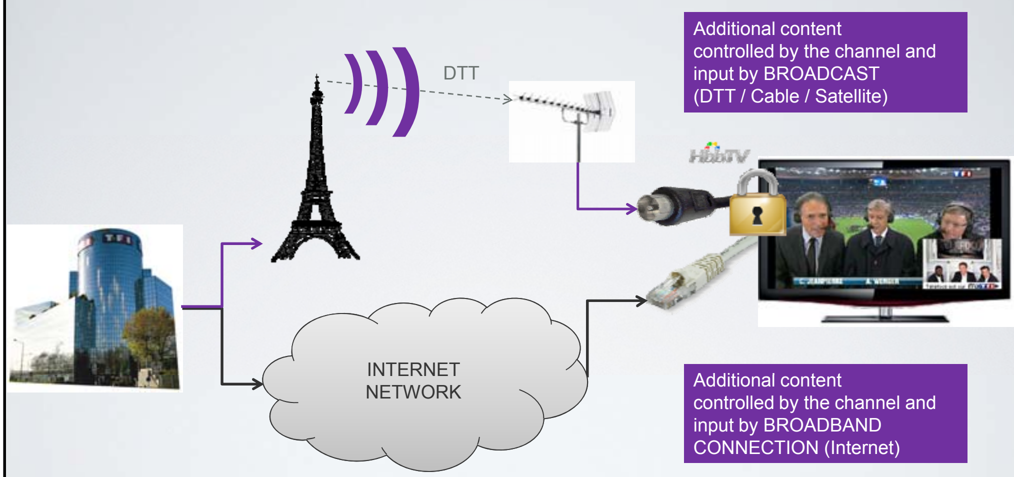
1. 50mn Inside, 90' Enquêtes, Enquêtes et révélations
2. Automoto, Téléfoot, Sept à Huit
3. Talkshow, matinale, Think Tank, Soirée Info
4. News 9-11 am / 2-7 pm

€3.5 million investments → €2.3 million savings

SHOWROOM VISIT
4-SCREEN STRATEGY

TF1 4-SCREEN STRATEGY

HBBTV TECHNOLOGY = A STANDARD FOR ONLINE TV



➔ Roll out the HBBTV standard which links broadband content to broadcast content

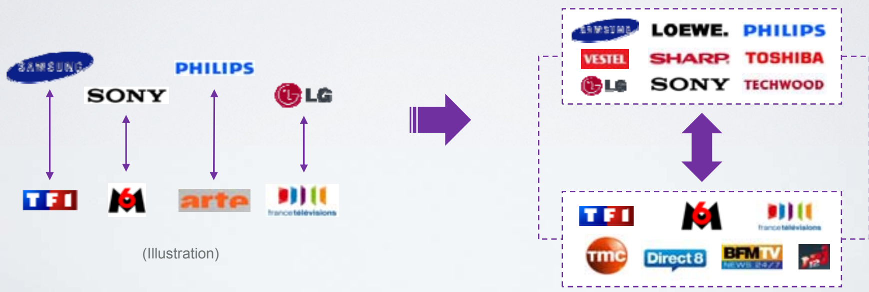
STANDARDISE ACCESS TO ENRICHED CHANNEL CONTENT

2010

- ➔ Partnerships between each channel and each manufacturer
- ➔ Proprietary technologies and specific integration
- ➔ Fragmented offer
- ➔ Consumer uncertainty about legibility

2011

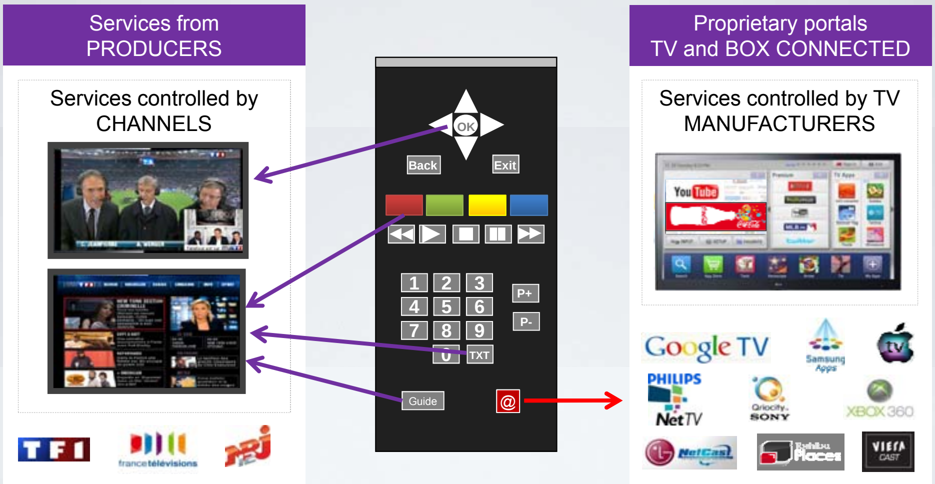
- ➔ Single platform enables optimised portage and workflow costs
- ➔ Better visibility of our contents on all connected TVs
- ➔ Freedom from obligatory referencing



(Illustration)

➔ At stake: making our content accessible independent of manufacturers

REMOTE CONTROL BUTTONS REMAIN STRATEGIC ADVANTAGES



Key challenge: keeping control of our data stream

CREATION OF THE TNT 2.0 BRAND (DTT), MANAGED BY THE PRODUCERS OF DTT

- **ADVANCED AND STRENGTHENED TECHNICAL SPECIFICATIONS**
  - ➔ Strengthen DTT reception quality
  - ➔ Adopt a common standard (HbbTV)
  - ➔ Simplify content protection (Digital Rights Management)
- **ERGONOMY AND USER INTERFACE**
  - ➔ Standardise remote control buttons
  - ➔ Integrate a DTT program guide
  - ➔ Simplify TV set menus
- **MANAGEMENT FUNCTIONS**
  - ➔ Ensure compliance with producers charter
  - ➔ Structure and protect open access to internet via the TV
  - ➔ Limit pirating by controlling digital outputs
- **LABELLING**
  - ➔ Ensure implementation of these key functions
  - ➔ Create a logo identifying the DTT offer

TNT 2.0 (DTT): a connected TV controlled by TV producers

TF1'S PROMISE AND OFFER
AN INITIAL SHORT-TERM RESPONSE

Asynchronous BROADCAST Enrichment

Additional zapping banner
Points to the TF1 portal

BROADBAND Enrichment

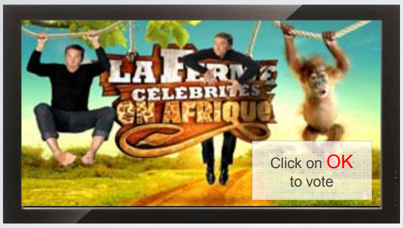
Service applications
(Teletext 2.0 portal)

Info | Sport | Weather | Program Guide

(no catch-up offer)

A short-term (2011) TF1 offer, limited but sufficient to recruit business customers

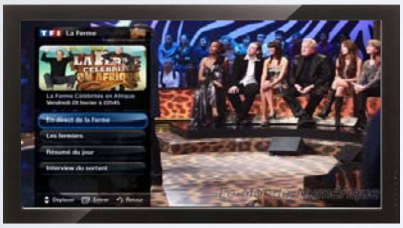
TF1'S PROMISE AND OFFER: A SERVICE OFFER
WILL GROW STRONGER AS THE MARKET DEVELOPS



Asynchronous BROADCAST Enrichment

Additional zapping banner
Points to the TF1 portal

- Interactive channel
- Program guide



BROADBAND Enrichment

Service applications
(Teletext 2.0 portal)

