



# INVESTOR PRESENTATION

February / March 2013

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This presentation contains certain forward-looking statements based on current expectations, forecasts and assumptions that involve risks and uncertainties. These statements are based on information available to the Company as of the date hereof. All forward-looking statements are TF1 management's present expectations of future events, beliefs, intentions or strategies and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements.

# TF1 GROUP



## FREE CHANNELS



## PAY TV (FRANCE)



## PRODUCTION



## ADVERTISING AGENCY



## DIVERSIFICATION & INTERNET



## AUDIOVISUAL RIGHTS



## BROADCASTING INTERNATIONAL

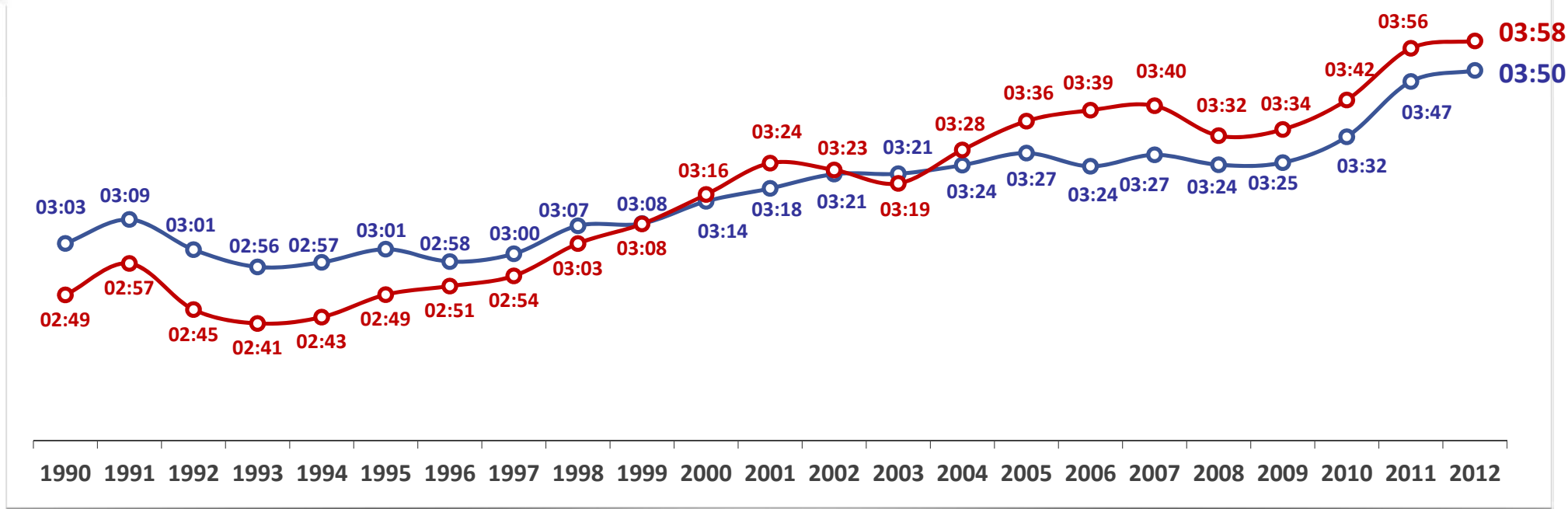


\* 50% owned

# A RECORD FOR TV CONSUMPTION

Evolution of TV consumption between Jan-Dec t 1990 and Jan-Dec 2012:

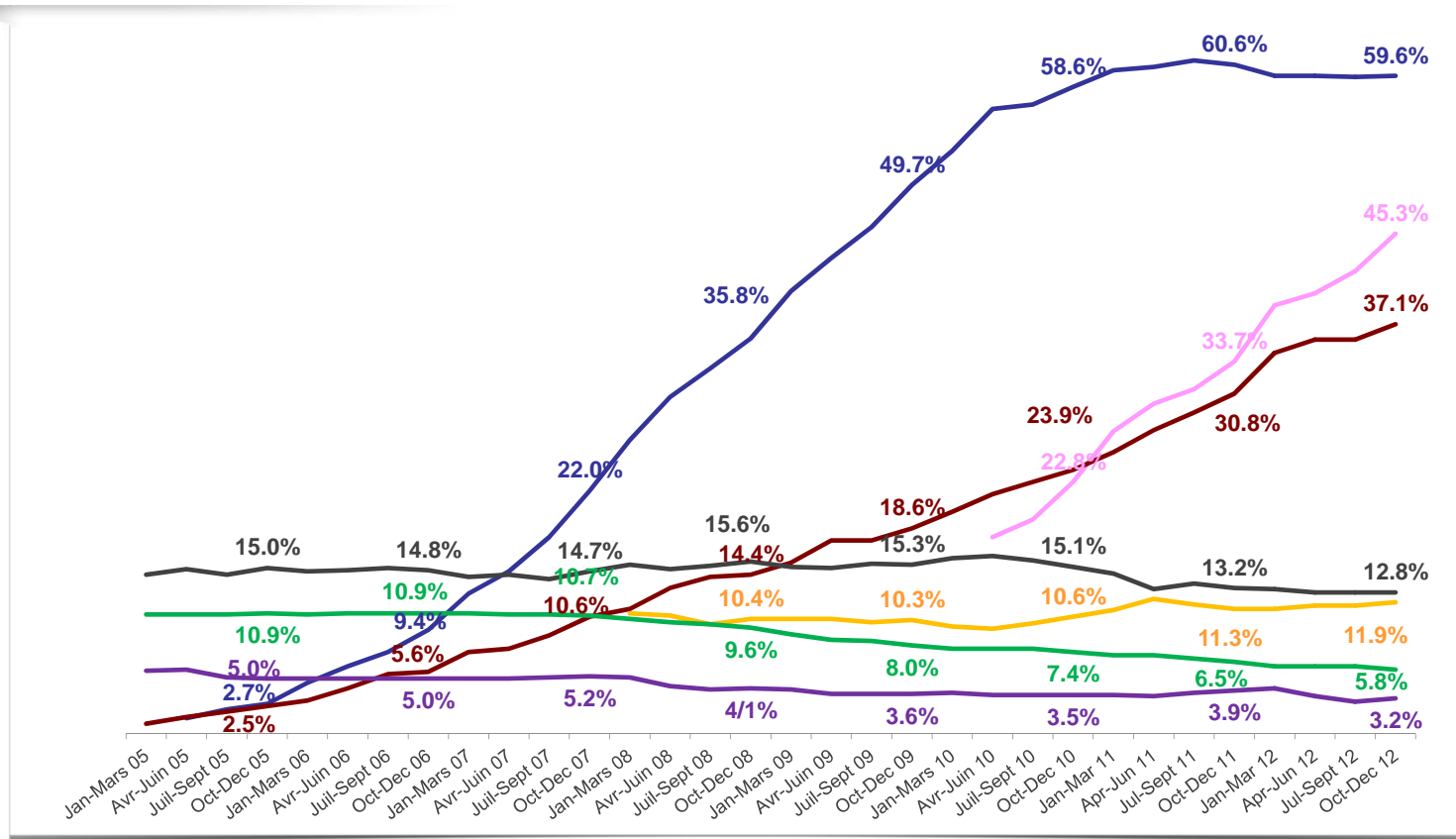
- Women <50 PDM : 3h58, i.e +2' vs Jan-Dec 2011 / +1%
- Individuals aged 4+ : 3h50, i.e +3' vs Jan-Dec 2011 / +1%



# THE SWITCH-OFF BOOSTS THE FREE DIGITAL NETWORKS

## Evolution of penetration rate as a % of households

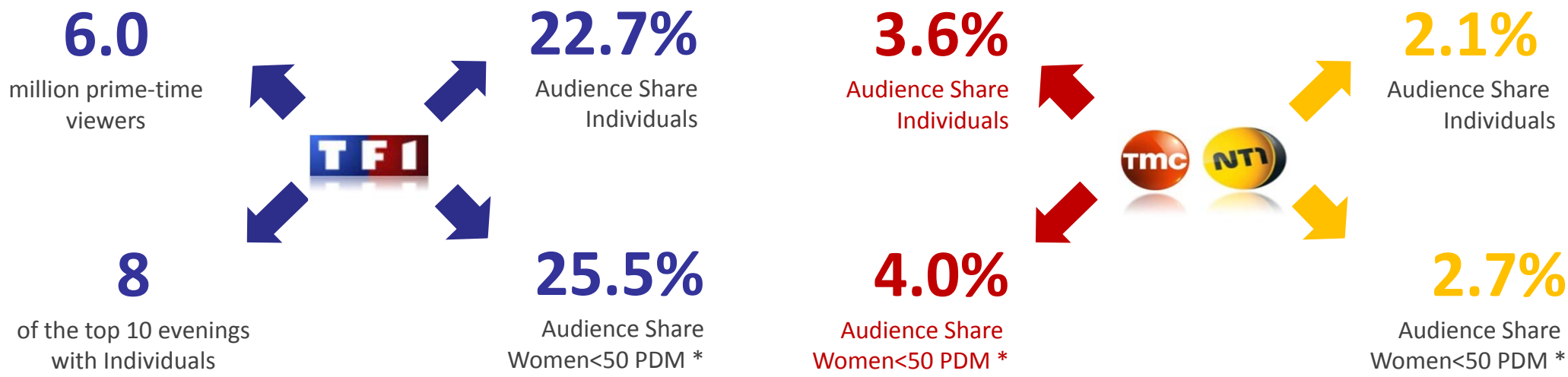
(base: households TV equipped)



Number of households	Evol. YOY	Mode
16.1m	- 1.0 pt	DTT connected
12.2m	+ 10.0 pts	HD DTT connected
10,0m	+ 6.3 pts	TV reception by IPTV/Fibre (IPTV/Fibre box equipped and connected to TV)
3.5m	- 0.4 pt	Paying satellite subscribers
3.1m	+ 0.6 pt	Free satellite
1.6m	- 0.7 pt	Paying analogical or digital cable
0.9m	- 0.7 pt	Free analogical or digital cable



# TF1, THE UNRIVALLED FREE-TO-VIEW LEADER IN AD TARGETS



## TF1 GROUP

**28.4%**

Audience Share  
Individuals

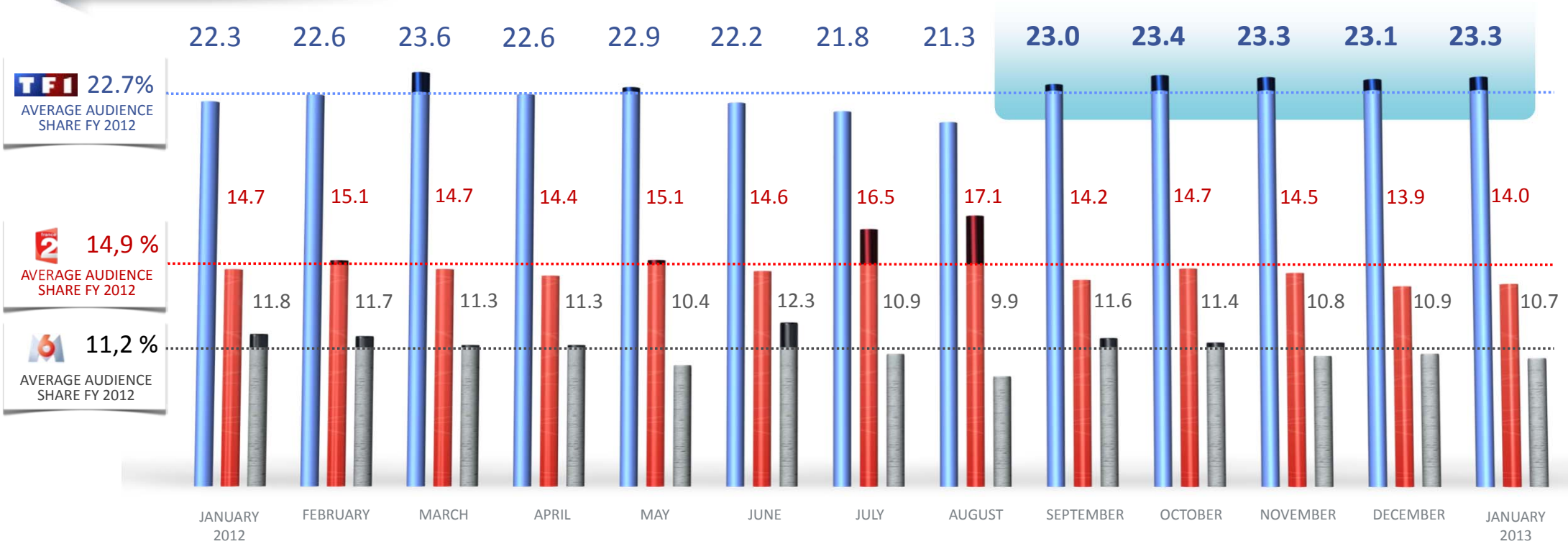
**32.2%**

Audience Share  
Women<50 PDM \*



# TF1 AUDIENCE RATINGS REMAIN INCOMPARABLE IN 2012

AUDIENCE SHARE ON INDIVIDUALS AGED 4 AND OVER (%)



