



Conf Call US – TF1 ABN AMRO

September 2005

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

Introduction

Financial statements

Broadcasting France

Other activities

Conclusion



Advertising: H1 2005



TF1 Channel

- 0.9 %

Thematic channels France

+ 14 %

Internet

+ 33 %

- Conf Call US - ABN AMRO - September 2005 -



3

Market situation

- ✓ A difficult economic situation
- ✓ Trend: structural re-composition of households consumption

- - - **FMCG's**
+++ **Entertainment-services products**



- Conf Call US - ABN AMRO - September 2005 -

TF1 investments structure is changing

- ✓ TEMPORARY:
Reduction of ad. investments from the food sector (H1 2005)
- ✓ The structure of TF1 advertising revenue is following the households consumption re-composition



Advertising: sectorial breakdown



January to August 2005

Change
vs Jan-Aug 04

Sector	Weight	Change vs Jan-Aug 04
FOOD	Weight = 28.6%	- 10.4%
COSMETICS	15.6%	- 1.6%
AUTOMOTIVE	8.7%	+ 7.7%
PUBLISHING	8.5%	- 7.8%
HOUSE CLEANING	6.8%	+ 1.4%
TELECOMMUNICATION	5.8%	+ 15.4%
SERVICES	5.2%	+ 8.7%
DRINKS	3.8%	- 7.5%
NEWS - MEDIA	2.8%	- 15.7%

- Conf Call US - ABN AMRO - September 2005 -

Source : TNS Secodip – 2005 vs 2004 – January to August



5

Communication: market needs

For FMCG's or equally for « entertainment-services » products



Search for power / mass-communication

Role of  core channel

« Entertainment-services » products



Look for more sophisticated communication needs

Look for more complex messages

Look for more targeted media

Role of theme channels and Internet



TF1

Introduction

Financial statements*

Broadcasting France

Other Activities

Conclusion

- Conf Call US - ABN AMRO - September 2005 -

* You will find all financial information in the interim report



Consolidated P/L: operational breakdown

€M	H1 2005	H1 2004	Δ / 04 %
Net advertising revenue	881.2	889.5	- 0.9%
Programming costs	(451.7)	(439.0)	+ 2.9%
Gross margin	278.2	296.4	- 6.1%
Diversification & other revenue	580.6	602.7	- 3.7%
Other operating expenses	(525.7)	(540.4)	- 2.7%
Depreciation and amortisation	(64.6)	(80.2)	- 19.5%
Operating profit	268.5	278.5	- 3.6%
Cost of net debt	(8.2)	(11.0)	- 25.5%
Other financial income and expenses	4.2	0.1	ns
Income tax expense	(86.8)	(99.9)	- 13.1%
Net profit attributable to the group	176.6	166.1	+ 6.3%

- Conf Call US - ABN AMRO - September 2005 -



8

Contributions – H1 2005

€M	Revenue	Operating profit	Operating margin	
			H1 2005	H1 2004
Broadcast France	1,073.1	224.9	21.0%	22.4%
<i>Incl.</i> Téléshopping	49.1	5.9	12.0%	16.8%
e-TF1	30.4	1.8	5.9%	9.8%
Distribution	198.0	4.6	2.3%	5.6%
Audiovisual rights	106.2	7.8	7.3%	5.4%
<i>Incl.</i> TF1 Vidéo	67.0	7.3	10.9%	9.7%
International broadcasting	124.6	22.2	17.8%	17.6%
Other activities	(5.1)	9.0	ns	ns
Intra-companies eliminations	(26.9)	-		
Total	1,469.9	268.5	18.3%	18.6%

Broadcast France : TF1, TF1 Entreprises, Teleshopping, Eurosport France, LCI, Odyssee, TF6, TV Breizh, Série Club, Histoire, e-TF1, Glem, Alma, TAP, TPP, Studios 107, TF1 Films Production

Distribution : TPS

Audiovisual rights : TF1 Vidéo, CIC, RCV, Ciby DA, TF1 International, Téléma, TCM, Cabale

