



# Investor presentation

2010 Q1 results

# TF1 GROUP



## Free Channels



## Pay TV (France)



## Production



## Advertising agency



## Diversification & Internet



## Audiovisual rights



## Broadcasting international



\* In process following the clearance given by the Competition Authorities and the regulator

# SOMMAIRE

**AN AUDIOVISUAL ENVIRONMENT IN CONSTANT EVOLUTION**

TF1, FRANCE'S LEADING MULTICHANNEL PROVIDER OF NEWS AND ENTERTAINMENT

BUILD ON SYNERGIES WITH NEW MEDIA

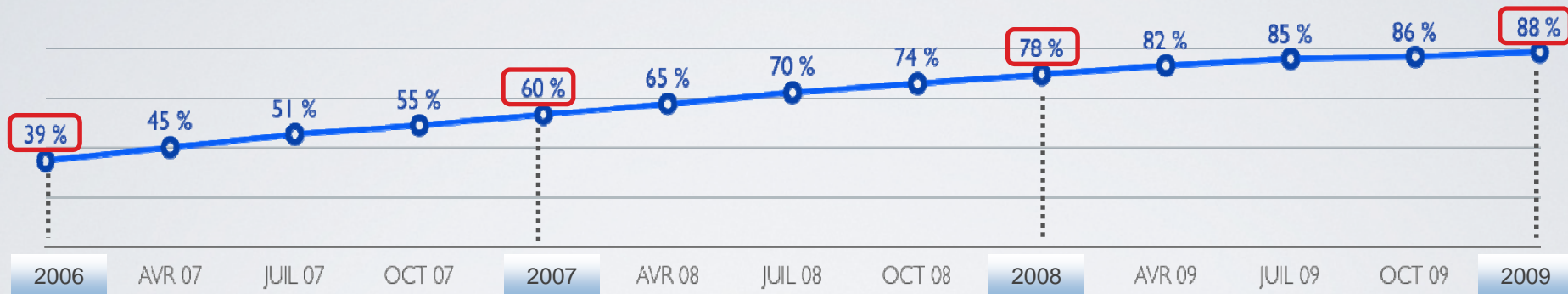
PURSUE THE POLICY OF STRATEGIC ALLIANCES

EXPLORE NEW TERRITORIES

# A TOUGHER COMPETITION WITH A GROWING CHANNEL OFFER

## TV equipped receiving 18 channels or more

Indiv. 4 years and +



## DTT Channels - audience ratings

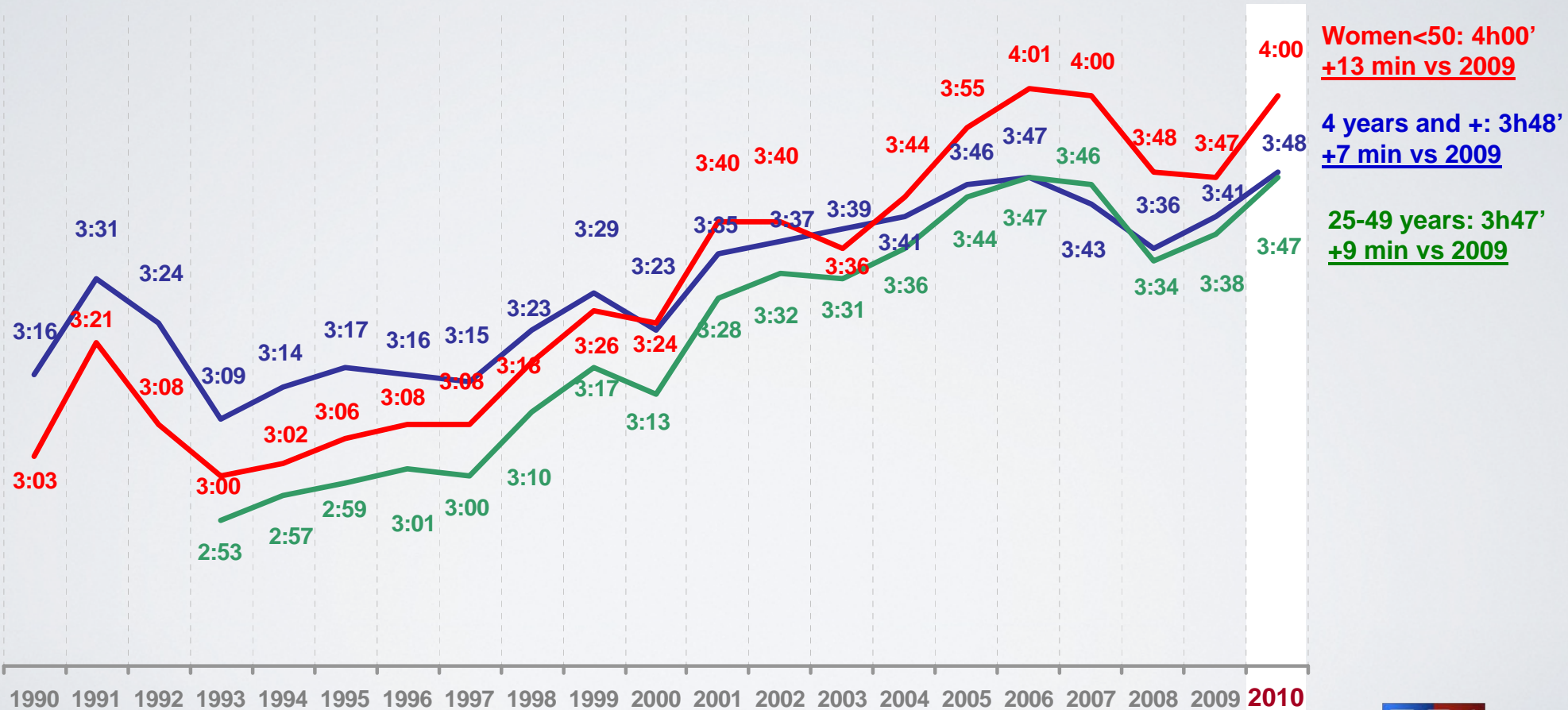
Indiv. 4 years and +





# TV CONSUMPTION AT ITS HIGHEST LEVEL IN 2010

TV Consumption (as at 21-03-2010 vs. same period for previous years)



