



# TF1 Presentation JP Morgan conference

June 28, 2011

ON SE RETROUVE SUR 

# 2010 REVIEW

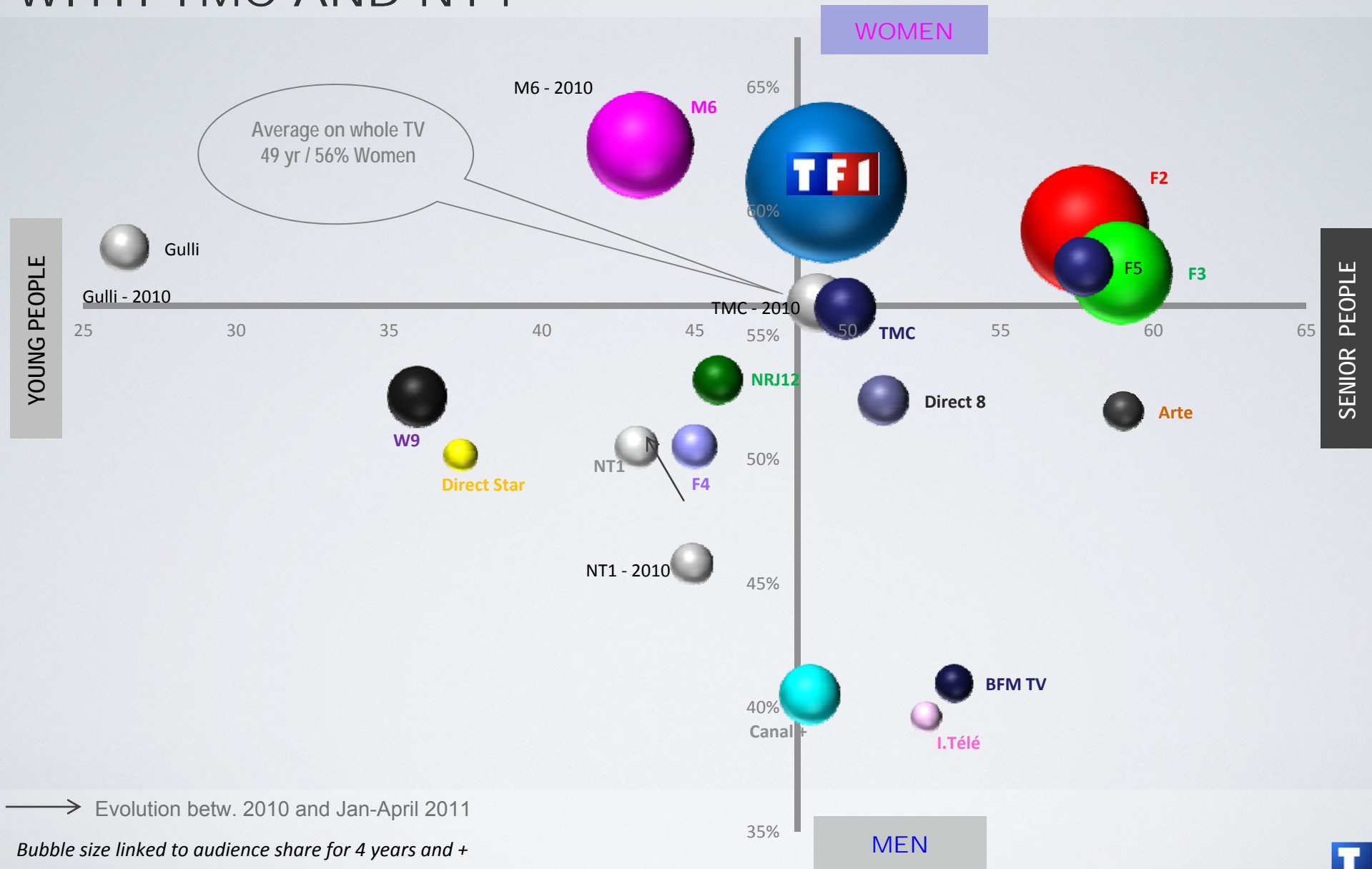
## 4 KEY PROJECTS

- 1 **STRENGTHEN OUR CORE BUSINESS: TV**
- 2 **CAPITALISE ON THE SYNERGY WITH DIGITAL: 360**
- 3 **RELAUNCH DIVERSIFICATION**
- 4 **PURSUE MANAGEMENT EFFORTS**