International broadcasting : Eurosport International, Europa TV, KSO & SRW

Other activities : Métro, Visiowave, Prima TV, Syllis

- Conf Call US - ABN AMRO - September 2005 -



9

Financial ratios

€M	2004	June 04	June 05
Shareholder's funds	976	918	989
Net debt	414	606	553
Gearing $\leq 1^*$	42%	66%	56%

Target:
40 % – 60%
max 70%

	2004	June 04	June 05
EBITDA / net interests $\Rightarrow 10^*$	24	32	38
FFO / net debt $\Rightarrow 0.5^*$	0.79	1.11	1.07

A strong financial wealth: A / A-1 Stable
 (S&P rating)

* S&P target

Consolidated cash flow statement

€M	30 June 05	31 Dec. 04	30 June 04
Cash position at beginning of period	142.3	184.2	184.2
Operating cash flow before cost of net debt and income taxes	295.5	490.0	336.2
Income taxes paid	(95.8)	(148.3)	(84.4)
Change in operating working capital needs	(156.5)	(10.0)	(179.6)
Net cash flow from operating activities	43.2	331.6	72.2
Net cash used in investing activities	(18.5)	(119.5)	(80.9)
Net cash used in financing activities	(134.3)	(252.1)	(150.2)
Total change in cash position	(109.6)	(41.9)	(167.4)
Cash position at end of period	32.7	142.3	16.8

- Conf Call US - ABN AMRO - September 2005 -

TF1

Introduction

Financial statements

Broadcasting France

Other Activities

Conclusion

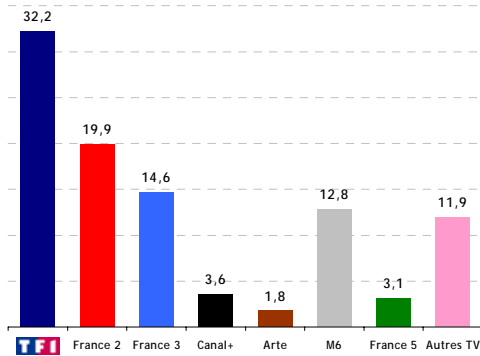
- Conf Call US - ABN AMRO - September 2005 -