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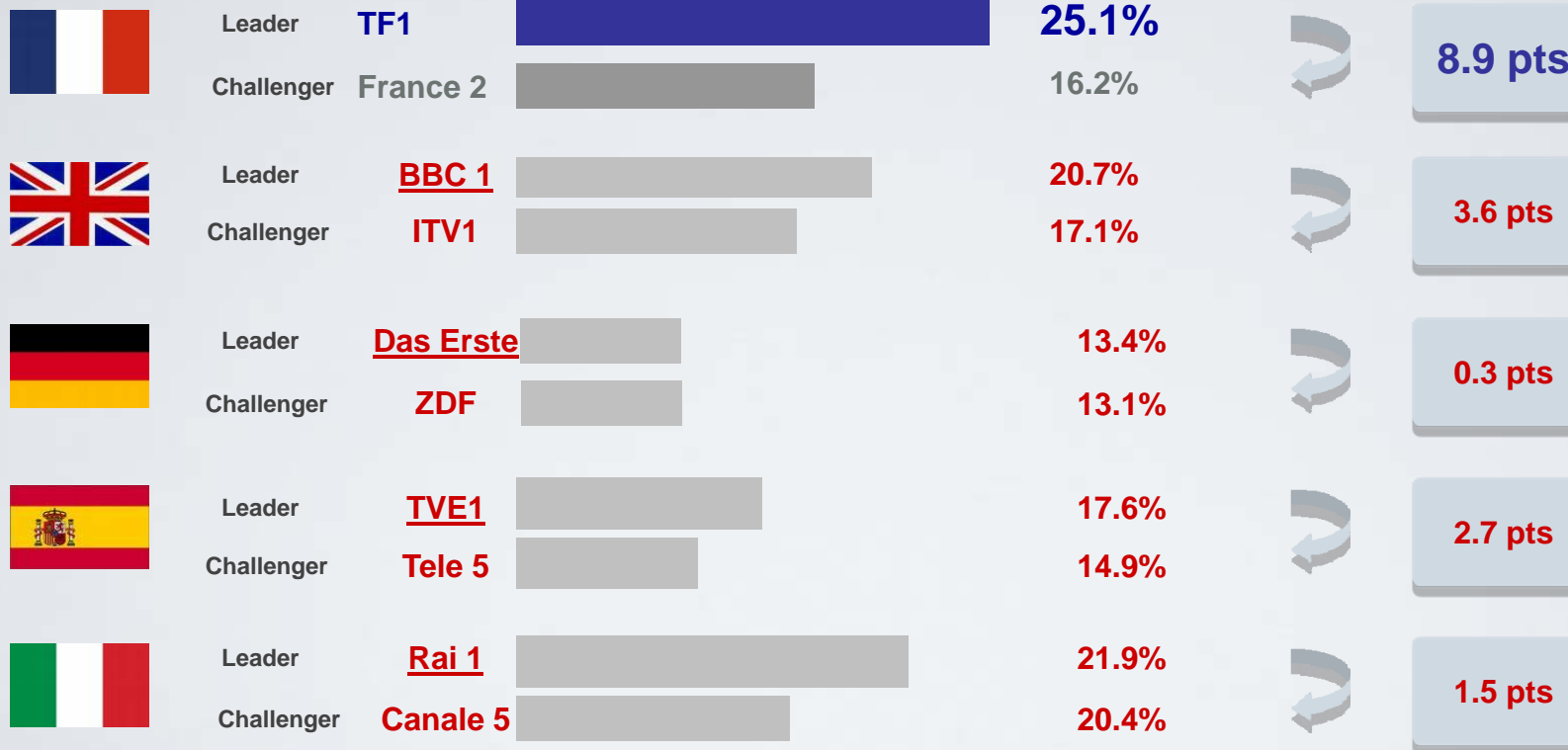
PURSUE THE POLICY OF STRATEGIC ALLIANCES

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# TF1, A EUROPEAN LEADER

Audience share (in %) of leading European channels on their own national territories in Q1 2010

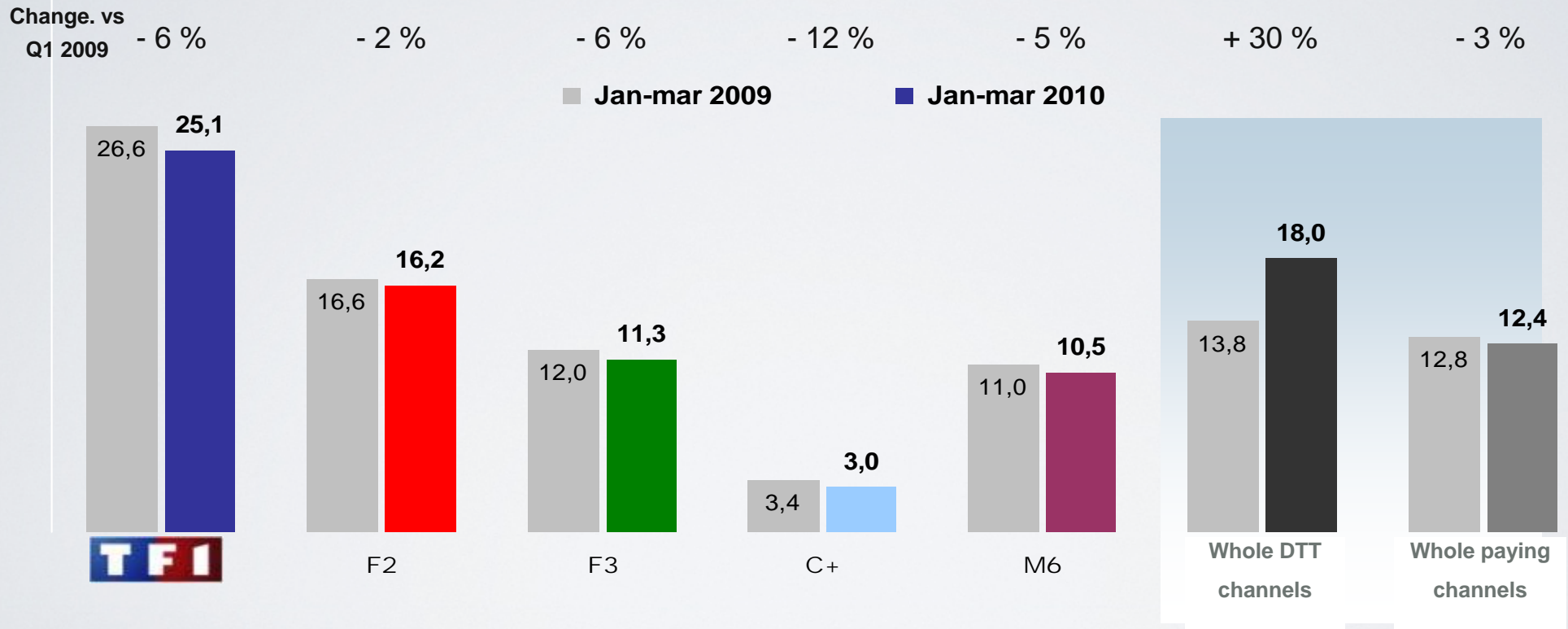
Gap between each leader and its challenger



# TF1, 1<sup>st</sup> French TV Channel

(on individuals – 4 years and +)

