

# INVESTOR PRESENTATION

MARCH 2012

---

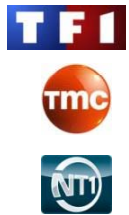
# DISCLAIMER

All forward-looking statements are TF1 management's present expectations of future events 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 ADGENCY



## DIVERSIFICATION & INTERNET



## AUDIOVISUAL RIGHTS



## BROADCASTING INTERNATIONAL

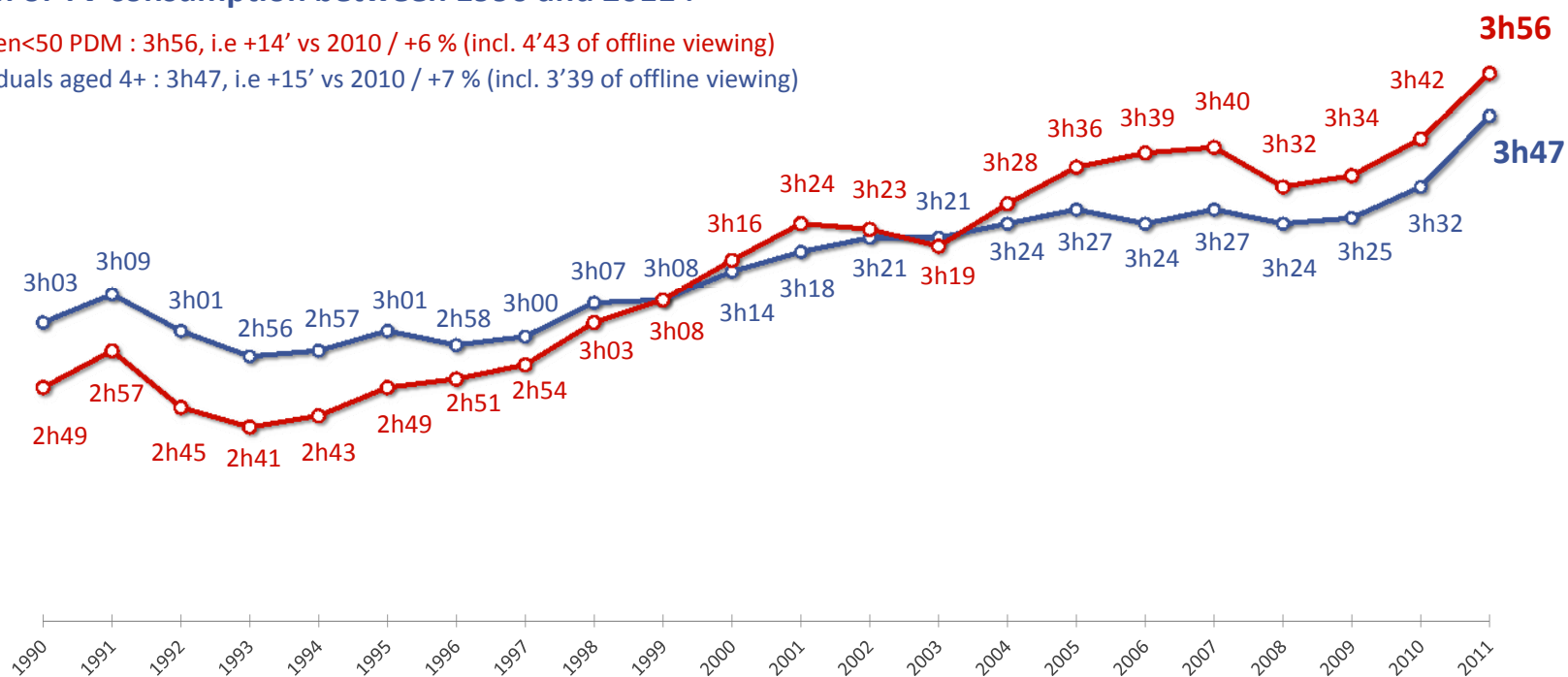


# A RECORD FOR TV CONSUMPTION

- ▶ Record beaten every month of the year 2011
- ▶ January 2012 : records of 4h07 on individuals (+4%, i.e +10') and 4h19 on women <50 (+6%, i.e +14')

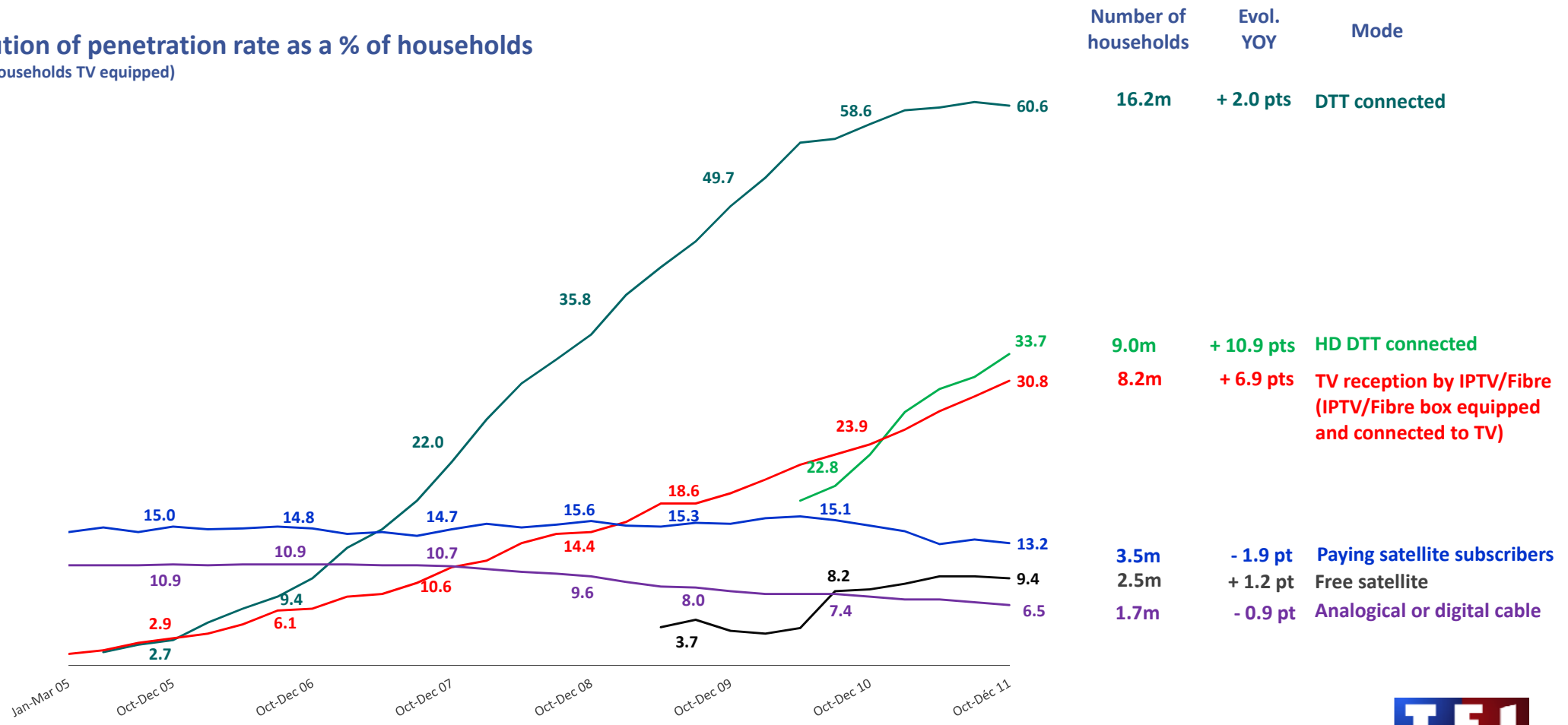
## Evolution of TV consumption between 1990 and 2011 :

- Women<50 PDM : 3h56, i.e +14' vs 2010 / +6 % (incl. 4'43 of offline viewing)
- Individuals aged 4+ : 3h47, i.e +15' vs 2010 / +7 % (incl. 3'39 of offline viewing)



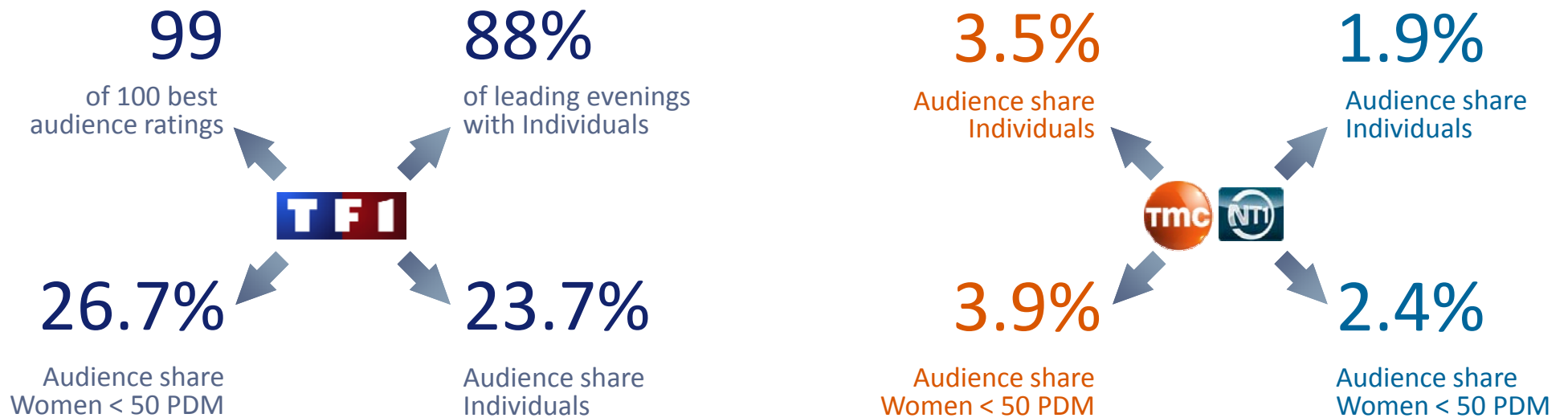
# THE SWITCH-OFF BOOSTS THE FREE DIGITAL NETWORKS

Evolution of penetration rate as a % of households  
(base: households TV equipped)