12

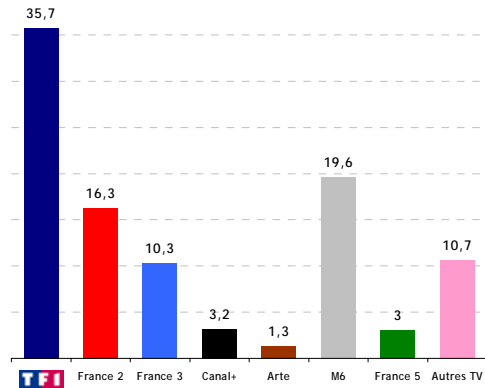
TF1: the strong leader

Ind. 4+ / Audience share / Jan. - Aug. 2005



+0.2 pt vs Jan-Aug 2004*
+0.9 pt vs Jan-Aug 2003

Women<50 / Audience share / Jan. - Aug. 2005



+0.3 pt vs Jan-Aug 2004*
+1.8 pt vs Jan-Aug 2003

* Reminder: Euro 2004 + La Ferme Célébrités 1 were broadcast in H1 2004

Source: Médiamétrie / January - August 2005

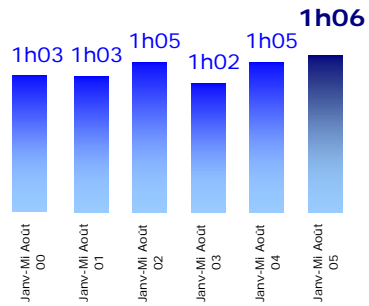
TF1 13

- Conf' Call US - ABN AMRO - September 2005 -

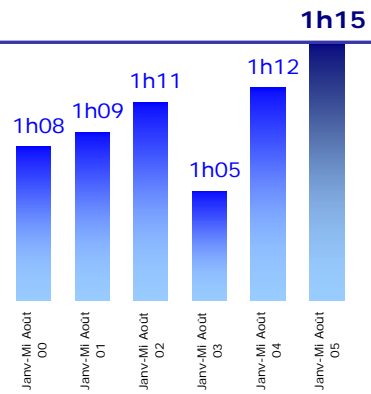
TF1: best audience on commercial target

On average, Women <50 watch TF1 1h15' every day

Daily viewing time of for Ind. 4 +
January – Mid August



Daily viewing time for women <50
January – Mid August



- Conf Call US - ABN AMRO - September 2005 -

Source: Médiamétrie / Women < 50 / January – 21 August 2005



14

TF1 Group Leadership

**A strengthening of TF1 group
with a 35.0% audience share**

	Ind. 4+	
Total TF1 Group	35.0%	(+0.6 pt vs Wave 8)
TF1	32.0%	(+0.5 pt)
Thematic channels	3.0%	(+0.1 pt)

- Conf Call US - ABN AMRO - September 2005 -

Source : Médiamétrie / Médiamat (27 Dec. 2004-12 June 2005) / Audience share Ind. 4+

Source : Médiamétrie / MédiaCabSat Wave 9 (12/27/04-06/12/05) / Audience share Individuals 4 + / whole base



TF1

Introduction

Financial statements

Broadcasting France

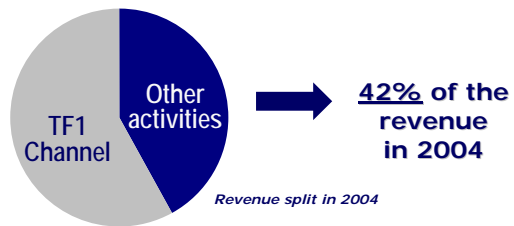
Other activities

Conclusion

- Conf Call US - ABN AMRO - September 2005 -

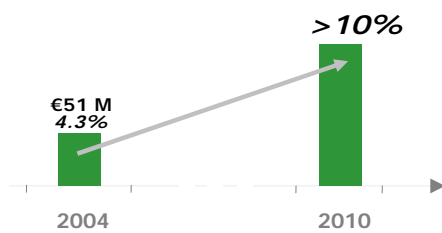
Other activities: a growth driver for the Group

A growing part of the revenue



Target:
> 50% of the
revenue in 2010

Profitability: a growth potential



Mid-term target:
**Operating
profitability**
> 10%

Accelerate profitable growth investments

Other activities: successful developments



N° 1 European channel



Breakeven in 2005



All kinds of home-shopping



N° 1 French editor



Leading distributor in theatre*



N° 1 free daily newspaper in France



N° 1 media website

- Conf Call US - ABN AMRO - September 2005 -

* In H1 2005 in France



18

TPS: a growing business

Key figures H1 2005

Revenue: €198.0 M (+ 6%)
Op. Profit: €4.6 M

Total subscribers : 1.65 M (+ 93.3 k vs H1 04)
Subscribers Sat. and ADSL : 1.35 M (+ 82.3 k vs H1 04)

Satellite market share: 42% on new subs (vs 39% H1 04)



An always improving offer

- ✓ The best of **US studios**: 50% of the box-office
- ✓ Exclusive sport events
- ✓ New channels: Ushuaia TV, Eurosport 2, TPS Foot



A growing ADSL distribution

- ✓ Distribution of TPS to subscribers of **the Neuf TV offer**



TPS trough ADSL available for 10 M households at the end of 2005

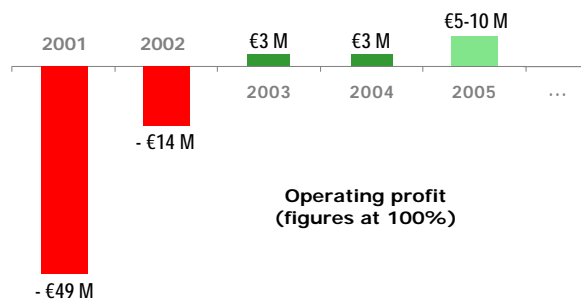
A profitable business

Breakeven



- ✓ 2003: operating breakeven
- ✓ 2005: net income breakeven

Improvement of the profitability



- Conf Call US - ABN AMRO - September 2005 -

Outlooks and developments

Growth of the subscribers base in 2005

- ✓ A stable subscribers base in H1
- ✓ Lost of the French Premiere League: very limited impact

L1 Churn: ~ 30,000 subscribers in 2005
No impact on the ARPU*

* 90% of «L1 subs.» choose the new TPS offer incl.