RELEVANT PROGRAMMING



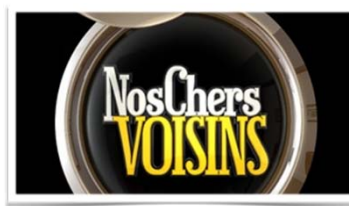
# INNOVATION AT THE HEART OF TF1 PROGRAMMES

**TF1** 25 NEW PROGRAMS, OF WHICH 18 SUCCESSES (> 70 %) \*

PRIME TIME



ACCESS



AFTERNOON



MORNING



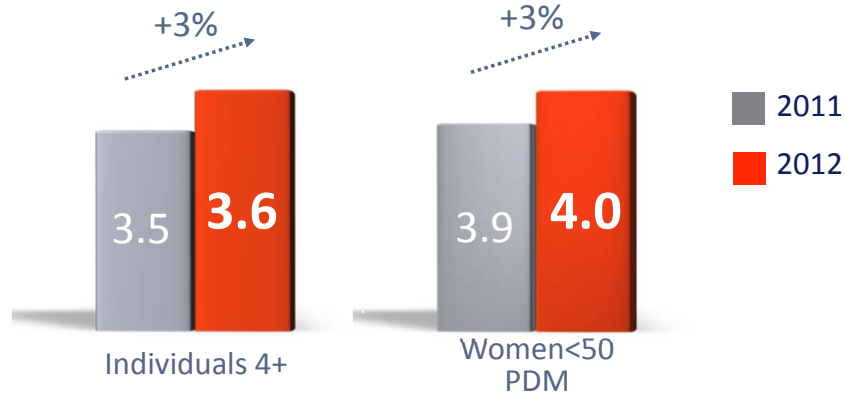
ALL DAY LONG

CHALLENGE MET



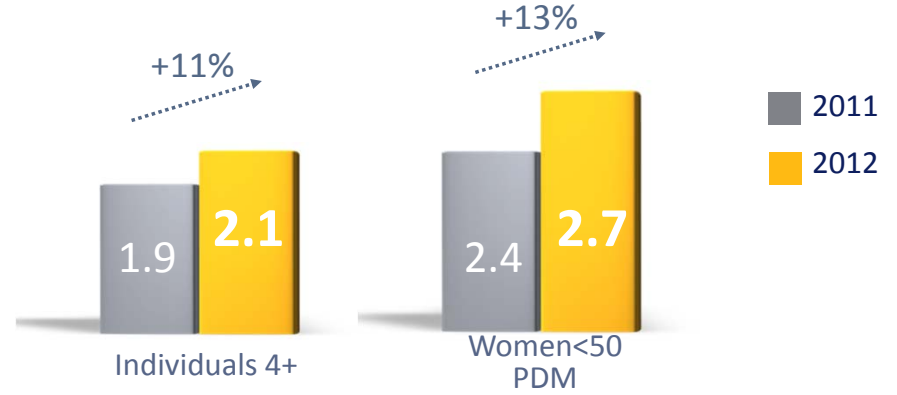
# TMC AND NT1 CONFIRM THEIR INCREASE

## TMC AUDIENCE SHARE (%)



- 5<sup>th</sup>** TV channel in France
- 5** out of top 10 DTT audience ratings in 2012
- 800 k** TV viewers prime-time\*

## NT1 AUDIENCE SHARE (%)

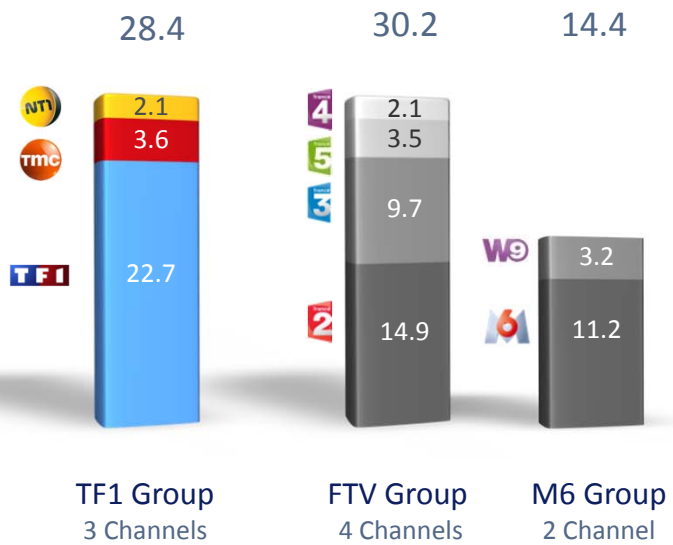


- 13%** rise in Women <50, PDM
- 40** programmes with more than 1m TV viewers
- 600 k** TV viewers prime-time\*

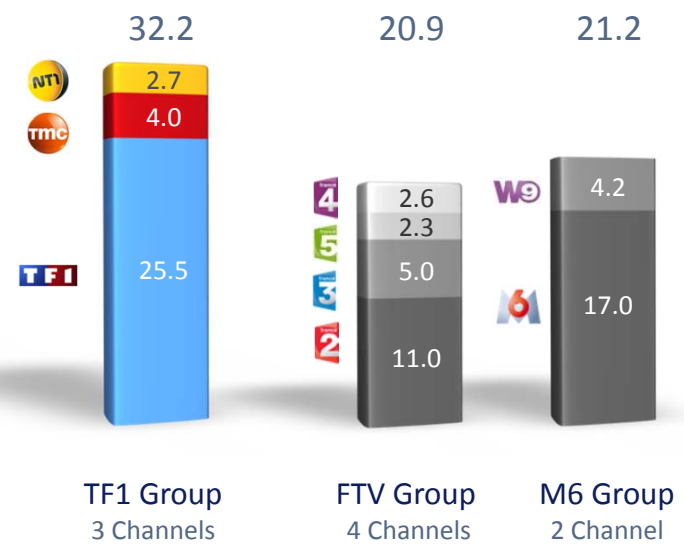
## COMPLEMENTARY EDITORIAL FIT

# 2012: THE TF1 GROUP STRENGTHENS ITS CORE BUSINESS

AUDIENCE SHARE INDIVIDUALS 4+ (%)



AUDIENCE SHARE WOMEN<50 PDM (%)