Info | Sport | Weather | Program Guide

- Games / Betting
- Interactive advertising
- Catch-up / VoD
- Search service

Gradual launch of TNT 2.0 (DTT) offer based on a fixed timetable

BENCHMARKING: PRODUCER INITIATIVES THAT HAVE ALREADY SURFACED IN EUROPE

Like the TNT 2.0 (DTT) shared platform project, other initiatives are taking shape…

ITALY: BOLLINO GOLD

- ➔TV sets connected at installation (11% of households already equipped)
- ➔Very strong penetration of pay-TV (40% of households)
- ➔Label stuck on compatible TV sets and boxes
- ➔Gives access to an interactive HD offer
- ➔Functions: HDTV, catch-up, VoD, web browsing, personal video recorder
- ➔Supported by a producers consortium including RAI and Mediaset (85% of audiences)
- ➔Launch mid 2010 among principal TV manufacturers and with a set-top box at €170

UK: YOUVIEW

- ➔Highly developed digital terrestrial reception
- ➔Service centralising existing content offers
- ➔Gives access to a connected DTT platform
- ➔Functions: HDTV, catch-up, VoD, applications, personal video recorder
- ➔Supported by a producers consortium including BBC, ITV, Channel 4, BT
- ➔Launch in 2012 via a box at €150- €200

Strong signals from producers in Europe

GROUP GROWTH LEVERS IN ITS CORE BUSINESS

1 INNOVATIVE PLURIMEDIA ADVERTISING ENTITY

- ➔ TF1 Publicité: 360° advertising entity with a new approach to customers
- ➔ Innovative offers

Innovation workshop

- ✓ Connected TV: how does it work?
- ✓ Innovating to optimise resources
- ✓ Studio visit
- ✓ Showroom visit: 4-screen strategy

2 DEVELOPMENT OPPORTUNITIES LINKED TO DIGITAL PLATFORMS

- ➔ Digital strategy to create value
- ➔ A 360° strategy generating new B2C revenus
- ➔ Development of synergies between Group channels

3 OPTIMISING THE BUSINESS MODEL

- ➔ Changes in regulatory framework
- ➔ Performance management

A DIGITAL STRATEGY TO CREATE VALUE

Olivier ABECASSIS:

Chief Executive Officer of e-TF1

OUR CONTENT AND OUR VALUE CREATION MODEL ON THE WEB

- **CONTENT**

- **... PROMOTED IN 3 DIMENSIONS**
  - ➔ Advertising
  - ➔ B2B distribution
  - ➔ Services offering

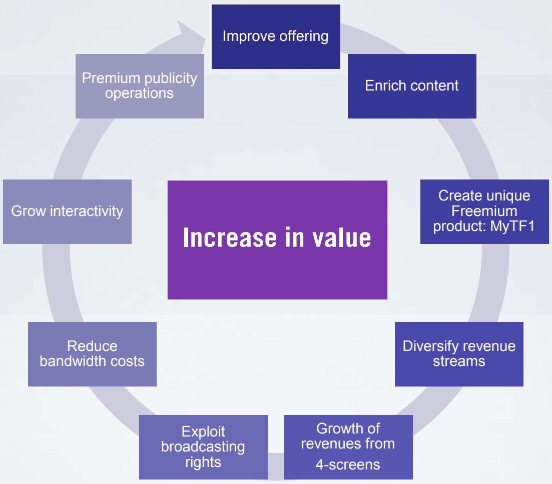
A DIGITAL VALUE CREATION STRATEGY

- **POWERFUL VIDEO OFFER**
  - ➔ Sustained and growing video consumption
  - ➔ Growing volumes of target equipment, i.e. IPTV and new screens
  - ➔ Advertisers seek synergies between TV and web
- **STRONG B2B DEMAND**
  - ➔ Premium product MyTF1 on IPTV
  - ➔ Manufacturers of mobile / tablet / console
- **SERVICES OFFERING**
  - ➔ Market shows strong natural growth, especially Video on Demand
  - ➔ New channels and products for interactivity

WHAT PRODUCT STRATEGY TO MAXIMIZE VALUE IN THESE 3 DIMENSIONS?

- **2 STRATEGIES TO MAXIMIZE VALUE**
  - ➔ Develop the audience
  - ➔ Develop usage
- **VIA A MULTI-SCREEN PRODUCT**
  - ➔ Develop the audience
    - ✓ MyTF1 on all ISPs
    - ✓ New mobile / tablet / console screens
  - ➔ Develop use
    - ✓ Maximise video consumption
    - ✓ Maximise Freemium logic between our free and paying products
    - ✓ Put social interaction at the heart of the web experience

GROWTH IN VALUE OF WEB ACTIVITIES



GROW AUDIENCE BY IMPROVING THE OFFER

TOP VIDEO OFFER IN FRANCE

Premium-TV: 700 million videos in 2010

➔ User-Generated Content: 700 million videos in 2010
➔ VOD: catalogue of 6,500 titles

	Replay	U.G.C.	VOD
TF1	✔	✔	✔
M6	✔		✔
CANAL+	✔		✔
YouTube		✔	✔

AUDIENCE DEVELOPMENT BY EXPANDING THE VIDEO OFFER

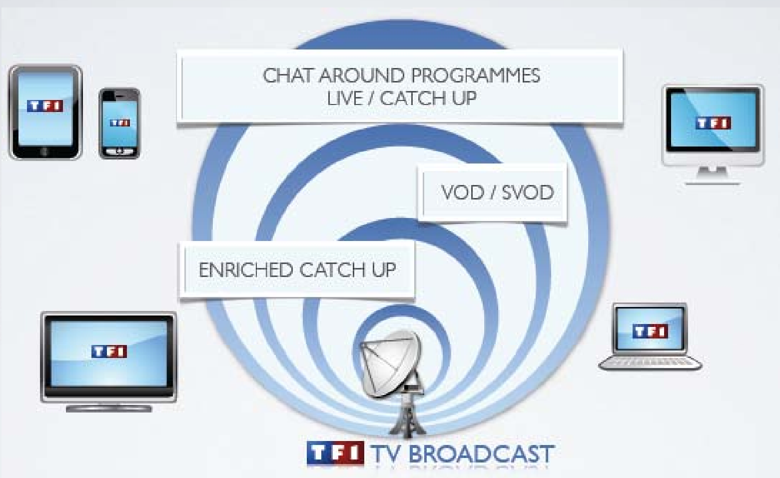
RECORDS IN 2010		
Entertainment Record 2010	Miss France	**1.4 million** catch-ups screened the day after election
French drama Record 2010	CLEM	**1.5 million** catch-ups screened for episode Pilote Clem, maman trop tôt
Magazines Record 2010	CONFESSIONS INTIMES	**1.1 million** catch-ups screened for the 5 November programme
Game – Reality TV Record 2010	SECRET STORY	**3.1 million** catch-ups screened for Bonus 17 September
US Series Record 2010	Les Frères Scott	**267,400** catch-ups screened for episode 18 season 7
Sports Record 2010	COUPE du MONDE	**750,000** sessions on tf1.fr live for match South Africa - France

In April 2011
34 million total catch-ups screened

1	JTs TF1	10 170 000
2	Confessions intimes	2 029 690
3	Clem	1 917 580
4	Les feux de l'amour	1 572 890
5	Familles d'explorateurs	1 235 240
6	Dr House	869 990
7	Téléfilms US	829 310
8	Section de recherches	753 340
9	Mariage Prince William & Kate	748 160
10	Carré Viiip	713 140
11	Téléfoot	713 030
12	Ados et déjà mamans	711 810
13	Météo	565 690
14	Sept à Huit	541 940
15	Joséphine ange gardien	533 440

Source: eStat Streaming

BROADCAST ON TF1 IS THE STARTING POINT FOR DIGITAL ECHO



➡ TF1 is developing SOCIAL TV

GROW AUDIENCE
BY INCREASING PARTNERSHIPS

SOCIAL TV WITH FACEBOOK

- ➔ 4.7 Million fans of TF1
- ➔ TF1 Launch Partner "Like"
- ➔ FacebookConnect sessions during major TF1 events

WE'RE ALL ON TF1 WITH TWITTER

- ➔ Channel news live
- ➔ Launch of Follow Button (**exclusive** France 31 May)
- ➔ Possibility for viewers to go straight to the heart of programmes.