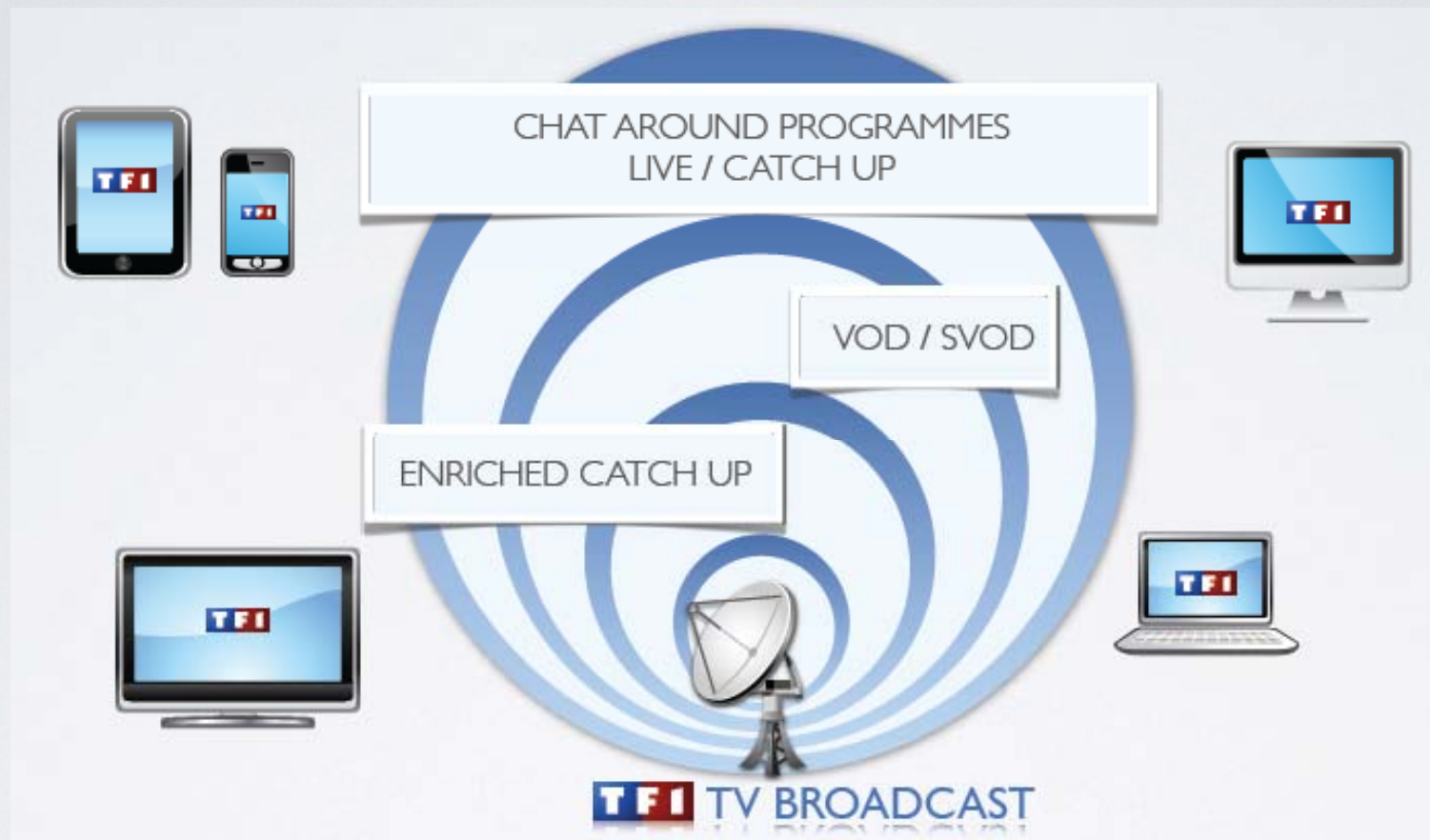


**COMMITTED TO PERFORMANCE**

