



# Investor Presentation

September - October 2010

# TF1 GROUP



## Free Channels



## Pay TV (France)



## Production



## Advertising agency



## Diversification & Internet



## Audiovisual rights



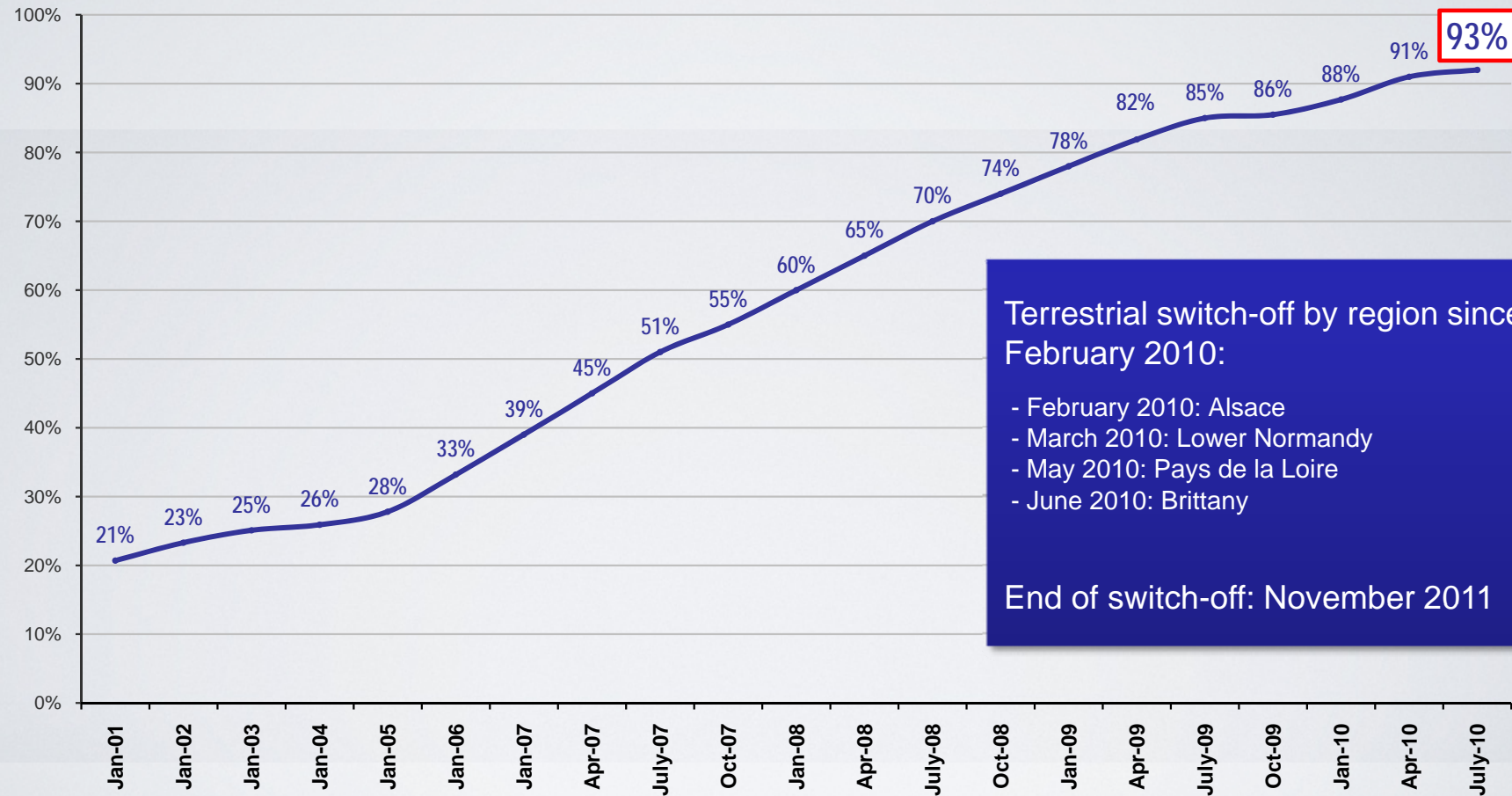
## Broadcasting international



# Multi-channel offer reaches maturity

Over 4 year olds

MULTI-SHARE SHARE



Terrestrial switch-off by region since February 2010:

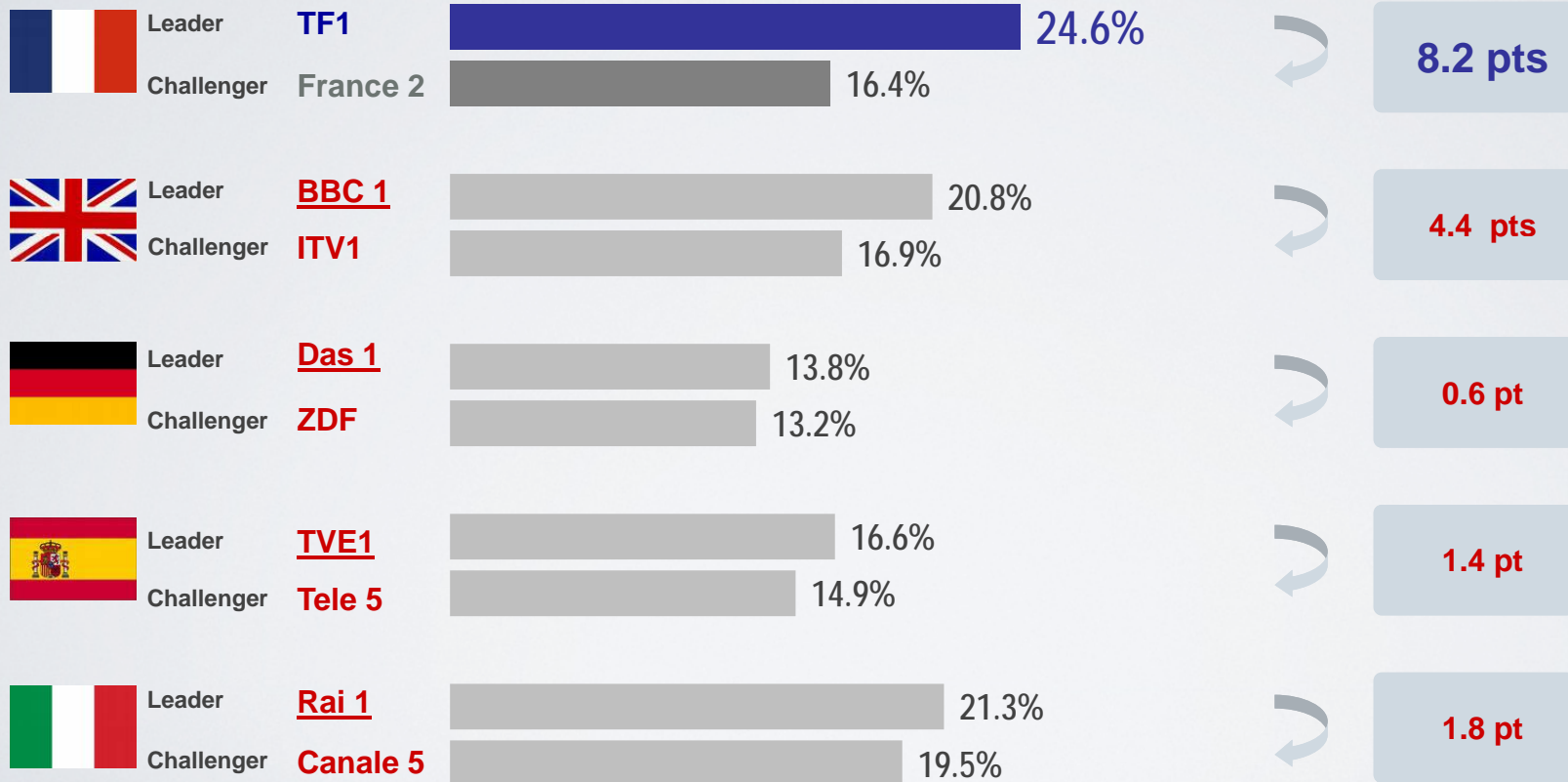
- February 2010: Alsace
- March 2010: Lower Normandy
- May 2010: Pays de la Loire
- June 2010: Brittany