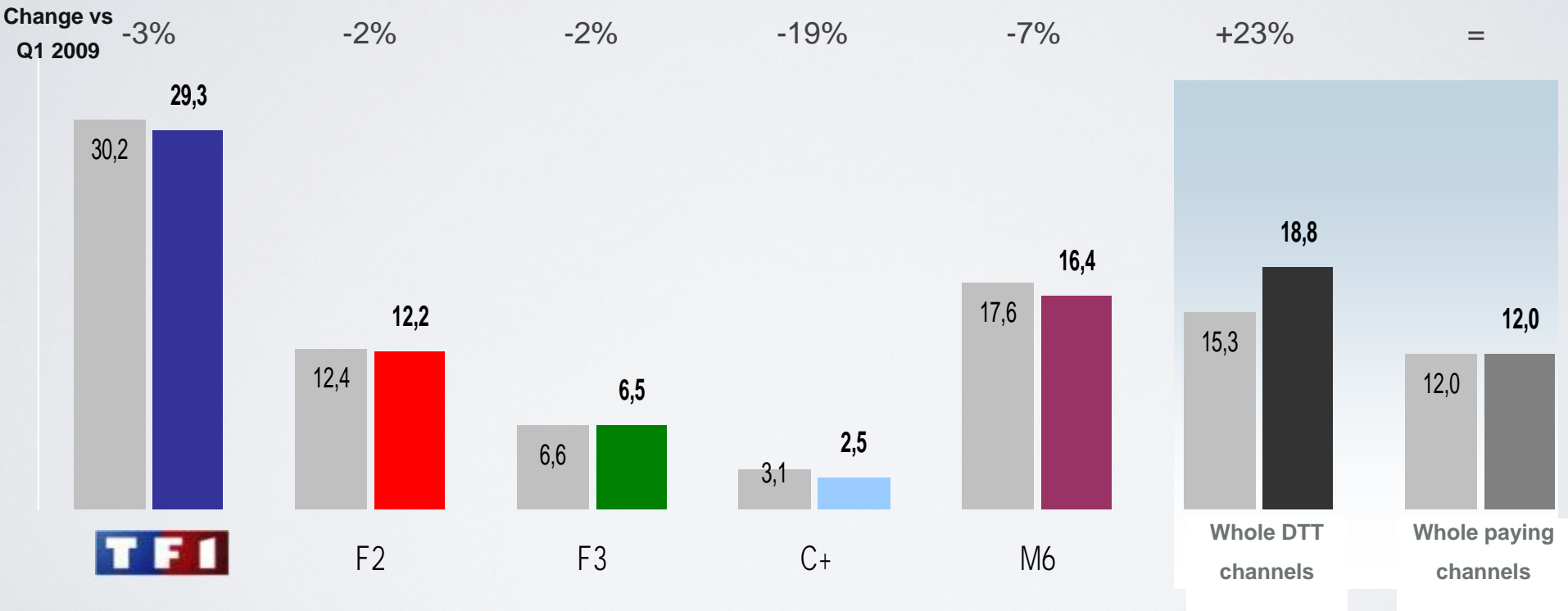
## Audience share 4 years and + (in %)





# TF1, 1<sup>st</sup> French TV Channel (on advertising target)

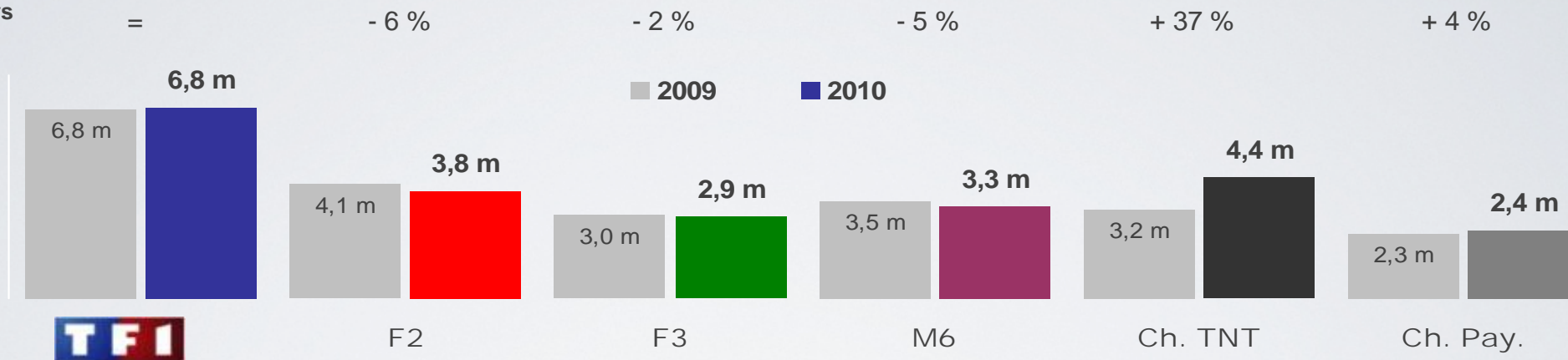
## Audience share on women below 50 (in %)



# TF1 keeps a high prime time audience level on the 1<sup>st</sup> quarter 2010

## Number of TV viewers

Change vs Q1 2009



**+3.0 m**

Of TV viewers vs. 1<sup>st</sup> challenger

A gap increased over a year

**90%**

Leader on prime time

(vs 89% in jan-mar 2009)

**49**

of top 50 audiences

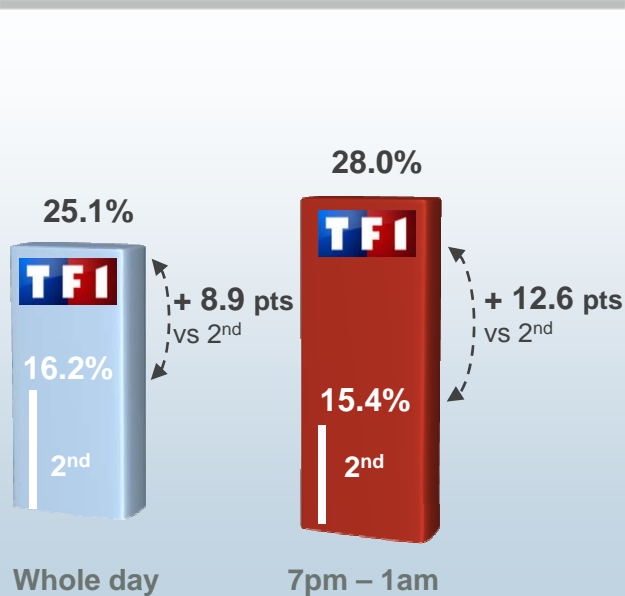
The only channel with more than 9 m TV viewers

(11 programmes)