+ 80,000 net subscribers satellite and ADSL in 2005

Launch of the pay DTT at the end of 2005

- ✓ A new distribution platform for **TPS star**
- ✓ TPS commercial operator

The High Definition with **TPS star**



21

Eurosport: the leading sport brand in Europe

Key figures H1 2005

Revenue: €143.3 M
Op. profit: €24.2 M

Brand awareness in Europe : 86% ⁽¹⁾

2008 target



Revenue: ~ €350 M
Op. margin: > 15%

104 M Households



54 M paying subs
54 countries
19 languages

17 M Households



15 M paying subs
37 countries
6 languages

13 M visits ⁽²⁾



6 versions
5 languages

⁽¹⁾ EMS 2005

⁽²⁾ July 2005

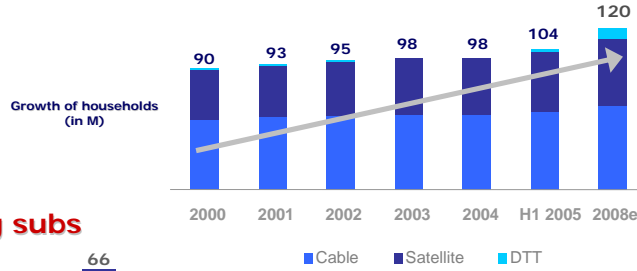
Eurosport: N° 1 pan-European channel*

Fast-growing distribution of the channel ...

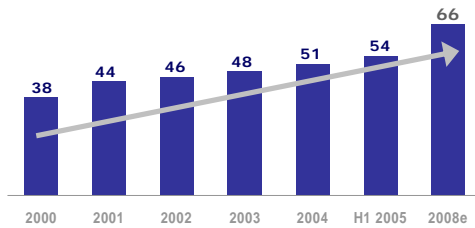
- A market of more than **300 M households**
- Distributed on all networks (cable, satellite, DTT, ADSL, mobile phones...)



**End of June 2005:
104 M households**



... and growth of paying subs



6,200 hours of programs
45% **LIVE**

* Cable and satellite in Europe – source PETV

Eurosport: new businesses

Sportitalia: 84% of households



- From 124,000 initialized households to 12 M in 18 months
- 25 August, Sportitalia was awarded the Italian 2nd League rights (Monday and Friday, play off and play out, international rights)
- The breakeven is to occur in 2006/2007

26 August: launch of Si Live 24, the first ongoing sport news channel on the Italian market



The Italian activities are accounted under the equity method in TF1 consolidated accounts

Eurosport: Organizer of sport events



Eurosport* promotes a **new world car race championship** and owns all commercial rights:

- TV rights
- Marketing rights on all circuits and cars
- Video rights, merchandising, mobility...

2005 revenue
€10 M

* Through its subsidiary KSO Ltd (60%)



- Conf Call US - ABN AMRO - September 2005 -

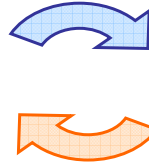
24

E-tf1: growth and profitability

Key figures H1 2005

Revenue : €30.4 M (+ 11%)
Op. profit : €1.8 M

tf1.fr: 3.0 M unique visitors
(+ 50%)*



N° 1 media website
N° 1 SMS editor
N° 1 special phone calls
media editor

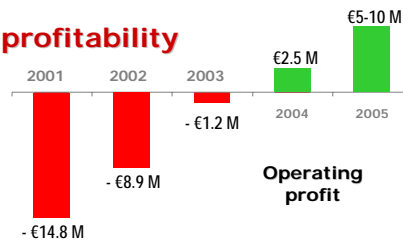
A strong growth revenue

2005 FY revenue forecast > €62 M (growth > +24%)

An ongoing improvement of the profitability

Breakeven in 2004

Mid-Term profitability: > 10%



Strategy: Develop revenue on all media
Accelerate growth investments

* June 2005 vs June 2004 – Source : Médiamétrie / Xiti / panel NielsenNetRatings / Cyberstat