Source : Médiamétrie / Gfk – Référence des Equipements Multimédias – 2005/2011

# GROUP TF1 IN 2011 : AN UNRIVALLED FREE-TO-VIEW OFFER



## TF1 GROUP

29.1%

Audience share  
Individuals

33.0%

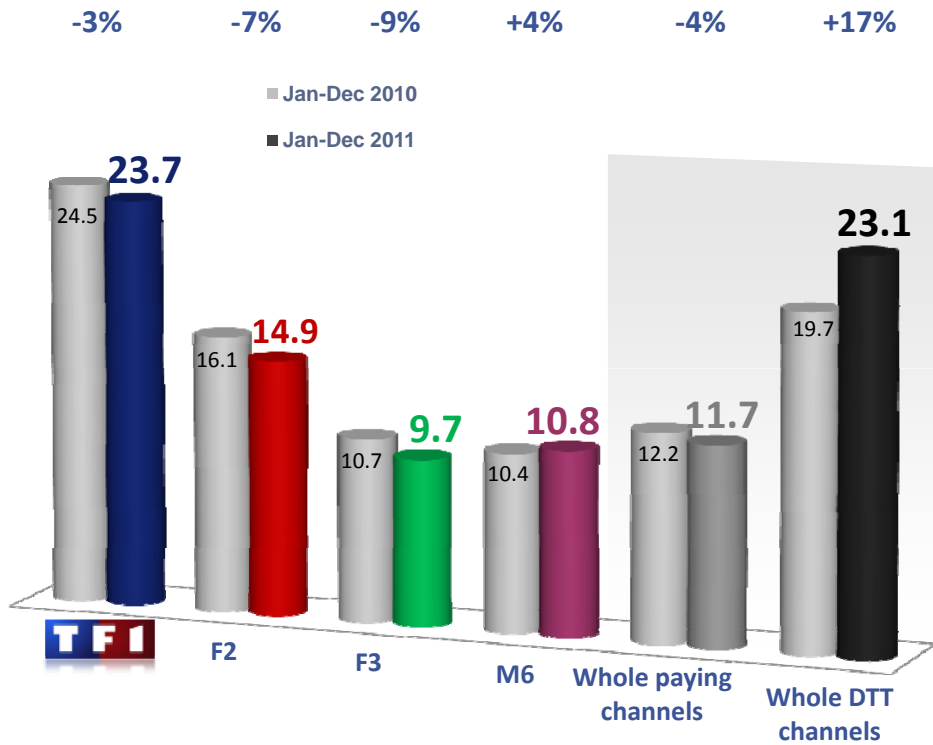
Audience share  
Women < 50 PDM



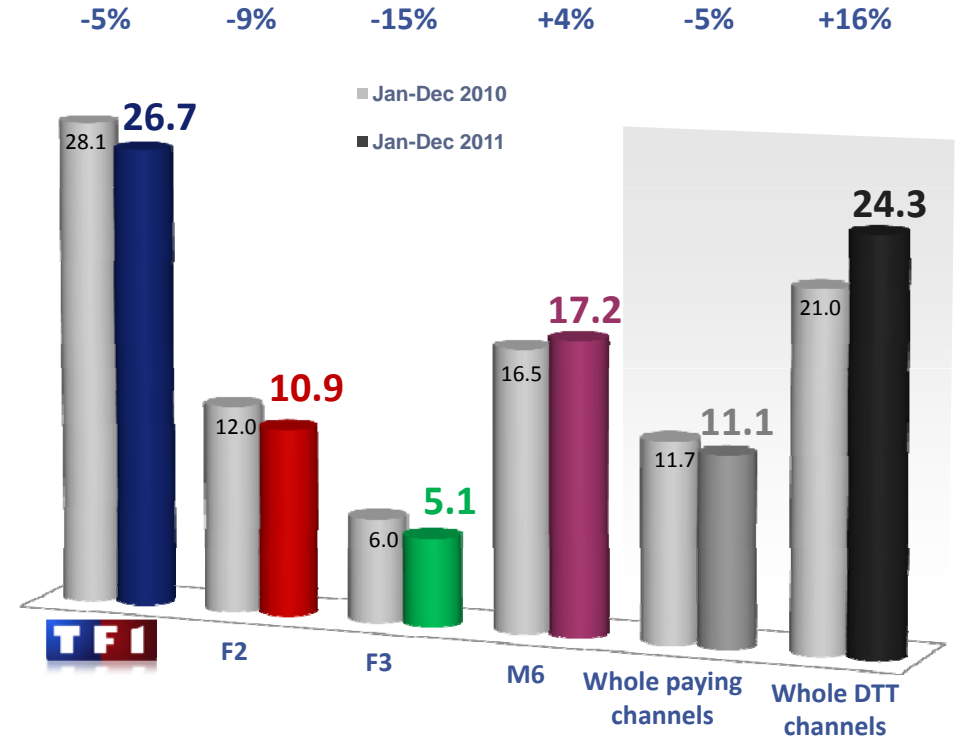
# TF1, THE 1<sup>ST</sup> FRENCH TV CHANNEL

4 years and over

Change vs. 2010



Women <50



# IMPROVED PERFORMANCE IN 7PM-1AM SLOT



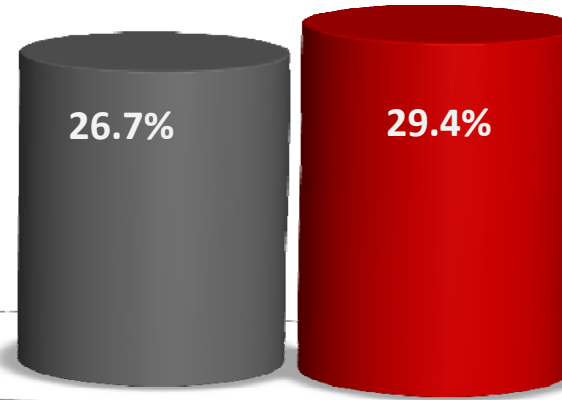
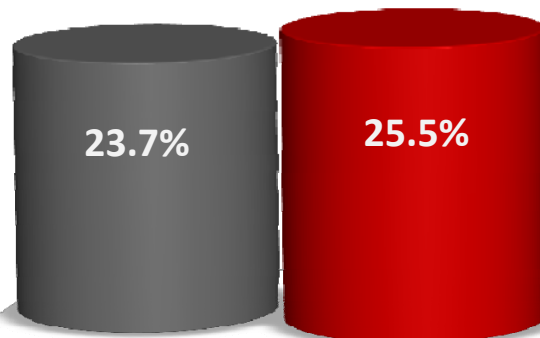
audience share  
(Jan-Dec 2011)

4 years and over

Women <50

+1.8pts

+2.7pts



Whole day

7pm - 1am

Whole day

7pm - 1am

TF1 vs challenger

+8.8pts

+11.7pts

+9.5pts

+9.4pts





# TF1 HIGH-PERFORMANCE, REFRESHED PROGRAMMING

## ENTERTAINMENT



Powerful brands reinforced by 360° strategy

## CINEMA



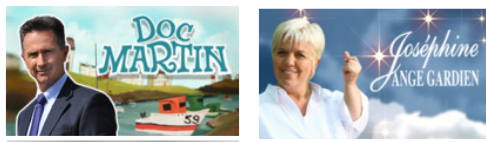
Big success for Sunday slots

## SERIES



Record scores for leading – and secured – shows

## DRAMA



Successful novelties and reliable programmes

## NEWS

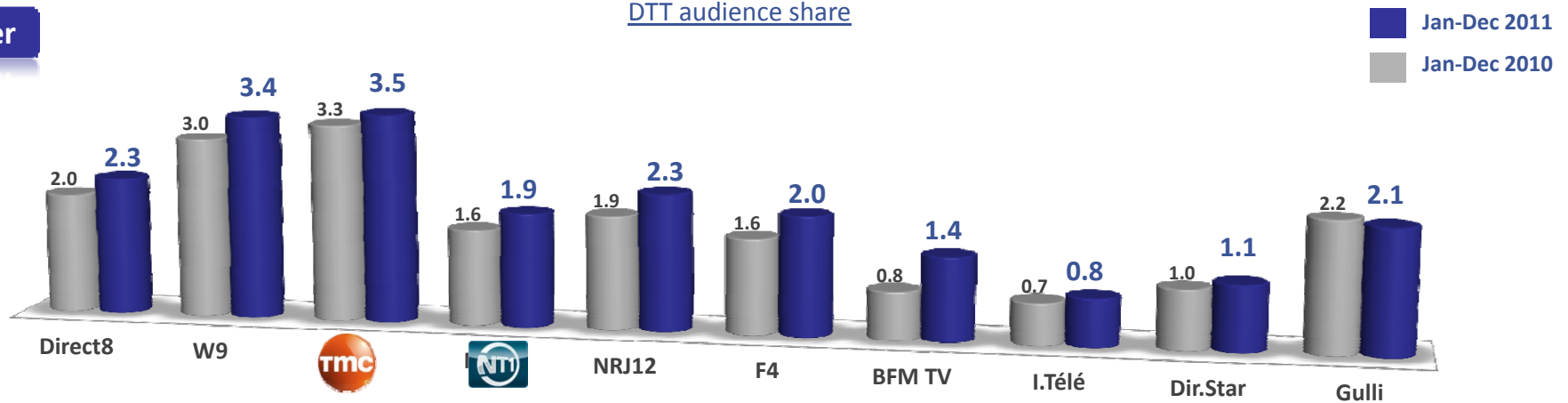


Modernized and federative News programmes

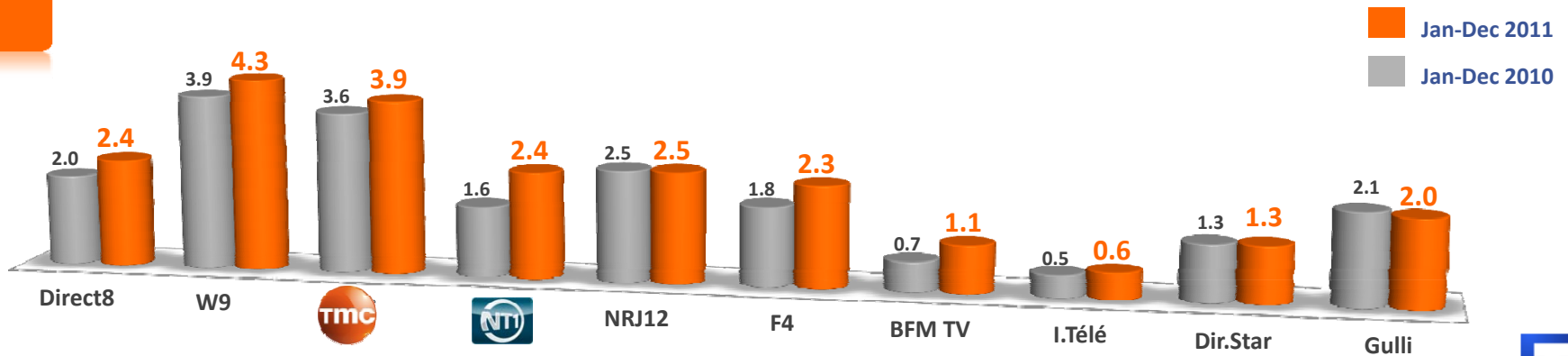
# AN INVESTMENT IN DTT TO STRENGTHEN ON OUR CORE BUSINESS

## 4 years and over

DTT audience share



## Women <50



# 2011 : STRONG GROWTH ON THE DTT CHANNELS

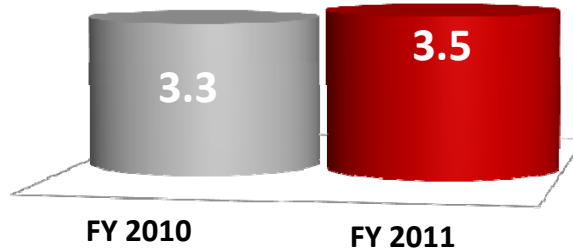
Audience share (%)