AUDIENCE DEVELOPMENT
BY ENRICHING CONTENT USING WIKIO

WIKIO GROUP

- ➔ Founded in 2006
- ➔ Merged with Overblog in 2010
- ➔ 3 dimensions:
  - ✓ Wikio / Overblog
  - ✓ eBuzzing
  - ✓ The Experts / Content on Demand

INTEREST FOR TF1

- ➔ Production and profitability of content on demand for TF1 sites
- ➔ Use of Wikio tools to pilot Search Engine Optimization (SEO)
- ➔ Participation in the construction of a European leader

GROW AUDIENCE
BY SEETING UP A UNIQUE FREEMIUM PRODUCT: MyTF1

1 — TF1 LIVE ENRICHED ON THE NEW SCREENS

- ➔ Enrichedplayer: key moments, live editorial
- ➔ Interactivity and synchronous games / play along

2 — SOCIAL TV

- ➔ Editorialisation 360 and repeat use on different screens (news, bulletins)
- ➔ Social integration of community and friends

3 — ENTERTAINMENT *à la carte* BRANDED TF1

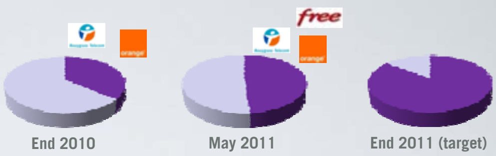
- ➔ Premium catch-up video catalogue
- ➔ VOD video catalogue

➔ Audience via expanding target and building customer loyalty

INCREASED VALUE THROUGH
DIVERSIFICATION OF REVENUE STREAMS

OPERATOR PARTICIPATION

- ➔ Revenues proportional to number of subscribers



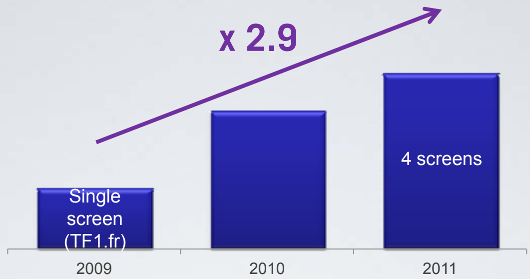
DEVELOPMENT OF PAYING SERVICES

- ➔ Better exposure of our pay products

INCREASE ADVERTISING SPACE BETWEEN TV AND WEB

- ➔ Full screen video billboard
- ➔ Displays
- ➔ Interactive spaces

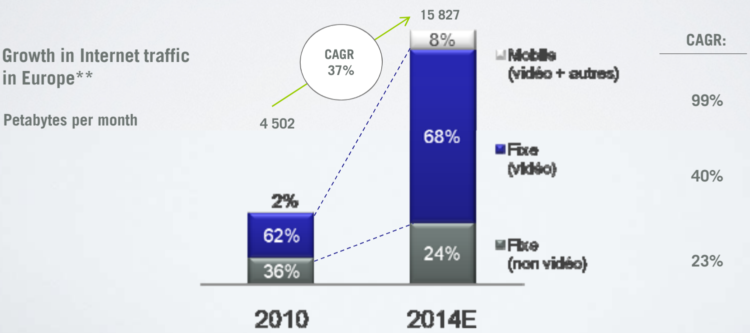
INCREASED VALUE BY INCREASING 4-SCREEN OFFER



WEB MOBILE IPTV TABLETS

INCREASED VALUE THROUGH GROWTH IN ONLINE VIDEO (1/2)

- STRONG GROWTH IN INTERNET TRAFFIC, IN PARTICULAR VIDEO, DRIVEN BY PRODUCT OFFERS AND NEW CONNECTED MEDIA
- GROWTH IN MOBILE INTERNET: 55% OF MOBILE SUBSCRIBERS MOBILES IN 2014 VS 28% IN 2010
- START OF LTE (4G), AND TO A LESSER EXTENT WIFI, SHOULD PROVIDE EXTENDED VIDEO USE AND CONSUMPTION



Sources: Cisco visual networking index, analyses AT Kearney

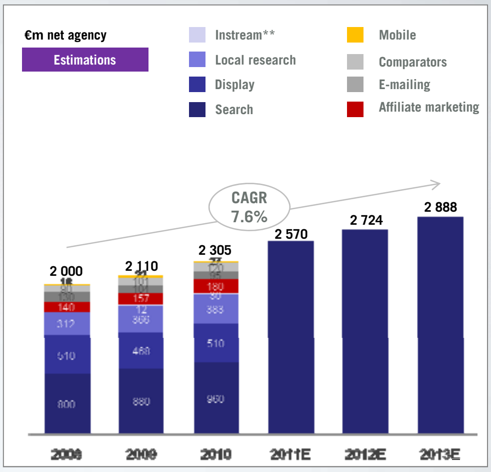
INCREASED VALUE THROUGH GROWTH IN ONLINE VIDEO (2/2)

2010 GROWTH OF 9%: CONTINUED BUOYANCY IN ONLINE ADVERTISING MARKET

- ➔ Search: growth in new e-business sectors (e.g. luxury goods, clothes)
- ➔ Display: explosion of video and rise in entry ticket for special operations
- ➔ Mobile: penetration of Smartphones and promotion of applications
- ➔ Email: hit by anti-spam filtering

TOTAL 2011 MARKET GROWTH ESTIMATED AT 12%

- ➔ Continuation of video growth
- ➔ Arrival of new budgets to support e-business initiatives by off-line brands
- ➔ Strong growth in mobile use
- ➔ Boost in business from local advertisers

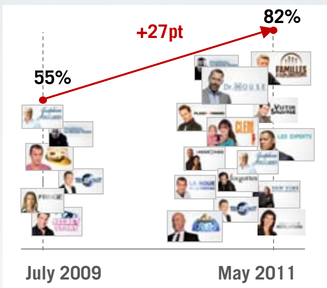


* Forecasts based on IREP data concern only search and display (including instream). The remainder (mobile, local search, e-mailing and affiliated) are not taken into account in the multimedia total.
** Instream video advertising does only includes broadcast of an advertising spot backed with video content (pre-roll, mid-roll, post-roll)
Sources: Syndicat des régies Internet (SRI) – January 2011
TF1 Publicité for forecasts of Display, Search and Instream