End of switch-off: November 2011

## TF1, an European leader

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

Gap between each leader and its challenger



## Key figures in first-half 2010

# 49

of the top 50 audience ratings

# 24.6%

market share, individuals

# 28.1%

share, women<50



# 6.2

million TV viewers on prime-time

# 54/18/6

**Prime-time programmes:**

54 with more than 8 million TV viewers  
18 with more than 9 million TV viewers  
6 with more than 10 million TV viewers

# 90%

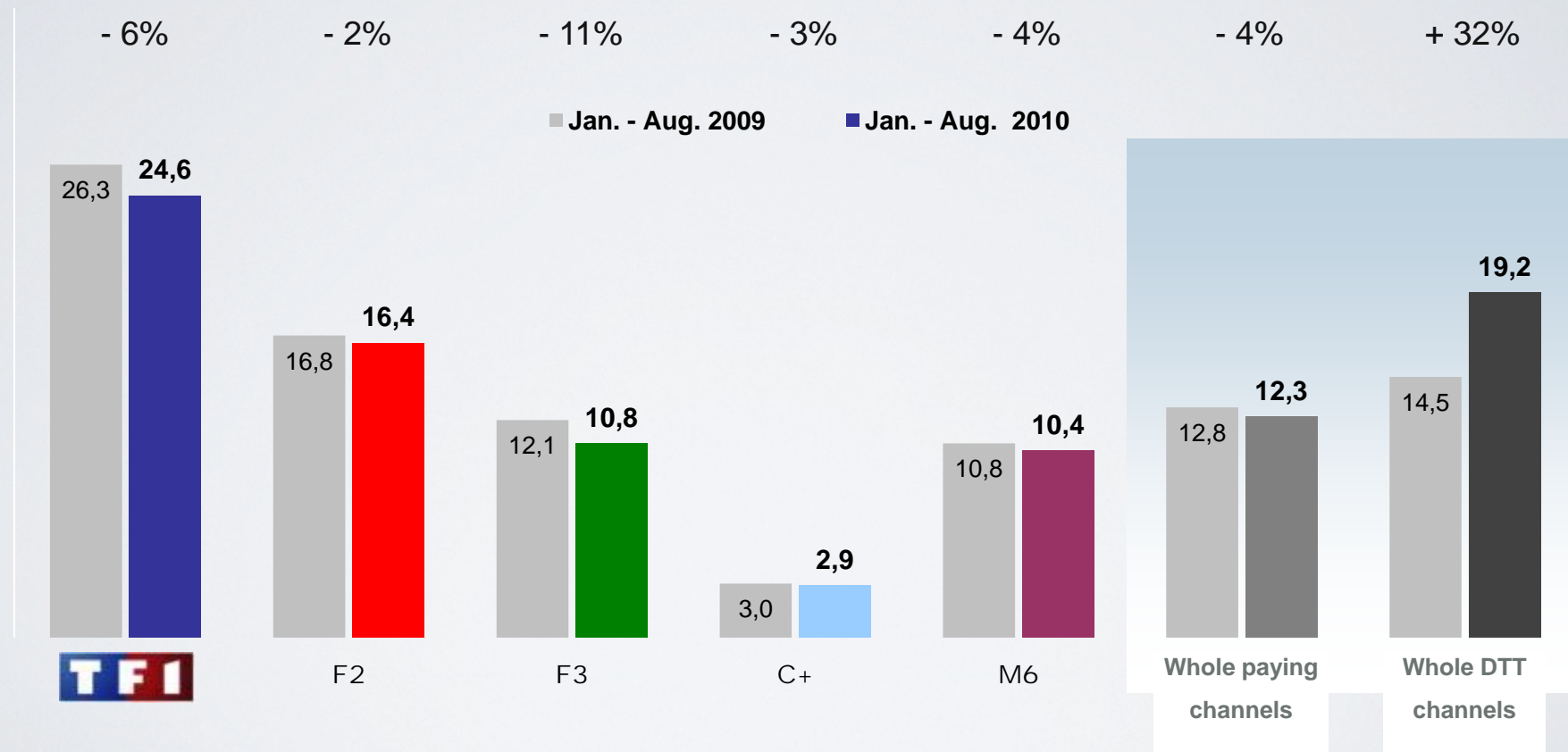
of leading evenings,  
individuals\*

\* Leading evenings for entire TF1 prime time  
Source: Médiamétrie – Médiamat – Jan.–Aug. 2010