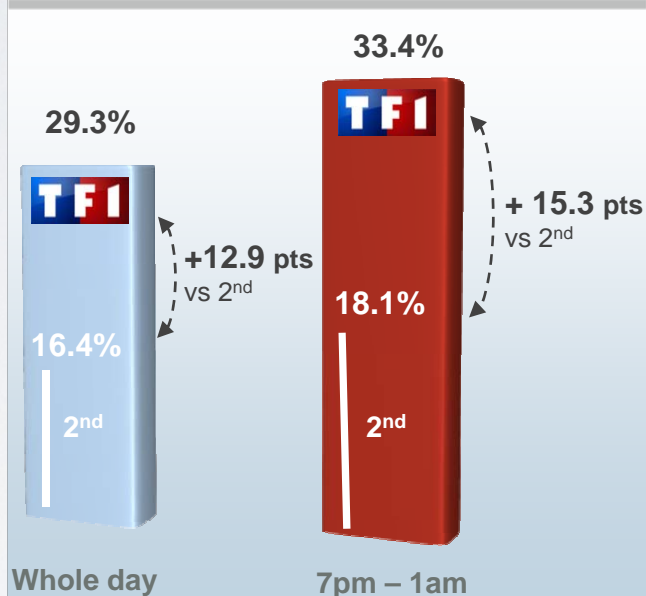


# AN INCREASED PERFORMANCE ON STRATEGIC SLOT (7pm – 1am) ON TF1 CORE CHANNEL

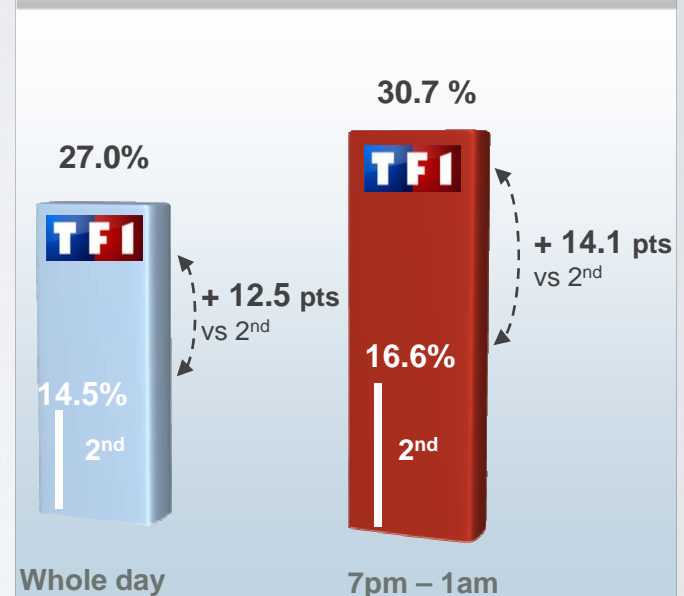
Audience share of 4 years and +



Audience share of women < 50



Audience share 25 - 49 years

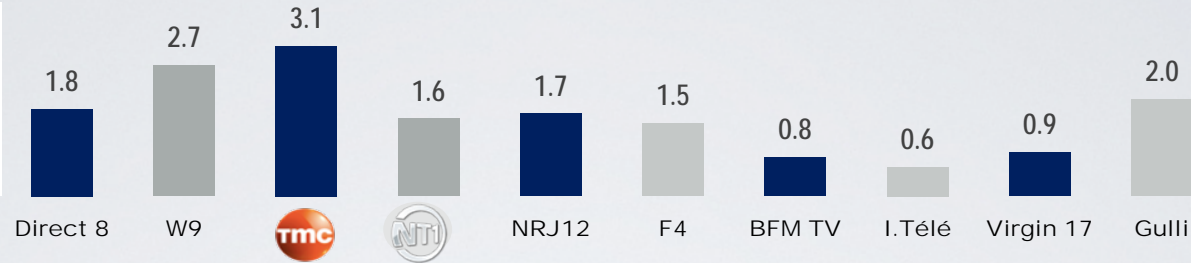


■ Whole day    
 ■ 7pm – 1am    
 | Audience share of the 2<sup>nd</sup>. TF1 « challenger »

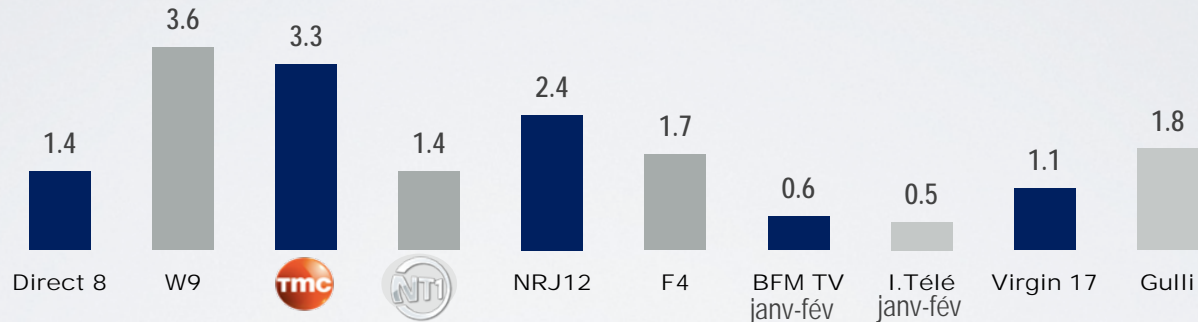
# AN INVESTMENT IN DTT TO STRENGTHEN ON OUR CORE BUSINESS

National audience share (in %)  
1st quarter 2010

4 years and +



Women < 50



## OUR COMMITMENTS

- › FACILITATE RIGHTS CIRCULATION IN THE MARKET
- › LIMIT REPEATS WITHIN THE GROUP
- › NO CROSS-PROMOTION FOR TMC AND NT1 ON TF1
- › SEPARATE ADVERTISING DEPARTMENTS
- + APPOINTMENT OF AN INDEPENDENT REPRESENTATIVE



**CHANNELS WITH  
WELL-DEFINED EDITORIAL IDENTITY**



**2 ADVERTISING DEPARTMENTS TO  
SATISFY A BROAD CUSTOMER PANEL**



# THEMATIC CHANNELS RENEWED

## Revised editorial positioning

**Ushuaïa TV**



*Sustainable development and environment protection*

**histoire**



*From debates to major commemorations*

**Odyssee**



*Lifestyle and well-being*

**tvbreizh**



*TV series and well-known characters*

## A visible dynamism on screen

- › New look for Odyssee
- › Histoire: new logo and new *baseline* (*The past of the present*)
- › All-new documentary shows and series, new faces

## LCI. a reference channel

- › The event channel
- › Launch of **LCI** WEB RADIO in January 2009

**LCI**



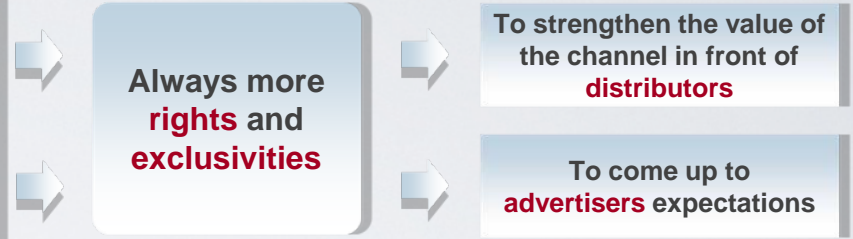
**TF1**



# A DEEPER OFFER FOR EUROSPORT



- › **116 million** households subscribers
- › **59 countries** in Europe
- › **20 languages**
- › **120 sports** covered
- › **22 million** of TV viewers everyday
- › **More than 50%** of Eurosport channel in Live (record)
- › **First sport website** in Europe



### New products and technologic innovations

- ### Local versions
- › France
  - › UK
  - › Hungary / Romania
  - › Scandinavia
  - › Eastern European Countries

### Websites

# SOMMAIRE

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TF1, FRANCE'S LEADING MULTICHANNEL PROVIDER OF NEWS AND ENTERTAINMENT