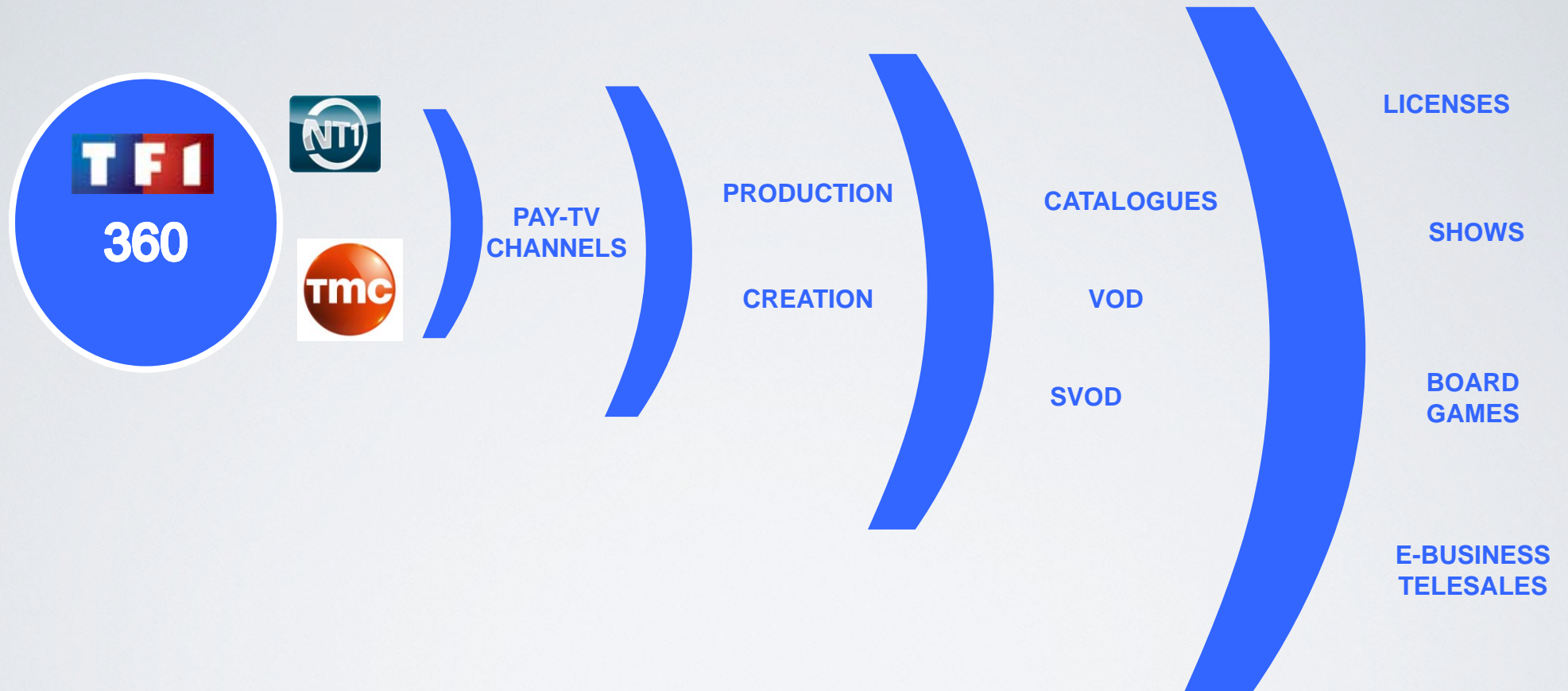
# AN UNRIVALLED TELEVISION OFFER WITH TMC AND NT1