**TF1 GROUP: UNRIVALLED OFFER**

# ECONOMIC ENVIRONMENT WEIGHING ON ADVERTISING MARKET



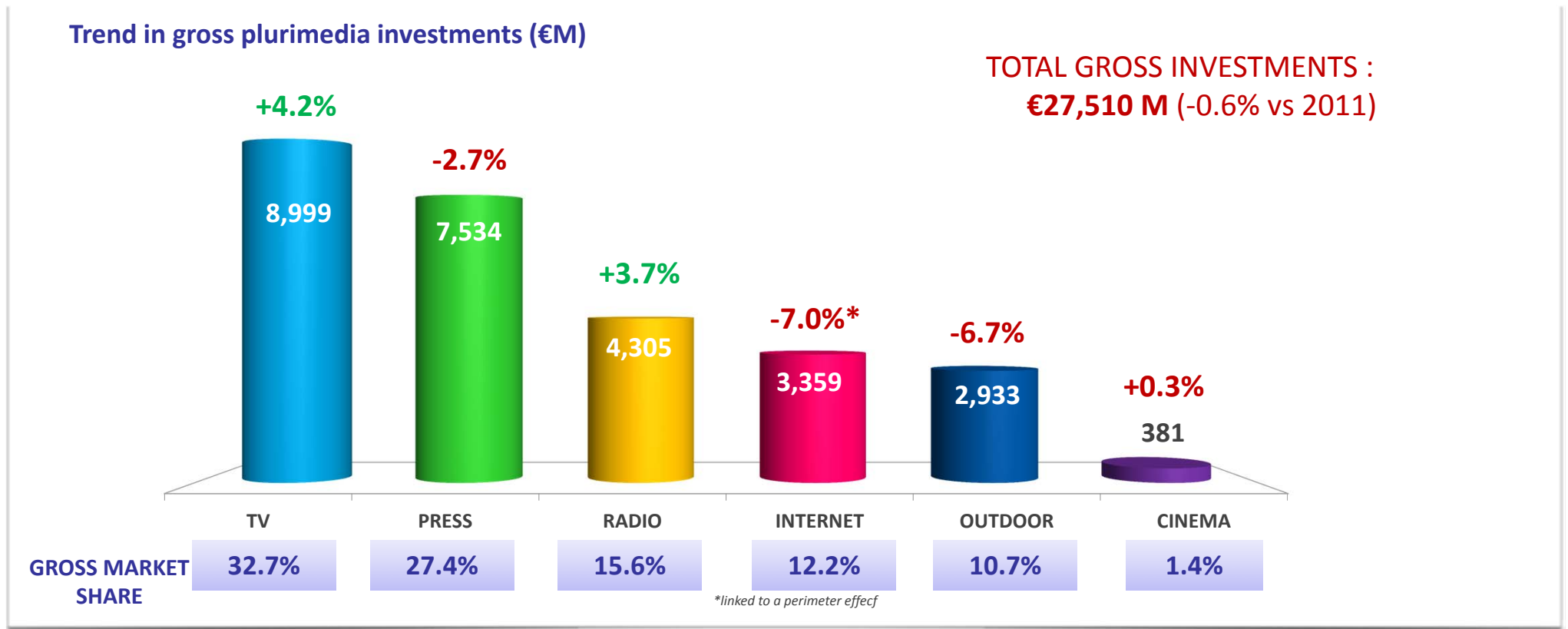
**-4.2%**

TREND IN NET TV MARKET IN H1 2012 \*

Same trend expected in H2 2012

## CHALLENGING PERIOD FOR THE TV MARKET

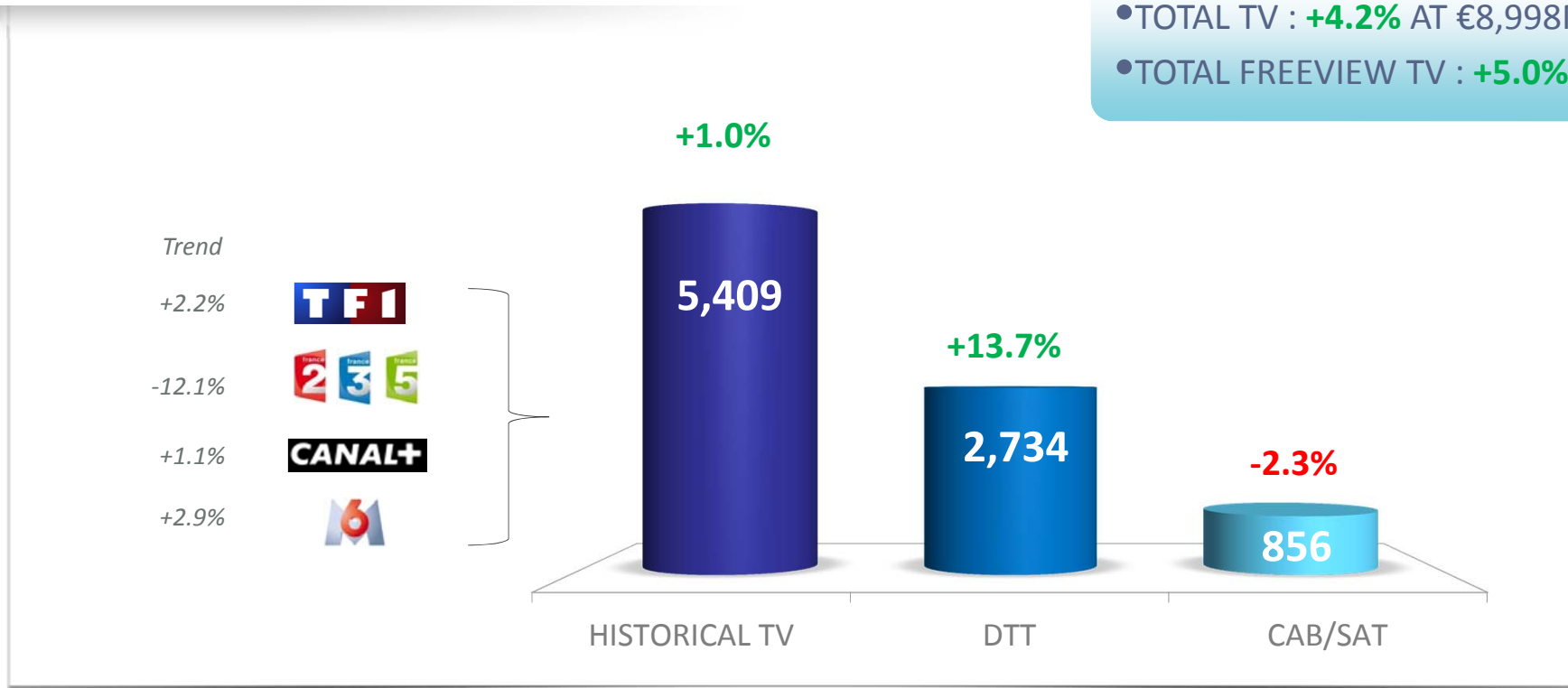
# GROSS PLURIMEDIA INVESTMENTS IN FRANCE IN 2012



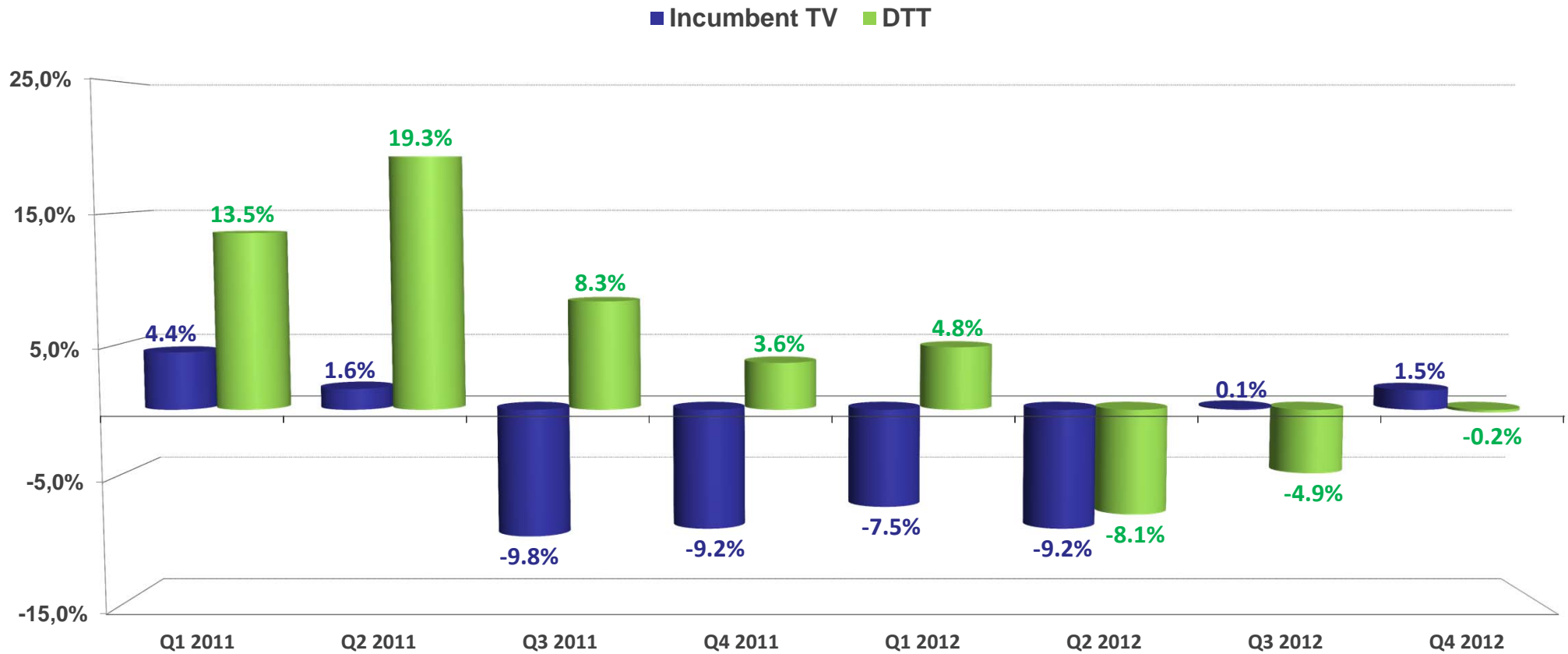
# TV STILL DRIVEN BY DTT

TREND IN GROSS TV INVESTMENT (€M) – JAN-DEC 2012

- TOTAL TV : **+4.2%** AT €8,998M
- TOTAL FREEVIEW TV : **+5.0%** AT €8,143M

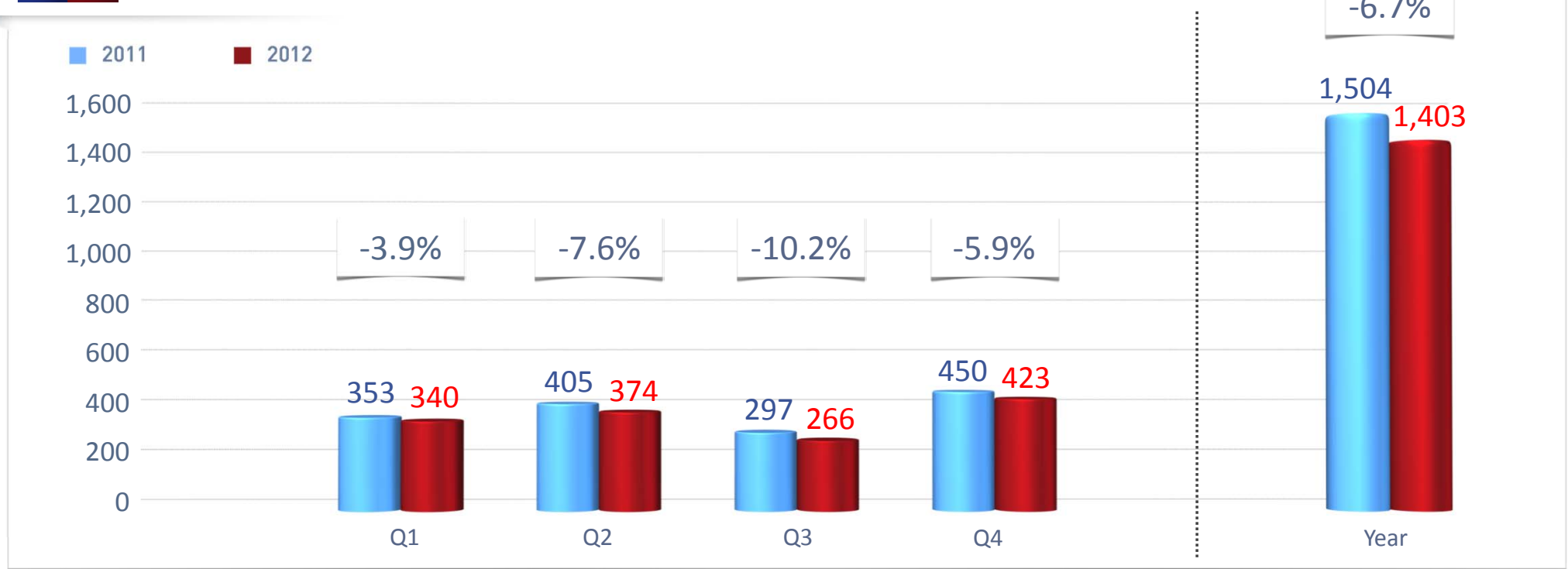


# QUARTERLY TREND IN VOLUME OF ADVERTISING BROADCAST ON TV



# TF1 CHANNEL IMPACTED BY ECONOMIC ENVIRONMENT

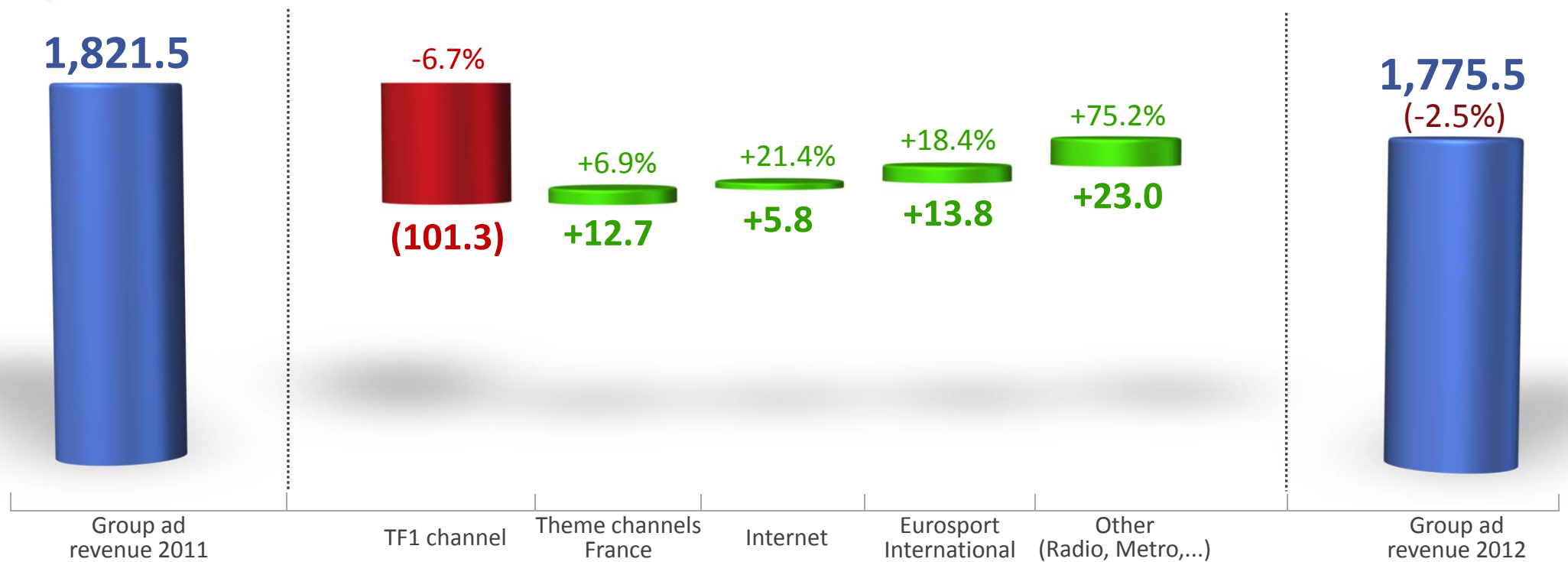
**TF1** NET ADVERTISING REVENUE (€m) :



**TF1 CHANNEL AD REVENUE UNDER PRESSURE**

# STRONG ADVERTISING MOMENTUM IN OTHER MEDIA

ADVERTISING REVENUE (€m) :



**REAL SOURCES OF GROWTH**



# A GLOBAL ADVERTISING STRATEGY TO FACE A COMPLEX EQUATION

## 1 - NEW RESOURCES

- ▶ Change in ad purchasing behaviour
  - Introduction of MPI (Internalised Media Planning)
  - Launch of LA PLACE MEDIA
- ▶ New indicators
  - Development of "GRP QP" (Quantities Purchased) Implementation of new ad target: "Shoppers"
- ▶ Initiatives in TV
  - Increase in segmentation

## 2 - SYNERGIES

### DTT :

- Launch of HD1 and Numéro 23



### Theme channels :

- Sport and Youth divisions strengthened with BeinSport and Boing



### Digital :

- Strong growth in online video ads

### Diversification :

- Ad agency for MFM Radio and Metro



## 3 - NEW TERRITORIES

### New advertising opportunities:

- Innovative second-screen approaches (Check'in, Shazam partnership, MyTF1 Connect, etc.)