**BUILD ON SYNERGIES WITH NEW MEDIA**

PURSUE THE POLICY OF STRATEGIC ALLIANCES

EXPLORE NEW TERRITORIES

# BUILD ON SYNERGIES WITH NEW MEDIA: THE 360 MEDIA STRATEGY IS GETTING DEEPER AND STRONGER

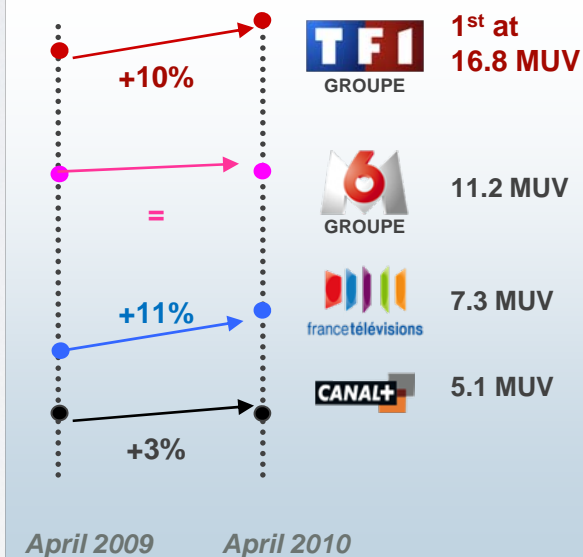


# BUILD ON SYNERGIES WITH NEW MEDIA: TF1 IS THE NUMBER ONE FRENCH TV MEDIA GROUP ON THE WEB

## French websites audiences in million of Unique Visitor (MUV)

TF1 7 <sup>th</sup> web group		
1	GOOGLE	33.6 MUV
2	MICROSOFT	25.6 MUV
3	FACEBOOK	23.0 MUV
4	FRANCE TELECOM	22.4 MUV
5	PAGES JAUNES	18.9 MUV
6	ILIAD	17.9 MUV
7	<b>GROUP TF1</b>	<b>16.8 MUV</b>
8	YAHOO !	16.4 MUV
9	WIKIMEDIA FOUNDATION	16.3 MUV
10	VIVENDI UNIVERSAL	15.8 MUV

## TF1 1<sup>st</sup> French TV media group on the web



## TF1 in the lead

MEDIAS	<b>TF1.fr</b>	<b>1<sup>st</sup></b> at 7.2 MUV
BLOGS	<b>overblog</b>	<b>1<sup>st</sup></b> at 10.1 MUV
SPORTS	<b>EUROSPORT</b>	<b>2<sup>nd</sup></b> at 2.9 MUV
VIDEOS	<b>wat</b>	<b>4<sup>th</sup></b> at 4.3 MUV
YOUTH	<b>fronU</b>	<b>2<sup>nd</sup></b> at 634 kVU
WOMEN	<b>Plurielles.fr</b> <small>toutes les femmes s'y retrouvent</small>	<b>4<sup>th</sup></b> at 2.7 MUV
NEWS	<b>TF1 NEWS</b>	<b>9<sup>th</sup></b> at 4.0 MUV



# BUILD ON SYNERGIES WITH NEW MEDIA: A LEAD ON SMART TV

Box TV: **myTFI**



For distribution via ISPs and cable operators

Agreements:

**Bbox**  
Internet - tv - telephone



- › Form partnerships with other ISPs/cable operators
- › Continuously enhance offering

Smart TV: **INTERACTIVE APPLICATIONS** **TFI**



For distribution via TV manufacturers

1<sup>st</sup> Agreement:



- › Negotiate partnerships with other smart TV manufacturers
- › Gradually broaden the service offering
- › Create a special brand for smart TV applications



# SOMMAIRE

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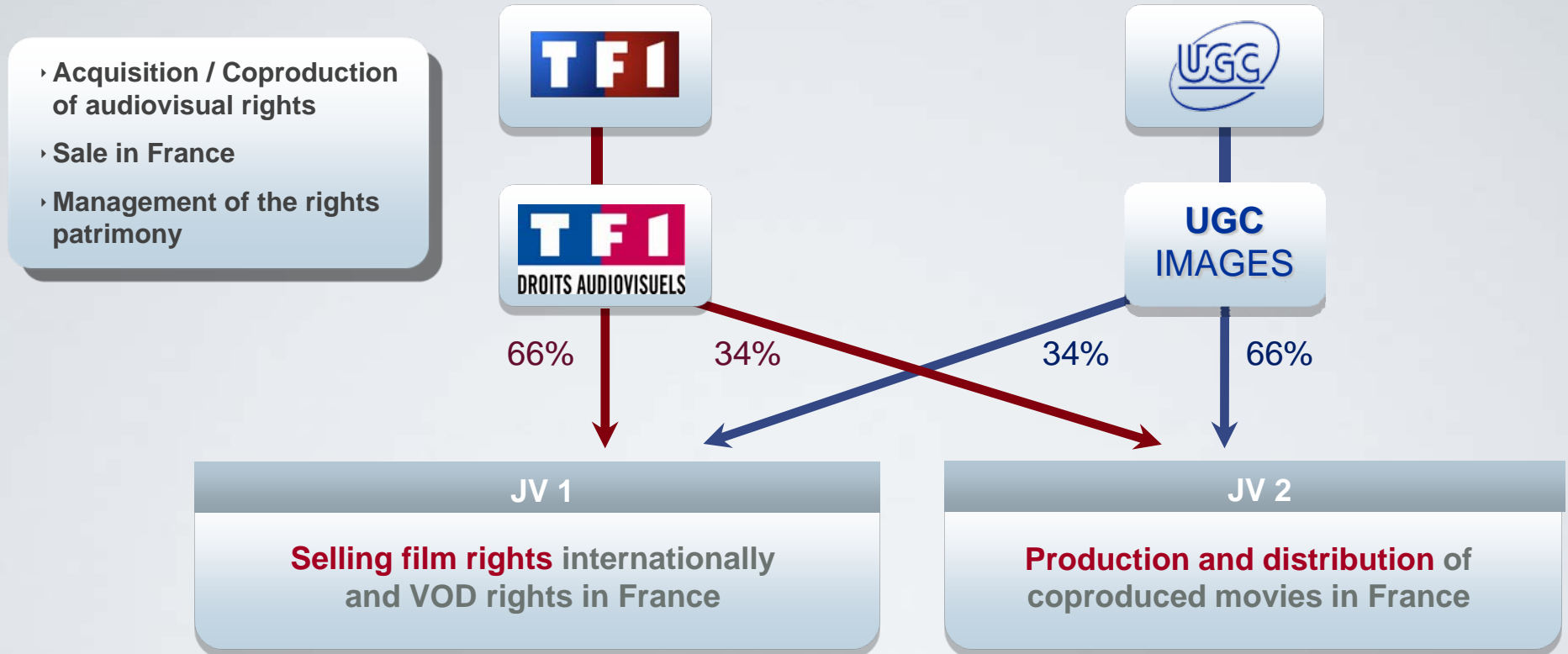
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# PURSUE THE STRATEGY OF POLICY ALLIANCES: UGC&TF1 PARTNERSHIP



# PURSUE THE STRATEGY OF POLICY ALLIANCES: THE SAMSUNG PARTNERSHIP ON CONNECTED TV

## THE GROWING CONNECTED TV MARKET



**SAMSUNG**



**PHILIPS**



**PANASONIC**

## A MAJOR PARTNERSHIP



### AN EXCLUSIVE COMPREHENSION BY TF1 OF INTERACTIVITY ON ITS CHANNELS

- TF1 exercises a total and exclusive control on services printed on its channels

### RICHED CONTENTS AND SERVICES

- Free services (news, TF1 programmes, weather, sport, etc.)
- Paying services (VOD, games, votes, shopping, etc.)
- At launch: 6 TF1 applications on TF1 channel, and 2 applications for TF1 in Samsung gallery

### A MUTUAL EXCLUSIVITY

- 6 months from product sale

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# EXPLORE NEW TERRITORIES: ENTERING THE ONLINE BETTING AND GAMING MARKET