Change vs 2010



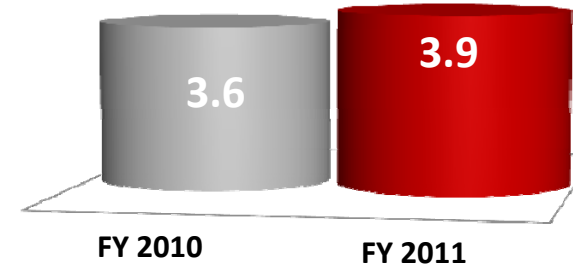
4 years and over

+6%



Women <50

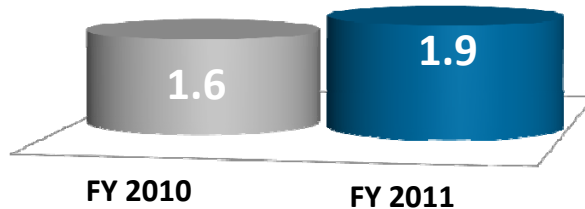
+8%



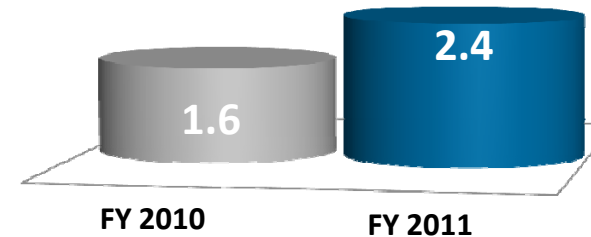
Change vs 2010



+19%



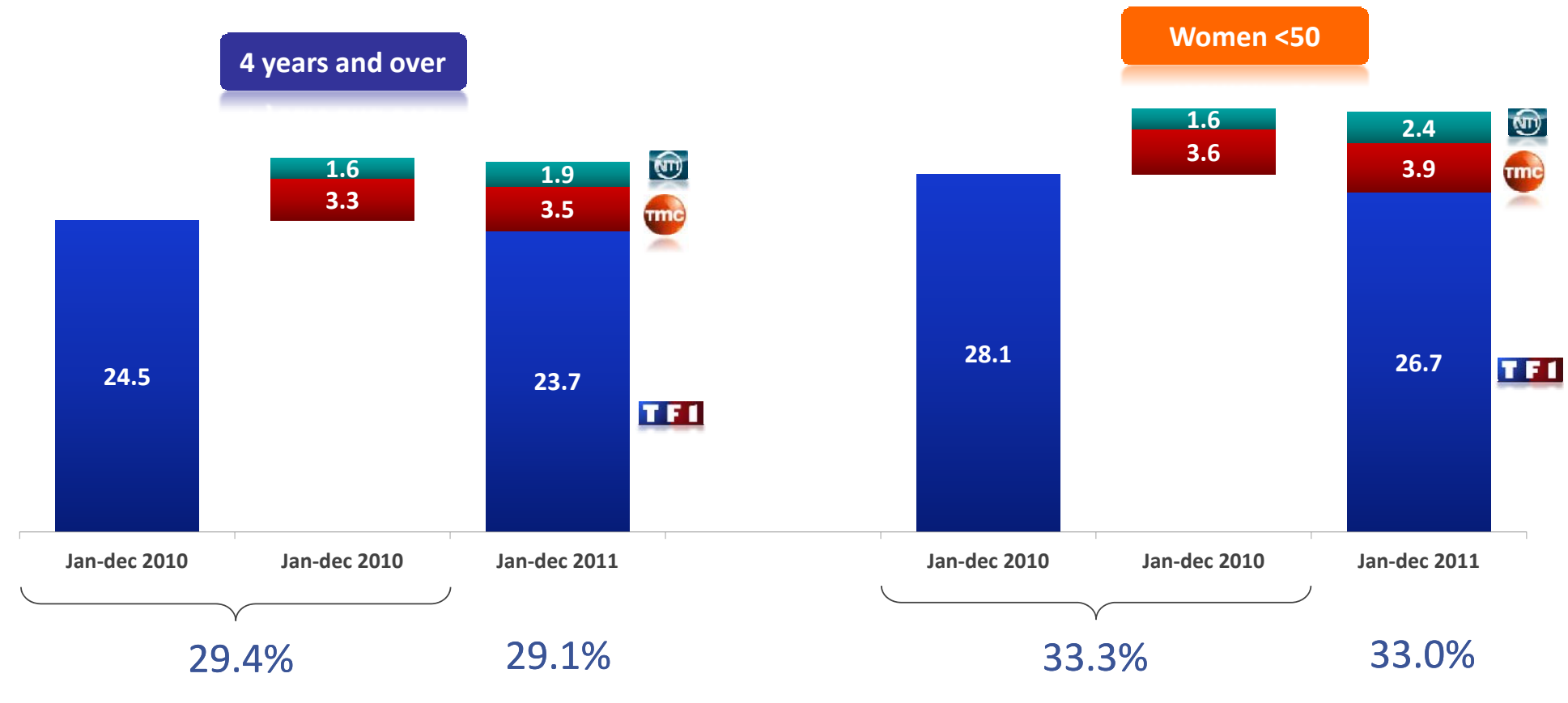
+50%



Source: Médiamétrie - Médiamat



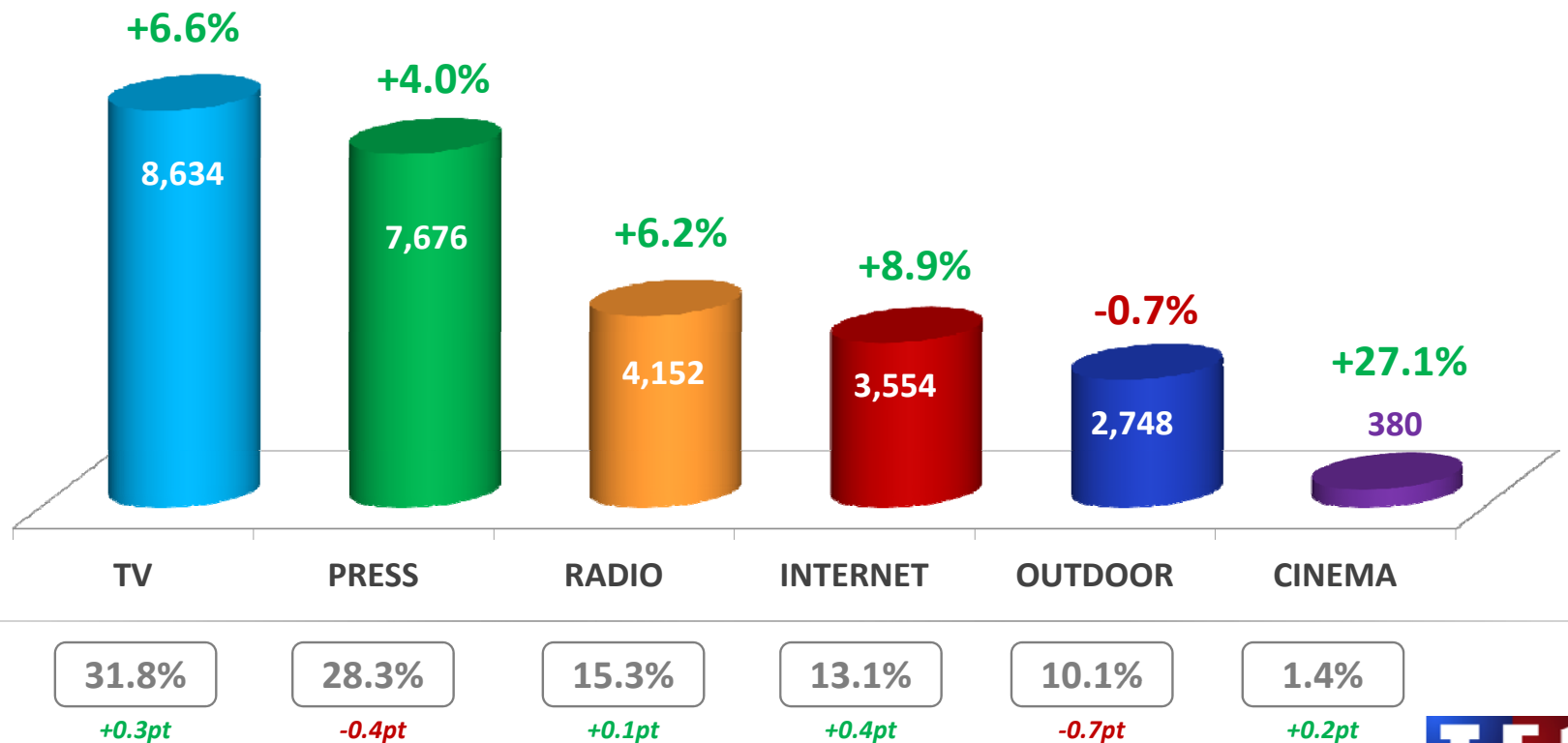
# 2011 : RESILIENCE OF GROUP AUDIENCE SHARE ON TARGETS



# TV : No1 MEDIA IN FRANCE IN 2011

## Trend in GROSS plurimedia investments (€m)

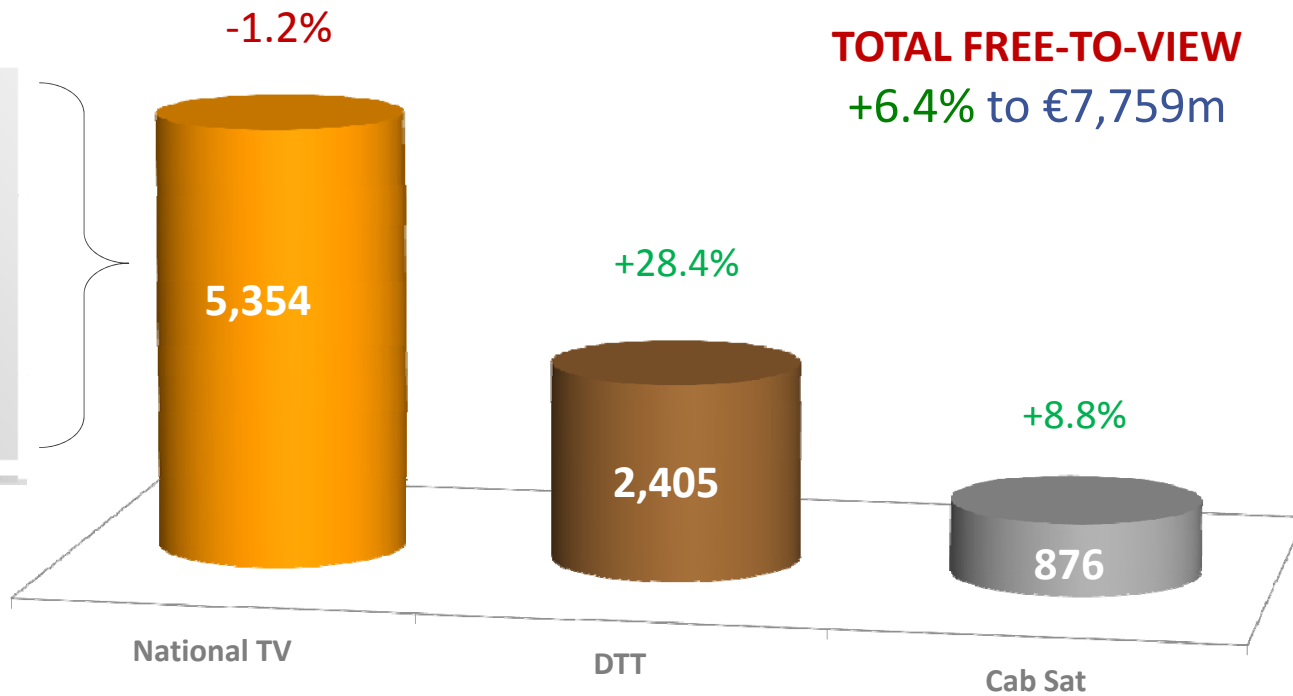
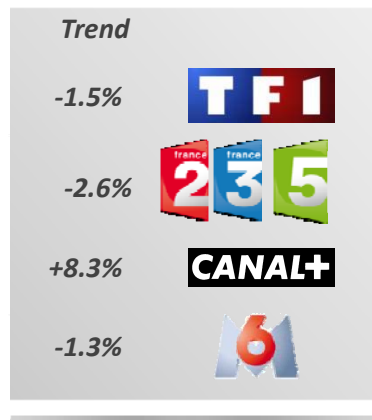
January-December 2011: +5.5% to €27,143m