- Brand and product channels (Yves Rocher, etc.)

**DYNAMIC AD AGENCY IN CONSTANT DEVELOPMENT**

# DIGITAL ENHANCES THE TV EXPERIENCE

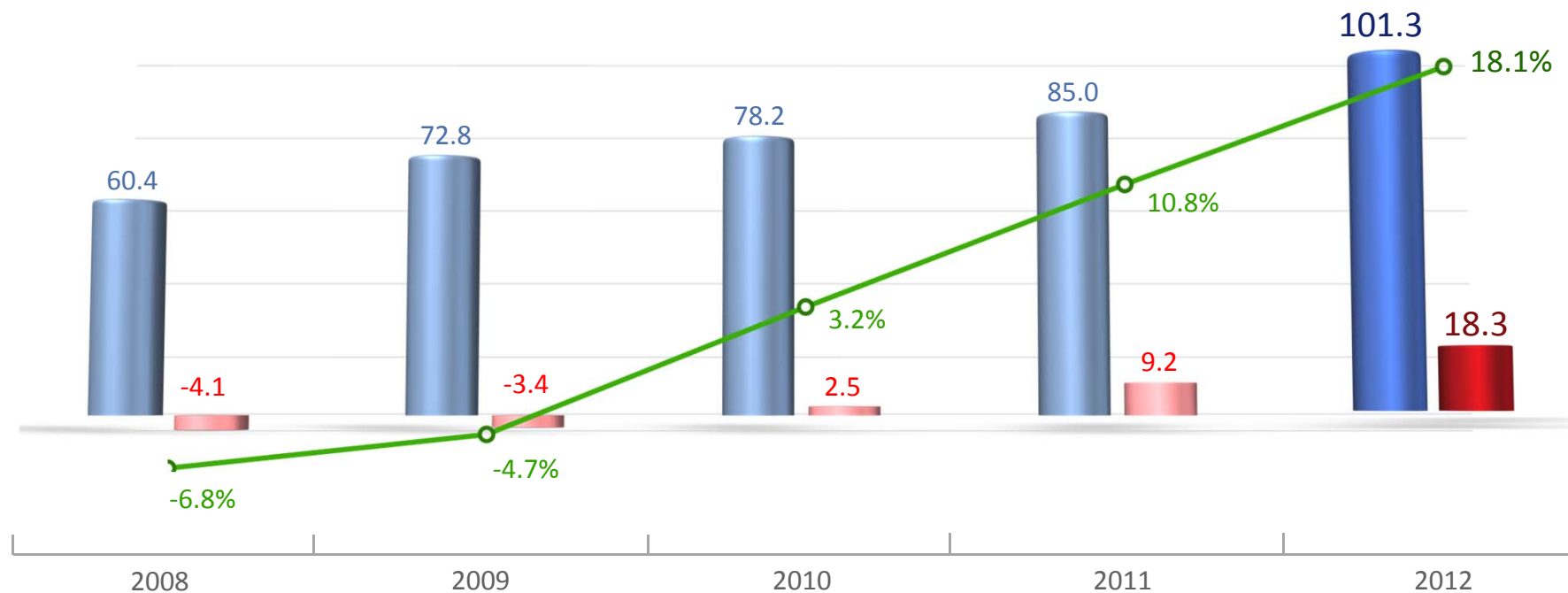


**TF1, THE BEST DIGITAL FOOTPRINT ON THE MARKET\***

# DIGITAL: CONTINUED IMPROVEMENT IN FINANCIAL PERFORMANCE

E-TF1 PERFORMANCE SINCE 2008

■ Total revenue (€m) ■ Current. op. income (€m) — Current operating margin (%)



**MODERN AND PROFITABLE**

# EUROSPORT INTERNATIONAL : GROWTH STRATEGY



**+18%**

rise in advertising revenue in 2012

**132 M**

European households receive Eurosport (up 3m on 2011)

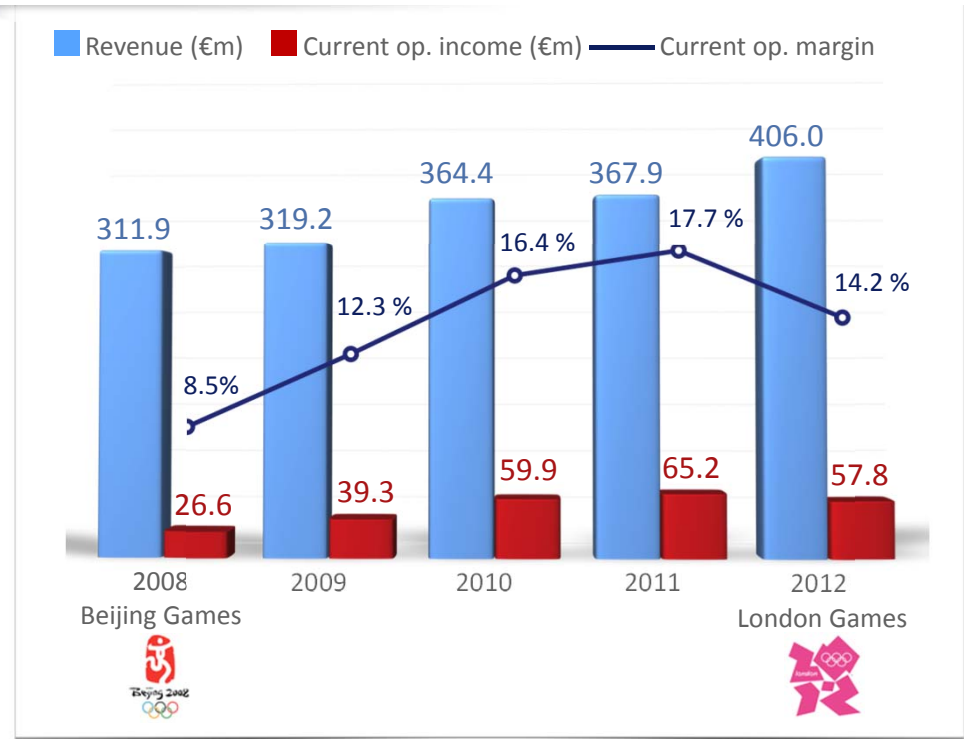
**+9%**

rise in number of households receiving Eurosport2 (62.5 m at end-December 2012)

**10 M**

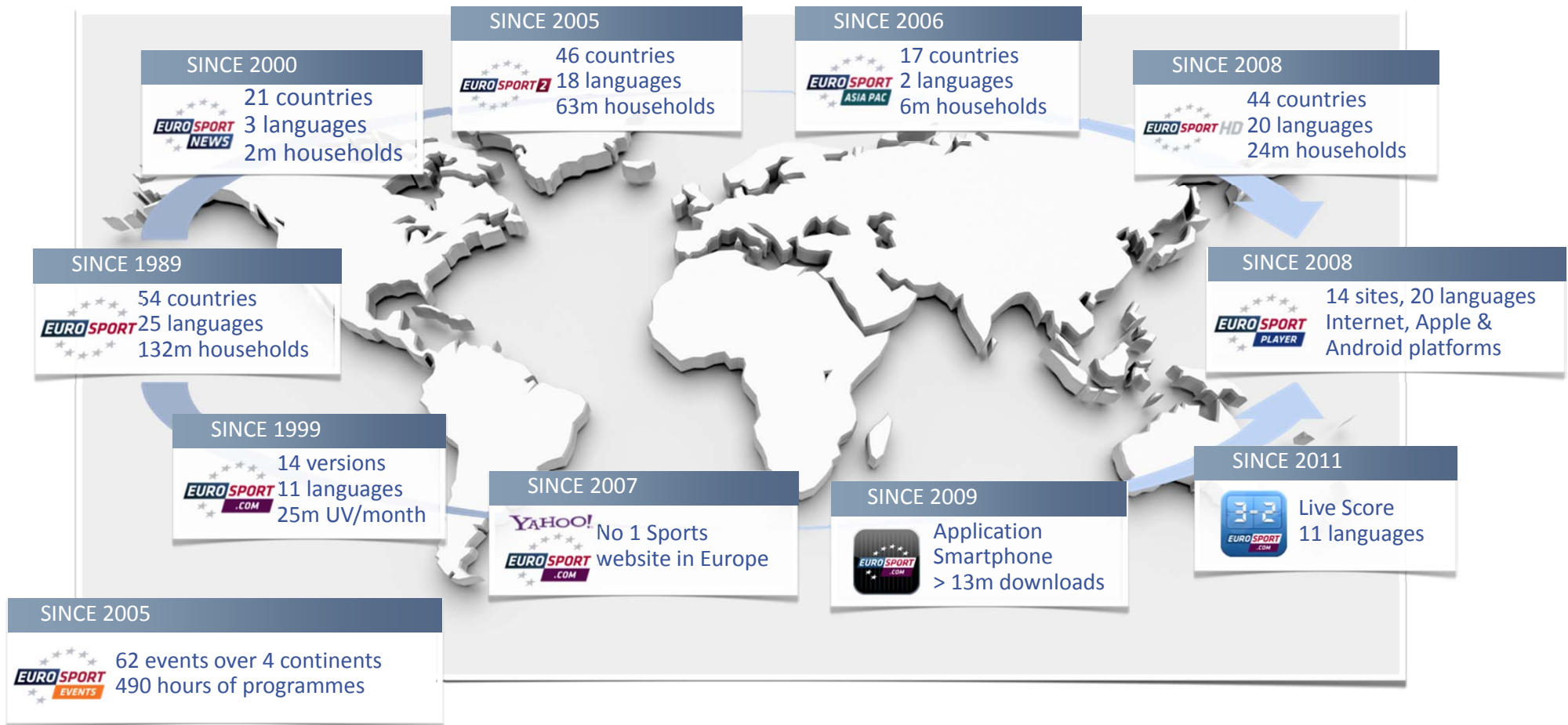
users downloaded the Eurosport app in 2012 (+85.2%)

EUROSPORT INTERNATIONAL FINANCIAL PERFORMANCE SINCE 2008



## DEVELOPMENT & PROFITABILITY

# EUROSPORT : FROM A SPORTS TV CHANNEL TO A MULTIMEDIA PLATFORM



At 31 December 2012



## STRATEGIC PARTNERSHIP

### 3 KEY AREAS

#### DEVELOPMENT OF EUROSPORT BUSINESS

- ▶ Synergies and complementary capabilities in content
- ▶ Development opportunities
- ▶ Discovery acquires 20% share in Eurosport

#### DEVELOP PAY TV CONTENT IN FRANCE

- ▶ Create a flagship range of theme channels in France
- ▶ Build around the content and brand portfolios of the two groups
- ▶ Discovery acquires a 20% share in TV Breizh, Histoire, Ushuaïa TV and Stylía

#### DEVELOPMENT OF PRODUCTION ACTIVITIES

- ▶ Magazine and documentary programmes of international standing
- ▶ Harness the expertise of TF1 Production