# 360°: HEADING FOR PAYBACK

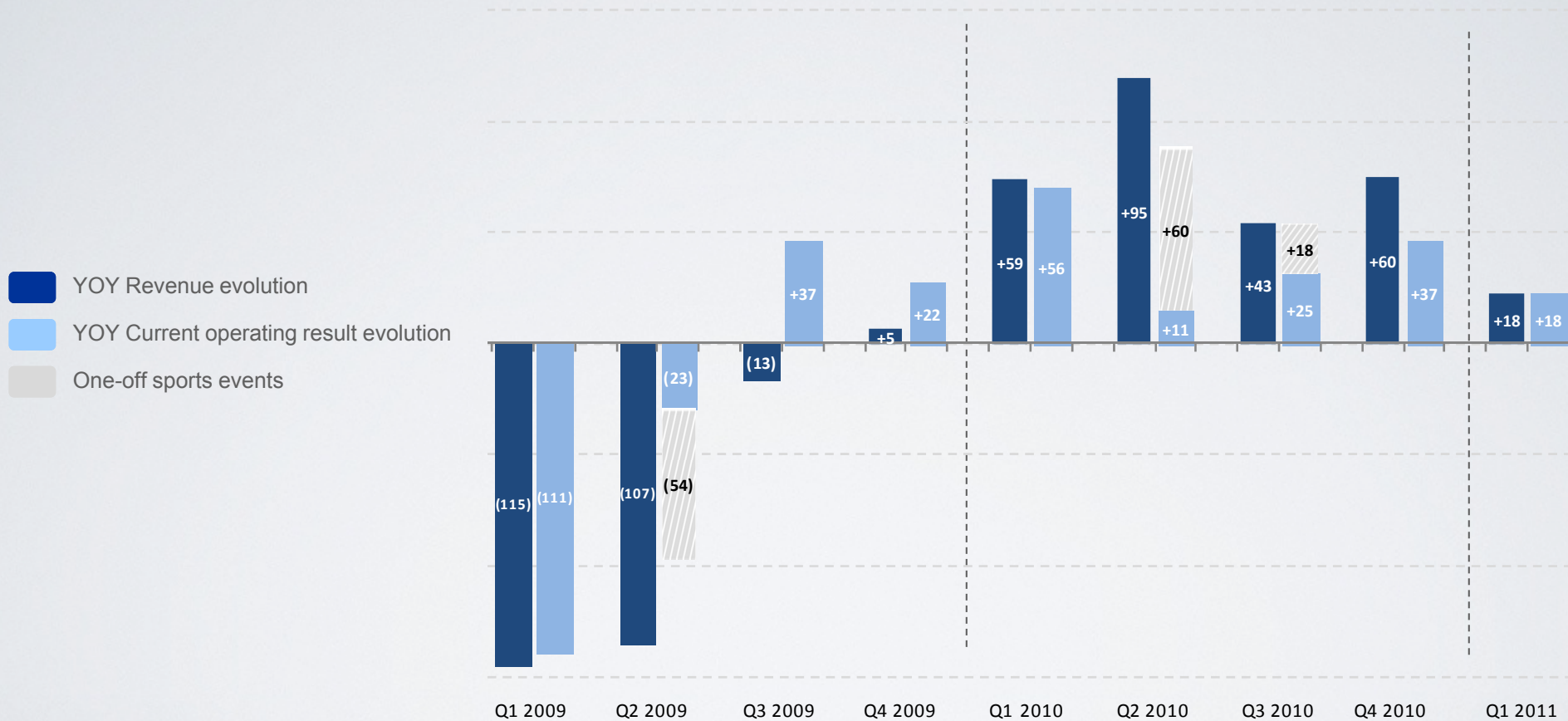


# A CONSISTENT DIVERSIFICATION



# OPTIMISED MANAGEMENT FOR A CONSOLIDATED BUSINESS MODEL

YOY Evolution of the total turnover and current operating result since 2009 (€m)



# 2010: DELIVERING ON ALL PROMISES... ... WITH A SOUND FINANCIAL STRUCTURE

	31.03.2010		31.03.2011
Net Cash	€167m	Dividends: €117m	€133m
Bond issue	€500m	Acquisition of TMC and NT1's equity interests: €196m	-

# GROUP GROWTH LEVERS IN ITS CORE BUSINESS

## 1 A MULTI-CHANNEL GROUP

- An optimised right portfolio
- Development of synergies between Group channels

## 2 ADVERTISING LEVERS

- TF1 Publicité: an innovative plurimedia advertising entity
- TMC Régie: the rise of stand-alone advertising entity

## 3 DEVELOPMENT LEVERS

- Digital strategy to create value
- A 360° strategy generating new BtoB and BtoC revenues

## 4 ECONOMIC LEVERS

- More relaxed regulations
- Performance management



DEVELOP BUSINESS AND INCREASE EARNINGS



# TF1 GROUP: A NEW TV OFFER



- COMPLEMENTARY IN TERMS OF CATEGORY
- COMPLEMENTARY FOR TARGETS

## Example of Monday evening line-up

French  
drama

Families  
and Women 25-59



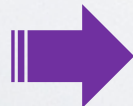
US  
Blockbuster

Men  
25-49



Reality TV  
Show

Women  
15-35

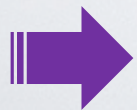


A BROAD RANGE OF PROGRAMMES



# A NEW BUSINESS MODEL A MULTI-CHANNEL GROUP

- Pooled acquisitions/rights
- Complementary fit of skills at a single department
- Better use of rights
- Better circulation of content between the Group channels in compliance with the commitments imposed by the Competition Authority
- Multiplication of operating windows and revenue
- Access to premium products, generating audience and revenue, for TMC and NT1