# TF1, 1<sup>st</sup> French TV Channel (on individuals – 4 years and +)

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

Change. vs Jan.–Aug. 2009



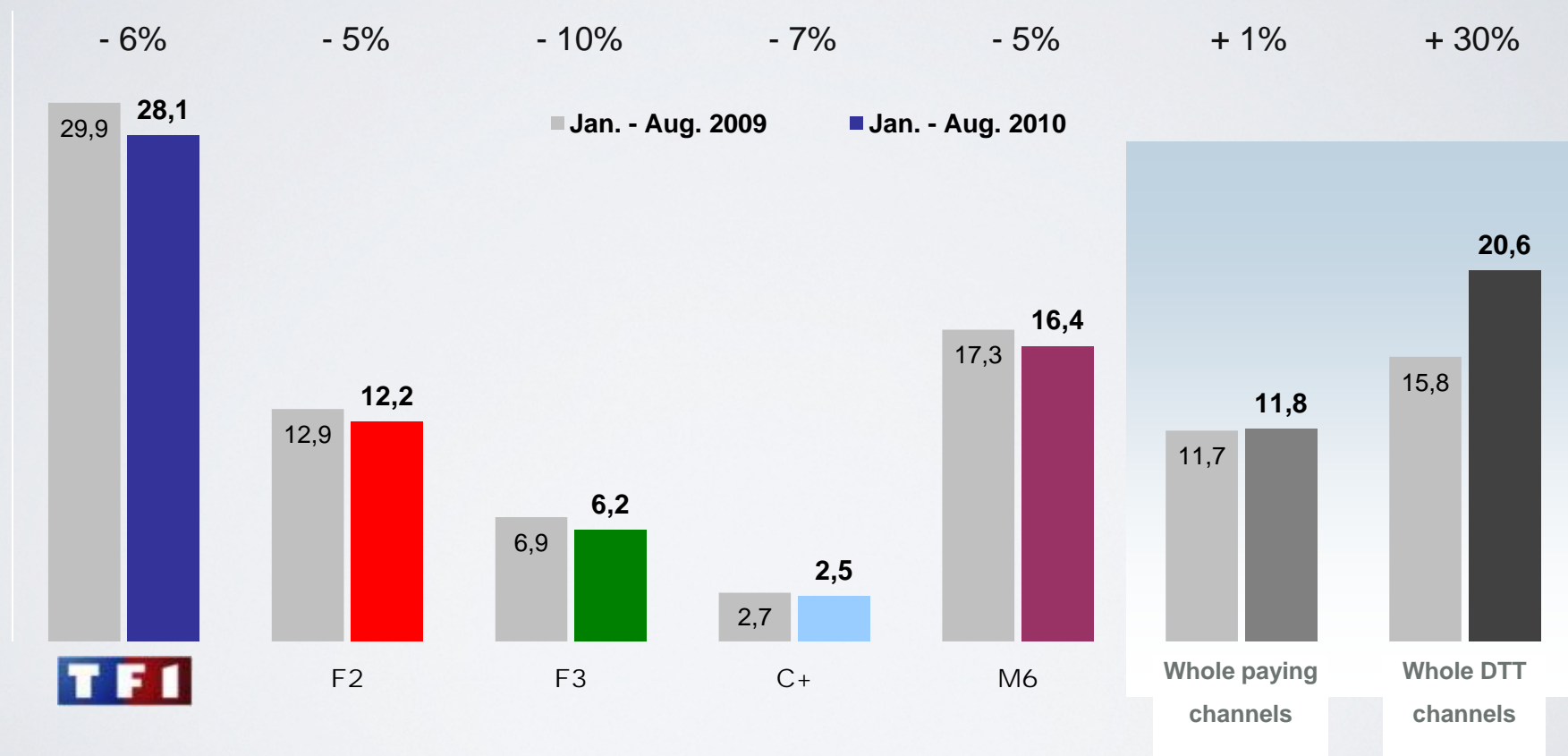
SOURCE : Médiamétrie – Médiamat – Jan.–Aug. 2010



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

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

Change. vs Jan.-Aug. 2009



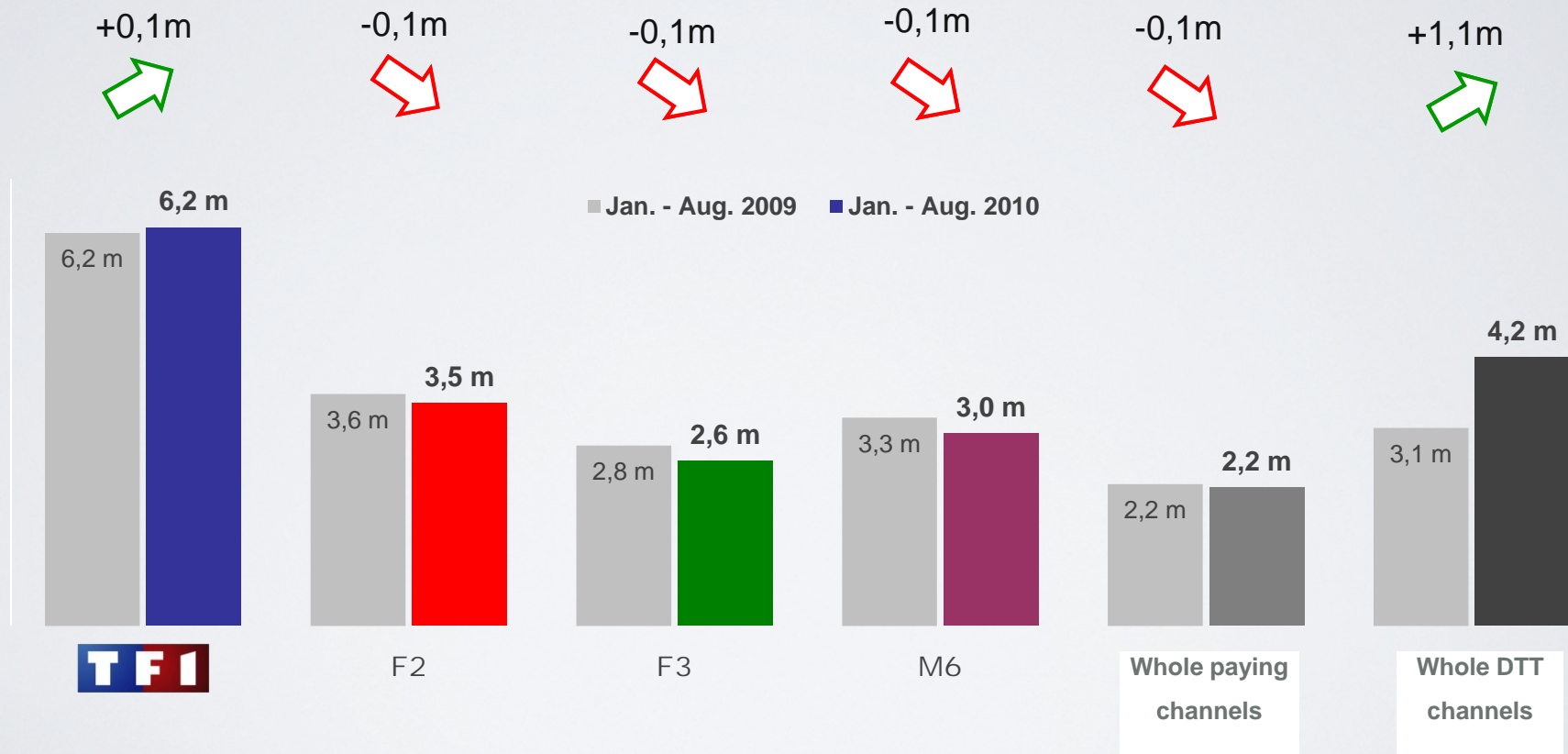
SOURCE : Médiamétrie – Médiamat – Jan.-Aug. 2010



# TF1 makes progress in prime-time in 2010

Prime-time TV viewers (in million)

Change. vs Jan.-Aug. 2009



Prime time : 8.45 pm - 10.30 pm  
 SOURCE : Médiamétrie – Médiamat – Jan.-Aug. 2010