Source: Kantar média – Jan-Dec 2011 vs 2010

# TV STILL LARGELY DRIVEN BY DTT

Trend in GROSS TV investments (€m) – Jan-Dec 2011



**TOTAL TV**  
+6.6% to €8,634m

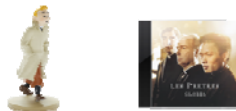
**TOTAL FREE-TO-VIEW**  
+6.4% to €7,759m



# DYNAMIC AND RATIONALISED DIVERSIFICATIONS

## TF1 ENTREPRISES

- **GAMES** : *Tintin* figurines, FDJ card, *1000 Bornes* app, ...
- **MUSIC**: 2 albums among 5 best-sellers in 2011 (*Nolwenn Leroy*, *Les Prêtres*)



- **SHOWS**: *Mozart*, *L'opéra Rock*: >1.3 million spectators
- **LICENSES**: Strong success of *Hello Kitty*, *Barpapapa*, ...



## e-TF1

- All TF1 digital activities regrouped under MYTF1, a powerful and federative brand
- **wak** No.1 social video media for young people with 7.1m UVs and profitability achieved

- Strong growth in video advertising
- Increased profitability



## PRODUCTION

- 13 films with more than one million admissions



## TELESHOPPING

- Strong growth in e-commerce, notably thanks to the *Place des Tendances* website, with 200 active brands represented

place des **tendances**.com  
GRAND MAGASIN DE MODE



## VIDEO

- Double-digit growth in VOD not yet compensating decreasing physical video market



## CATALOGUE

- Restated revenue between Catalogue activity and TMC and NT1
- Non-recurring litigation charge impacting profitability in 2011



# MYTF1, THE GROUP'S DIGITAL BRAND

- ▶ Broad reach (VOD, catch-up, Social TV on Apple and soon on Android)
- ▶ IPTV portal available with Orange, SFR, Bouygues Telecom, Free and soon CanalSat
- ▶ Strong themes rolled out for multiple devices



**1.2 BILLION**  
free online videos viewed on TF1 Group sites in 2011 (excl. Eurosport)



**547 MILLION**  
TF1 catch-up videos viewed in 2011



**2.4 MILLION**  
MYTF1 app downloads in 2011



**6,000**  
programmes (all categories combined) in Group VOD offer

**ORIGINAL MODEL. STRONG BRAND**





# COMMITMENTS FULFILLED IN PAY-TO-VIEW TV

## Successful negotiations for broader, non-exclusive distribution:

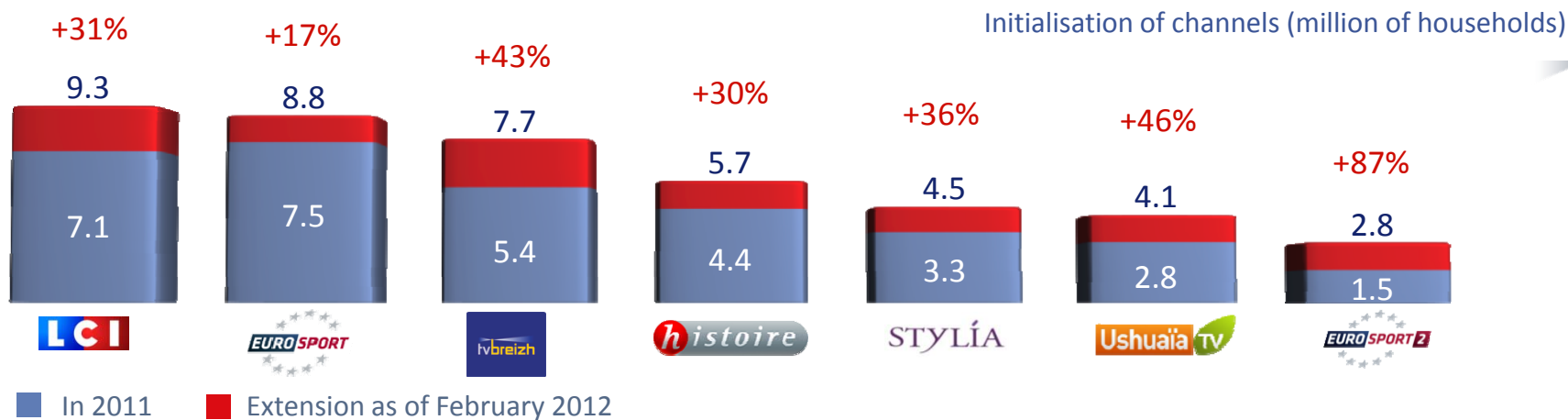
- ▶ Fees secured for 3-year period
- ▶ Extended audience reach



## 360° rollout of channel content:

- ▶ On all TV screens, computers, tablets, mobiles
- ▶ Live and catch-up

## Additional opportunities for ad revenue



AN ATTRACTIVE OFFER WITH A SECURE BUSINESS MODEL



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



At 31 December 2011



# FINANCIAL INFORMATION

## ADVERTISING REVENUE EVOLUTION

€m	2011	2010	Var. €m	Var. %
<b>CONSOLIDATED REVENUE</b>	<b>2,619.7</b>	<b>2,622.4</b>	<b>-2.7</b>	<b>-0.1%</b>
<b>ADVERTISING REVENUE TF1 CHANNEL</b>	<b>1,504.1</b>	<b>1,549.8</b>	<b>-45.7</b>	<b>-2.9%</b>
<b>DIVERSIFICATION REVENUE</b>	<b>1,115.6</b>	<b>1,072.6</b>	<b>+43.0</b>	<b>+4.0%</b>
<b>DETAIL OF THE TOTAL ADVERTISING REVENUE:</b>				
TF1 Channel	1,504.1	1,549.8	-45.7	-2.9%
Thematic channels in France	184.8	129.9	+54.9	+42.3%
Internet France	27.1	21.8	+5.3	+24.3%
Eurosport International	74.9	78.1	-3.2	-4.1%
Others	30.6	13.7	+16.9	x 2.2
<b>TOTAL ADVERTISING REVENUE</b>	<b>1,821.5</b>	<b>1,793.3</b>	<b>+28.2</b>	<b>+1.6%</b>

## TF1 CORE CHANNEL PROGRAMMING COSTS EVOLUTION

€m	2011	2010	Var. €m	Var. %
<b>TOTAL PROGRAMMING COSTS</b>	<b>905.5</b>	<b>951.2</b>	<b>-45.7</b>	<b>-4.8%</b>
<b>ONE-OFF SPORTS EVENTS</b>	<b>24.1</b>	<b>77.6</b>	<b>-53.5</b>	<b>-68.9%</b>
<b>PROGRAMMING COSTS EXCL. ONE-OFF SPORTS EVENTS</b>	<b>881.4</b>	<b>873.6</b>	<b>+7.8</b>	<b>+0.9%</b>
Entertainment / Games / Magazines	253.9	247.3	+6.6	+2.7%
TV dramas / TV movies / Series / Theatre	277.0	275.2	+1.8	+0.7%
Sports (excl. one-off sports events)	108.4	106.9	+1.5	+1.4%
News	113.2	106.5	+6.7	+6.3%
Movies	111.0	118.4	-7.4	-6.3%
Youth	17.9	19.3	-1.4	-7.3%

## CONSOLIDATED INCOME STATEMENT (1/2)

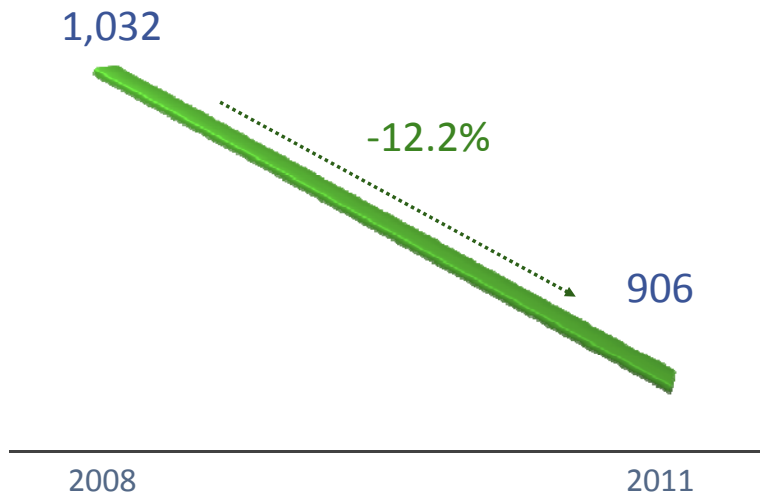
€m	2011	2010	Var. €m	Var. %
<b>CONSOLIDATED REVENUE</b>	<b>2,619.7</b>	<b>2,622.4</b>	<b>-2.7</b>	<b>-0.1%</b>
Total programming costs	(905.5)	(951.2)	+45.7	-4.8%
Total other charges	(1,323.0)	(1,335.8)	+12.8	-1.0%
Depreciation and amortisation, provisions and impairment (net)	(108.3)	(105.0)	-3.3	+3.1%
<b>CURRENT OPERATING PROFIT</b>	<b>282.9</b>	<b>230.4</b>	<b>+52.5</b>	<b>+22.8%</b>
<b>OPERATING MARGIN</b>	<b>10.8%</b>	<b>8.8%</b>	<b>+2.0 pts</b>	
Non-current operating income	-	82.8	-82.8	na
<b>OPERATING PROFIT</b>	<b>282.9</b>	<b>313.2</b>	<b>-30.3</b>	<b>-9.7%</b>