## 1 ONLINE GAMING

- A dedicated space for games on TF1.fr operated by La Française des Jeux which will take over the game offer of the latter and including also exclusive content from TF1

## 2 LICENSES

- The ability to use TF1 Licenses for scratched within La Française des Jeux network (38,000 selling points)

## 3 SPONSORSHIP

- The sponsorship of 2 short programmes on TF1 core channel linked to sport news and football World Cup

*Reassuring and responsible offer, controlled for people under 18 years old*

*An adapted service for Internet gamers*

- Creation of a gaming operator with licenses: obtaining a license to operate on the French market.
- European ambition in line with Eurosport profile
- Competing directly with « pure-players » in the sector
- Acquisition of Serendipity's 50% share in SPS
- Organisation of the 1<sup>st</sup> International competition in France of Heads-Up Poker with Evian Casino



# EXPLORE NEW TERRITORIES: BUILD A CRM STRATEGY



2

Contacts systems

- *Develop individual knowledge of our public and customers*
- *Strengthen ties with our public*
- *Sell paying services and content to TV viewers*

1

REGISTRATION

TF1  
Contacts

3

Propose a complementary and targeted « contacts » offering to advertisers

**TF1 CONSO.FR**

A PARTNERSHIP WITH HighCo

- *TF1 campaign pooling several companies in the same spot*
- *... with web couponing*
- *Mass retail grass-roots operations*



Web    Mobile    Interactivity

Online gaming

# OUR AMBITION: A MULTICHANNEL GROUP

FRANCE'S LEADING MULTICHANNEL PROVIDER OF NEWS

FRANCE'S LEADING MULTICHANNEL PROVIDER OF ENTERTAINMENT, INTRODUCING NEW FORMS OF CONTACTS WITH OUR AUDIENCE



## OUR AMBITION: TF1, A LEADER WITH A CHALLENGER'S SPIRIT

- Address a broad **public** by bringing people together through exclusive, major entertainment events
- Enable **each** person to extend their personal experience via multimedia and our affiliated activities
- Establish a **base of qualified customers** on the web to open up to new forms of business
- Improve our **economic performance** while investing for the future

# Annexes

Q1 2010 ACCOUNTS

ADVERTISING SECTORS EVOLUTION

COST SAVING PLAN

CONTACTS

## ADVERTISING REVENUE

€m	Q1 2009	Q1 2010	Var. €m	Var. %
<b>Consolidated revenue</b>	537.9	596.9	+ 59.0	+ 11.0 %
<b>Advertising revenue TF1 channel</b>	321.0	362.8	+ 41.8	+ 13.0 %
<b>Diversification revenue</b>	216.9	234.1	+17.2	+ 7.9 %
TF1 Channel	321.0	362.8	+ 41.8	+ 13.0 %
Thematic channels in France	19.5	20.5	+ 1.0	+ 5.1 %
Internet France	2.4	3.5	+ 1.1	+ 45.8 %
Eurosport International	11.0	13.6	+ 2.6	+ 23.6 %
Radios	1.8	2.4	+ 0.6	+ 33.3 %
<b>Total advertising revenue</b>	355.7	402.8	+ 47.1	+13.2 %



## CONSOLIDATED REVENUE EVOLUTION

	Q1 2009	Q1 2010	Var. €m	Var. %
<b>France Broadcasting</b>	435.4	480.5	+ 45.1	+ 10.4 %
TF1 Channel	322.9	365.5	+ 42.6	+ 13.2 %
Téléshopping group	29.1	31.5	+ 2.4	+ 8.2 %
Thematic channels in France	46.9	50.4	+ 3.5	+ 7.5 %
TF1 Entreprises	6.5	6.4	- 0.1	- 1.5 %
In-house production companies	5.7	5.1	- 0.6	- 10.5 %
e-TF1	21.2	17.6	- 3.6	- 17.0 %
Others	3.1	4.0	+ 0.9	+ 29.0 %
<b>Audiovisual rights</b>	33.0	32.4	- 0.6	- 1.8 %
Catalogue	11.9	15.7	+ 3.8	+ 31.9 %
TF1 Vidéo	21.1	16.7	- 4.4	- 20.9 %
<b>International Broadcasting</b>	69.2	84.0	+ 14.8	+ 21.4 %
<b>Other activities</b>	0.3	-	+ 0.3	-
<b>Operating revenue</b>	<b>537.9</b>	<b>596.9</b>	<b>+ 59.0</b>	<b>+ 11.0 %</b>

## TF1 CHANNEL PROGRAMMING COSTS

€m	Q1 2009	Q1 2010	Var. €m	Var. %
Total programming costs	228.3	<b>222.8</b>	- 5.5	- 2.4 %
One-off sporting events	-	-	-	-
Total programming costs excluding one-off sporting events	228.3	<b>222.8</b>	- 5.5	- 2.4 %
Entertainment	61.0	<b>64.3</b>	+ 3.3	+ 5.4 %
TV dramas / TV movies / Series / Theatre	78.8	<b>75.8</b>	- 3.0	- 3.8 %
Sports ( <i>excl. one-off sporting events</i> )	21.7	<b>17.8</b>	- 3.9	- 18.0 %
News	26.4	<b>27.7</b>	+ 1.3	+ 4.9 %
Movies	34.5	<b>31.9</b>	- 2.6	- 7.5 %
Youth	5.9	<b>5.3</b>	- 0.6	- 10.2 %

## CONSOLIDATED INCOME STATEMENT

€m	Q1 2009	Q1 2010	Var. €m	Var. %
<b>Consolidated revenue</b>	537.9	596.9	+ 59.0	+ 11.0 %
Total programming costs	- 228.3	- 222.8	+ 5.5	- 2.4 %
Total other charges	- 297.9	- 307.7	- 9.8	+ 3.3 %
Depreciation, amortisations and provisions	- 23.5	- 22.6	+ 0.9	- 3.8 %
<b>Operating profit</b>	- 11.8	43.8	+ 55.6	ns
<b>Operating margin</b>	- 2.2 %	+ 7.3 %	+ 9.5 pts	-
Cost of net debt	- 3.4	-5.0	-1.6	+ 47.1 %
Other financial income and expenses	9.2	1.3	-7.9	-85.9 %
Income tax expense	8.0	-11.1	- 19.1	ns
Share of profit/losses of associates	4.4	3.6	- 0.8	- 18.2 %
<b>Net profit</b>	6.4	32.6	+ 26.2	ns

## CONSOLIDATED OPERATING RESULT EVOLUTION

€m	Q1 2009	Q1 2010	Var. €m	Var. %
<b>France Broadcasting</b>	<b>- 2.9</b>	<b>38.0</b>	<b>+ 40.9</b>	<b>ns</b>
TF1 Channel	- 1.6	32.3	+ 33.9	ns
Téléshopping group	0.9	1.7	+ 0.8	+ 88.9%
Thematic channels in France	1.6	2.3	+ 0.7	+ 43.8 %
TF1 Entreprises	- 0.7	0.1	+ 0.8	ns
In-house production companies	0.6	- 1.0	- 1.6	ns
e-TF1	- 1.3	- 0.4	+ 0.9	- 69.2 %
Others	- 2.4	3.0	+ 5.4	ns
<b>Audiovisual rights</b>	<b>- 14.4</b>	<b>- 4.5</b>	<b>+ 9.9</b>	<b>+ 68.8 %</b>
Catalogue	- 10.0	0.2	+ 10.2	ns
TF1 Vidéo	- 4.4	- 4.7	- 0.3	- 6.8 %
<b>International Broadcasting</b>	<b>6.4</b>	<b>10.3</b>	<b>+ 3.9</b>	<b>+ 60.9 %</b>
<b>Other activities</b>	<b>- 0.9</b>	<b>-</b>	<b>+ 0.9</b>	<b>-</b>
<b>Operating results</b>	<b>- 11.8</b>	<b>43.8</b>	<b>+ 55.6</b>	<b>ns</b>