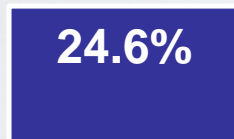


## Improved performance in 7pm – 1am slot

TF1 audience share

4 years and over

+ 2.8 pts



Whole day

7pm - 1am

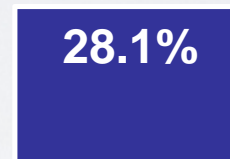
+ 8.2 pts

+ 12.2 pts

vs challenger

Women < 50

+3.8 pts



Whole day

7pm - 1am

+ 11.7 pts

+ 13.5 pts

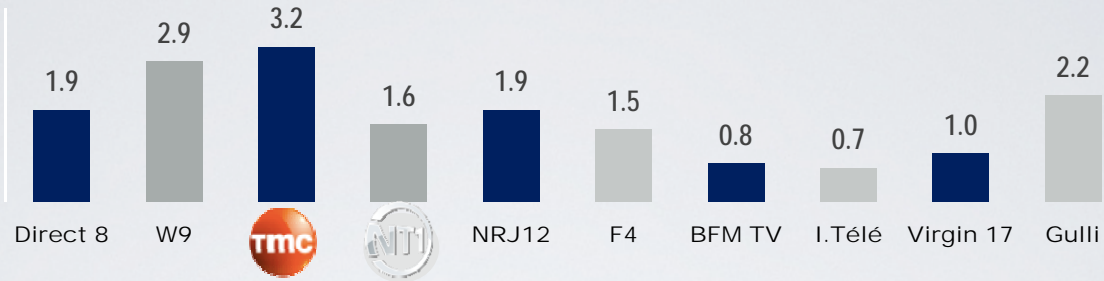
vs challenger

## An investment in DTT to strengthen on our core business

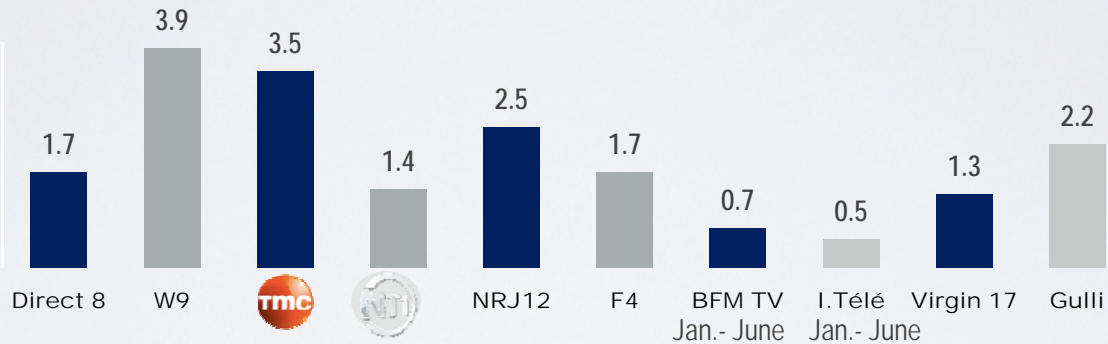
National audience share (in %)

Jan. – Aug. 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**



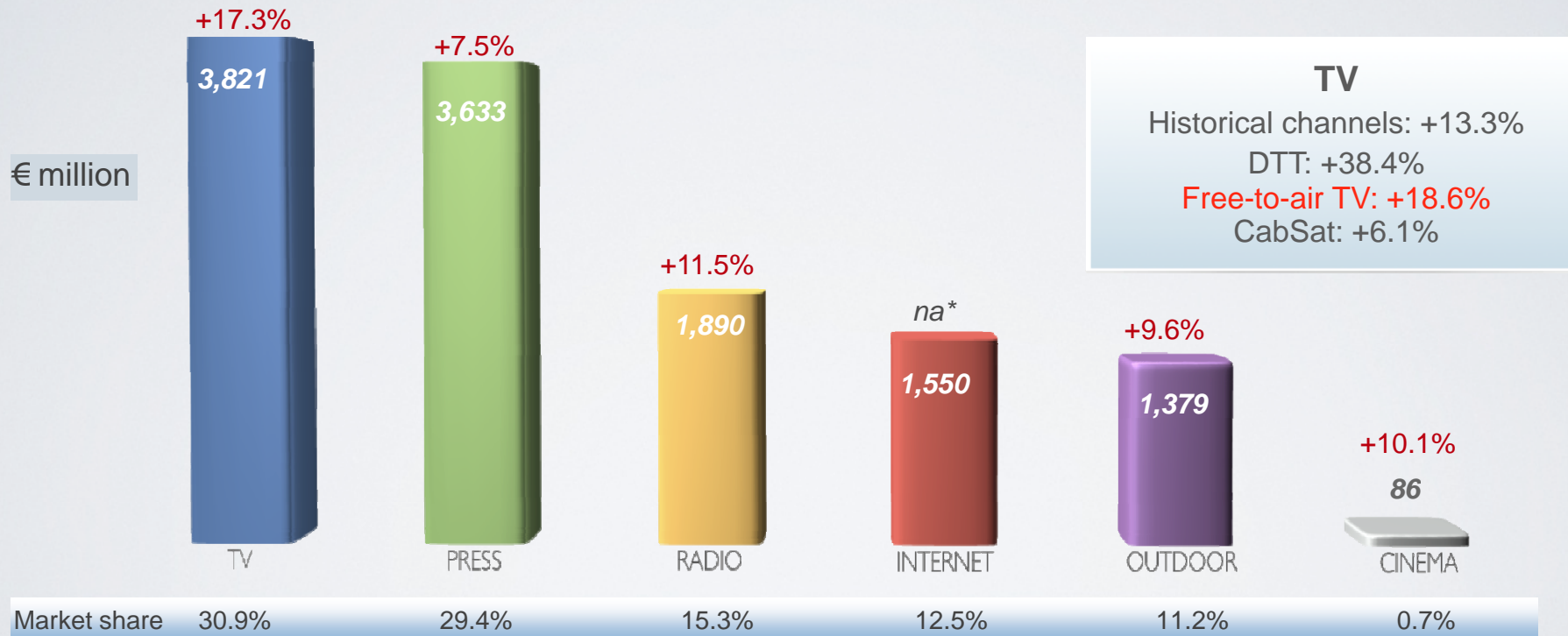
**2 ADVERTISING DEPARTMENTS TO  
SATISFY A BROAD CUSTOMER PANEL**

## Television number-one media investment in 2010

January-June 2010

- Pick-up in gross multimedia investment with strong contribution from TV
- DTT investments as dynamic as ever