**RIGHTS OPTIMISATION THROUGH SYNERGIES BETWEEN  
GROUP CHANNELS**

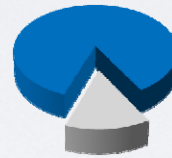
# ADDING MORE VALUE FOR OUR CLIENTS

- SELL EACH OF ITS OFFER SEGMENTS AT ITS RIGHT VALUE

Slots  $\geq$  8 GRP

2005

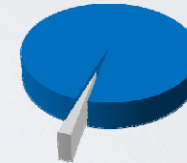
**TF1** 86%



4,654 freeview TV slots

2010

**TF1** 98%



2,238 freeview TV slots

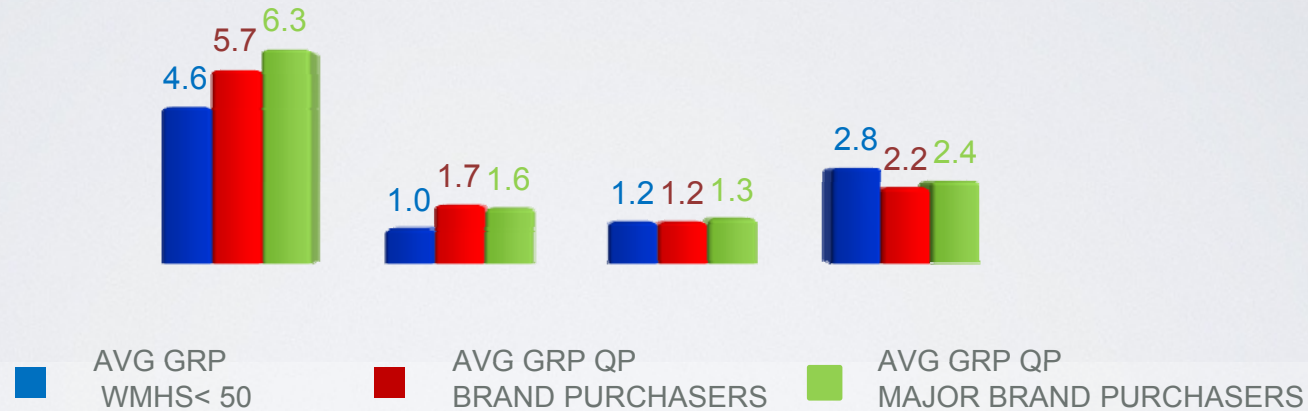
- CONTINUE THE PRICE SEGMENTATION

- CREATION OF 'FIRST' SLOTS

# ADDING MORE VALUE FOR OUR CLIENTS

- TAKE ADVANTAGE OF ALL LEVERS FOR ADVERTISING EFFECTIVENESS (MÉDIAWAY)
- MEASURE AND DEMONSTRATE THE IMPACT OF CAMPAIGNS ON SALES

AVERAGE GRP WHOLE DAY FOR SLOTS BY CHANNEL AND TARGET



LEVERAGING OUR PULLING POWER



# A 360° ADVERTISING ENTITY WITH A NEW APPROACH TO CUSTOMERS

- CHALLENGE 2012: A COMPANY PROJECT TO REBUILD VALUE
  
- MEASURE AND DEMONSTRATE THE EFFICIENCY OF CAMPAIGNS ON SALES
  - ➔ Tighten the negotiation schedule to strengthen the negotiating power of TF1 Publicité
  - ➔ Propose new optimisation targets



REDESIGN SALES PROCESS

# INNOVATIVE OFFERS FOR A NEW APPROACH TO CUSTOMERS

## □ STRENGTHEN PROXIMITY AND INTERACTIVITY

- Tags TV (TF1 Conso)
- Interactive Advertising

## □ INCREASE OPPORTUNITIES OF CONTACTS CUSTOMERS / ADVERTISERS

- Set-top boxes
- Connected TVs
- Tablet computers, smartphones, console screens...
- Fivefold Power: TV, Web, Mobile, Tablette, IPTV ads