## CONSOLIDATED BALANCE SHEET

ASSETS (€m)	31/03/10	31/12/09	31/03/09
Total non-current assets	1,151.4	1,143.1	1,175.8
Total current assets	2,408.5	2,539.7	2,356.4
Held-for-sale assets	-	-	-
<b>Total Assets</b>	<b>3,559.9</b>	<b>3,682.8</b>	<b>3,532.2</b>
SHAREHOLDERS' EQUITY AND LIAB. (€m)	31/03/10	31/12/09	31/03/09
Shareholders' equity (att. to the Group)	1,432.9	1 396.6	1,383.9
Non-current liabilities	57.8	45.8	674.5
Current liabilities	2,069.2	2 240.4	1,473.8
Liabilities linked to held-for-sale assets	-	-	-
<b>Total shareholders' equity and liabilities</b>	<b>3,559.9</b>	<b>3,682.8</b>	<b>3,532.2</b>
Net cash (+) / Net debt (-)	167.4	72.8	(620.9)

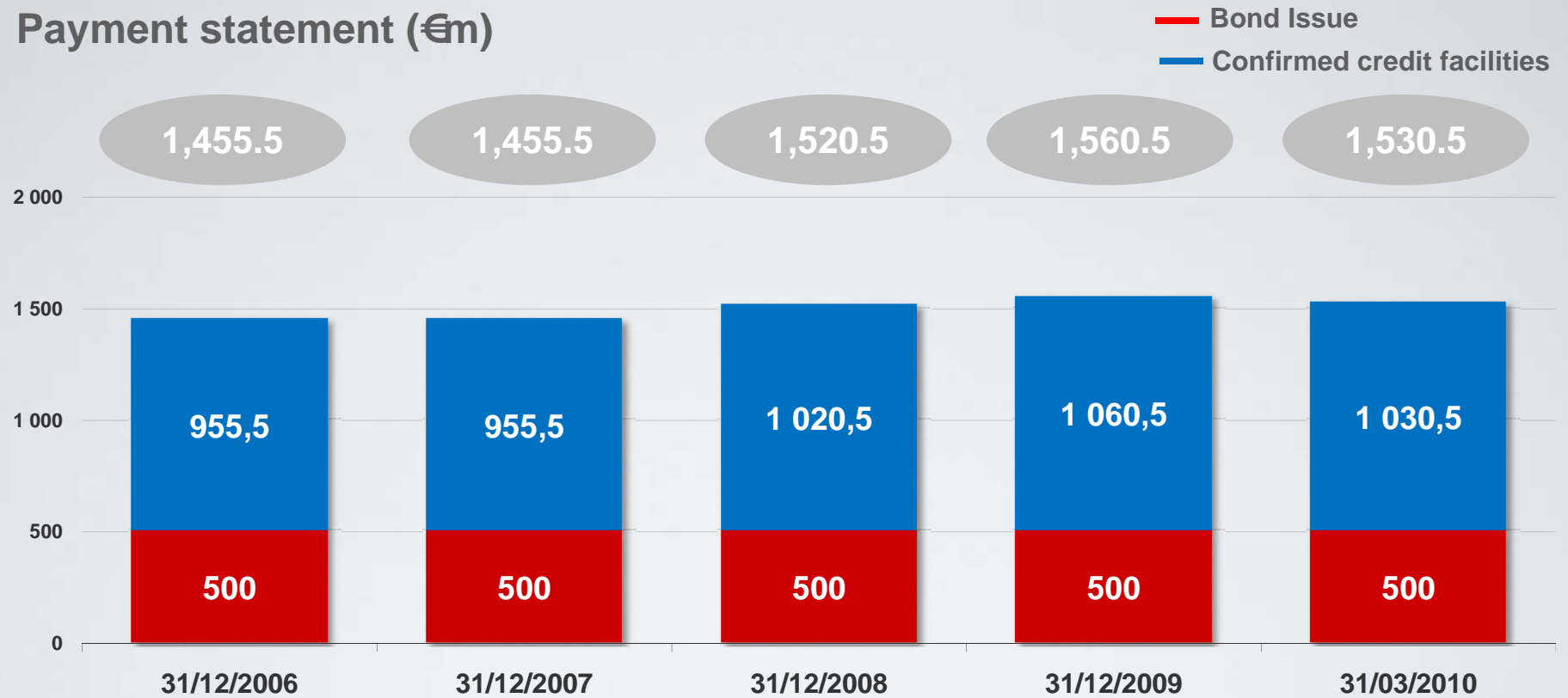


## CONSOLIDATED CASH FLOW STATEMENT

€million	31/03/10	31/03/09	31/12/09
Operating cash flow before net interest expenses and income tax	58.1	11.8	185.8
Income taxes paid	- 4.0	35.1	32.3
Change in operating working capital requirement	59.8	60.9	23.8
<b>Net cash generated by operating activities</b>	<b>113.9</b>	<b>107.8</b>	<b>241.9</b>
<b>Net cash generated by investment activities</b>	<b>- 14.1</b>	<b>- 24.0</b>	<b>654.8</b>
<b>Net cash generated by financial operations</b>	<b>21.0</b>	<b>- 83.5</b>	<b>- 325.7</b>
<b>Change in cash position</b>	<b>120.8</b>	<b>0.3</b>	<b>571.0</b>
<b>Cash position at beginning of period</b>	<b>566.8</b>	<b>- 4.2</b>	<b>- 4.2</b>
<b>Cash position at end of period</b>	<b>687.6</b>	<b>- 3.9</b>	<b>566.8</b>

# SOUND FINANCIAL STRUCTURE

Payment statement (€m)