## CONSOLIDATED INCOME STATEMENT (2/2)

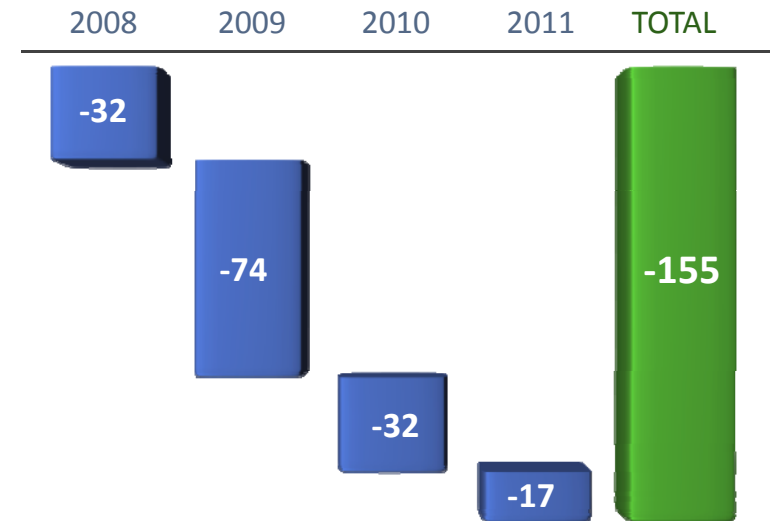
€m	2011	2010	Var. €m	Var. %
<b>OPERATING PROFIT</b>	<b>282.9</b>	<b>313.2</b>	<b>-30.3</b>	<b>-9.7%</b>
Cost of net debt	0.5	(18.2)	+18.7	na
Other financial income and expenses	5.1	(2.5)	+7.6	na
Income tax expense	(88.7)	(68.9)	-19.8	+28.7%
Share of profits / (losses) of associates	(13.7)	5.7	-19.4	na
<b>NET PROFIT</b>	<b>186.1</b>	<b>229.3</b>	<b>-43.2</b>	<b>-18.8%</b>
<b>NET PROFIT ATTRIBUTABLE TO THE GROUP</b>	<b>182.7</b>	<b>228.3</b>	<b>-45.6</b>	<b>-20.0%</b>
ATTRIBUTABLE TO MINORITY INTERESTS	3.4	1.0	+2.4	x 3.4

# CONSTANT PROGRESS FOR BUSINESS MODEL

Programming costs from 2008 to 2011 (€m):



Recurring savings realised since 2008 (€m):



SAVINGS OF MORE THAN 150 MILLION EUROS IN 4 YEARS

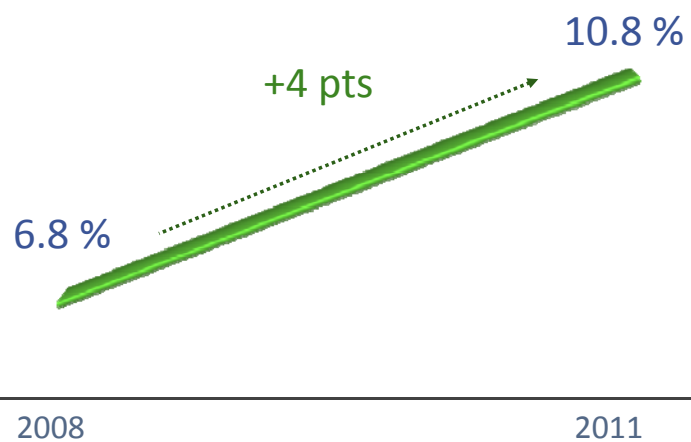


# IMPROVED PROFITABILITY

## Rise in Group profitability in 2011:

- ▶ Increase of 2 points on 2010
- ▶ Increase of 4 points on 2008

Current operating margin for the Group:



## Rise in profitability of TF1 channel in 2011:

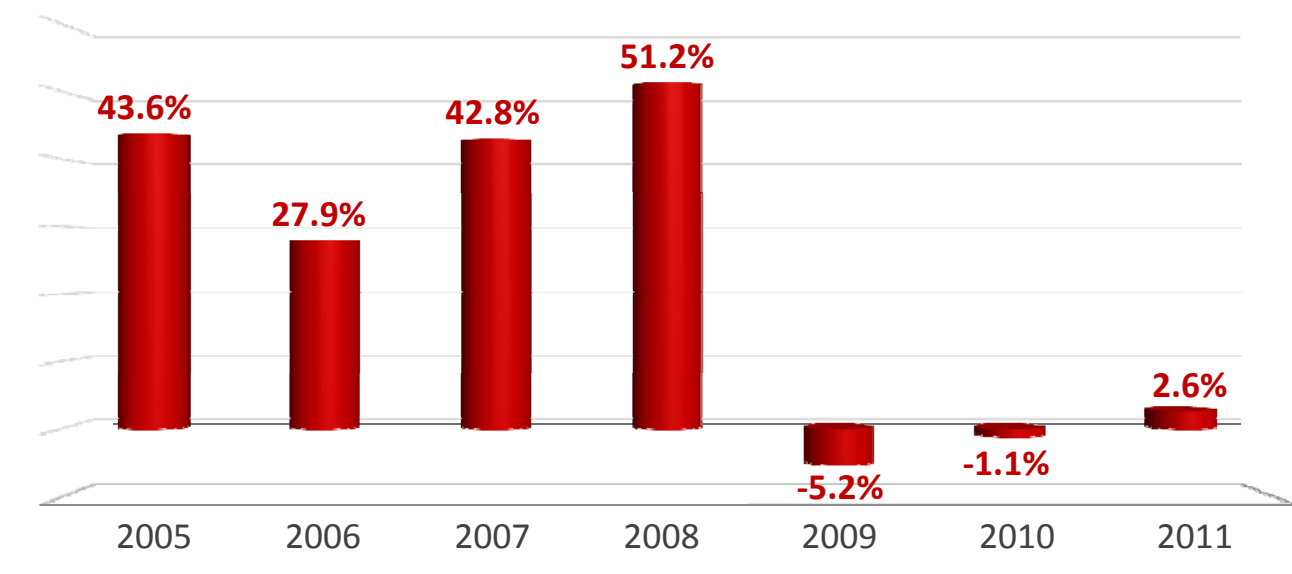
Current operating margin for the TF1 channel since 2008:



## A HEALTHY FINANCIAL STRUCTURE

- ▶ **A debt-free company:**

Net debt of €40.6m at 2011, December 31st, a gearing of 2.6%

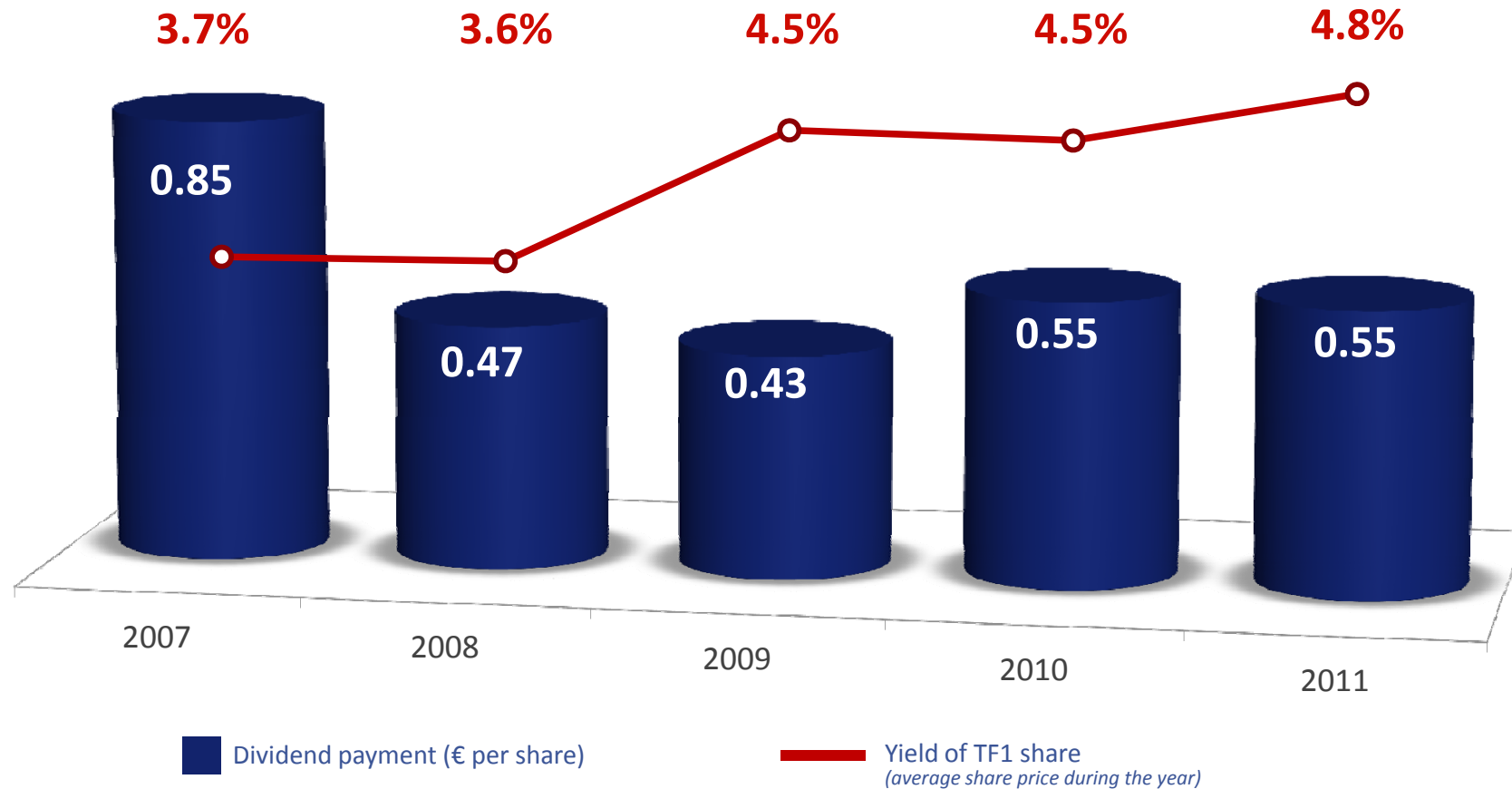


- ▶ **Rating upgraded by Standard & Poor's in 2011 to BBB +, stable outlook**

- ▶ **Secured financing :**

€1,015m of bilateral, maturity 1-6 years, confirmed at 31 December 2011

## DIVIDEND PROPOSED AT ANNUAL GENERAL MEETING (on April 19, 2012)



## 2012 OUTLOOK

€m	2011	2012	Var.
Consolidated revenue	2,620	2,620	=

- ▶ Management discipline unchanged
- ▶ Stabilisation of programming costs for the TF1 channel: €930 million on average for 2012 and 2013

**A CAUTIOUS FORECAST IN AN UNCERTAIN ENVIRONMENT**

## THE GROUP HAS STRONG AND RELIABLE RESOURCES

- ▶ Our main advantage: free service
- ▶ Changes in use will take time
- ▶ Our offer is already multimedia
- ▶ Our financial structure is robust
- ▶ We have greater abilities in terms of responsiveness, flexibility and adaptation
- ▶ Our coordination tools are operational
- ▶ Our organisation system and processes are optimised