A complementary strategy: Power + Affinity

Strengthen the **power** of the N°1 generalist media website tf1.fr
Go and find growth on new market **segments**

Generalist Portal
mirror of the channel

tf1.fr



POWER

Independent thematic
sites



Youth
Sports
News
Women
Cinema / VOD



AFFINITY



Multi-channel
Commercialisation
of this audience

Advertising
e-Business
Direct marketing
Sale of contents

© tf1.fr - ABN AMRO - September 2005

VOD: A development project for the Group

Launch of a Video On Demand offer in November 2005



VOD



Natural expansion
of the business
Complementary revenue

Revenue 2007: €7 M

Catalogue of
rights



Distribution network: Internet, TV through ADSL
Reception: PC and TV

- Conf Call US - ABN AMRO - September 2005 -



27

TF1

Introduction

Financial statements

Broadcasting France

Other activities

Conclusion



Conclusion: our strategy

Consolidate the uncontested leadership of the broadcasting businesses

Develop high-growth potential businesses

Eurosport: a new challenge: the World!

Channels developments
World channel
Italy
WTCC

Internet: accelerate the growth !

Thematic sites (youth, women, cinema, sports)
VOD, e-commerce

TF1 Publicité: let's conquer Off-Media !

360° vision



**N°1 multi-media
communication group**



Notes

September 2005

Programming costs *

€M	H1 2005	H1 2004	Δ / 04 €M
Entertainment	132.9	133.7	- 0.8
TV drama & series	131.0	94.0	+ 37.0
Sports	62.9	93.1	- 30.2
News	60.3	58.2	+ 2.1
Movies	51.0	49.6	+ 1.4
Children programmes	13.6	10.4	+ 3.2
Total programming costs	451.7	439.0	+ 12.7

i.e. a change in H1 2005 of: + 2.9%

* Incl. retired and expired rights



31

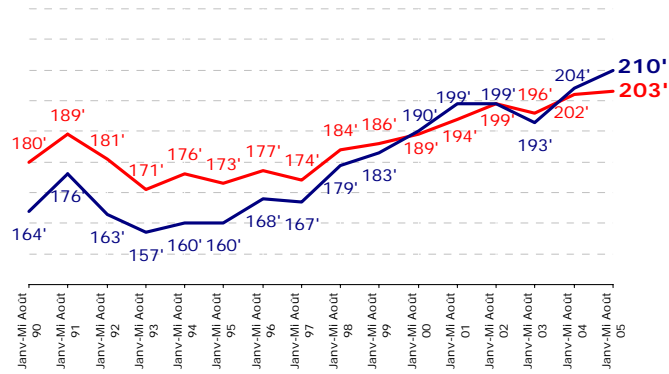
- Conf Call US - ABN AMRO - September 2005 -

Television: the most popular media in France

84% of the French people watch TV every day

3 out of 4 watch **T F 1** every day

Daily viewing time / Jan. – Mid Aug. — Ind. 4 + — women <50



3h23' for Individuals 4 +
3h30' for women <50

Source: Médiamétrie / January – 21 August 2005

- Conf Call US - ABN AMRO - September 2005 -



32

TF1: the best resistance to pay TV penetration

Audience share		
	Current market* (i.e. 24,8% pay TV penetration)	Cable & sat environment** (100% pay TV penetration)
		Degree of resistance
TF1	31.9 %	25.1 %
TF1's theme channels	3.0 %	11.0 %
TF1 group	34.9 %	36.1 %
France 2	19.6 %	14.0 %
France 3	14.6 %	8.9 %
France 5	3.2 %	1.3 %
M6	13.1 %	8.5 %