INCREASED VALUE THROUGH OPTIMISED EXPLOITATION OF BROADCASTING RIGHTS

VERY HIGH INVESTMENT IN BROACASTING RIGHTS FOR PAST 2 YEARS

80% of programmes between 18h and 24h viewed in catch-up

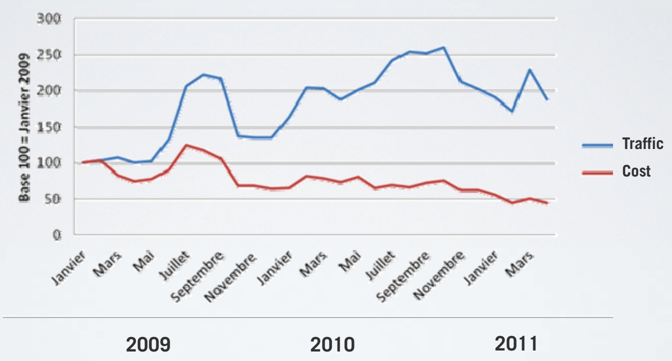


ACCOMPANIED BY HIGHER REVENUES FROM THESE RIGHTS

➔ In 2011, €1 invested generates 60% more revenue than in 2009

INCREASED VALUE THROUGH CONTROL OF BANDWIDTH COSTS

Development of bandwidth cost and traffic since 2009



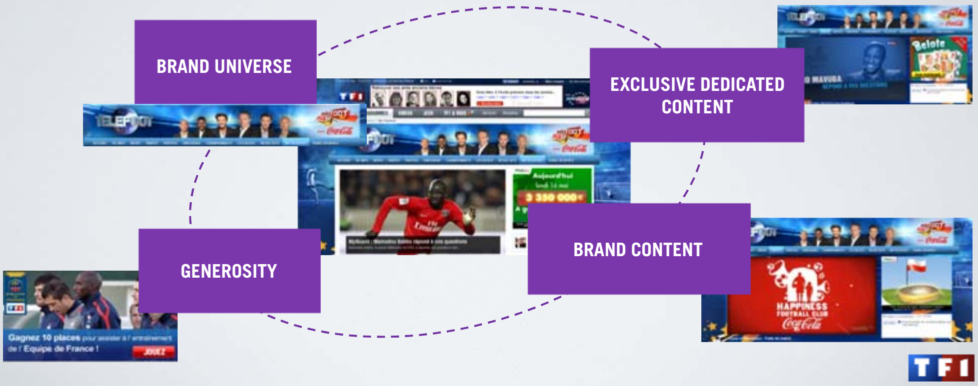
Bandwidth cost divided by 3

INCREASED VALUE THROUGH EXTENSION OF INTERACTIVITY TO NEW MEDIA

INCREASED VALUE THROUGH PREMIUM ADVERTISING OPERATIONS: THE COCA-COLA CASE

PARTNERSHIP FUNDAMENTALS

- ➔ Target of 12-19 year-olds interested by the world of mass public football
- ➔ Construction of the promise in association with Coca-Cola since season 1 of MyTelefoot
- ➔ Maximum partnership value enhancement through the production of dedicated content
- ➔ Long term partnership based on the brand's major events



WHAT YOU NEED TO REMEMBER

4 PILLARS OF VALUE GROWTH

- ➔ Increased reach of premium video
- ➔ Increase in our advertising revenues
- ➔ Increase in our revenues from distribution of our video offers
- ➔ Increase in paying transformation of our premium products (VoD, onTV)

CONTROL OF OPERATING COSTS

- ➔ Costs of acquisition of rights
- ➔ Operating charges

GROUP GROWTH LEVERS
IN ITS CORE BUSINESS

1 INNOVATIVE PLURIMEDIA ADVERTISING ENTITY

- ➔ TF1 Publicité: 360° advertising entity with a new approach to customers
- ➔ Innovative offers

Innovation workshop
- ✓ Connected TV: how does it work?
- ✓ Innovating to optimise resources
- ✓ Studio visit
- ✓ Showroom visit: 4-screen strategy

2 DEVELOPMENT OPPORTUNITIES LINKED TO DIGITAL PLATFORMS

- ➔ Digital strategy to create value
- ➔ A 360° strategy generating new B2C revenus
- ➔ Development of synergies between Group channels

3 OPTIMISING THE BUSINESS MODEL

- ➔ Changes in regulatory framework
- ➔ Performance management

A 360° STRATEGY
GENERATING NEW B2C REVENUS

Olivier JACOBS:
Chief Executive Officer of TF1 Entreprises

360° STRATEGY
GENERATING NEW B2C REVENUE

POWERFUL ASSETS...

TF1

- ➔ Brands
- ➔ Content
- ➔ Promotion
- ➔ Expertise

... MAKING AMBITIOUS DIVERSIFICATION POSSIBLE

TF1 MUSIQUE — 8 out of 10 top album sales in 2010*
6.3 million albums sold

TF1 GAMES — Leading French board game publisher**
1.7 m boxes sold

TF1 LICENCES — Number-one media agent in France
More than 200 licensees / 350 active contracts

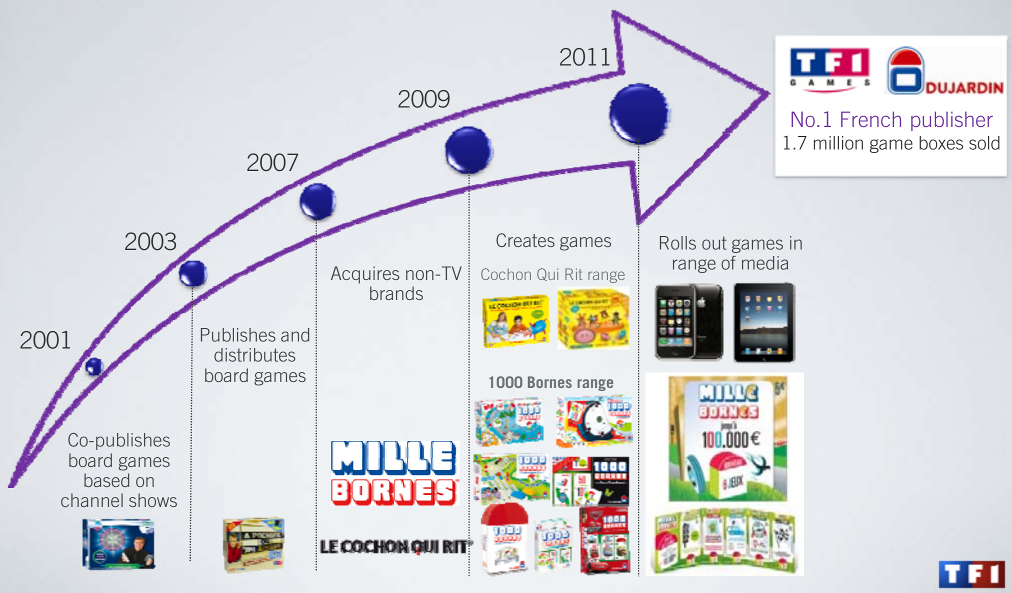
TELE SHOPPING — Teleshopping leader in France
More than 2 million parcels shipped

TF1 VIDEO / TF1 VISION — 7.1 million DVDs / Blu-rays sold
3.7 million views sold

And also: placedestendances.com Grand magasin de mode; AUTOMOTO COMPARE.fr

Sources: * ranking GFK 2010 ** NPD France 2010 excluding cards
Other information: company sources

INCREASED EXPERTISE AND LARGER CATALOGUE



ADVERTISING POWER AND AWARENESS OF THE BRAND
TWO LEVERS FOR A SUCCESSFUL LAUNCH

FREE SERVICE FOR USERS

- Web users fill in a detailed questionnaire
- All available results provided to insurers
- Remuneration when contact made with insurer

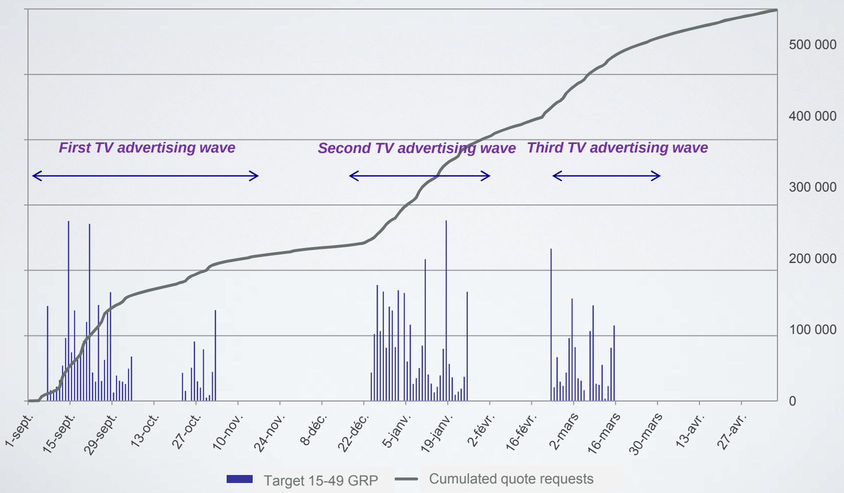
Agile implementation

ASSURLAND contribution
- Technical development and site hosting
- Contracts with insurers