**PLURIMEDIA (excl. internet)**  
**+11.8%** (+ 6.5 % in 2 years)  
 to €10,809 million

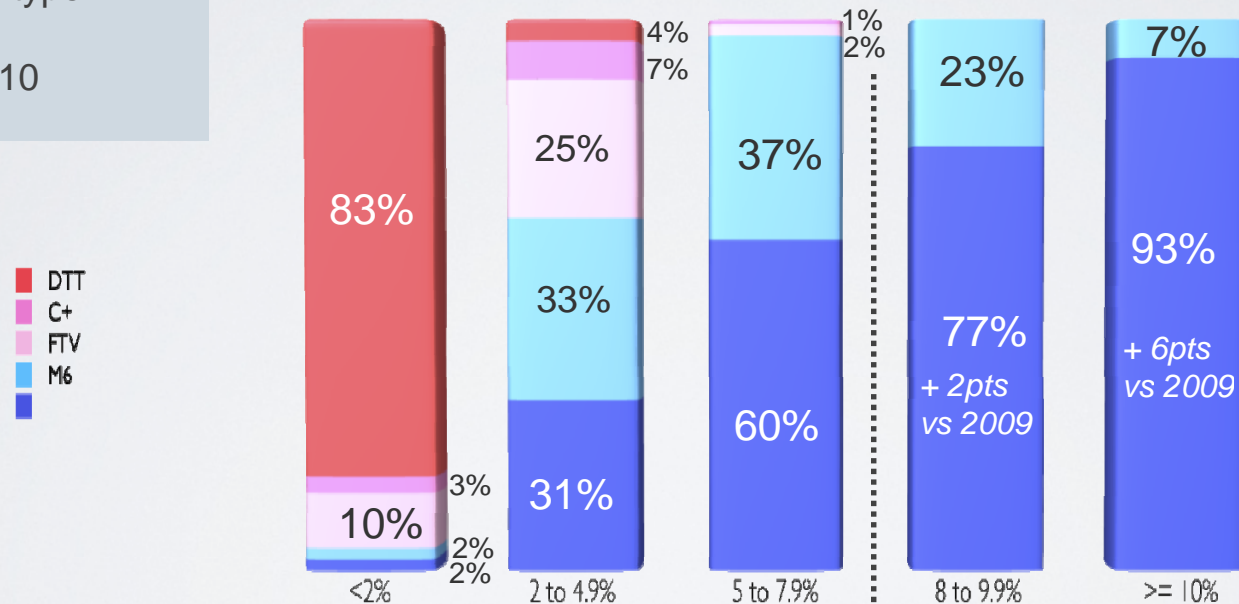


SOURCE : Kantar Média - gross data - \*Difference with 2009 cannot be measured due to change in method in 2010

## Only TF1 can offer this much power

With 33 million TV viewers every day, TF1 remains the only mass media a vital advertising criterion in a fragmented audiovisual sector

Breakdown of ad slots by audience type.  
Women <50  
First-half 2010



**TF1 DELIVERS MORE THAN 90% OF THE POWERFUL AD SLOTS,  
UP 6 PTS ON 2009**



# TF1 PUBLICITE : number-one multi-platform division

## RADIO

CLOSENESS / TRAFFIC

LES IndÉpendAnts: leading advertising offer for 25-49 yrS oldsClose to 8 million listeners a day

## POWER T F 1 EMERGENCE

EMERGENCE EVENTS-BASED

### TF1 361 PUBLICITE

- ENTERTAINMENT
- DIGITAL
- REEL LIFE ADVERTISING
- LIFE ADVERTISING
- AD-SLOTS INSERTS
- RICH SPONSORING
- PRODUCT PLACEMENT
- TV INTERACTIVE
- MY TF1
- TF1 CONSO

## THEME

AFFINITY / TARGETING

UNIFYING

GENERAL-INTEREST

MEN / AB+

WOMEN / YOUTH

YOUTH

SEGMENTATING

CHILDREN / MOTHERS

AB+

Channels at TF1 Advertising agency : close to 13 million individuals exposed in one weekTV Breizh, 1st pay TV channel among W<50

## WEB

CLOSENESS / INTERACTIVITY

ENTERTAINMENT

NEWS

SPORT

WOMEN

YOUTHSSSE

TF1.fr: Highly attractive video-based advertising

## MOBILE

ONE TO ONE / INTERACTIVITY

MÉDIA BRANDS

OPERATOR PORTALS

TF1 Pub: no. 3 mobile advertising entity in fast-growth market (+30% vs 2009)

SOURCE : Médiamétrie 126,000 Radio – Apr-June 2010 – Monday-Friday – 5 am to midnight – Target:13 yrs olds + Médiamat'Thématique, 2010 Mar 01 – June 20 - Mobile: H1 2010 vs 2009 based on 5 responding ad entities

## 2 new free-to-air channels: TMC and NT1



3.7% audience share in August 2010 for the 4-plus demographic

3.9% audience share in August 2010 for housewives under 50 in charge of household spending

Audience record: 1.7 million (January 2010)

2009 sales = €65 million

2009 operating profit = €15.5 million

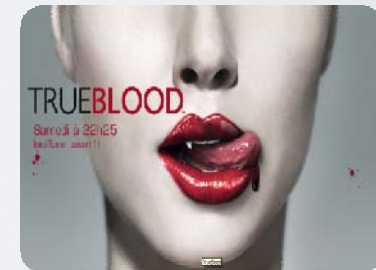


1.6 % audience share in August 2010 for the 4-plus demographic

1.5% audience share in August 2010 for housewives under 50 in charge of household spending

2009 sales = €25 million

2009 operating profit = €0 million



# RECONFIGURING OUR FREE-TO-AIR CHANNELS

## Review of 2010 FIFA World Cup

### Strong audience ratings all-round:

- 15.2 m for France-Mexico at 8 pm
- 8.4 m for France-South Africa at 4 pm
- 4.7 m on average for "Le Mag" World Cup show

Overall: 40% of over 4 yr olds and 7.1 m of TV viewers on 27 matches

39% of over 4 yr olds and 8.9 m for prime-time matches

9 matches with more than 8 m TV viewers

### Globally positive event for the Group in terms of sales:

- Gross advertising sales from matches for TF1 channel: €75 m (excl. sponsorship)
- 98% fill rate
  
- Additional sales:
  - Ads before and after the World Cup
  - On Eurosport and the web