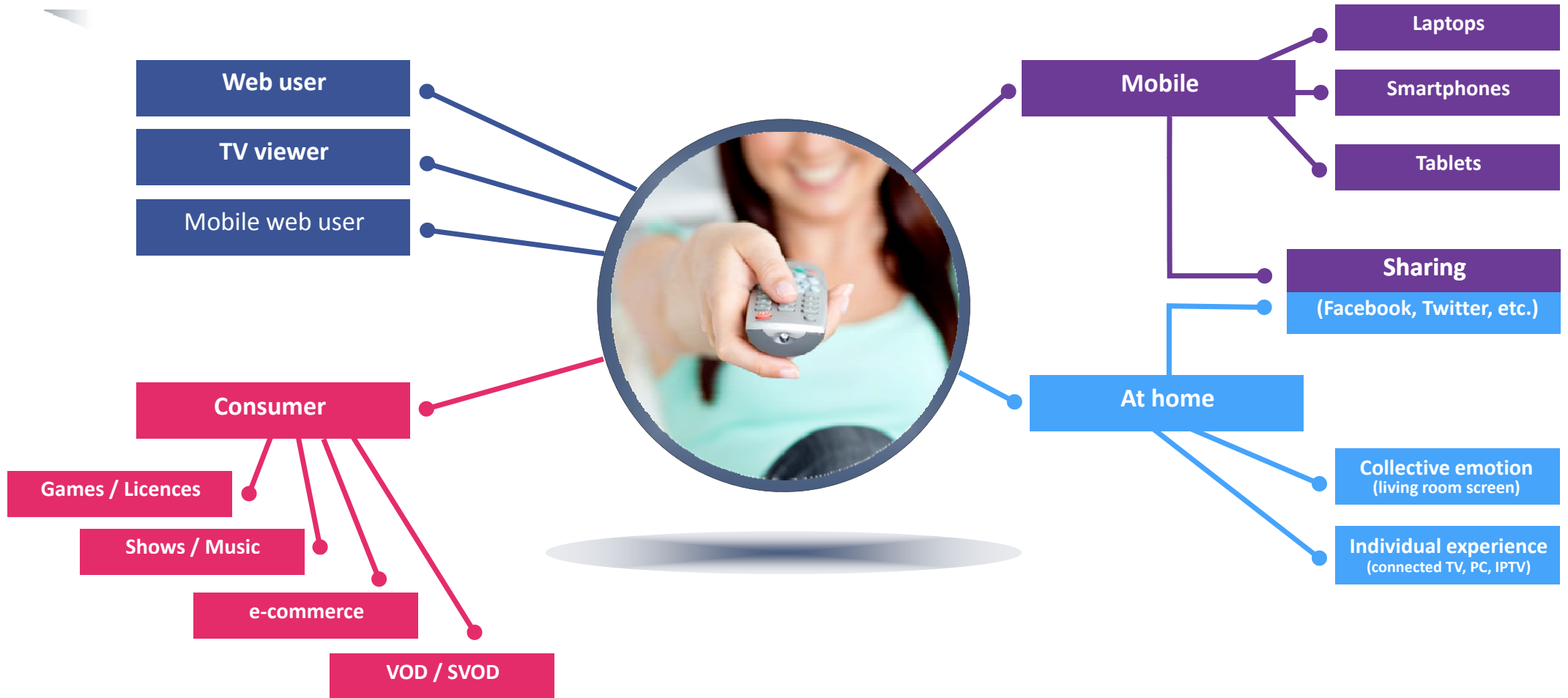
THE GROUP WILL BE ABLE TO PROVIDE  
THE RIGHT RESPONSES TO FUTURE CHALLENGES

## **7 STRATEGIC PRIORITIES**

- 1** Continue offensive strategy in free-to-view
- 2** Get more efficient use out of our content
- 3** Negotiate regulation consistent with the new economic paradigm
- 4** Adapt our sales policy in line with the economic and competitive environment
- 5** Strengthen a future-looking pay-to-view and digital offer
- 6** Rely on counter-cyclical advantage of diversification
- 7** Create breakthroughs if necessary to speed up cost optimisation

**THE TF1 GROUP IS READY FOR THE FUTURE**

# THE MOST COMPREHENSIVE OFFER ON THE MARKET



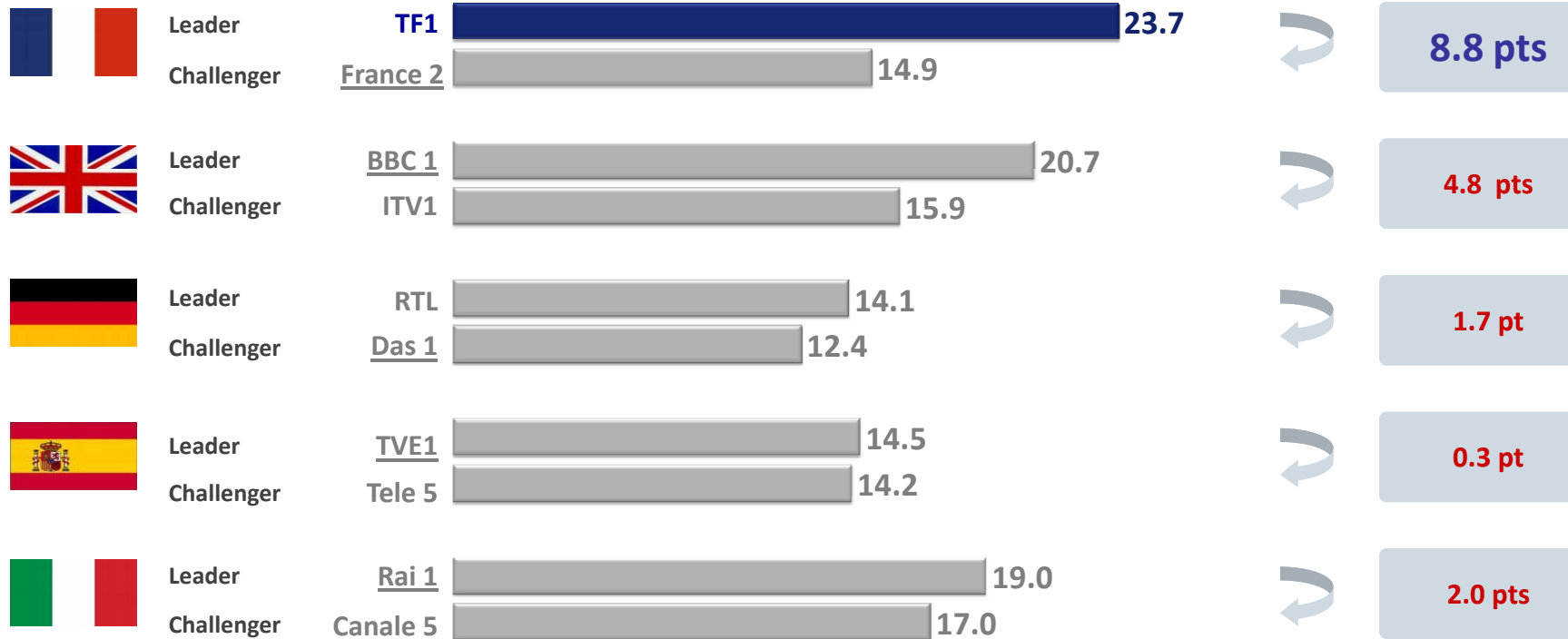
# APPENDIXES



# TF1, A EUROPEAN LEADER

Audience share (in%) of European channels, leaders in their respective national territories in 2011 (\*)

Gap between each leader and its challenger



\* Source : Médiamétrie – 2011, 4+ (France) / Eurodata TV – BARB - Kanter Media (UK) / Eurodata TV – AGB – GFK (Germany) / Kantar Media (Spain) / Eurodata TV – Auditel – AGB Nielsen (Italy).

## 4 YEARS OF TRANSFORMATION

### **TF1** IN 2008

- One free-to-view channel
- Dependent pay-to-view channels
- Almost no digital presence
- Diversifications losing steam
- Advertising agency focused on TV
- Rising costs
- Debt
- No financial information system
- Heavy regulation

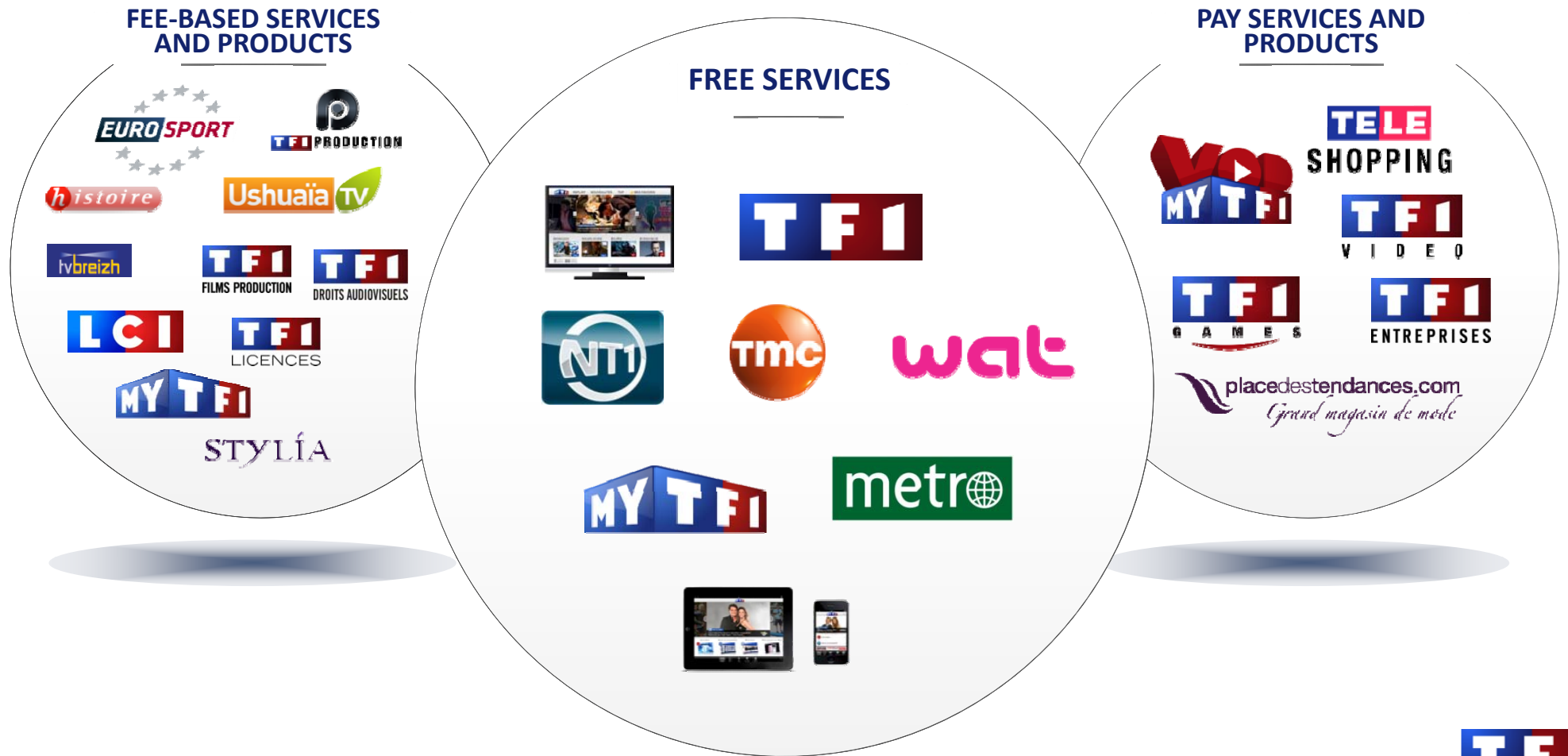
### **TF1** IN 2011

- An unrivalled multi-channel offer
- A secure pay-to-view business
- High-performance digital offer
- Rationalised diversifications
- A truly innovative multimedia ad agency
- Recurring savings
- Virtually no debt
- SAP implemented in 2012
- Evolving regulation

