

# ANALYSTS' MEETING

17 February 2011

# DISCLAIMER

All forward-looking statements are TFI 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.

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# 2010 REVIEW: THE FIVE KEY PROJECTS

- 1** Strengthen our core business: television
- 2** Capitalise on the synergy with digital: 360
- 3** Relaunch diversification
- 4** Pursue management efforts
- 5** Extend our CSR policy

**COMMITTED TO PERFORMANCE**

# 2010: DELIVERING ON ALL PROMISES

- 1 TFI more than ever a good corporate citizenship
- 2 An unrivalled TV offer with TMC and NTI
- 3 Growing 360 performance
- 4 Success in diverse areas
- 5 Optimised management for a consolidated business model

**(RE)CONQUEST AND EXECUTION**

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ON SE RETROUVE SUR



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# TFI MORE THAN EVER A GOOD CORPORATE CITIZENSHIP

- A TV channel that supports good causes



*les Enfoirés*



- A channel accessible to all
- Working hard for diversity and employment



- Environment: carbon issue



- Responsible purchasing

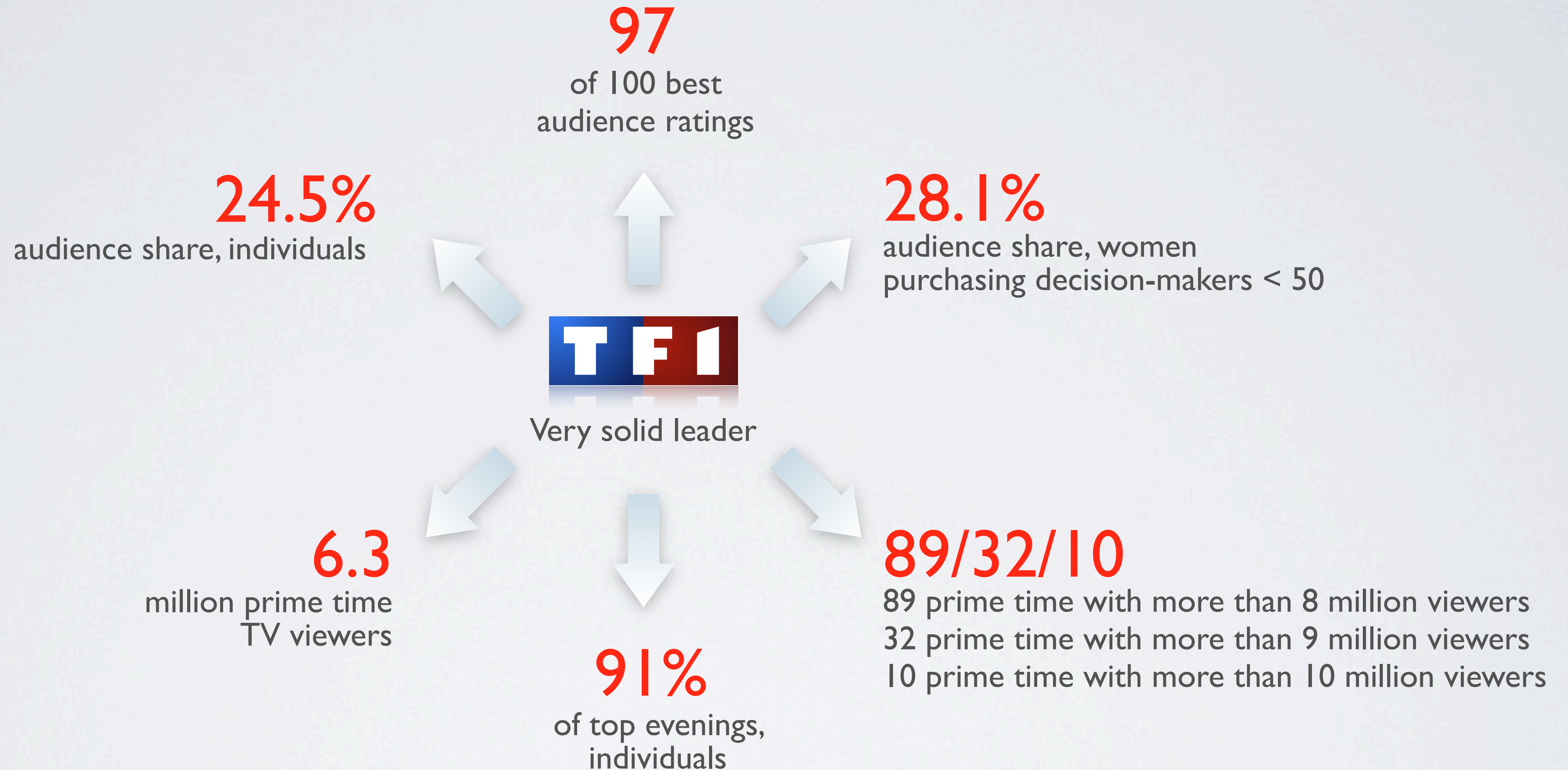


1<sup>ST</sup> MEDIA COMPANY TO OBTAIN AFNOR DIVERSITY LABEL

2010: THE YEAR OF THE FIGHTBACK



## AN UNRIVALLED TELEVISION OFFER



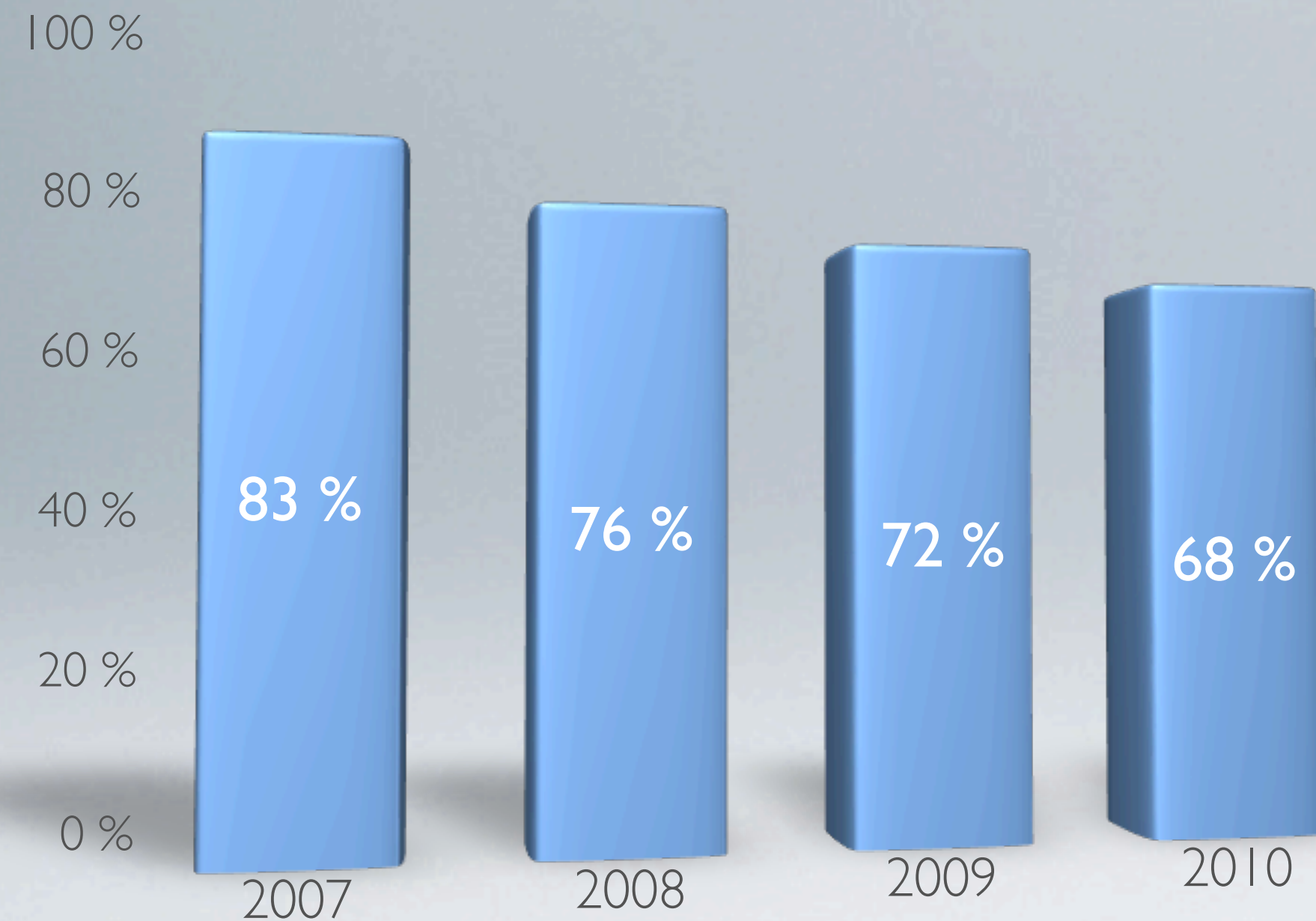


# 2

## AN UNRIVALLED TELEVISION OFFER

### AUDIENCE FOR FREE DTT CHANNELS

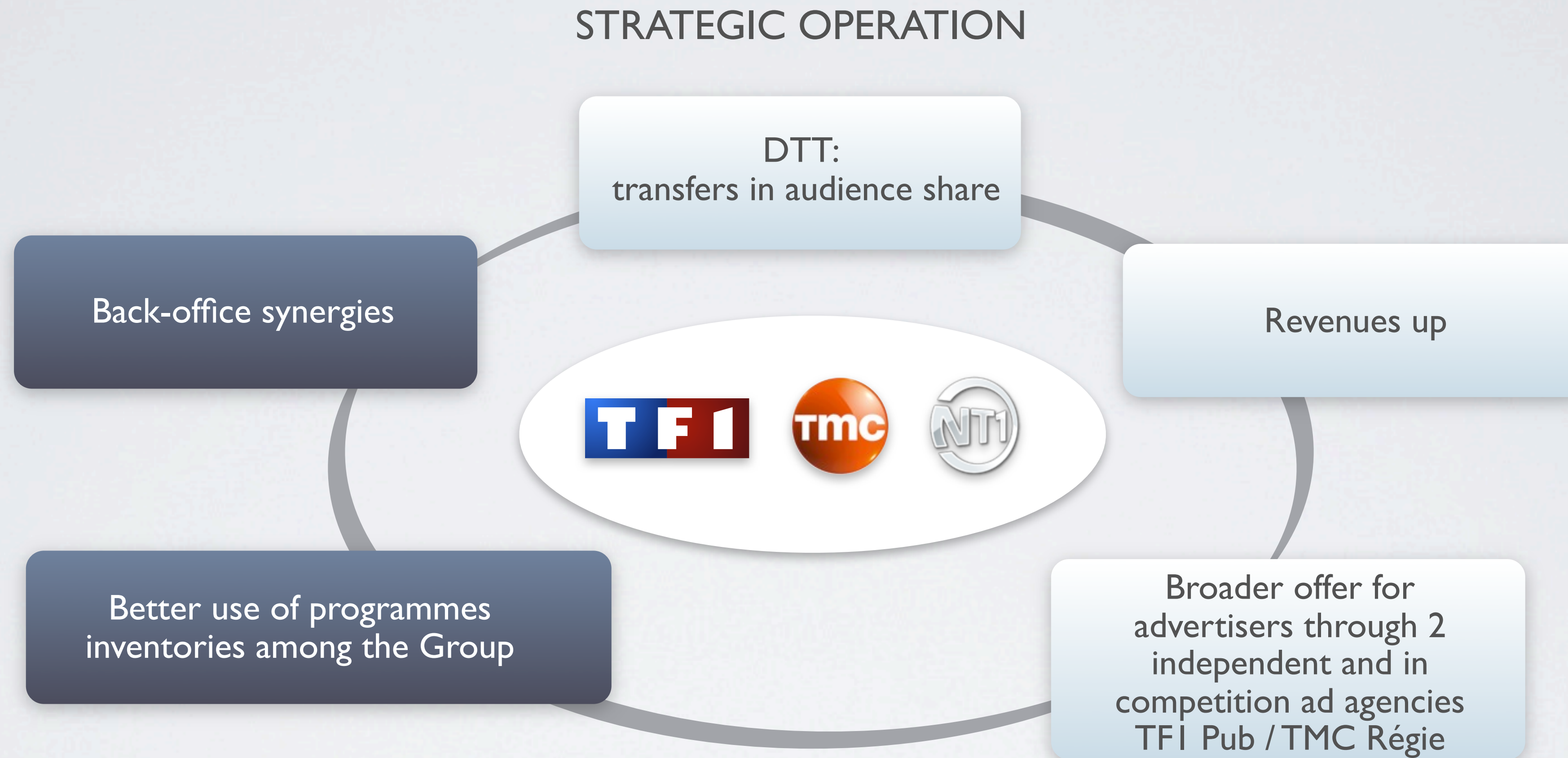
Aggregate audience shares for traditional channels  
Ind. 4