### Success of Group sites:

- 10 m videos watched on dedicated site
  
- 31 m unique visitors
  
- 250,000 iPhone app downloaded
  
- 334,000 bets on EurosportBET and 40,000 registered users



### €120 m in rights:

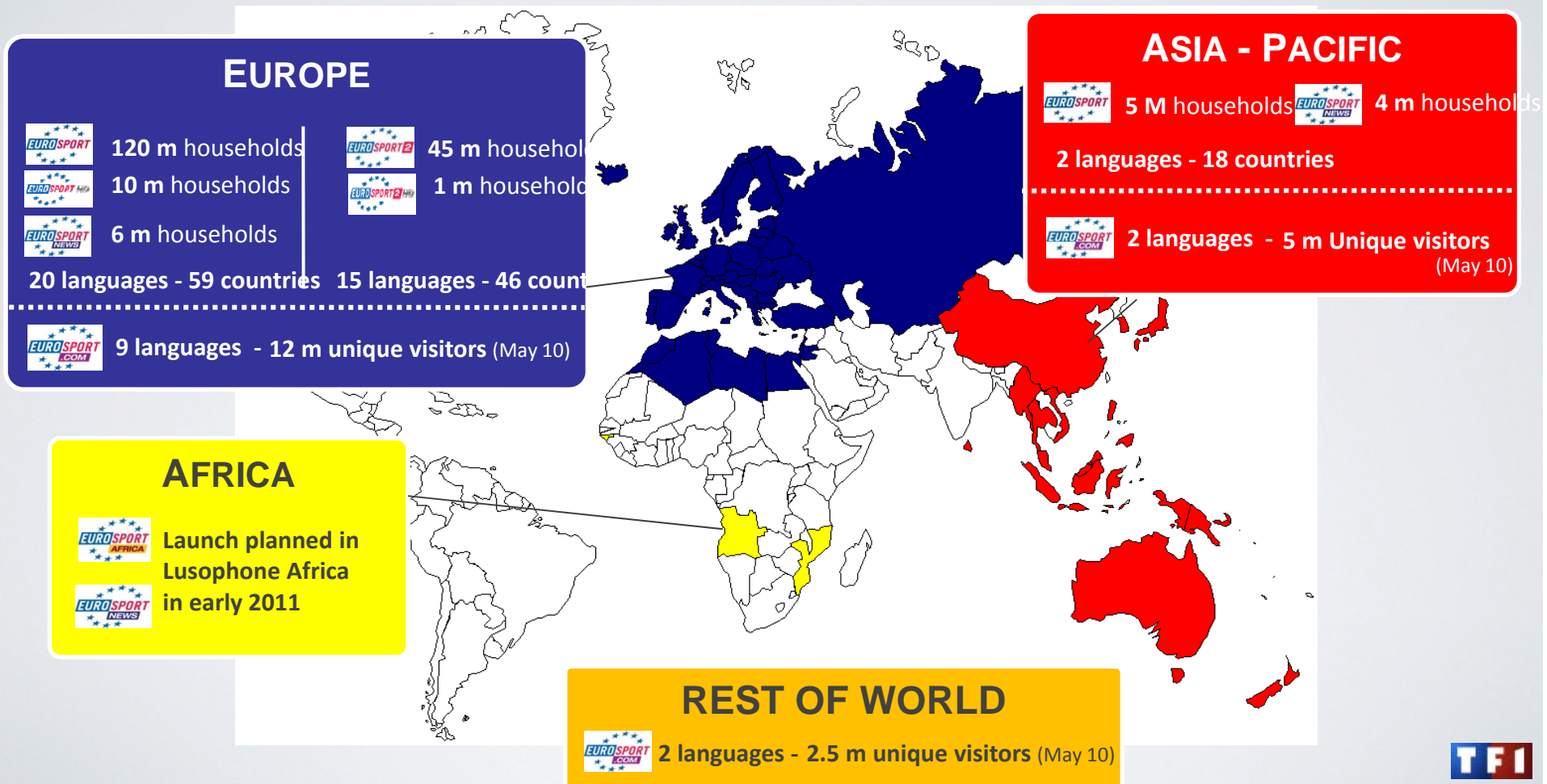
- €33 m sold to France Télévisions and Canal +
- €17 m of provisions for capital losses in 2009
- optimised production costs

**Result: optimised rights**

# Eurosport's outstanding geographical expansion

Broadcast **IN EUROPE** the biggest events live (TV, news, Internet)

Export **OUTSIDE EUROPE** European sport and its major events (TV, news, Internet)





## Initiatives at all subsidiaries in all sectors

Innovative websites  
Successful cinema releases

Redesign of WAT.TV, coupe-du-monde.tf1.fr, tf1.fr/jeux/  
Camping 2, Adèle Blanc Sec, Les Invités de mon Père

Major initiatives taken at TF1 Publicité  
Renewal of Discovery unit

TF1 Conso...  
Stylia (Odyssée)

Broader territory for TF1 Games  
Launch of multiple musical partnerships  
Development of e-commerce

1000 bornes...  
Christophe Mae, Mozart, Spiritus Dei  
placedestendances.com

Follow-through on our product innovations  
Strong performance in new territories  
Formation of major partnerships

TF1 HD, TF1 3D, MyTF1, VOD, TF1 Player, Eurosport Player, Connected TV...  
TF1 Production, EurosportBET, FDJ, CRM  
UGC, Sony, Samsung, FDJ

# A record-breaking half-year for tf1.fr

## TOTAL FOR JANUARY - AUGUST 2010 620 MILLION TF1 CATCH-UP VIDEOS WATCHED

### NEWS - H1 2010 record



**931,000** CATCH-UP VIDEOS OF 17/06 NEWS PIECE WATCHED

### US SERIES - H1 2010 record



**400,000** CATCH-UP VIDEOS OF LAST TWO EPISODES

### TV FILMS - H1 2010 record



**1.5 million** CATCH-UP VIDEOS WATCHED

**800,000** VIDEOS OF «CLEM, 3 ANS APRES» WEB EXCLUSIVE

### SPORT - H1 2010 record



**750,000** CONNECTIONS TO LIVE COVERAGE ON TF1.FR DURING FRANCE-SOUTH AFRICA MATCH

### FRENCH DRAMA - H1 2010 record



**400,000** CATCH-UP VIDEOS OF «ENNEMIS JURÉS» ON 10 MAY

### REALITY TV - H1 2010 record



**1.2 million** CATCH-UP VIDEOS OF 7 MAY SHOW WATCHED

### AUGUST 2010

## 109 MILLION TF1 CATCH-UP VIDEOS WATCHED



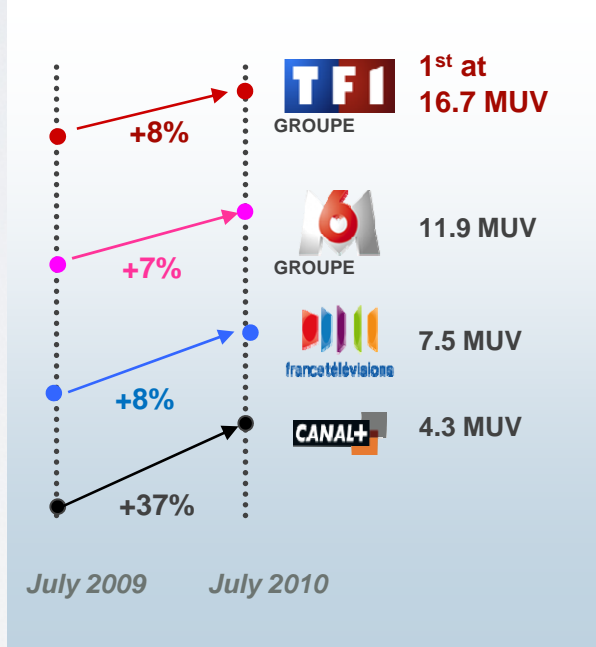
## Build on synergies with new media: TF1 is the number one French TV media group on the web

French websites audiences in million of Unique Visitor (MUV)