## A STRONGER POSITION IN PAY CONTENT PUBLISHING

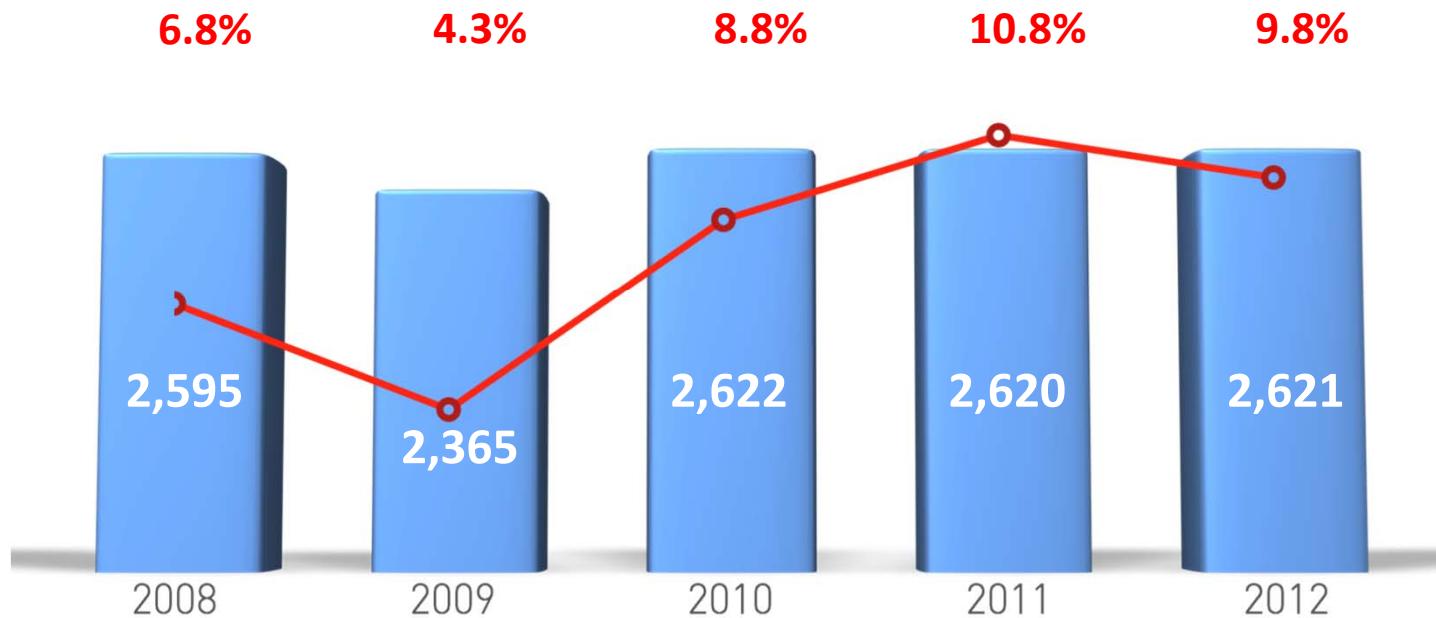


# FINANCIAL INFORMATION

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# ROBUST FINANCIAL PERFORMANCE

■ Consolidated revenue (€m) — Current operating margin



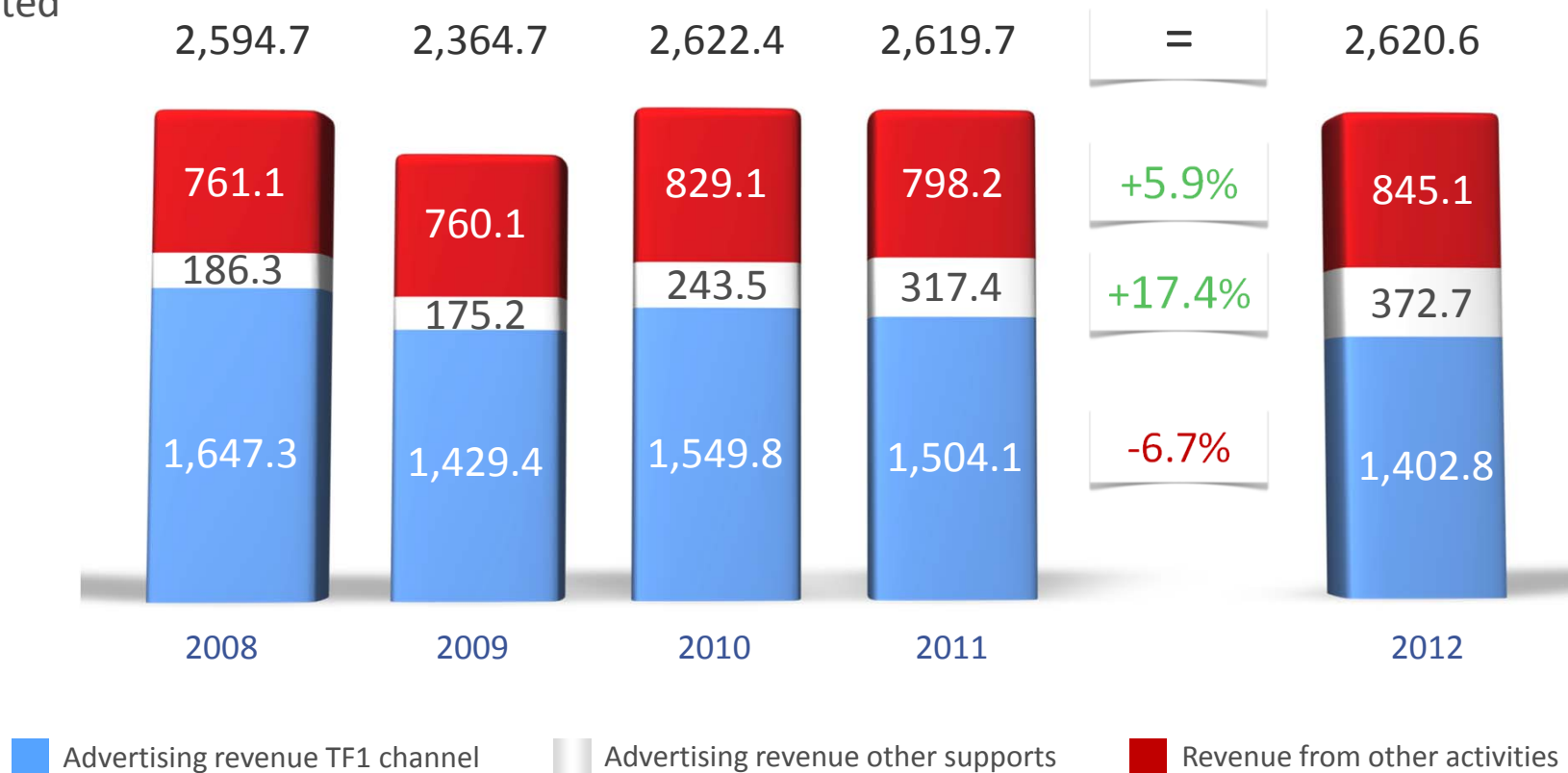
**STRONG RESISTANCE IN CRISIS CONTEXT**



# ADVERTISING REVENUE EVOLUTION

In €m

Consolidated revenue



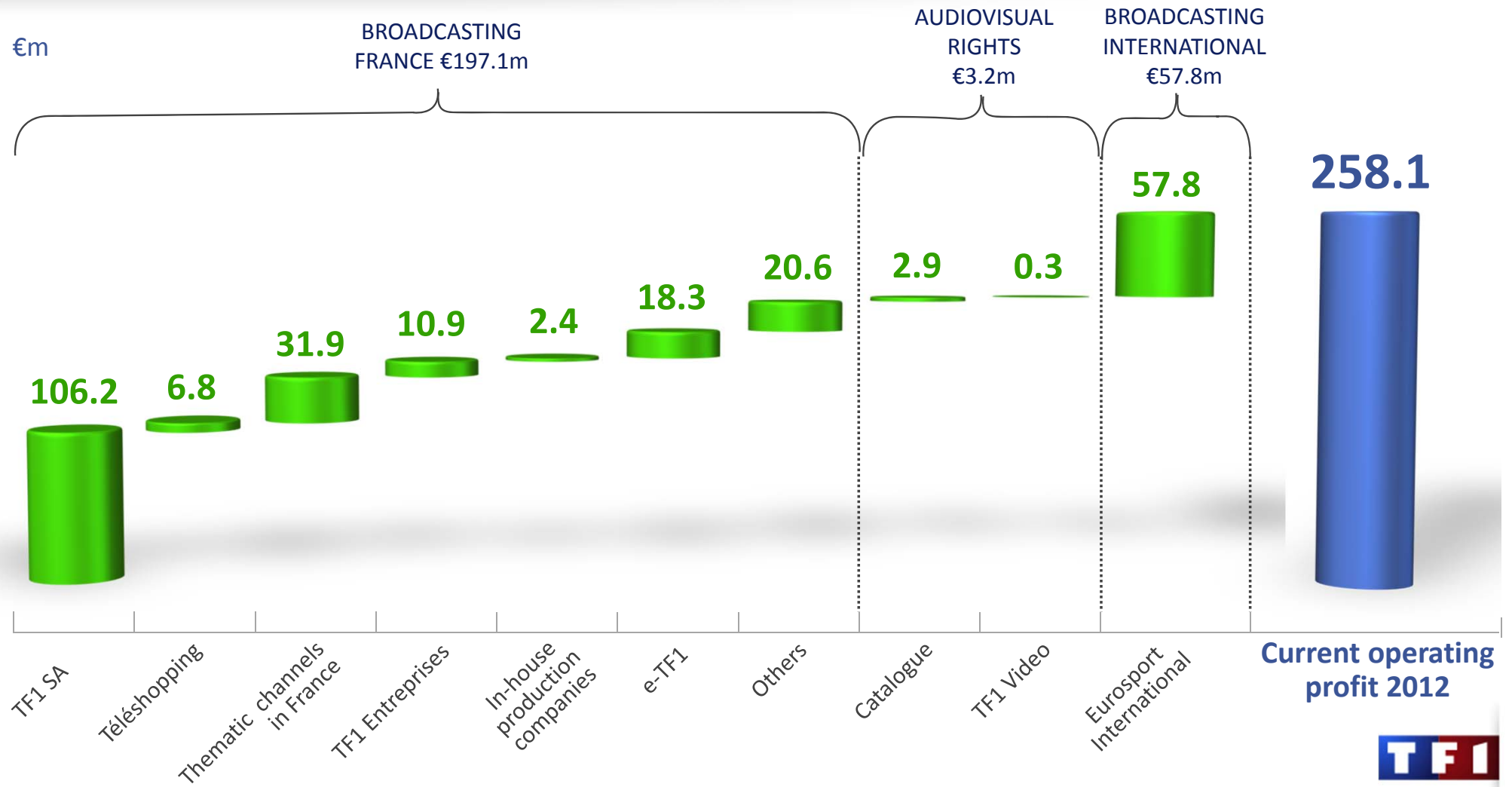
# TF1 CORE CHANNEL PROGRAMMING COSTS EVOLUTION

€m	2012	2011	Var. €m	Var. %
<b>TOTAL PROGRAMMING COSTS</b>	<b>935.5</b>	<b>905.5</b>	<b>+30.0</b>	<b>+3.3%</b>
<b>ONE-OFF SPORTING EVENT</b>	<b>24.2</b>	<b>24.1</b>	<b>+0.1</b>	<b>+0.4%</b>
<b>TOTAL PROG. COSTS EXCL. ONE-OFF SPORTING EVENT</b>	<b>911.3</b>	<b>881.4</b>	<b>+29.9</b>	<b>+3.4%</b>
Entertainment	270.2	253.9	+16.3	+6.4%
TV dramas / TV movies / Series / Theatre	291.0	277.0	+14.0	+5.1%
Sports (excl.one-off sporting events)	100.8	108.4	-7.6	-7.0%
News	117.5	113.2	+4.3	+3.8%
Movies	113.6	111.0	+2.6	+2.3%
Youth	18.2	17.9	+0.3	+1.7%

## CONSOLIDATED INCOME STATEMENT(1/2)

€m	2012	2011	Var. €m	Var. %
<b>Consolidated revenue</b>	<b>2,620.6</b>	<b>2,619.7</b>	<b>+0.9</b>	<b>+0.0%</b>
Total programming costs	(935.5)	(905.5)	-30.0	+3.3%
Total other charges	(1,342.6)	(1,323.0)	-19.6	+1.5%
Depreciation and amortisation, provisions and impairment (net)	(84.4)	(108.3)	+23.9	-22.1%
<b>Current operating profit</b>	<b>258.1</b>	<b>282.9</b>	<b>-24.8</b>	<b>-8.8%</b>
CURRENT OPERATING MARGIN	9.8%	10.8%	-1.0pt	
Other operating income and expenses	(47.7)	-	-47.7	na
<b>Operating profit</b>	<b>210.4</b>	<b>282.9</b>	<b>-72.5</b>	<b>-25.6%</b>