 DEVELOP VALUE  
FOR ADVERTISERS AND TF1

# A VALUE CREATION STRATEGY THROUGH DIGITAL

## □ 2 STRATEGIES TO MAXIMIZE VALUE

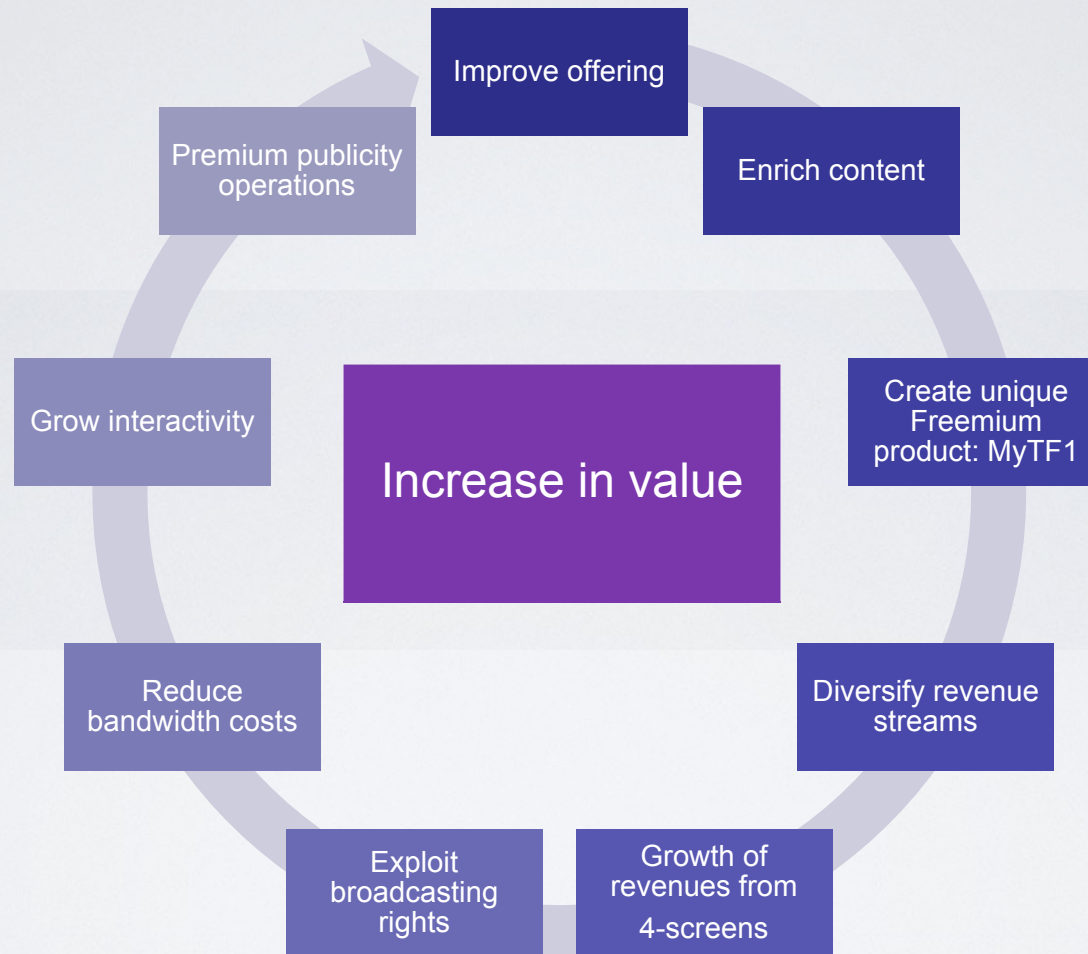
- Develop the audience
- Develop usage

## □ VIA A MULTI-SCREEN PRODUCT

- Develop the audience
  - ✓ MyTF1 on all ISPs: a new business model
  - ✓ TF1 contents ATAWAD: new mobile / tablet / console screens
- Develop use
  - ✓ Maximise video consumption
  - ✓ Maximise Freemium logic between our free and paying products
  - ✓ TF1 contents at the heart of social networks