### TF1 7<sup>th</sup> web group

1	GOOGLE	34.5 MUV
2	MICROSOFT	25.8 MUV
3	FACEBOOK	24.4 MUV
4	FRANCE TELECOM	22.2 MUV
5	PAGES JAUNES	19.2 MUV
6	PPR	17.0 MUV
<b>7</b>	<b>GROUP TF1</b>	<b>16.7 MUV</b>
8	ILIAD	16.5 MUV
9	YAHOO !	16.2 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</b> .fr	<b>1<sup>st</sup></b> at 6.8 MUV
BLOGS	overblog	<b>1<sup>st</sup></b> at 9.4 MUV
SPORTS	EUROSPORT FR	<b>2<sup>nd</sup></b> at 3.9 MUV
VIDEOS	wat	<b>3<sup>rd</sup></b> at 6.0 MUV
YOUTH	wee1	<b>3<sup>rd</sup></b> at 481 kVU
WOMEN	Plurielles.fr <small>toutes les femmes s'y retrouvent</small>	<b>4<sup>th</sup></b> at 2.2 MUV
NEWS	<b>TF1</b> NEWS	<b>11<sup>th</sup></b> at 3.3 MUV

## FINANCIAL INFORMATION

## Advertising revenue

€m	H1 2009	H1 2010	Var. €m	Var. %
<b>Consolidated revenue</b>	1,130.1	1,284.6	+ 154.5	+ 13.7%
<b>Advertising revenue TF1 channel</b>	686.5	764.6	+ 78.1	+ 11.4%
<b>Diversification revenue</b>	443.6	520.0	+ 76.4	+ 17.2%
TF1 Channel	686.5	764.6	+ 78.1	+ 11.4%
Thematic channels in France	40.4	46.8	+ 6.4	+ 15.8%
Internet France	5.3	9.2	+ 3.9	+ 73.6%
Eurosport International	29.3	38.3	+ 9.0	+ 30.7%
Radios	4.4	5.6	+ 1.2	+ 27.3%
Others	1.6	0.4	- 1.2	- 75,4%
<b>Total advertising revenue</b>	<b>767.5</b>	<b>864.9</b>	<b>+ 97.4</b>	<b>+ 12.7%</b>

## TF1 channel programming costs

€m	H1 2009	H1 2010	Var. €m	Var. %
<b>Total programming costs</b>	455.3	<b>482.6</b>	+ 27.3	+ 6.0%
<b>One-off sporting events</b>	-	<b>60.1</b>	+ 60.1	ns
<b>Total programming costs excluding one-off sporting events</b>	455.3	<b>422.5</b>	- 32.8	- 7.2%
Entertainment	114.3	<b>119.1</b>	+ 4.8	+ 4.2%
TV dramas / TV movies / Series / Theatre	150.0	<b>139.8</b>	- 10.2	- 6.8%
Sports ( <i>excl. one-off sporting events</i> )	67.2	<b>54.0</b>	- 13.2	- 19.6%
News	52.2	<b>54.4</b>	+ 2.2	+ 4.2%
Movies	60.1	<b>45.8</b>	- 14.3	- 23.8%
Youth	11.5	<b>9.4</b>	- 2.1	- 18.3%

## Consolidated income statement

€m	H1 2009	H1 2010	Var. €m	Var. %
<b>Consolidated revenue</b>	1,130.1	<b>1,284.6</b>	<b>+ 154.5</b>	<b>+ 13.7%</b>
Total programming costs	- 455.3	- 482.6	- 27.3	+ 6.0%
Total other charges	- 585.0	- 665.5	- 80.5	+ 13.8%
Depreciation, amortisations and provisions	- 52.3	- 32.1	+ 20.2	- 38.6%
<b>Operating profit</b> <i>Operating margin</i>	<b>37.5</b> 3.3%	<b>104.4</b> <b>8.1%</b>	<b>+ 66.9</b> <b>+ 4.8 pts</b>	<b>x 2.8</b> -
Cost of net debt	- 9.8	- 10.4	- 0.6	+ 6.1%
Other financial income and expenses	+ 19.6	+ 3.4	- 16.2	- 82.7%
Income tax expense	- 5.6	- 30.3	- 24.7	ns
Share of profit/losses of associates	+ 7.4	+ 6.8	- 0.6	- 8.1%
<b>Net profit</b>	<b>49.1</b>	<b>73.9</b>	<b>+ 24.8</b>	<b>+ 50.5%</b>

## Cost saving plan

€m	2008	2009	H1 2010
Programming costs excl. sports events (recurrent savings)		+ 35	+ 12
Contracts renegotiation	+ 8	+ 21	+ 6
Other charges	+ 24	+ 18	
<hr style="border-top: 1px dashed #ccc;"/>			
<b>Cost saving plan</b>	<b>+ 32</b>	<b>+ 74</b>	<b>+ 18</b>



## Outlook for sales

	2009	2010(e)	Var
Consolidated sales	2,365	2,530	+7%

Hypotheses:

- economic growth
- steady household consumption levels
- multi-channel share forecast at 94.5% at end-2010

## TF1 executes strategy as planned

### Rigorous management:

- ❖ Performance-based organisation system
- ❖ Constantly adapted business model
- ❖ Revitalised subsidiaries
- ❖ Partnerships to secure position in risky, value-added sectors

=> **Controlled costs**

### Additional growth sources linked to technological advances

- ❖ Today our content is everywhere, all the time, in all formats: TV, IPTV, Internet, mobile, connected TV, VOD, etc.
- ❖ Sales potential combining advertising, flat-rate contribution from telecoms operators and additional pay services

=> **More diversified sales**

**Return to profitability**

## TF1 present in all markets

Pay-to-view  
television

DTT  
channels

Web

Unencrypted  
television

VOD and  
SVOD



LCI Radio

IPTV  
MyTF1

Mobile

# APPENDIXES

## Consolidated revenue evolution by activity

€m	H1 2009	H1 2010	Var. €m	Var. %
<b>France Broadcasting</b>	<b>913.0</b>	<b>1,043.4</b>	<b>+ 130.4</b>	<b>+ 14.3%</b>
TF1 Channel	691.1	769.5	+ 78.4	+ 11.3%
Téléshopping group	55.8	59.8	+ 4.0	+ 7.2%
Thematic channels in France	97.5	107.9	+ 10.4	+ 10.7%
TF1 Entreprises	13.7	15.8	+ 2.1	+ 15.3%
In-house production companies	10.5	10.1	- 0.4	- 3.8%
e-TF1	36.9	37.3	+ 0.4	+ 1.1%
Others	7.5	43.0	+ 35.5	ns
<b>Audiovisual rights</b>	<b>68.9</b>	<b>60.0</b>	<b>- 8.9</b>	<b>- 12.9%</b>
Catalogue	25.8	24.4	- 1.4	- 5.4%
TF1 Vidéo	43.1	35.6	- 7.5	- 17.4%
<b>International Broadcasting</b>	<b>147.3</b>	<b>181.2</b>	<b>+ 33.9</b>	<b>+ 23.0%</b>
<b>Other activities</b>	<b>0.9</b>	<b>0</b>	<b>- 0.9</b>	<b>ns</b>
<b>Total revenue</b>	<b>1,130.1</b>	<b>1,284.6</b>	<b>+ 154.5</b>	<b>+ 13.7%</b>