# CURRENT OPERATING PROFIT CONTRIBUTIONS BY SEGMENT



# PHASE II OF THE OPTIMISATION PLAN : 2012 ACHIEVEMENTS

## 2 MAJOR OBJECTIVES

REDUCE COSTS

INTRODUCE MORE FLEXIBILITY

## 3 LEVERS

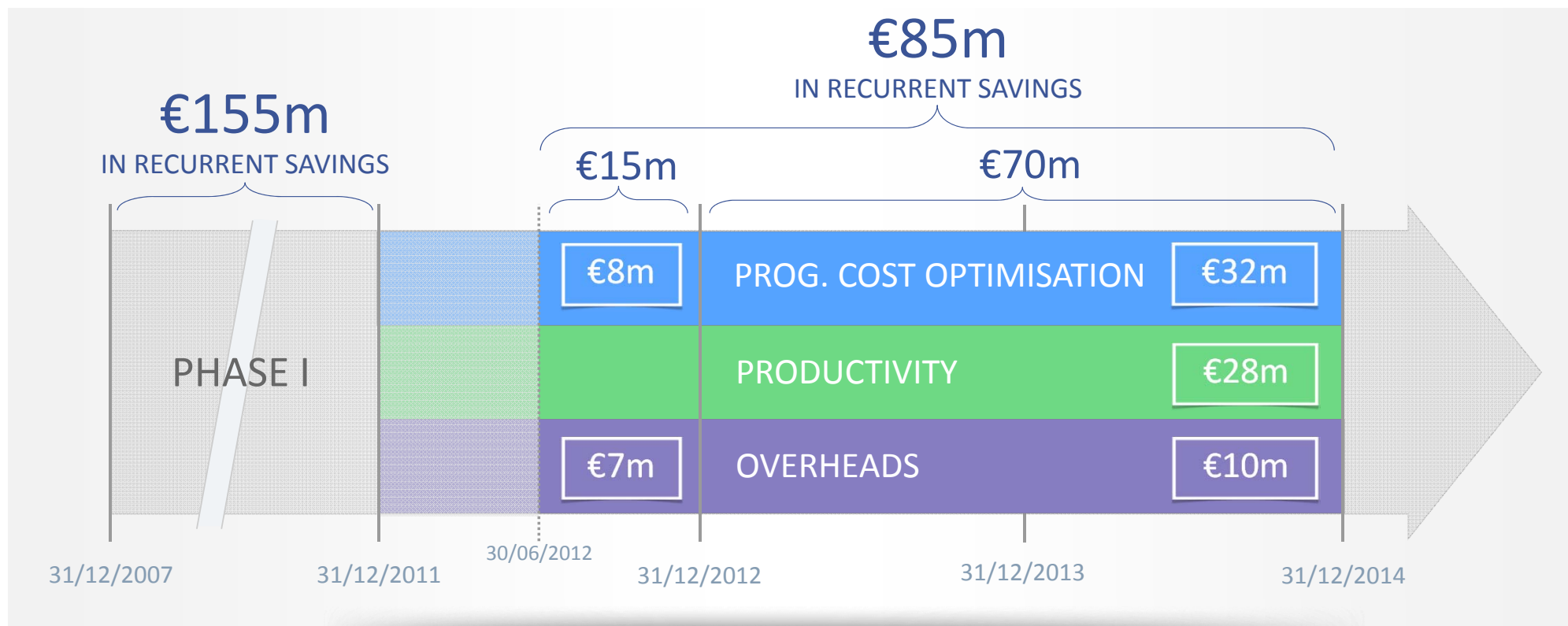
OPTIMISATION  
of TF1 channel programming costs  
**€8m**

Gains in  
PRODUCTIVITY  
**€0m**

Reduce  
OVERHEADS  
**€7m**

**€15M OF RECURRENT SAVINGS IN 2012**

# ACCELERATION OF PHASE II OF THE OPTIMISATION PLAN



ONGOING ADAPTATION OF BUSINESS MODEL

## CONSOLIDATED INCOME STATEMENT (2/2)

€m	2012	2011	Var. €m	Var. %
<b>OPERATING PROFIT</b>	<b>210.4</b>	<b>282.9</b>	<b>-72.5</b>	<b>-25.6%</b>
Cost of net debt	-	0.5	-0.5	na
Other financial income and expenses	5.8	5.1	+0.7	+13.7%
Income tax expense	(70.5)	(88.7)	+18.2	-20.5%
Share of profits / (losses) of associates	(6.4)	(13.7)	+7.3	-53.3%
<b>NET PROFIT</b>	<b>139.3</b>	<b>186.1</b>	<b>-46.8</b>	<b>-25.1%</b>
<b>NET PROFIT ATTRIBUTABLE TO THE GROUP</b>	<b>136.0</b>	<b>182.7</b>	<b>-46.7</b>	<b>-25.6%</b>
ATTRIBUTABLE TO MINORITY INTERESTS	3.3	3.4	-0.1	-2.9%

# CONSOLIDATED BALANCE SHEET

ASSETS (€m)	31 DEC. 2012	31 DEC. 2011	Var. €m
Total non-current assets	1,408.4	1,421.8	-13.4
Total current assets	2,209.4	1,932.6	+276.8
<b>TOTAL ASSETS</b>	<b>3,617.8</b>	<b>3,354.4</b>	<b>+263.4</b>

SHAREHOLDERS' EQUITY AND LIAB. (€m)	31 DEC. 2012	31 DEC. 2011	Var. €m
Shareholder's equity	1,801.8	1,587.2	+214.6
Of which shareholder's equity attributable to the Group	1,684.8	1,575.1	+109.7
Non-current liabilities	62.7	67.9	-5.2
Current liabilities	1,753.3	1,699.3	+54.0
<b>TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES</b>	<b>3,617.8</b>	<b>3,354.4</b>	<b>+263.4</b>
NET CASH (+) / DEBT (-)	236.3	(40.6)	+276.9

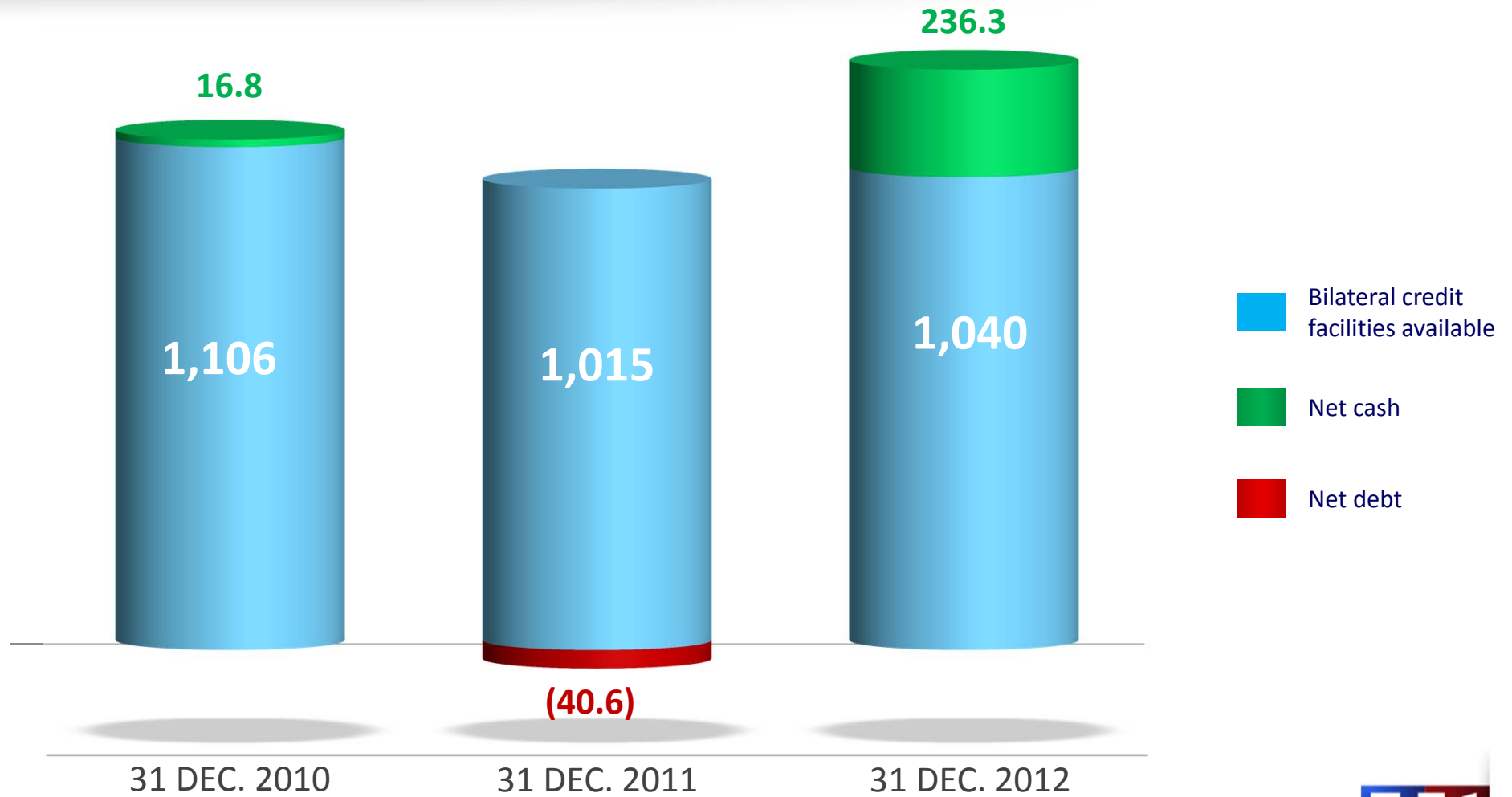


# CONSOLIDATED CASH FLOW STATEMENT

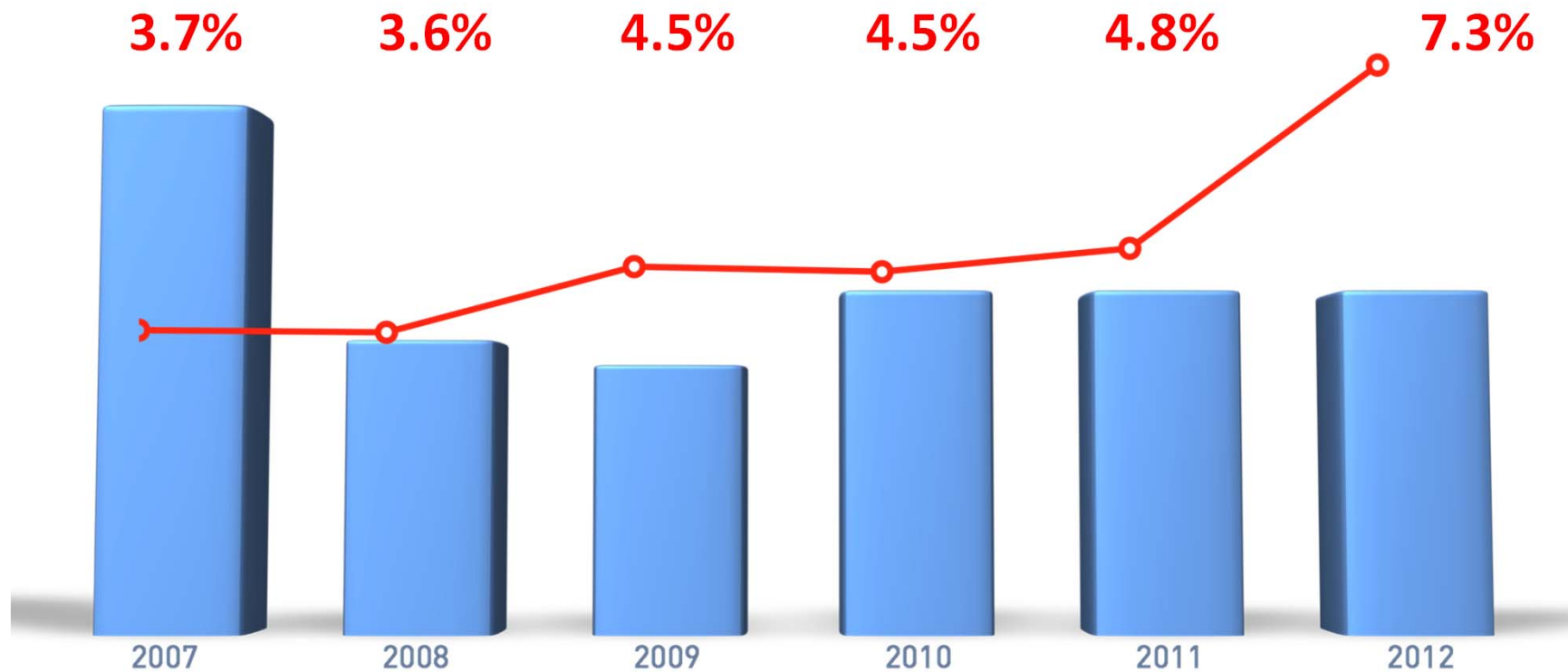
€m	2012	2011	Var. €m
Operating cash flow	277.0	346.4	-69.4
Income taxes (paid)/reimbursed	(102.1)	(73.2)	-28.9
Change in operating working capital needs	87.6	(82.1)	+169.7
<b>Net cash generated by/(used in) operating activities</b>	<b>262.5</b>	<b>191.1</b>	<b>+71.4</b>
<b>Net cash generated by/(used in) investing activities</b>	<b>(58.6)</b>	<b>(94.7)</b>	<b>+36.1</b>
<b>Net cash generated by/(used in) financing activities</b>	<b>68.7</b>	<b>(151.6)</b>	<b>+220.3</b>
<b>CHANGE IN CASH POSITION</b>	<b>272.6</b>	<b>(55.2)</b>	<b>+327.8</b>
<b>CASH POSITION AT BEGINNING OF PERIOD</b>	<b>(18.2)</b>	<b>37.0</b>	<b>-55.2</b>
<b>CASH POSITION AT END OF PERIOD</b>	<b>254.4</b>	<b>(18.2)</b>	<b>+272.6</b>