TF1 contribution
- AutoMotoCompare URL and brand
- Graphic style
- TV / web marketing

ADVERTISING POWER AND AWARENESS OF THE BRAND
TWO LEVERS FOR A SUCCESSFUL LAUNCH

More than **500,000 quote requests in 8 months**



AUTOMOTO, MORE THAN A PROGRAMME: A BRAND

WHAT YOU NEED TO REMEMBER

- B2C DIVERSIFICATION IS A CORE TF1 STRATEGY
- BRANDS, CONTENT AND MEDIA COVERAGE: POWERFUL AND SINGULAR ASSETS
- NEW ACTIVITIES DEVELOPED THROUGH 360° SYSTEMS, NEW PROFESSIONAL EXPERTISE AND CROSS-FUNCTIONAL APPROACH

GROUP GROWTH LEVERS IN ITS CORE BUSINESS

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3 OPTIMISING THE BUSINESS MODEL

- ➔ Changes in regulatory framework
- ➔ Performance management

DEVELOPMENT OF SYNERGIES BETWEEN GROUP CHANNELS

Nathalie BIANCOLLI:
Director of Acquisitions

Xavier GANDON:
Director of Programmes, TMC and NT1

PRESENTATION OF TV MARKET

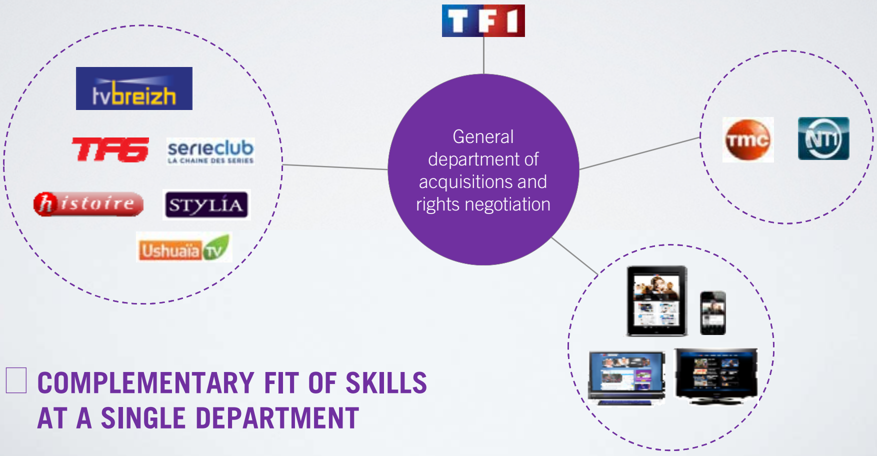
Group of channels

ACQUISITIONS IN FIGURES

- **5 TO 7 YEARS RIGHT PORTFOLIO (FILM AND SERIES) AVERAGING 1.5 BILLION EUROS AT THE END OF 2010**
- **SHARE OF ACQUISITIONS FOR CHANNELS**
  - → Around 1/3 for TF1
  - → 60% for TMC
  - → 65% for NT1
- **DIFFERENT PRODUCTION OBLIGATIONS FOR ALL CHANNELS = INTEGRATED CONSTRAINTS**

TF1 GROUP ACQUISITIONS

- POOLED ACQUISITIONS/RIGHTS
- CREATION OF COMMON STRUCTURE FOR GROUP ACQUISITIONS (TRADITIONAL FREEVIEW TV-DTT-CABLE/SATELLITE)



- COMPLEMENTARY FIT OF SKILLS AT A SINGLE DEPARTMENT

TF1 GROUP ACQUISITIONS

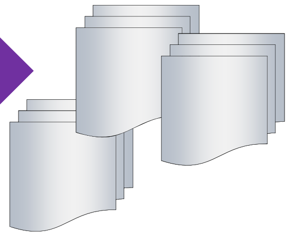
USE OF RIGHTS

- ➔ Available already bought rights for multichannels/multibroadcasts
- ➔ Possible conversion of TF1 broadcasts to DTT and/or cable/satellite broadcasts
- ➔ Optimisation of TF1 catalogue – Volume/Output deal studios (Universal – Warner – Paramount)
- ➔ Acceleration of 360° acquisitions

PROGRAMMES WITH AN INTEREST FOR ALL THE CHANNELS

VOLUME DEALS / OUTPUT DEALS

- ➔ Exclusive rights contracts for future production from studios
- ➔ Anticipated acquisition agreements
- ➔ Broadcast rights for different platforms



Films
Series
Catalogue products
o/w
- DTT films
- DTT 2nd evening part…

Better use of rights and a decrease of write-off

COMMITMENTS TO BE RESPECTED SINCE 01/26/2010

COMMITMENTS AIMED AT FACILITATING THE CIRCULATION OF RIGHTS TO THIRD-PARTY CHANNELS

➔ For French original expression, heritage audiovisual works (drama, creative documentaries, animation) made by independent producers:
- ✓ The right of first and last refusal is maintained with the obligation to align with competing offers
- ✓ In the event that the right of first and last refusal is exercised, entities are obliged to broadcast the work between 8.00 am and 11.59 pm within 12 months for one-offs and within 24 months for series

➔ For films:
- ✓ The right of first refusal is maintained with the obligation to align with competing offers
- ✓ In the event that the right of first refusal is exercised, entities are obliged to broadcast the film between 8.00 am and 11.59 pm within 3 years for TF1 and within 18 months for TMC or NT1

COMMITMENTS TO BE RESPECTED SINCE 01/26/2010

COMMITMENTS AIMED AT LIMITING REBROADCASTS WITHIN SAME GROUP

- ➔ Limits on rebroadcasting on more than one other unencrypted channel than TF1 (excluding compensatory channels).
  - ✓ This concerns:
    - US prime-time series, i.e. those broadcast starting between 8.30 pm and 11.59 pm, of which at least one full season + 1 episode has been broadcast on TF1
    - FOE heritage works, FOE series and non-scripted programmes
    - providing they have been broadcast on TF1 since 1 January 2007.
- ➔ Sport: ban on responding to same call for tender for more than two unencrypted channels.