## Consolidated operating result evolution by activity

€m	H1 2009	H1 2010	Var. €m	Var. %
<b>France Broadcasting</b>	<b>32.2</b>	<b>83.2</b>	<b>+ 51.0</b>	<b>x 2.6</b>
TF1 Channel	19.9	56.9	+ 37.0	x 2.9
Téléshopping group	2.3	2.7	+ 0.4	+ 17.4%
Thematic channels in France	8.5	11.8	+ 3.3	+ 38.8%
TF1 Entreprises	- 1.8	0.3	+ 2.1	ns
In-house production companies	4.1	- 0.1	- 4.2	ns
e-TF1	- 3.5	0.1	+ 3.6	ns
Others	2.7	11.5	+ 8.8	ns
<b>Audiovisual rights</b>	<b>- 15.2</b>	<b>- 5.6</b>	<b>+ 9.6</b>	<b>- 63.2%</b>
Catalogue	- 9.8	0.7	+ 10.5	ns
TF1 Vidéo	- 5.4	- 6.3	- 0.9	-16.7%
<b>International Broadcasting</b>	<b>22.3</b>	<b>26.8</b>	<b>+ 4.5</b>	<b>+ 20.2%</b>
<b>Other activities</b>	<b>- 1.8</b>	<b>-</b>	<b>+ 1.8</b>	<b>ns</b>
<b>Total revenue</b>	<b>37.5</b>	<b>104.4</b>	<b>+ 66.9</b>	<b>x 2.8</b>

## Consolidated balance sheet

ASSETS (€m)	30/06/10	31/12/09	30/06/09
Total non-current assets	1,348.6	1,143.1	1,160.4
Total current assets	2,355.5	2,539.7	2,600.2
<b>Total Assets</b>	<b>3,704.1</b>	<b>3,682.8</b>	<b>3,760.6</b>
SHAREHOLDERS' EQUITY AND LIAB. (€m)	30/06/10	31/12/09	30/06/09
Shareholders' equity (att. to the Group)	1,387.8	1,396.6	1,327.8
Non-current liabilities	61.3	45.8	861.7
Current liabilities	2,255.0	2,240.4	1,571.1
<b>Total shareholders' equity and liabilities</b>	<b>3,704.1</b>	<b>3,682.8</b>	<b>3,760.6</b>
Net cash (+) / Net debt (-)	- 120.1	72.8	- 820.3

## Consolidated cash flow statement

€million	30/06/10	30/06/09	31/12/09
Operating cash flow before net interest expenses and income tax	132,5	85,0	185,8
Income taxes paid	3,0	38,5	32,3
Change in operating working capital requirement	- 3,2	- 81,1	23,8
<b>Net cash generated by operating activities</b>	<b>132,3</b>	<b>42,4</b>	<b>241,9</b>
<b>Net cash generated by investment activities</b>	<b>- 222,7</b>	<b>- 51,2</b>	<b>654,8</b>
<b>Net cash generated by financial operations</b>	<b>- 61,0</b>	<b>1,9</b>	<b>- 325,7</b>
<b>Change in cash position</b>	<b>- 151,4</b>	<b>- 6,9</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>415,4</b>	<b>- 11,1</b>	<b>566,8</b>



## Sound financial structure

Payment statement (€m)

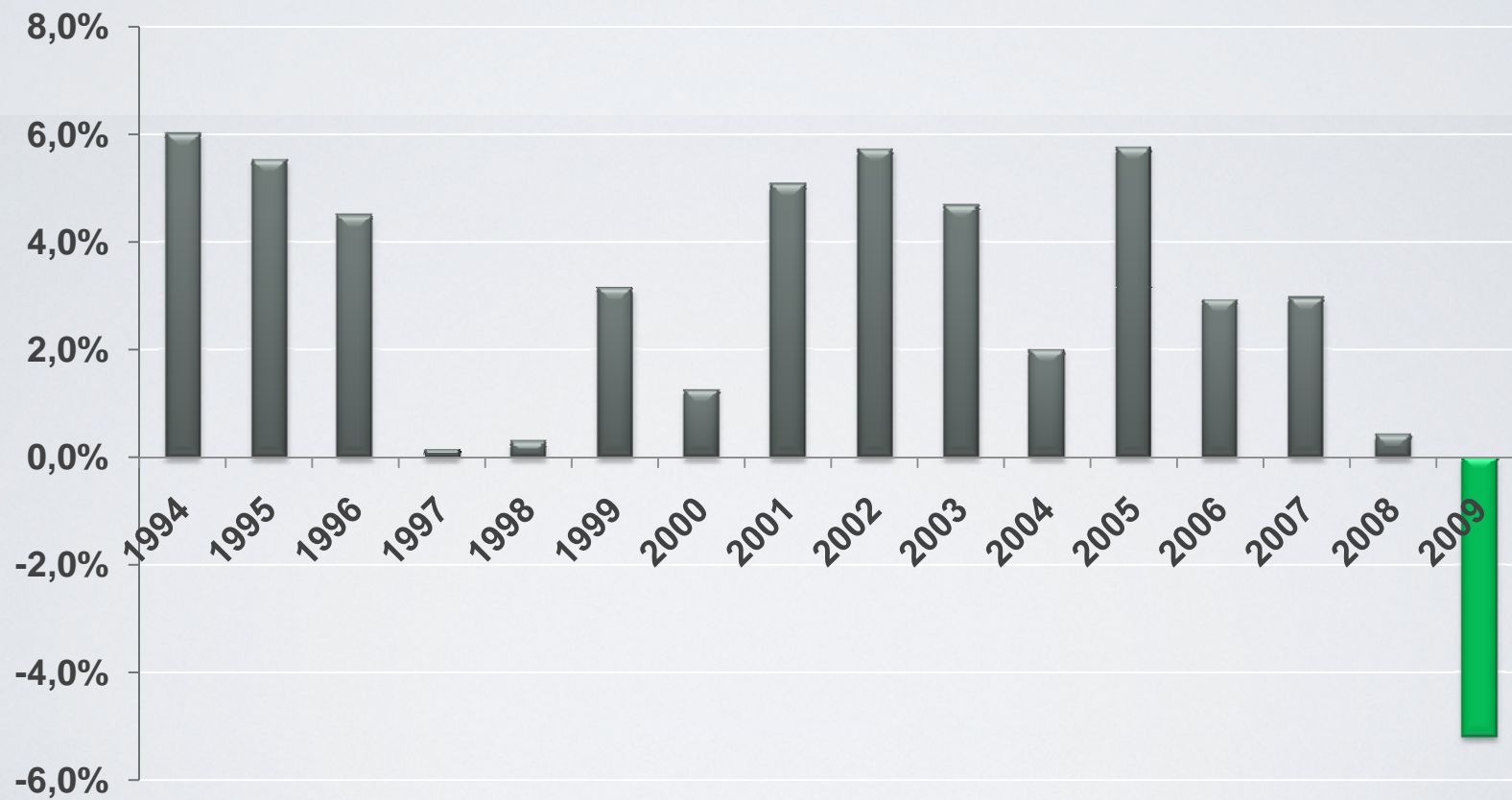
— Bond  
— Confirmed credit facilities



- ✓ No financial covenant
- ✓ Credit facilities utilisation rate equals to zero

## Programming cost evolution

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



# A DYNAMIC EVOLUTION OF THE ADVERTISING SECTORS



## Contacts



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