- Conf Call US - ABN AMRO - September 2005 -

TF1 : The best resistance to the market fragmentation

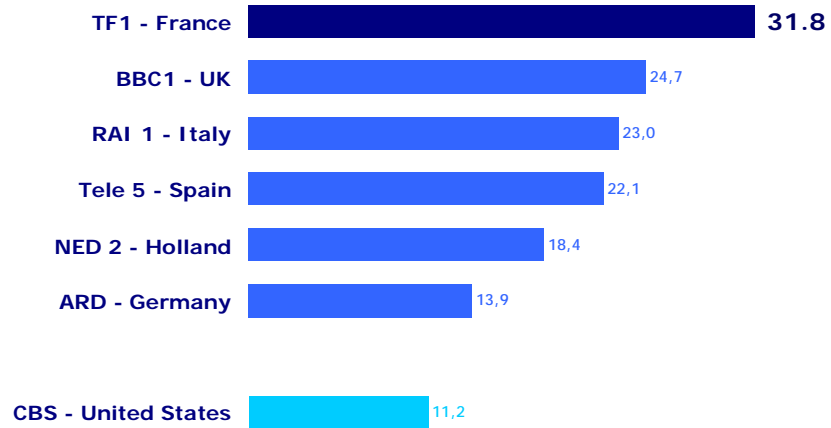
The market fragmentation widens the gap between TF1 and its competitors

* Source: Mediamétrie – H1 2005, ind. 4+

** Source: Mediacabsat 9 (December 2004 – June 2005)

TF1: a unique situation in Europe

Annual audience share in 2004 of the domestic leading channel



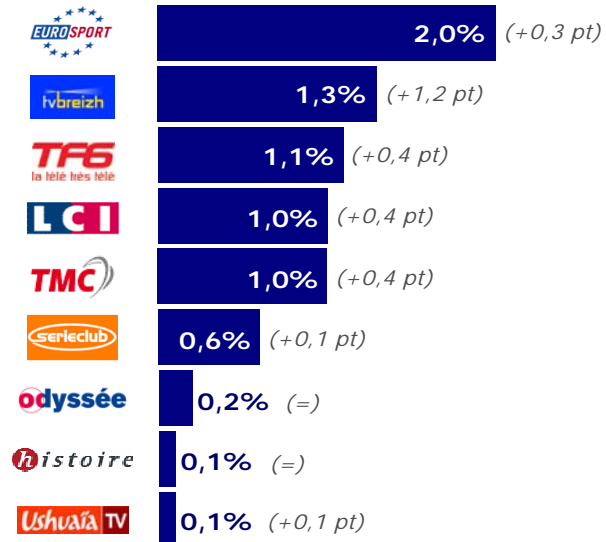
- Conf Call US - ABN AMRO - September 2005 -

Source : Médiamétrie / year 2004

34

Leadership du Groupe TF1

**Les chaînes du Groupe TF1 continuent de progresser :
PDA = 11,0% (+4,2 pts en 4 ans)**



Source : Médiamétrie / MédiaCabSat Vague 9 (janvier-juin 2005) vs Vague 1 (janvier-juin 2001)
Part d'audience / Individus 4 ans et + / Base Offre élargie

- Conf Call US - ABN AMRO - September 2005 -

Strengths of TF1 Publicité

The referent advertising media
for any mass-communication

TF1 commercials audience

	1994	2004	var.
Share of advertising women < 50	4.8%	5.8%	+ 1.0 pt
Share of advertising Ind. between 25 and 49	4.3%	5.1%	+ 0.8 pt



TF1: Exclusivity and Power*

	TF1	2 + 6
Women <50	92%	8%
Ind. 25-49	94%	6%



Source : Médiamétrie

* Ad breaks > 12% on the target – H1 2005

TF1 36

- Conf Call US - ABN AMRO - September 2005 -

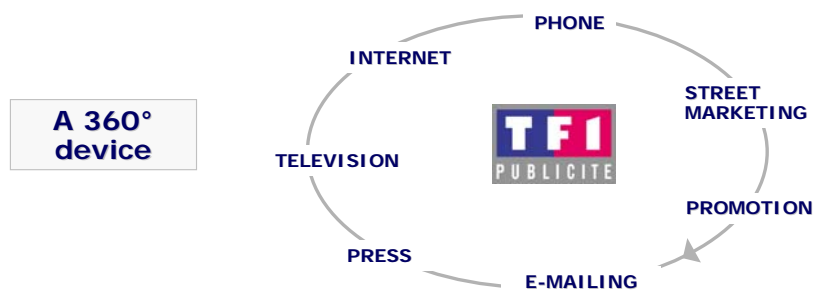
TF1 match with market needs

ADVERTISERS EXPECT A GLOBAL ANSWER

➤ **A COMPLETE MEDIA ANSWER**
With referent and complementary media



➤ **AN OFF-MEDIA ANSWER**
Creation of a dedicated off-media structure relying on the know-how developed by TF1 Licences