TF1

CONCRETE EXAMPLES OF ACQUISITIONS NEGOTIATION MODEL No. 1

BEFORE THE TF1 GROUP'S ACQUISITION OF TMC AND NT1:

- ➔ Negotiation for TF1 Channel
- ➔ In parallel, a DTT negotiation

DEAL NEGOTIATED NOW

TF1 (before)	AB Group (for DTT)	➔	TF1 Group + WEB 360
1 premium film			1 premium film
B-category films	B-category films		B-category films
Rights for afternoon and night			Rights for afternoon and night
	1 C-category film		1 C-category film

➔ **Successful dual operation**

TF1

CONCRETE EXAMPLES OF ACQUISITIONS
NEGOTIATION MODEL No. 2

- A HIT SERIES SELECTED FOR DTT (WITH BROADCAST RIGHTS)
- PROGRAMMING POTENTIAL ON TF1 AT MARGINAL EXTRA COST
- 360° WEB EXPLOITATION

➔ **Better circulation of content in both directions**

CONCRETE EXAMPLES OF ACQUISITIONS
NEGOTIATION MODEL No. 3

- ACQUISITION OF BROADCASTING RIGHTS FOR DTT AND CABLE/SATELLITE AND 360° WEB
- BEFORE:
  - ➔Negotiation for DTT rights
  - ➔Negotiation for cable / satellite
- DEAL NEGOTIATED NOW:
  - ➔Rights for DTT / cable / satellite / 360° web

➔ **A real 360 logic**

POSITIVE IMPACT FOR GROUP

- **CO-ACQUISITION WITH GROUP CHANNELS (FREE RIGHTS OR CABLE / SATELLITE)**
- **CIRCULATION OF WORKS BETWEEN CHANNELS IN RESPECT OF COMMITMENTS**

➔ Multiplication of operating windows
  ➡ Multiplication of revenue

➔ Better amortisation of costs
➔ TF1 Group: a key player in the rights market
➔ Flexibility and programmation opportunities

ACCESS TO PREMIUM PRODUCTS FOR TMC AND NT1

- **EXCLUSIVE AND/OR ORIGINAL CONTENT FOR DTT CHANNELS**

➔ E.g. 300 => 1.7 million viewers on TMC as at 28 March 2011
  ✓ (6.3% Ind audience share 4 yr olds and above, 8.2% Ind audience share 25-49 yr olds)

- **ACCESS FOR DTT CHANNELS TO HIT TF1 PROGRAMMES**

➔ E.g. week-end afternoon TF1 programme (Vampire Diaries)
  ✓ prime-time NT1 (1.9% Ind audience share 4 yr olds and above, 6.2% audience share of women 15-34 yr olds)

➔ E.g. prime time film (Shooter Tireur d'élite, 7.0 million viewers, 27.7% Ind audience share 4 yr olds and above, 27.6% audience share of Women Responsible for Purchasing)
  ✓ Prime NT1 (2 months later): 1.5 million viewers (6.3% Ind audience share 4 yr olds and above, 8.7% Ind audience share 25-49 yr olds)

POSITIVE IMPACT FOR TV VIEWERS

TF1 + TMC + NT1

- COMPLEMENTARY OFFER IN TERMS OF CATEGORY
- COMPLEMENTARY OFFER FOR TARGETS

Example of Monday evening line-up:

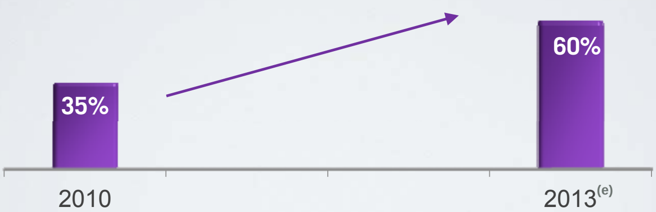
French drama	US blockbuster	Reality TV show
Families and Women 25-59	Men 25-49	Women 15-35
TF1	TMC	NT1

All types of programmes for all types of public

BY 2013, AN OBJECTIVE OF 60% OF IN-HOUSE PRODUCTION AND INTRA-GROUP ACQUISITIONS

OPTIMISATION LEVER:
INTERNAL PRODUCTION AND GROUP ACQUISITIONS

Trend in share of TMC and NT1 programmes via TF1 group



Synergies through internal production and Group acquisitions

WHAT YOU NEED TO REMEMBER

- TF1 HAS BECOME A MULTI-CHANNEL GROUP
- THE CHANNELS WORK IN A COORDINATED FASHION
  - ➔ In terms of acquisitions
  - ➔ In terms of sharing works
  - ➔ In terms of programming
- BETTER USE OUT OF PROGRAMMES AND A BROADER OFFER
- DIVERSIFIED REVENUE
- CONTROLLED COSTS THROUGH SYNERGIES GENERATED BY THE POOL OF FREEVIEW CHANNELS
  - ➔ Reduced programming costs for the entire Group
  - ➔ Back-office savings

QUESTIONS & ANSWERS

Nonce PAOLINI: Chairman and CEO

Philippe DENERY: Executive Vice President, Group Finance

Olivier ABECASSIS: Chief Executive Officer of e-TF1

Olivier JACOBS: Chief Executive Officer of TF1 Entreprises

Nathalie BIANCOLLI: Director of Acquisitions

Xavier GANDON: Director of Programmes, TMC and NT1

31 May 2011

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3 OPTIMISING THE BUSINESS MODEL

- ➔ Changes in regulatory framework
- ➔ Performance management

CHANGES IN REGULATORY FRAMEWORK

Céline NALLET:
Director of Operations, French Drama

CHANGES IN REGULATORY FRAMEWORK
EXAMPLE WITH FRENCH DRAMA

- **FRENCH DRAMA PROGRAMMES** embody and convey the identity of our channels much like national drama production in other countries (Europe and the USA).
- **THESE PROGRAMMES TAKE A LONG TIME** to produce and require a close collaborative effort from producers, writers and creative talent (directors, actors, etc.).
- **THE SECTOR IS STRICTLY REGULATED** with considerable production obligations:
  - ✓ + €2 billion (2002 – 2010 aggregate)
  - ✓ Complex broadcasting quotas
  - ✓ Initial loosening of regulation in 2009

TF1

HEAVY AND COMPLEX REGULATION...

PRODUCTION OBLIGATIONS

➔ Obligation to invest in programmes:
12.5% of advertising revenue with a bonus clause in the event of an increase in advertising revenue (between + 5% et + 8% = 12.8%; if over + 8 % = 13%)
  - ✓ €188 million in 2010

➔ Restrictive definition of programmes concerned by the obligation: purely heritage works (drama and comedy programmes, documentaries, cartoons, video clips and performing arts) qualified as “French original expression” (“FOE”).
  - ✓ In 2010: drama 85%, documentaries 9%, cartoons 6%.

➔ A majority of these investments have to be independent (74%, or 9.25% of revenue) – and “independent” is strictly defined:
  - ✓ share in capital < 15 %
  - ✓ no direct or indirect holding in coproduction share
  - ✓ limited duration and number of broadcasts acquired

TF1

HEAVY AND COMPLEX REGULATION…

BROADCASTING QUOTAS

- ➔ 40% FOE / 60% EEC for audiovisual productions broadcast in the day or during peak viewing hours
  - ✓ 6 pm to 11 pm every day and 2 pm to 6 pm on Wednesdays
- ➔ 120 hours, of which (only since 2009) 90 hours of all-new audiovisual productions broadcast between 8 pm and 9 pm
  - ✓ Or 1.5 prime-time spots per week
- ➔ 2/3 French expression productions in entire TF1 programme grid

HEAVY AND COMPLEX REGULATION… UNIQUE IN EUROPE

OUR EUROPEAN NEIGHBOURS (GERMANY, ITALY, SPAIN AND THE UK) HAVE A MORE FLEXIBLE REGULATORY FRAMEWORK THAT REMAINS CLOSE TO THE "TSF" DIRECTIVE:

- ➔ Investment obligation calculated on broadcasting time with broad definition of programmes and independence:
  - ✓ 10% of broadcasting time in Italy, Germany and Spain has to be dedicated to independent productions
  - ✓ in the UK, 25% of broadcasting time for traditional and public channels has to be dedicated to independent productions.
- ➔ Broadcasting quotas purely for EEC programmes (no broadcasting quotas for national programmes) around 50% of broadcasting time. Apart from Italy, no country has introduced specific quotas for peak viewing hours.