# A HEALTHY BALANCE SHEET

En M€



## DIVIDEND PROPOSED AT THE ANNUAL GENERAL MEETING ON 18 APRIL 2013



■ Dividend paid (€ per share)

— Yield of TF1 share  
(average price of TF1 share over the year)

# OUTLOOK

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## 2013 OUTLOOK

€m	2012	2013	Var.
Consolidated revenue	2,621	2,540	-3%

- ▶ Uncertain economic outlook
- ▶ Very little visibility

## OUR ROADMAP FOR 2013-2014

1

BUILD A NEW FREEVIEW OFFER MODEL

2

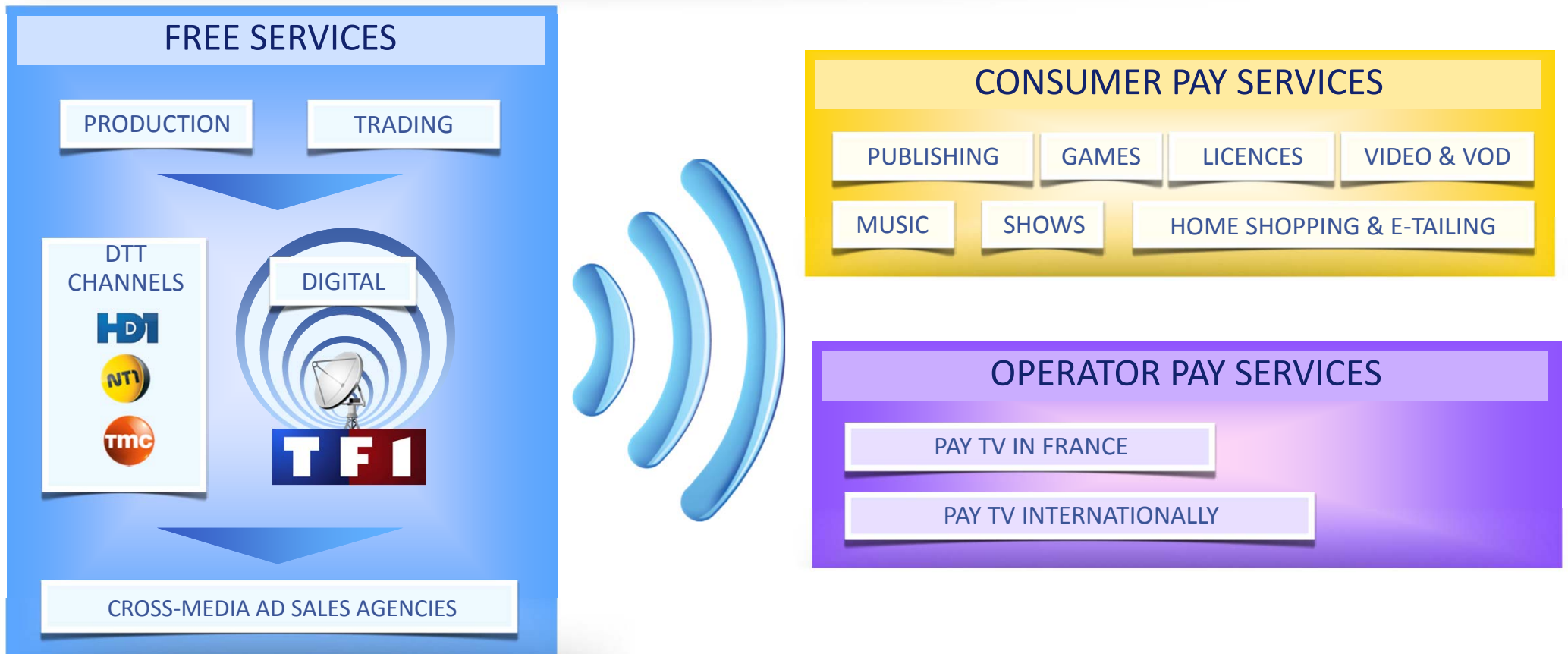
GROW THE CONSUMER OFFER

3

STRENGTHEN THE PAY OFFER

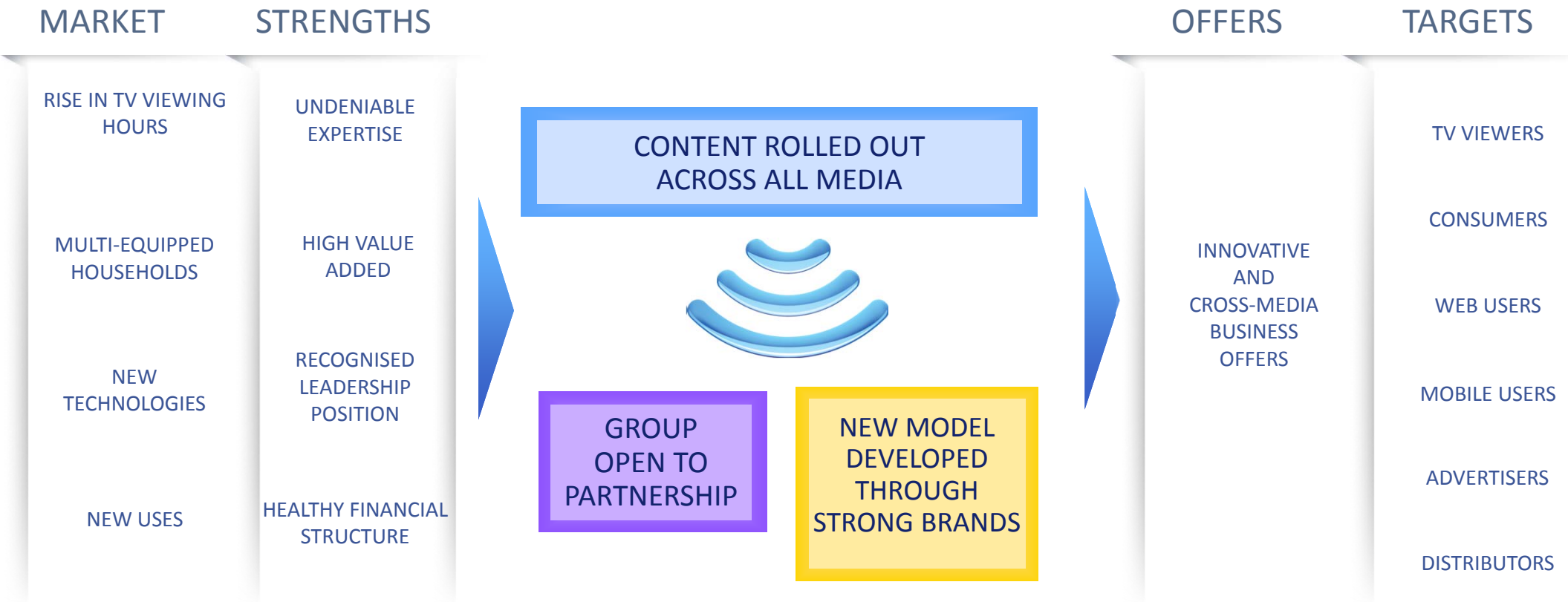
SHARPEN  
COMPETITIVE EDGE

# UNLOCKING SYNERGIES IN ACTIVITY CENTRES



2007 / 2012: A TRANSFORMED GROUP

# UNLOCKING SYNERGIES IN ACTIVITY CENTRES



**A WELL-POSITIONED GROUP**



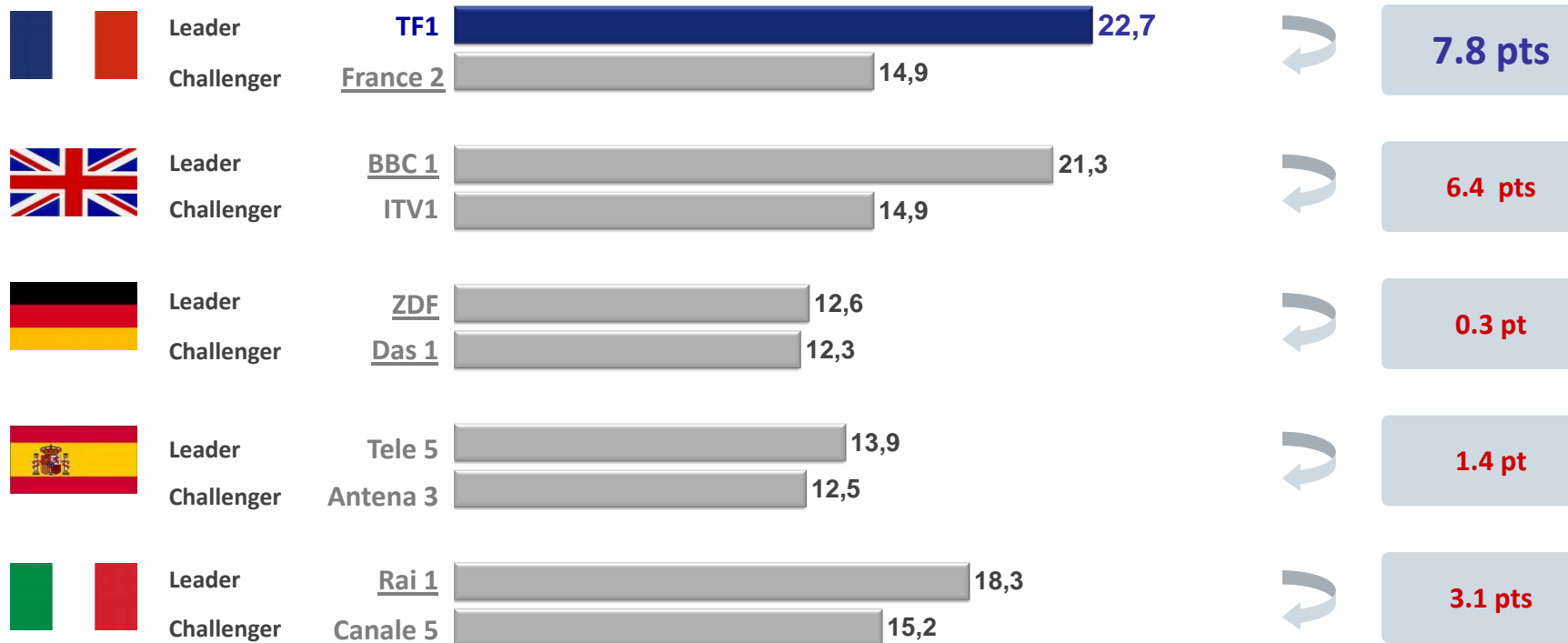
# APPENDIX

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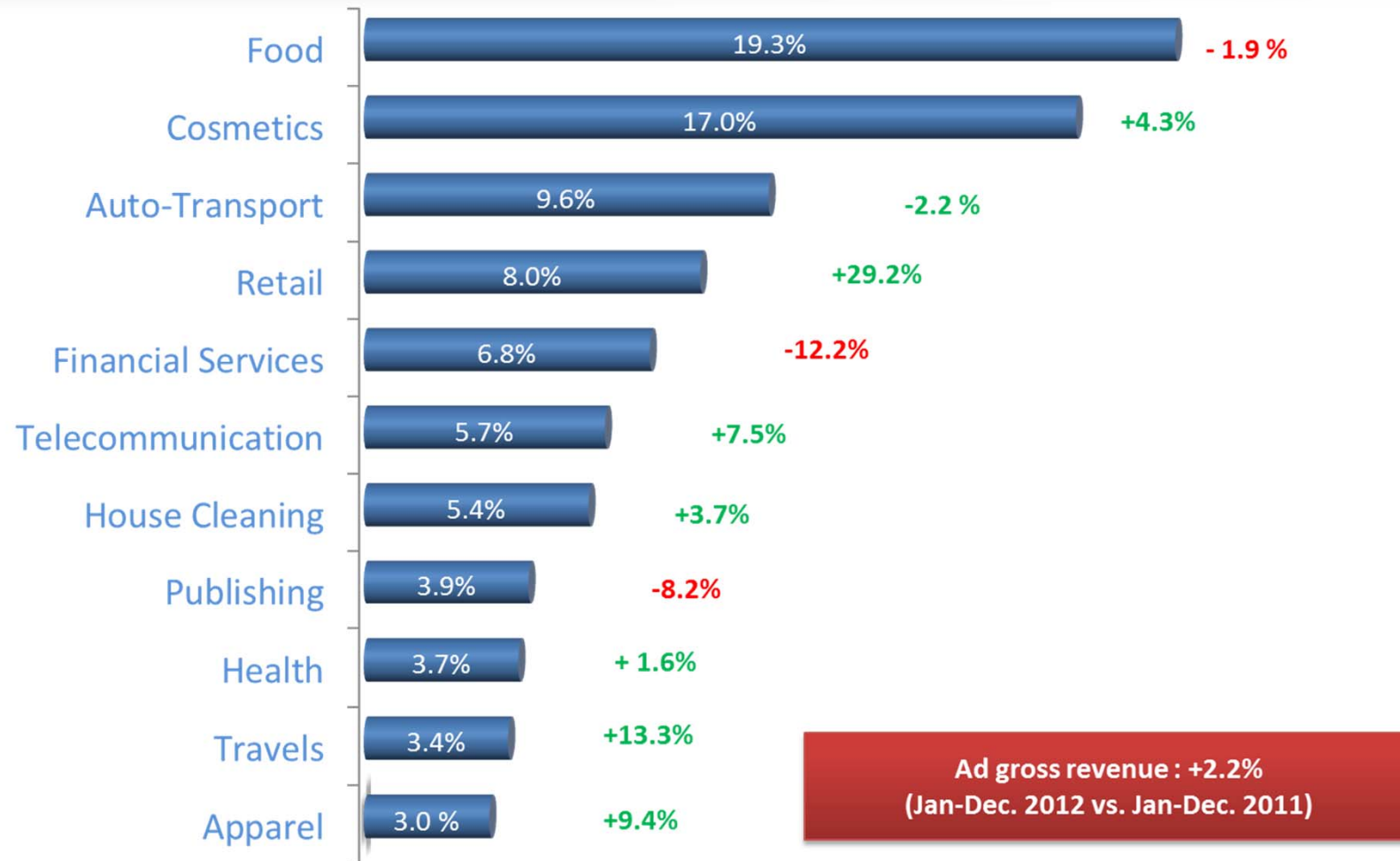
# TF1, A EUROPEAN LEADER

Audience share (in%) of European channels, leaders in their respective national territories in 2012

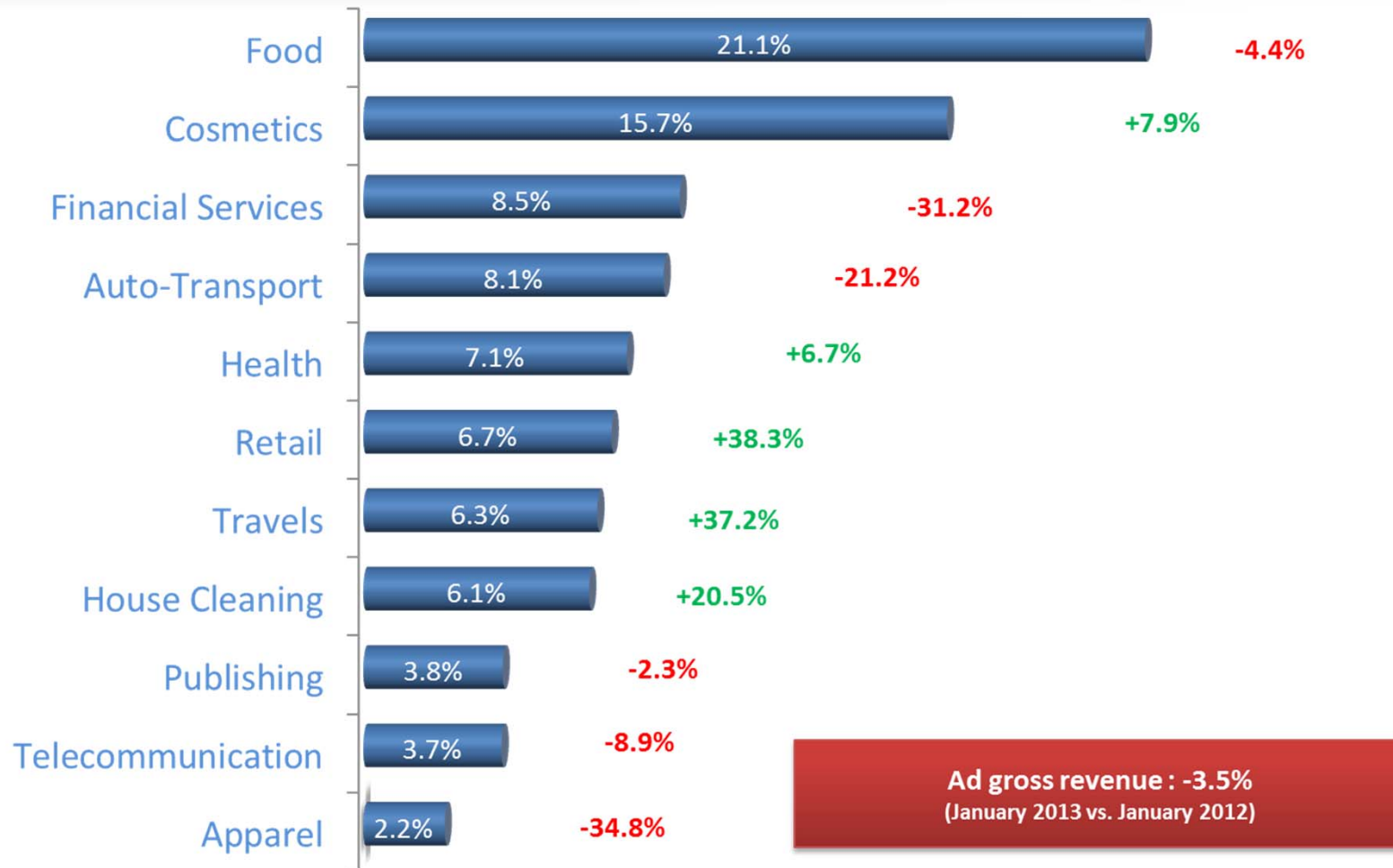
Gap between each leader and its challenger



# EVOLUTION OF THE ADVERTISING SECTORS IN 2012



# EVOLUTION OF THE ADVERTISING SECTORS IN JANUARY 2013



Source: Kantar Media January 2013 vs. January 2012

# EUROSPORT & DISCOVERY : NUMEROUS SYNERGIES

## DISTRIBUTION

- ▶ JV created in January 2013
- ▶ Aim: improved shared proposal for a global offer



**SYNERGIES AND GROWTH**

## ADVERTISING

- ▶ Eurosport: pan-European advertising expertise
- ▶ Discovery: strong know-how in local advertising
- ▶ Pooled marketing



**TAKE ADVANTAGE OF MAJOR COMPLEMENTARITIES**

## DEVELOPMENT

- ▶ New territories to be targeted
- ▶ New rights to be negotiated