Aggregate audience shares for free DTT channels  
Ind. 4+



**OUT TO CONQUER A PROMISING MARKET, ON AUDIENCE AND ON ADVERTISING**



**AN OPERATION THAT BRINGS A STRONG PROFITABILITY**

# 2

## AN UNRIVALLED TELEVISION OFFER WITH TMC AND NTI

TMC: NUMBER-FIVE DOMESTIC CHANNEL IN 2010...

Audience share (%) individuals



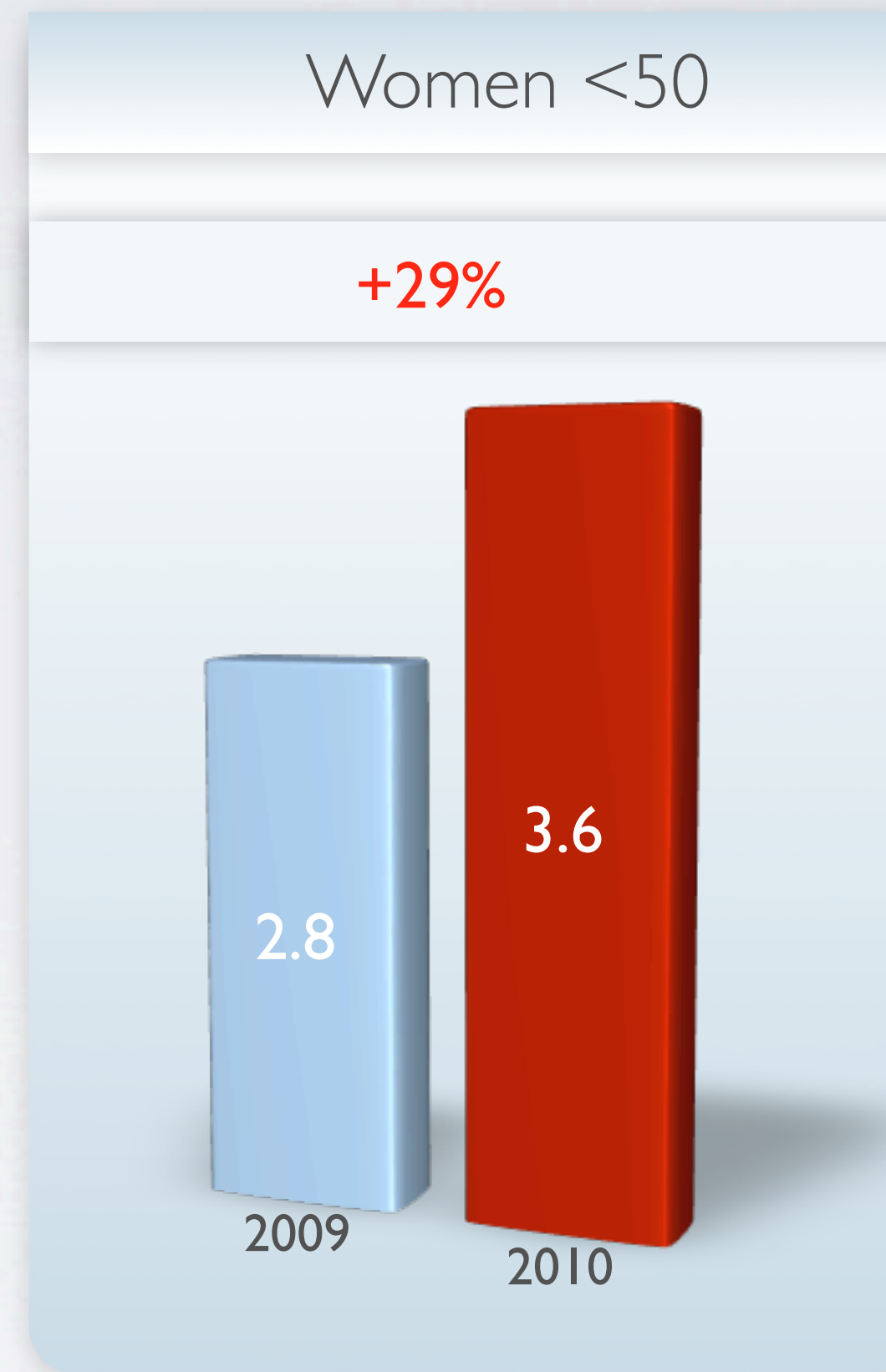
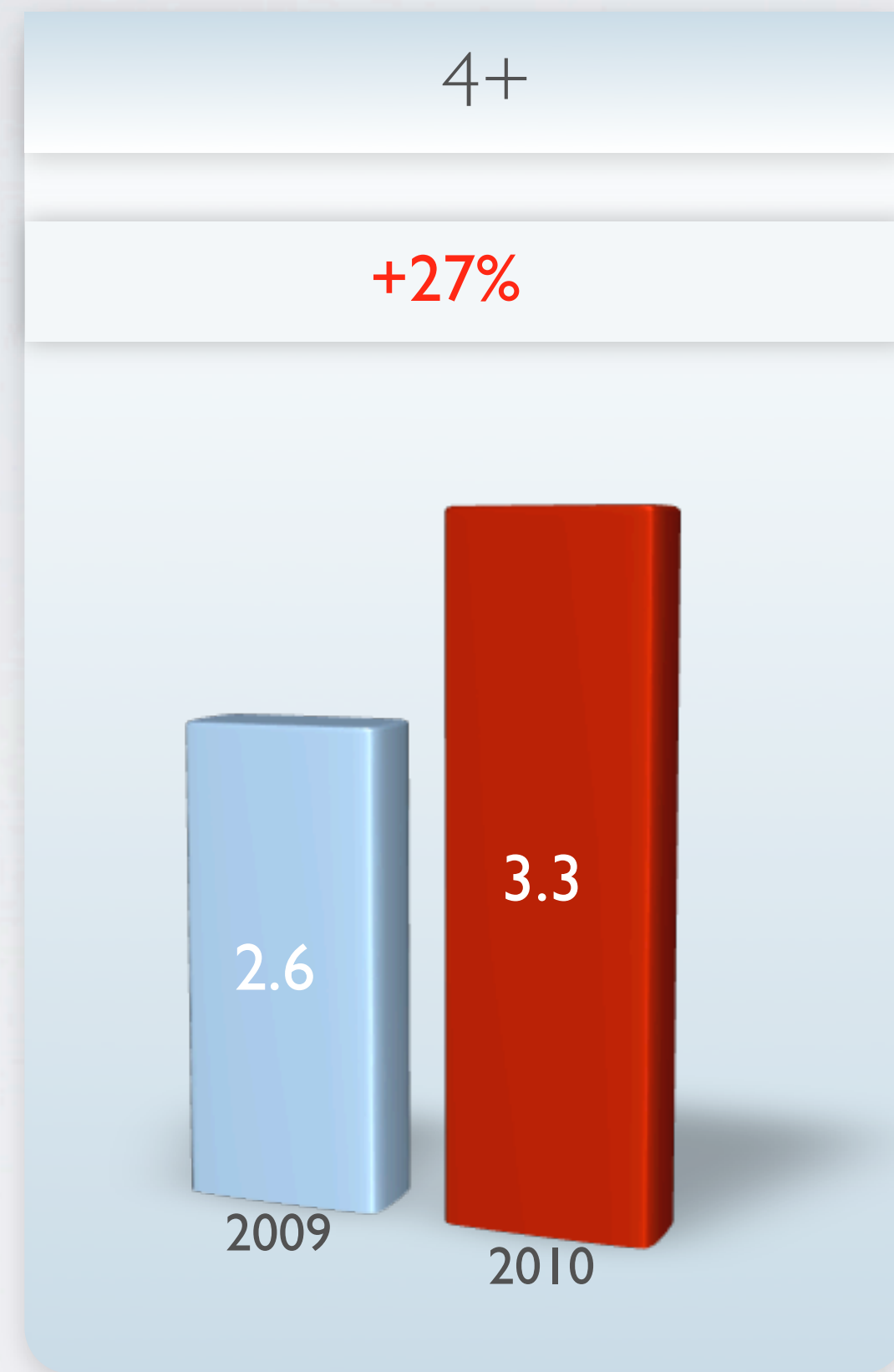
... AND LEADING DTT CHANNEL FOR 4<sup>TH</sup> CONSECUTIVE YEAR