CHANGING REGULATION

Many changes have been made to the regulation (24 acts and 16 decrees in 22 years).
The most recent act, in 2009, for the first time relaxed regulatory constraints:

A REDUCTION IN PRODUCTION OBLIGATIONS:

- ➔ A decrease in the rate (from 16% to 12.5% of revenue)
- ➔ Redefinition of programmes concerned:

Resulting in a €20 million decrease (around 10%)

THE CREATION OF GROUP SYNERGIES by pooling the obligation of all the Group channels subjects to the audiovisual production regulations (at least 20% of audiovisual productions programmed in overall offer):

Each channel can adjust its investments and acquired rights may be broadcast on all the channels.

CHANGING REGULATION

GENERATING REVENUE FROM RIGHTS:

- ➔ Priority right to mandate and film merchandising
- ➔ Right to proportional revenue from our contributions capped at 40%

CATCH-UP RIGHTS INCLUDED IN ACQUIRED BROADCASTING RIGHTS

- ➔ Catch-up offer for all heritage works pre-purchased by TF1

Audience success on TF1
e.g. Joséphine Ange gardien, Clem …

ACQUIRED RIGHTS ADJUSTED

(in terms of number and/or duration) according to

- ➔ the type of production and financing
- ➔ systematic integration of idea of multiple broadcasts

EUROPEAN CORRIDOR OF 10%

For French-initiative European productions.

WHAT YOU NEED TO REMEMBER

THE EXAMPLE OF FRENCH DRAMA
STRONGER AND MORE PROFITABLE CONTENT

➔ Editorial objectives
With all-new programmes that bring people together, enabling TF1 to make the difference in a fiercely competitive world

➔ Economic objectives
With the “industrialisation” of production, the optimisation of our rights and revenue from rights

➔ Regulatory objectives
The new decrees are recent and regulatory changes are not in the news. But the virtues of dialogue and inter-professional agreements are a major innovation in relations with partners (producers, writers, France’s CSA audiovisual watchdog, public authorities, etc.).

The renewal of French drama

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PERFORMANCE MANAGEMENT

PURCHASING DEPARTMENT

Jean-Michel GRAS:
Director of Purchasing, TF1 Group

INITIAL OBJECTIVES OF THE PURCHASING DEPARTMENT

- ✓ Build a structure of experienced buyers at central office with the support of the senior management and develop a Purchasing professional network.
- ✓ Take responsibility for purchasing production and non-production non-rights.
- ✓ In addition to Technical, IT, HR and Corporate, touch on more specific areas including purchasing for the News, Sports, Audiovisual Production (TF1 production) and Broadcasting departments.
- ✓ Set up a Purchasing Policy for the TF1 Group.
- ✓ Improve purchasing and supply processes.
- ✓ Introduce reporting and activity indicators.
- ✓ Develop a Responsible Purchasing Policy.

➔ **Build and structure a professional, effective and innovative Purchasing Department recognised by the business lines of the TF1 Group.**

BACKGROUND FIGURES

KEY FIGURES

➔ Number of suppliers: 5,500
➔ Number of orders per year: 60,000
➔ Scope of Group Purchasing Department: €650 million a year
➔ Strong support for change from Purchasing Department
(as of today, 50% of orders in closing process)

OPTIMISATION PLAN

	2008	2009	2010
Recurring savings External costs	€8 M	€21 M	€13 M

TASKS AND RESPONSIBLITIES / VALUES

IMPLEMENT AND ENSURE THE SMOOTH FUNCTIONING OF THE PURCHASING POLICY

➔ Order and supply processes

CONTROL OVERHEADS

➔ Common Group guidelines
- ✓ Guidelines for suppliers
- ✓ Guidelines for items

IDENTIFY AND DEVELOP PURCHASING SYNERGIES

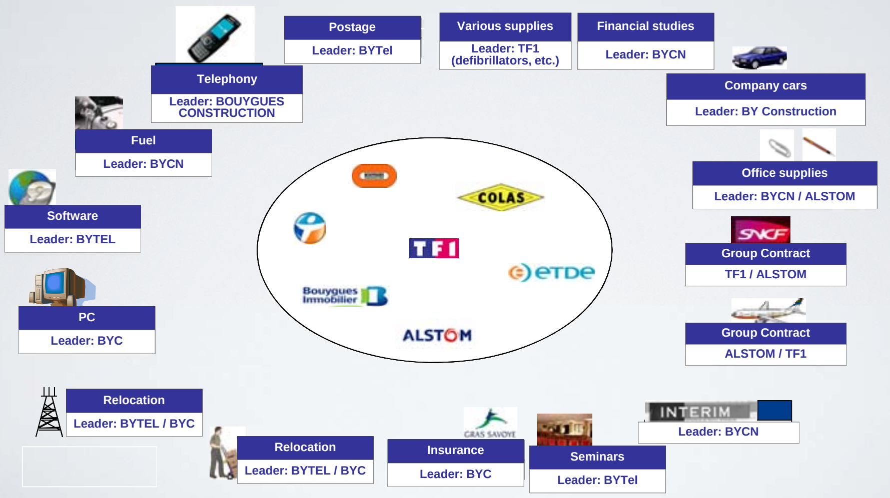
➔ Purchasing mapping
➔ Decision-making

REDUCE COSTS, PROTECT GROUP INTERESTS

➔ Consultations
➔ Negotiations
➔ Contracts
➔ Monitoring suppliers (financial independence, business history, etc.)

POOLING PURCHASING WITH THE BOUYGUES GROUP

INCREASE THE PURCHASING POWER OF THE TF1 GROUP



MAIN PURCHASING ITEMS 2011-2012

SIGNFICANT AND VARIED PURCHASING ISSUES IN 2011 AND 2012 WITH MAJOR PARTNERS

- ➔ Sports production and special operations
- ➔ Logistics: TF1 Vidéo, Téléshopping
- ➔ Agence France Presse
- ➔ Internet bandwidth (e-TF1, TF1 Vidéo)
- ➔ Météo France 2011-2013
- ➔ Terrestrial broadcasting (TDF) and satellite broadcast capacity (Eurosport)
- ➔ General affairs (safety/security, maintenance, renovations)
- ➔ IT services (TF1 Group referencing, IT oursourcing)
- ➔ Production segments (pressing, dubbing, voice over, copying)
- ➔ Channel (7 à 8, Vidéothèque, subtitling for deaf and hard of hearing)

WHAT YOU NEED TO REMEMBER

In 2008 the senior management favoured the positioning of the Purchasing Department as a support function working closely with the other Departments and entities of the TF1 Group.

Three years after implementation, the Purchasing Department is:

- ✓a Department that contributes to cross-functionality and the sharing of best purchasing practices,
- ✓a high-performance Department achieving financial and extra-financial/sustainable development results,
- ✓a structuring Department through the introduction of a Group purchasing policy and a professional network.