Téléshopping: Promising growth drivers

Key figures H1 2005

Revenue: €49.1 M (+ 6%)

Op. profit: €5.9 M

Op. margin: 12%

TELE
SHOPPING



A strong activity in H1 2005

- ✓ Growth of the **Internet** revenue: + **42%**
- ✓ Broadcasting business remains at a high level

Efficient growth drivers to sustain the revenue

- ✓ Launch in June of **2 e-business sites**: on i-mode and on interactive TV through TPS
- ✓ Launch of **2 shops in Paris** in H2 2005
- ✓ **Infomercials project**: Start in fall 2005

- Conf Call US - ABN AMRO - September 2005 -



38

TF1 Vidéo: the best is to come in H2 2005

Key figures H1 2005*

Revenue: €67.0 M (- 28.7%)
Op. profit: €7.3 M
Operating margin: 10.9% (+ 1.2 pt)
Units sold: 9.2 M



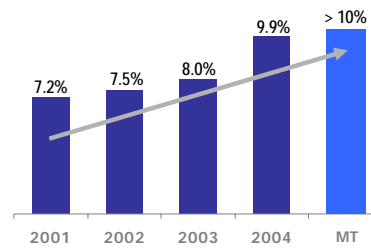
An unfavourable base of comparison for H1

✓ Success of *Lord of the ring III* and *Kill Bill Volume 1* in H1 2004

Promising releases in H2 and a mid-term improvement of margins



Mid-term operating margin: > 10%



* Including CIC and RCV

- Conf Call US - ABN AMRO - September 2005 -

Cinema: an exceptional H1

Key figures H1 2005

Revenue*: €34.0 M (+125%)

Op. profit*: €0.7 M

TFM: 11 M viewers in theatres



H1 successes



Brice de Nice
More than 4.3 M viewers



Aviator
1.7 M viewers



Iznogoud
More than 2.5 M viewers



Le Dernier Trappeur
More than 2.1 M viewers

* Contributions of TF1 International

40

- Conf Call US - ABN AMRO - September 2005 -

DTT

17 channels for the free offer => March 2005

State-owned						News	
Generalists						Music	
Mini generalists							Youth

11 channels for the pay offer => End 2005

Premium					Sport	
Mini generalists						Cinema
News						TV dramas
Youth						15-35 years old
						Documentaries



TF1 Group channels

* To be launched in Q4 2005

- Conf Call US - ABN AMRO - September 2005 -



42

Contacts

TF1, 1 quai du Point du Jour
92656 Boulogne Cedex – France
<http://www.tf1finance.fr>



Jean-Pierre MOREL
Deputy General Manager
Chief Financial Officer
☎: 33-1 41 41 25 99
📁: 33-1 41 41 29 10
✉: jpmo@tf1.fr

IR department

☎: 33-1 41 41 27 32
📁: 33-1 41 41 29 10
✉: comfi@tf1.fr



Anne BLAZY
Head of Investor Relations
☎: 33-1 41 41 42 57
📁: 33-1 41 41 29 10
✉: ablazy@tf1.fr



Albin de BEAUREGARD
Officer
☎: 33-1 41 41 37 82
📁: 33-1 41 41 29 10
✉: adebeauregard@tf1.fr



Pia DOMMERGUE
Assistant
☎: 33-1 41 41 27 32
📁: 33-1 41 41 29 10
✉: dommergue@tf1.fr



Aurélie GASNOT
Assistant
☎: 33-1 41 41 44 97
📁: 33-1 41 41 29 10
✉: agasnot@tf1.fr



**Conf Call US – TF1
ABN AMRO**

September 2005