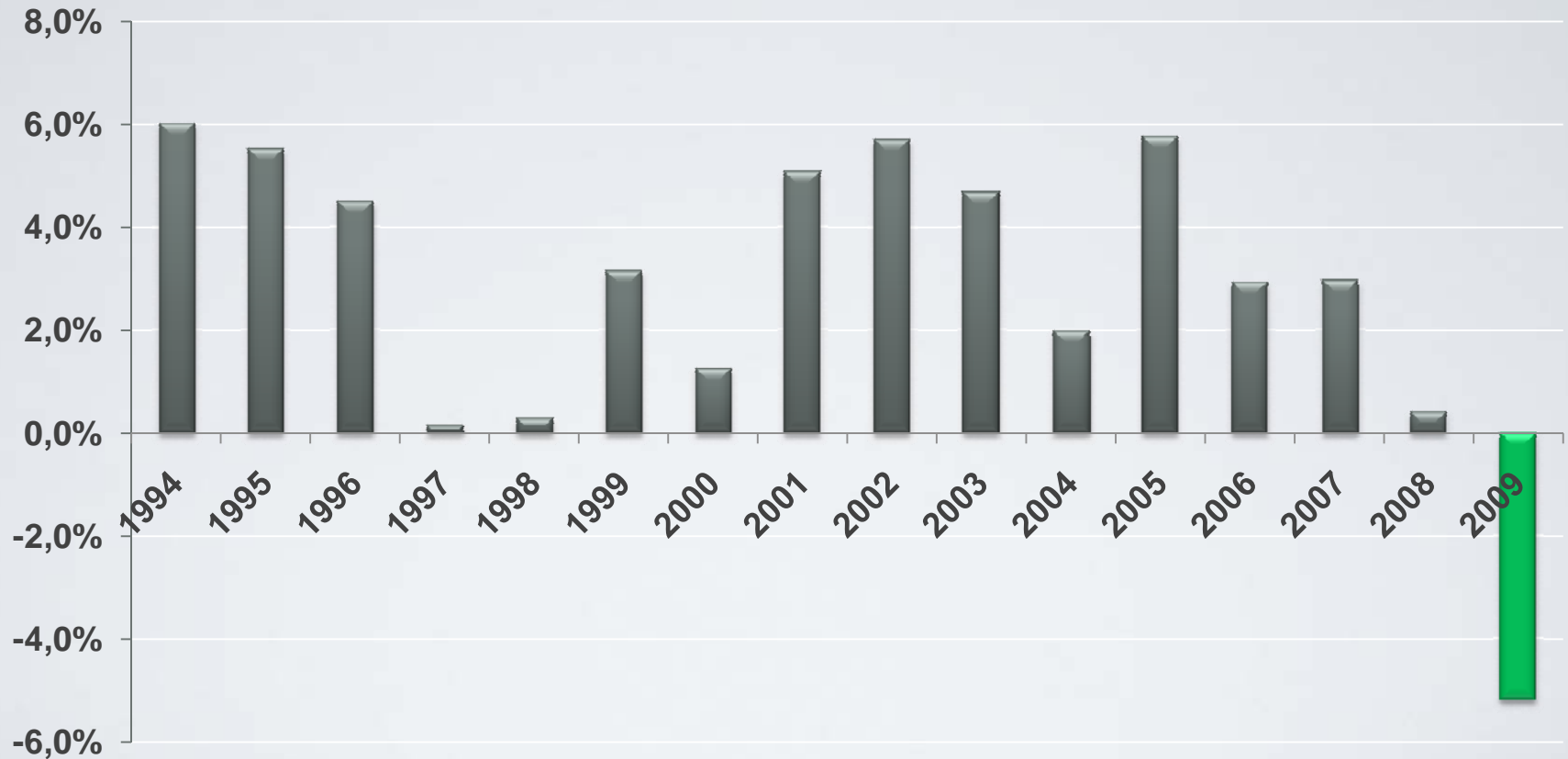


# COST SAVING PLAN

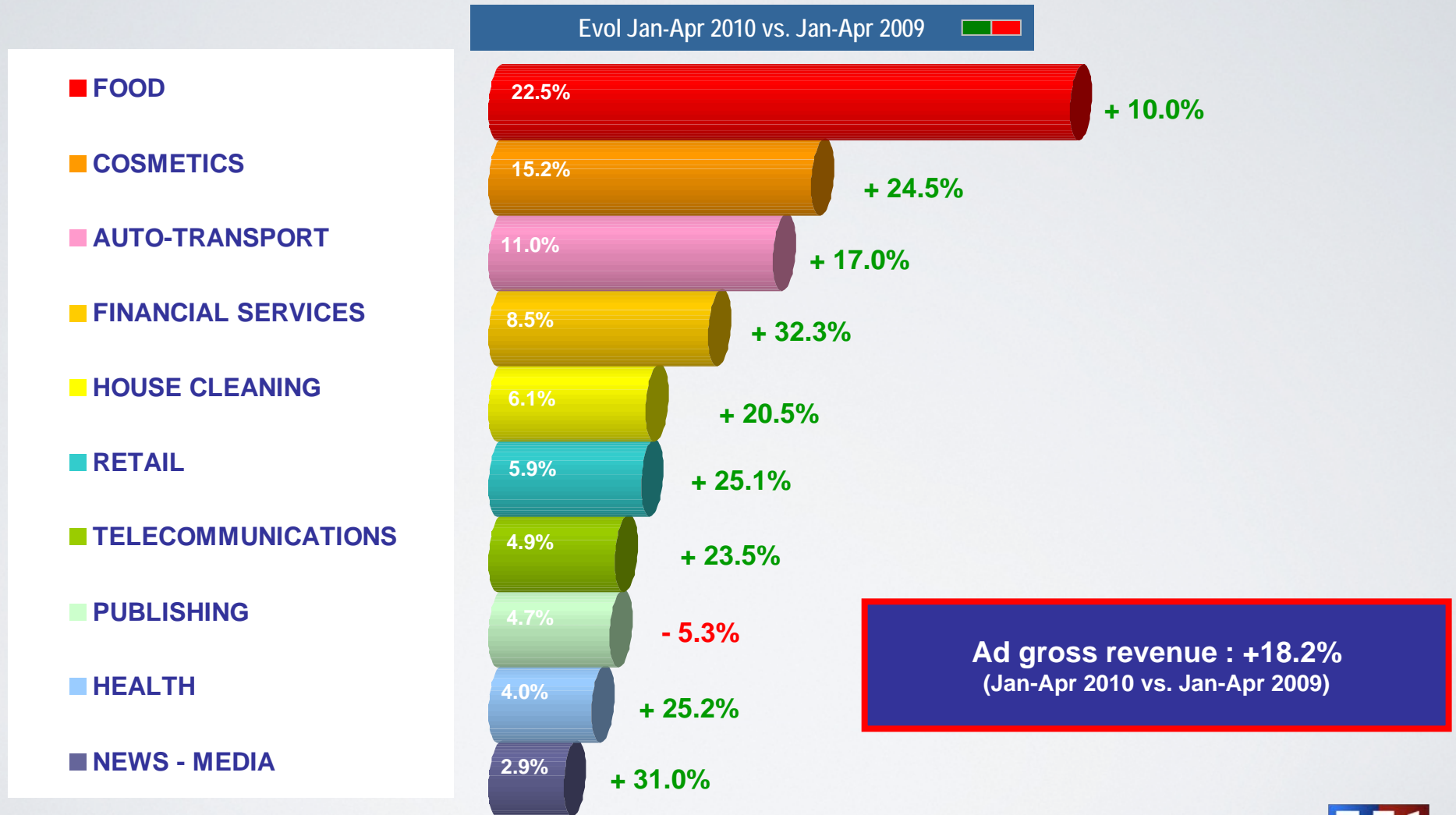
	2008	2009	Q1 2010
Programming costs excl. sports events (recurring savings)		+ 35	+ 3
Contract renegotiation	+ 8	+ 21	+ 3
Other charges	+ 24	+ 18	
<hr/>			
<b>Cost saving plan</b>	<b>+ 32</b>	<b>+ 74</b>	<b>+ 6</b>

# PROGRAMMING COST EVOLUTION

## ANNUAL EVOLUTION OF THE PROGRAMMING COSTS (EXCL. SPECIAL SPORTS EVENTS)



# A DYNAMIC EVOLUTION OF THE ADVERTISING SECTORS





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