2011 – 2012: consolidate experience and take up new challenges

MANAGING CHANNEL PERFORMANCE

Christophe MARX:
Director of Financial Control & Strategic Planning

PLANNED SAVINGS IN LINE WITH OUR PROFITS (1/2)

- **ADAPT COSTS FOR PERIODS OF LOWER VIEWER POTENTIAL**
  - ➔ Not all weeks have the same commercial value
  - ➔ The periods of summer and Christmas/January-February are a priority
- **BROADCAST MASTERCHEF THURSDAY EVENINGS IN PLACE OF DRAMA SHOWS**
  - ➔ Improvement of our programming margins, compliant with our investment obligations
  - ➔ Pursuit of 360° strategy

PLANNED SAVINGS IN LINE WITH OUR PROFITS (2/2)

RENEGOTIATE OR SELL CONTRACTS THAT ARE POTENTIALLY POWERFUL WITH LESS ADAPTED TARGETS

➔ Soccer contracts with French national team and Champions League
➔ 2010 Soccer World Cup and 2011 Rugby World Cup

DEVELOP PROGRAMMING SYNERGIES BETWEEN TF1 AND TMC/NT1

OPTIMISATION PLAN

	2009	2010
Recurring savings Grid cost	€35 M	€19 M

OUR BEST PRACTICES IN ACQUISITIONS AND PROGRAMMING

GLOBAL RESPECT OF AN AUDIENCE / COSTS / PROFITS BALANCE

"In the end, all business operations can be reduced to three words : people, product and profits. People come first." (Lee IACOCCA)

➔ Criteria for editorial choices must absolutely be respected

A GROUP OF OPTIMAL SUBSETS DOES NOT MAKE AN OPTIMAL SET

BELLMAN Theorem

➔ True when taking account of our editorial positioning, beyond the respect of our obligations
➔ But also true in terms of business constraints
➔ An absolute understanding of our margin objectives; no risk of downward spiral

AN INTERNAL PROCESS OF SHARING IS *A PRIORI* AND *A POSTERIORI* A VEHICLE FOR PROGRESS

➔ Systematic ROI approach, but only to help in decision making
➔ Sharing *a posteriori* and global understanding of development of model

ON THESE BASES, REAL LEVERS FOR IMPROVEMENT

PURSUE OUR EFFORTS ON SUPPLY OF RIGHTS

- ➔ **Rise in share of internal production**, as part of an enhanced allocation of our investment obligations
- ➔ **Diversify and adjust our supply**, the cost of which should also be consistent with the results obtained and with the risk taken in broadcasting and production
- ➔ **Extend and increase** the value of the 360° approach
- ➔ **Sell** our rights **externally** and circulate them **internally**
- ➔ **Internal Control process** for our programme commitments

CONTROL THE BALANCE OF OUR PROGRAMMING MARGINS MODEL

- ➔ **Perfect the way we adapt** our costs to the seasonality of our profits

WHAT YOU NEED TO REMEMBER

SAVINGS MADE ON PROGRAMMING

- ➔ Reflect the control of our business model

OUR ACQUISITION AND PROGRAMMING PROCESSES

- ➔ Reflect best practices

OUR GROWTH AND IMPROVEMENT LEVERS

- ➔ Remain numerous

SIGMA / SAP PROJECT

Pascal NICOLAS:
Project Director - SIGMA

A STRATEGY AND COMPANY PROJECT REQUIRING NEW AND ADAPTED TOOLS:

THE PROJECT AIMS TO:

- ➔ Upgrade our tools and methods in Human Resources, Finance and Purchasing to adapt to new issues
- ➔ Share a common tool and procedures to support a company project initiated by the senior management in 2007-2008

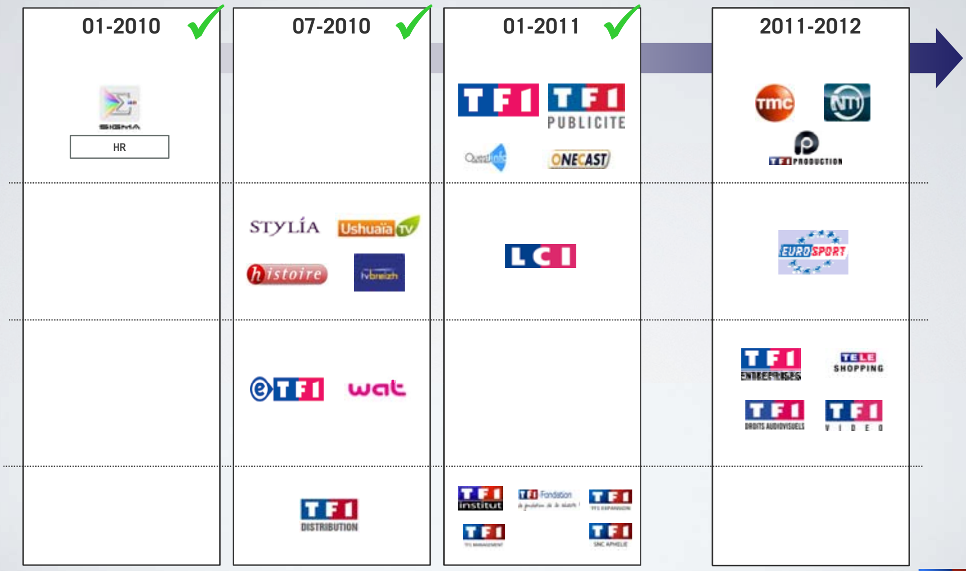
THE PROJECT IS UNDERPINNED BY THE IMPLEMENTATION OF AN ERP (SAP) ACROSS THE ENTIRE TF1 GROUP

THE OBJECTIVES:

- ➔ Simplify and harmonise our processes and increase rigour and cross-functionality
- ➔ Enhance the circulation of information and the coordination of our activities
- ➔ Resituate each player in their scope of responsibility
- ➔ Share common methodologies and guidelines

SIGMA = An integrated system to manage business lines and activities

SIGMA
PLANNING AND SCOPE



SIGMA
MANAGEMENT MODEL

SORT AND PROVIDE INFORMATION IN A HARMONIOUS AND CONSISTENT FASHION. FOUR AREAS:

What? **NATURE**	• What am I ordering and selling? (nature) • *e.g. purchase of a satellite link*
Who? **ORGANISATION**	• Who is responsible budget-wise for this expense? • *e.g. link department at the Technical Department*
How? **PROCESS**	• In which framework (process) is my purchase situated? • *e.g. shoot process (set - subject)*
Why? **OBJECTIVE**	• What is my objective? • *e.g. The 1 o'clock news*

Each transactional flow is codified according to these four analysis areas

SIGMA
FOCUS ON THE 'OBJECTIVE' AREA

OBJECTIVES ARE NATURALLY FOCUSED ON CUSTOMERS OR PRODUCTS

- B TO B: ADVERTISER CUSTOMERS
  - ➔ Develop our programming margins (freeview TV)
  - ➔ Develop our margins in new media
  - ➔ Develop our Advertising Department activity
  - ➔ Consolidate our brand power in the long term
- B TO C (AND B TO B TO C): CONSUMERS
  - ➔ Distribute our pay-to-view content

SIGMA
360° ANALYSIS

FOR A BETTER UNDERSTANDING OF GROUP ISSUES AND A MORE CROSS-CUTTING AND CONSOLIDATED VISION:

WHAT YOU NEED TO REMEMBER

- **A 4-YEAR PROJECT SUPPORTING A SENIOR MANAGEMENT STRATEGY**

- **A MANAGEMENT MODEL BASED ON FOUR AREAS:**
  - ➔ Unified purchasing process
  - ➔ Introduction of an integrated tool (SAP)

- **OBJECTIVES**
  - ➔ Meet coordination needs
  - ➔ Refocus players on their roles
  - ➔ Provide information in a consistent manner
  - ➔ Improve coordination of the WCR

QUESTIONS & ANSWERS

Nonce PAOLINI: Chairman and CEO

Philippe DENERY: Executive Vice President, Group Finance

Céline NALLET: Director of Operations, French Drama

Jean-Michel GRAS: Purchasing Director, TF1 Group

Christophe MARX: Director of Financial Control and Strategic Planning

Pascal NICOLAS: Project Director - SIGMA

31 May 2011

CONCLUSION

CONCLUSION

THE TF1 GROUP IS READY TO SEIZE THE GROWTH OPPORTUNITIES ARISING IN THE MONTHS AND YEARS TO COME,

IN ITS CORE BUSINESS THAT CONTINUES TO GROW AND DEVELOP IN NEW FORMS,

COMBINING THE DIVERSIFICATION ACTIVITIES THAT HAVE BEEN MAINTAINED AND RESTRUCTURED

TO ACCOMPANY THIS PROMISING TREND.