 TF1: THE PIONEER IN *SOCIAL TV*

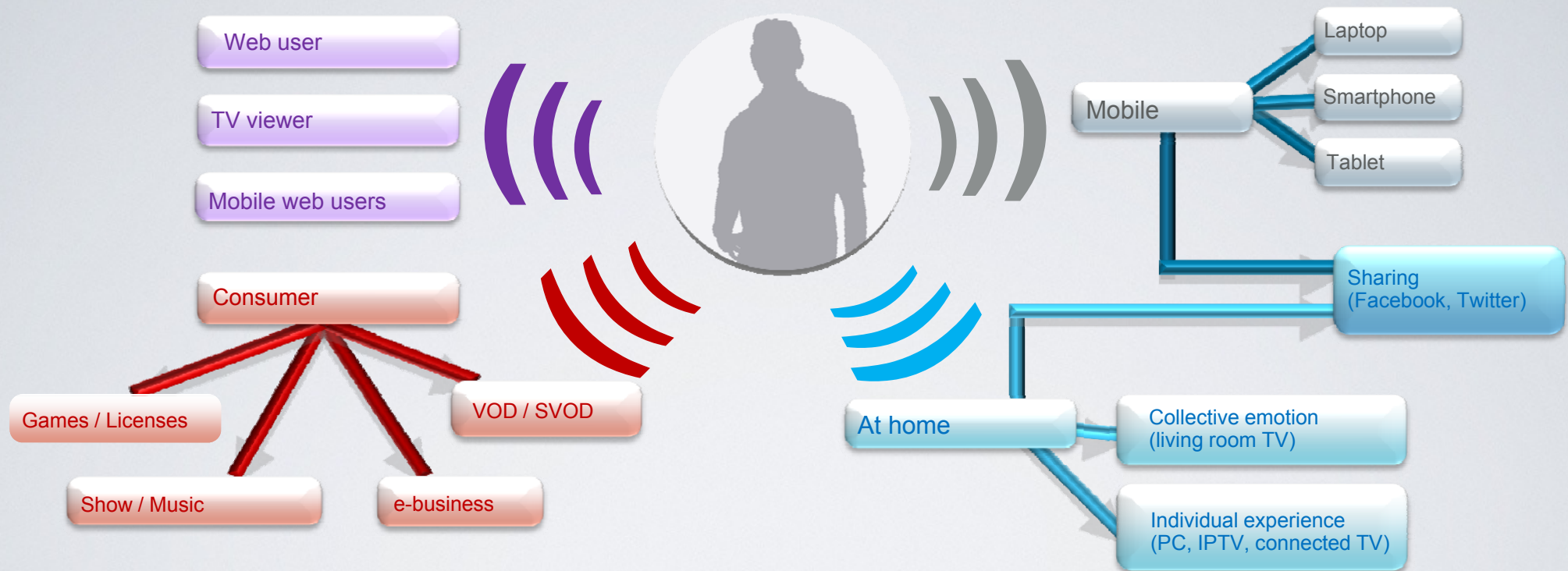
# A VALUE CREATION STRATEGY THROUGH DIGITAL



➡ THE VIRTUOUS CIRCLE OF DIGITAL



# A 360° STRATEGY: FROM THE TV VIEWER TO THE PERSON



➡ A 360° STRATEGY GENERATING  
NEW BtoB AND BtoC REVENUE

# MORE RELAXED REGULATIONS

- A reduction in production obligations
- The creation of Group synergies
- Generating revenue from rights
- Catch-up rights included in acquired broadcasting rights
- Acquired rights adjusted
- European corridor of 10%

# PERFORMANCE MANAGEMENT

□ €138M RECURRING SAVINGS IN 3 YEARS OF WHICH:

	2008	2009	2010
Recurring savings	€8m	€21m	€13m
External charges			
Recurring savings		€35m	€19m
Programming costs			

□ CONTINUE RENOGOTIATING SUPPLIER CONTRACTS AND CONTROL OVERHEADS

→ 2011 Trophy awarded to TF1 Purchasing Department

# PERFORMANCE MANAGEMENT

## □ LEVERS TO IMPROVE PROGRAMMING COSTS

- Programming costs under control
- Complete the adaptation of costs for periods of lower revenue potential
- Extend and increase the value of the 360° strategy
- Rolling out a new approach to contracting
- Increase the proportion of the in-house production
- Systematically review sports rights contracts

## □ A FINANCIAL STRATEGY WITH NEW TOOLS: SIGMA / SAP

- For a better consolidation
- For a more cross-cutting and consolidated vision
- For an improvement of the coordination of the WCR

 PROFITABILITY IS A SHARED AIM

## 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**.

# SKILLS FOR THE FUTURE

- An unrivalled offering
- Market-leading position strengthened by TMC and NT1
- Growth markets and markets of the future
- Productive innovation at the heart of our businesses
- Components acting in synergy
- Adapting the business model and improving profitability
- Rationalised diversifications, managed by a team of entrepreneurs
- Solid financial structure