**GROWTH, IN THE CONTINUITY OF EUROSPORT STRATEGY**



**A PROMISING PARTNERSHIP**

## REVENUE CONTRIBUTIONS BY SEGMENT

€m	2012	2011	Var. €m	Var. %
<b>Broadcasting France</b>	<b>2,084.8</b>	<b>2,134.8</b>	<b>-50.0</b>	<b>-2.3%</b>
TF1 SA	1,415.8	1,511.0	-95.2	-6.3%
Téléshopping	99.3	100.4	-1.1	-1.1%
Thematic channels in France	320.3	308.8	+11.5	+3.7%
TF1 Entreprises	56.9	49.4	+7.5	+15.2%
In-house production companies	25.7	26.4	-0.7	-2.7%
e-TF1	101.3	85.0	+16.3	+19.2%
Others	65.5	53.8	+11.7	+21.7%
<b>Audivisual Rights</b>	<b>129.8</b>	<b>115.5</b>	<b>+14.3</b>	<b>+12.4%</b>
Catalogue	45.7	37.2	+8.5	+22.8%
TF1 Vidéo	84.1	78.3	+5.8	+7.4%
<b>Broadcasting International</b>	<b>406.0</b>	<b>367.9</b>	<b>+38.1</b>	<b>+10.4%</b>
Eurosport International	406.0	367.9	+38,1	+10.4%
<b>Other Activites</b>	<b>-</b>	<b>1.5</b>	<b>-1.5</b>	<b>na</b>
SPS	-	1.5	-1.5	na
<b>Total consolidated revenue</b>	<b>2,620.6</b>	<b>2,619.7</b>	<b>+0.9</b>	<b>+0.0%</b>

## CURRENT OPERATING PROFIT CONTRIBUTIONS BY SEGMENT

€m	2012	2011	Var. €m	Var. %
<b>Broadcasting France</b>	<b>197.1</b>	<b>266.5</b>	<b>-69.4</b>	<b>-26.0%</b>
TF1 SA	106.2	177.8	-71,6	-40.3%
Téléshopping	6.8	2.9	+3,9	x2.3
Thematic channels in France	31.9	38.9	-7,0	-18.0%
TF1 Entreprises	10.9	5.7	+5,2	+91.2%
In-house production companies	2.4	4.4	-2,0	-45.5%
e-TF1	18.3	9.2	+9,1	+98.9%
Others	20.6	27.6	-7,0	-25.4%
<b>Audivisual Rights</b>	<b>3.2</b>	<b>(40.1)</b>	<b>+43.3</b>	<b>na</b>
Catalogue	2.9	-28.4	+31,3	na
TF1 Vidéo	0.3	-11.7	+12,0	na
<b>Broadcasting International</b>	<b>57.8</b>	<b>65.2</b>	<b>-7.4</b>	<b>-11.3%</b>
Eurosport International	57.8	65.2	-7,4	-11.3%
<b>Other Activites</b>	<b>-</b>	<b>(8.7)</b>	<b>+8.7</b>	<b>na</b>
SPS	-	-8.7	8,7	na
<b>Total consolidated current op. income</b>	<b>258.1</b>	<b>282.9</b>	<b>-24.8</b>	<b>-8.8%</b>

# CONTACTS



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