A 360° GROUP THAT IS CONSTANTLY ADAPTING

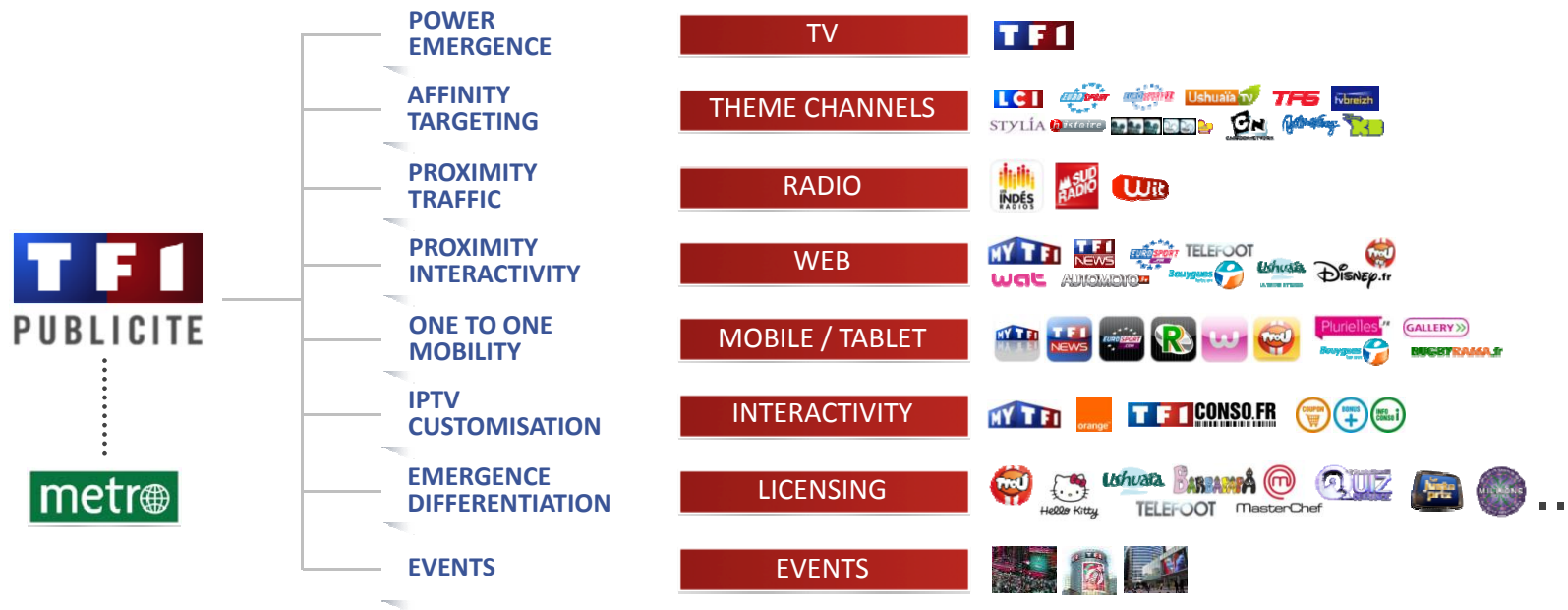


# THE GROUP IS DEVELOPING DIFFERENT SALES MODES



# A TRUE MULTIMEDIA ADVERTISING AGENCY

- ▶ A 360° advertising agency present in all media, addressing all targets:

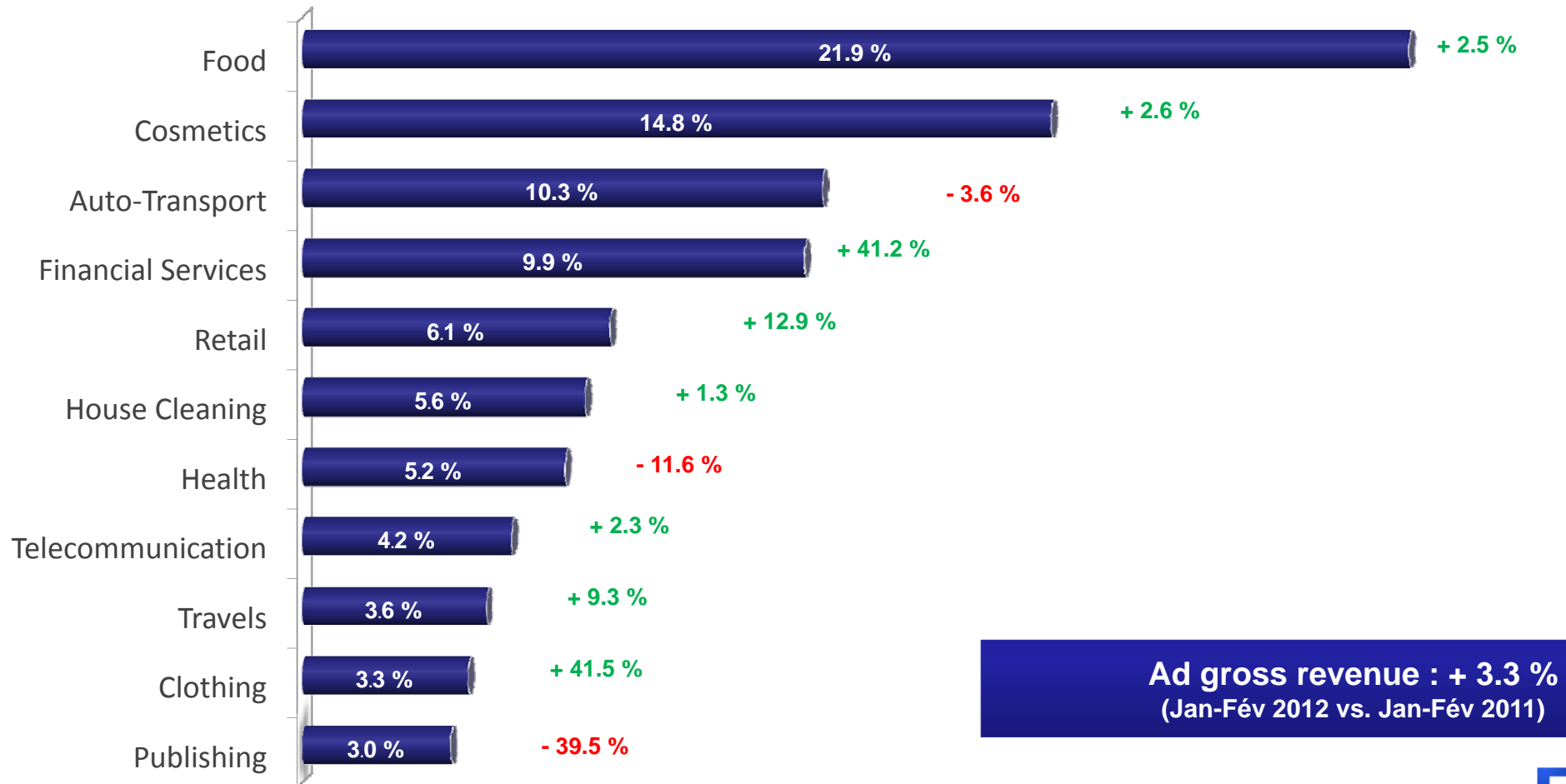


- ▶ January 2012: TF1 Publicité wins Best Digital Strategy prize at 2012 E-Marketing Awards, organised by E-Business

360° STRATEGY RECOGNISED BY THE MARKET



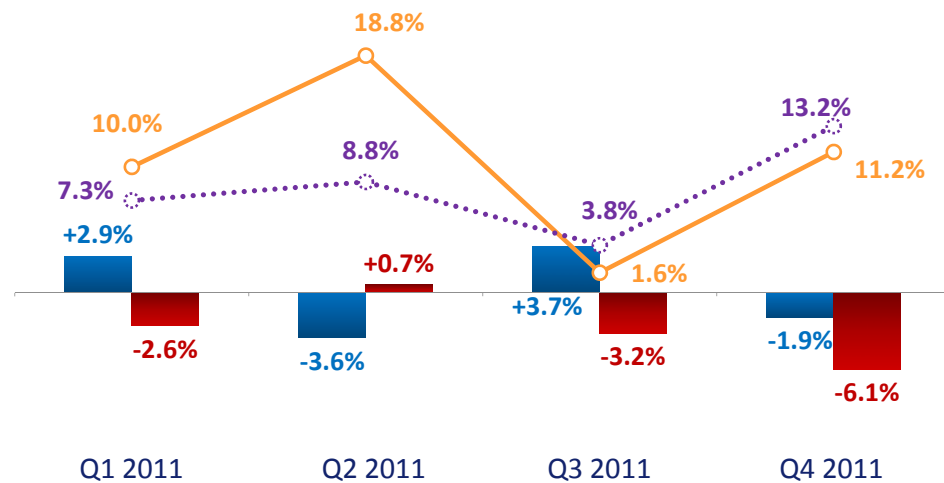
## EVOLUTION OF THE ADVERTISING SECTORS (Jan-Feb 2012)



# FOCUS 4<sup>TH</sup> QUARTER

## Operating margin at 11.2%, despite the drop in TF1 channel's advertising revenue

Evolution of TF1 advertising revenue, group's consolidated revenue and operating margin:



■ Evolution of consolidated revenue yoy  
■ Evolution of TF1's advertising revenue yoy  
— Current operating margin 2011  
- - - Current operating margin 2010

## A strong business model

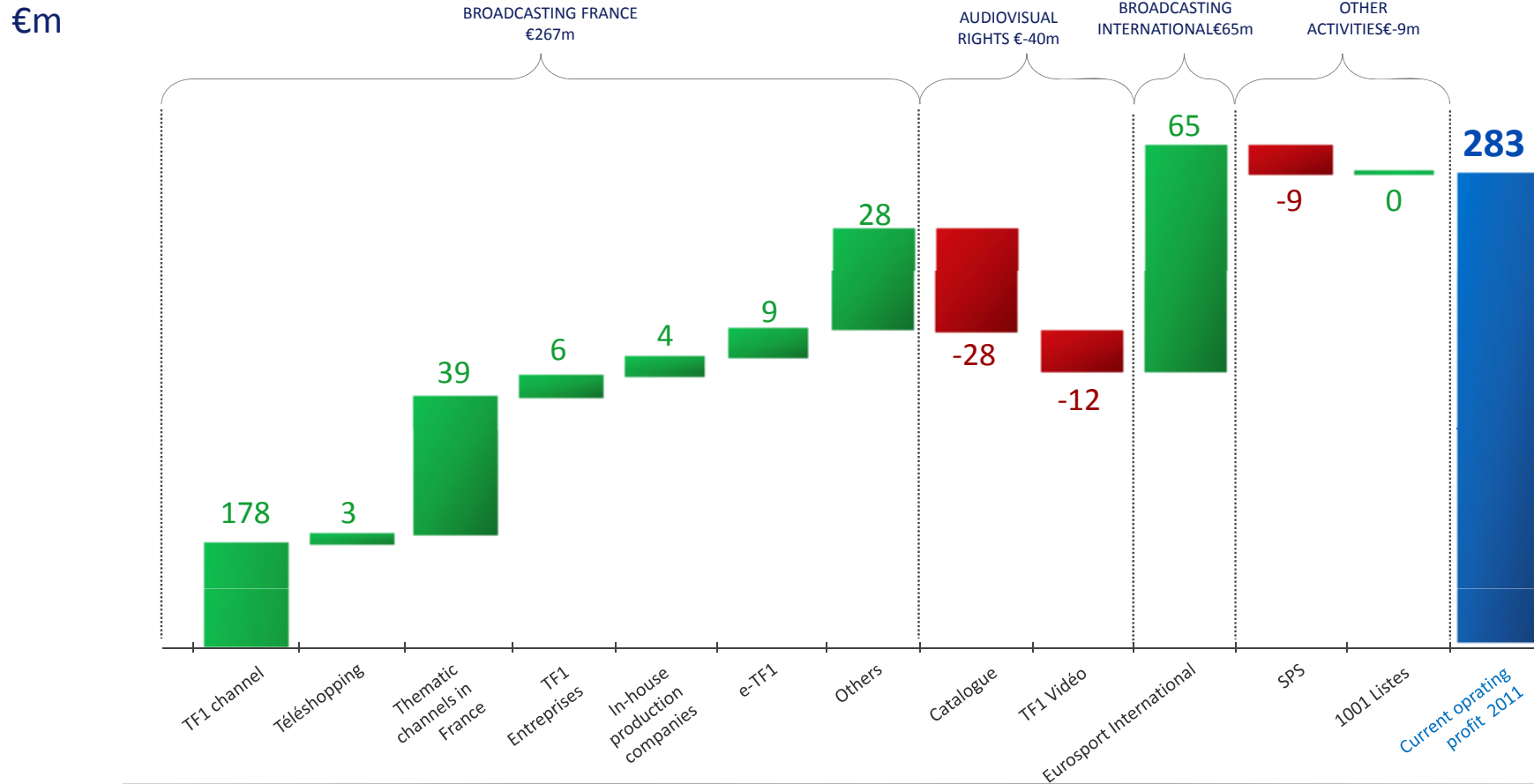
Evolution of group TF1's operating margin:



## REVENUE CONTRIBUTIONS BY SEGMENT

€m	2011	2010	Var. €m	Var. %
<b>BROADCASTING FRANCE</b>	<b>2,134.8</b>	<b>2,109.6</b>	<b>+25.2</b>	<b>+1.2%</b>
TF1 SA	1,511.0	1,561.3	-50.3	-3.2%
Téléshopping	100.4	101.9	-1.5	-1.5%
Thematic channels in France	308.8	252.5	+56.3	+22.3%
TF1 Entreprises	49.4	43.8	+5.6	+12.8%
In-house production companies	26.4	16.7	+9.7	+58.1%
e-TF1	85.0	78.2	+6.8	+8.7%
Others	53.8	55.2	-1.4	-2.5%
<b>AUDIOVISUAL RIGHTS</b>	<b>115.5</b>	<b>142.9</b>	<b>-27.4</b>	<b>-19.2%</b>
Catalogue	37.2	54.1	-16.9	-31.2%
TF1 Vidéo	78.3	88.8	-10.5	-11.8%
<b>BROADCASTING INTERNATIONAL</b>	<b>367.9</b>	<b>364.4</b>	<b>+3.5</b>	<b>+1.0%</b>
Eurosport International	367.9	364.4	+3.5	+1.0%
<b>OTHER ACTIVITIES</b>	<b>1.5</b>	<b>5.5</b>	<b>-4.0</b>	<b>na</b>
SPS	1.5	1.6	-0.1	-6.3%
1001 Listes	-	3.9	-3.9	na
<b>TOTAL CONSOLIDATED REVENUE</b>	<b>2,619.7</b>	<b>2,622.4</b>	<b>-2.7</b>	<b>-0.1%</b>

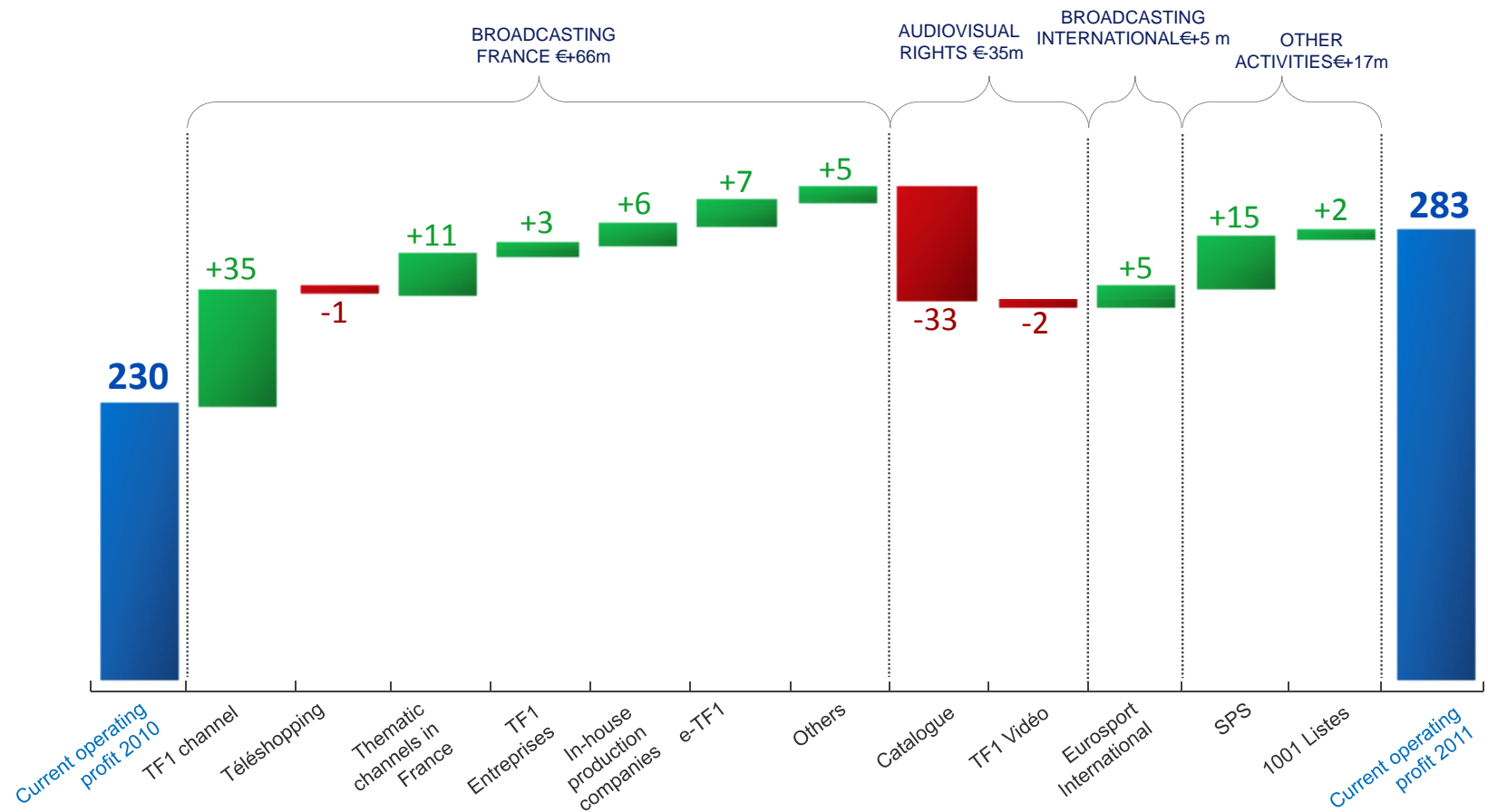
# CONSOLIDATED OPERATING PROFIT BY ACTIVITY





# EVOLUTION OF CONSOLIDATED OPERATING PROFIT BY ACTIVITY

€m



## CONSOLIDATED BALANCE SHEET

ASSETS (€m)	31/12/11	31/12/10	Var. €m
Total non-current assets	1,421.8	1,414.7	+7.1
Total current assets	1,932.6	1,910.0	+22.6
<b>TOTAL ASSETS</b>	<b>3,354.4</b>	<b>3,324.7</b>	<b>+29.7</b>

SHAREHOLDERS' EQUITY AND LIAB. (€m)	31/12/11	31/12/10	Var. €m
Shareholders' equity	1,587.2	1,547.6	+39.6
Non-current liabilities	67.9	71.5	-3.6
Current liabilities	1,699.3	1,705.6	-6.3
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>3,354.4</b>	<b>3,324.7</b>	<b>+29.7</b>
NET CASH (+) / NET DEBT (-)	-40.6	+16.8	-57.4

## CONSOLIDATED CASH FLOW STATEMENT

€m

	31/12/11	31/12/10	Var. €m
Operating cash flow	346.4	297.2	+49.2
Income taxes (paid)/reimbursed	(73.2)	(52.7)	-20.5
Change in operating working capital needs	(82.1)	56.9	-139.0
<b>Net cash generated by/(used in) operating activities</b>	<b>191.1</b>	<b>301.4</b>	<b>-110.3</b>
Net cash generated by/(used in) investing activities	(94.7)	(245.9)	+151.2
Net cash generated by/(used in) financing activities	(151.6)	(585.3)	+433.7
<b>CHANGE IN CASH POSITION</b>	<b>(55.2)</b>	<b>(529.8)</b>	<b>+474.6</b>
<b>CASH POSITION AT BEGINNING OF PERIOD</b>	<b>37.0</b>	<b>566.8</b>	<b>-529.8</b>
<b>CASH POSITION AT END OF PERIOD</b>	<b>(18.2)</b>	<b>37.0</b>	<b>-55.2</b>

# CONTACTS



**Philippe DENERY** – CFO

✉: [pdenery@tf1.fr](mailto:pdenery@tf1.fr)

**Christine BELLIN** – Head of Investor Relations

✉: [cbellin@tf1.fr](mailto:cbellin@tf1.fr)

**Louis IGONET** – Deputy Head of Investor Relations

✉: [lignonet@tf1.fr](mailto:lignonet@tf1.fr)

**Deborah ZUB** – IR

✉: [dzub@tf1.fr](mailto:dzub@tf1.fr)

**François-Xavier GIMONNET** – IR

✉: [fxgimonnet@tf1.fr](mailto:fxgimonnet@tf1.fr)

**Besma GUIZANI** – Coordinator

✉: [bguizani@tf1.fr](mailto:bguizani@tf1.fr)

**IR department**

☎: 33-1 41 41 27 32

📁: 33-1 41 41 29 10

✉: [comfi@tf1.fr](mailto:comfi@tf1.fr)

**TF1**

1 quai du Point du Jour  
92 656 Boulogne-Billancourt Cedex  
France  
<http://www.groupe-tf1.fr/>