# 2

## AN UNRIVALLED TELEVISION OFFER WITH TMC AND NTI

Change vs 2009

Audience share (%)



**tmc**: STRONGEST GROWTH OF ANY CHANNEL

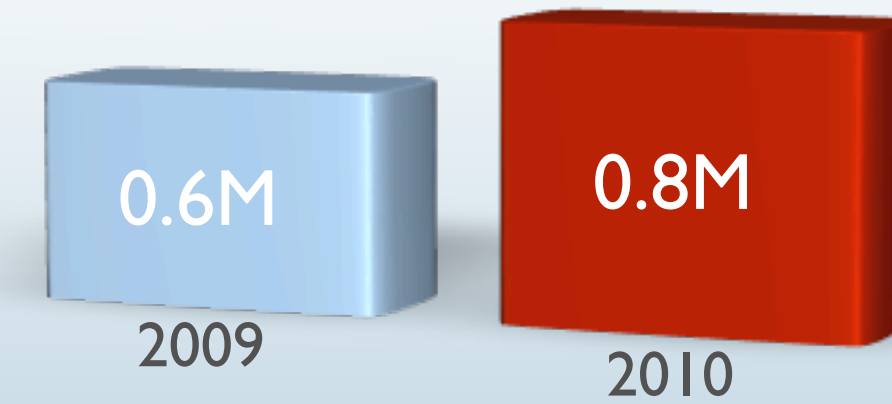
# 2

## AN UNRIVALLED TELEVISION OFFER WITH TMC AND NTI

- **Leading DTT channel in prime time**

- ▶ +100,000 viewers vs top rival
- ▶ +200,000 viewers in 1 year

Number of prime time viewers

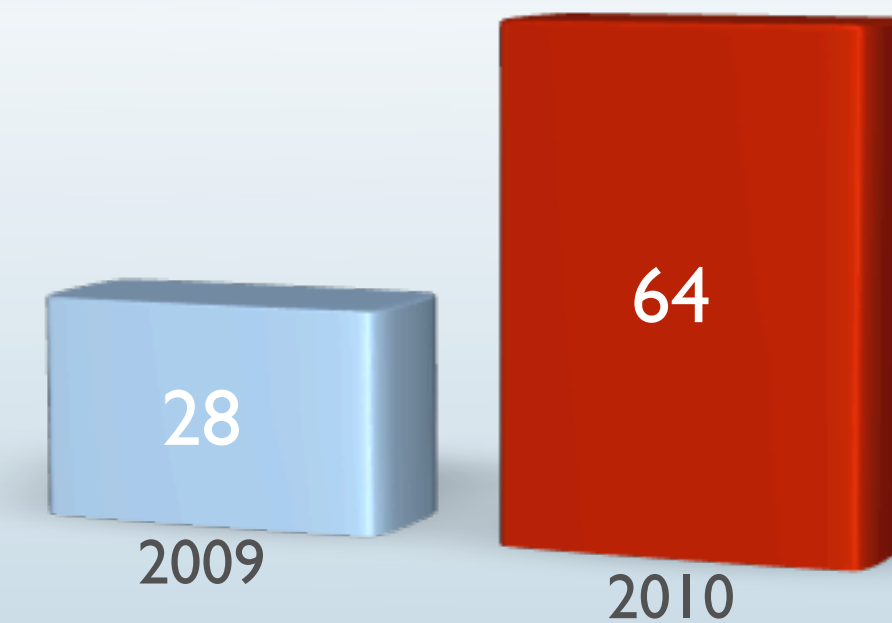


- **64 programmes with > 1 million viewers**

- ▶ +36 vs 2009



Number of programmes with over 1 million viewers



- **Controlled programming costs**

**tmc** : PRIME TIME LEADERSHIP

Prime time = 8.45 pm – 10.30 pm  
SOURCE: Médiamétrie - Médiamat

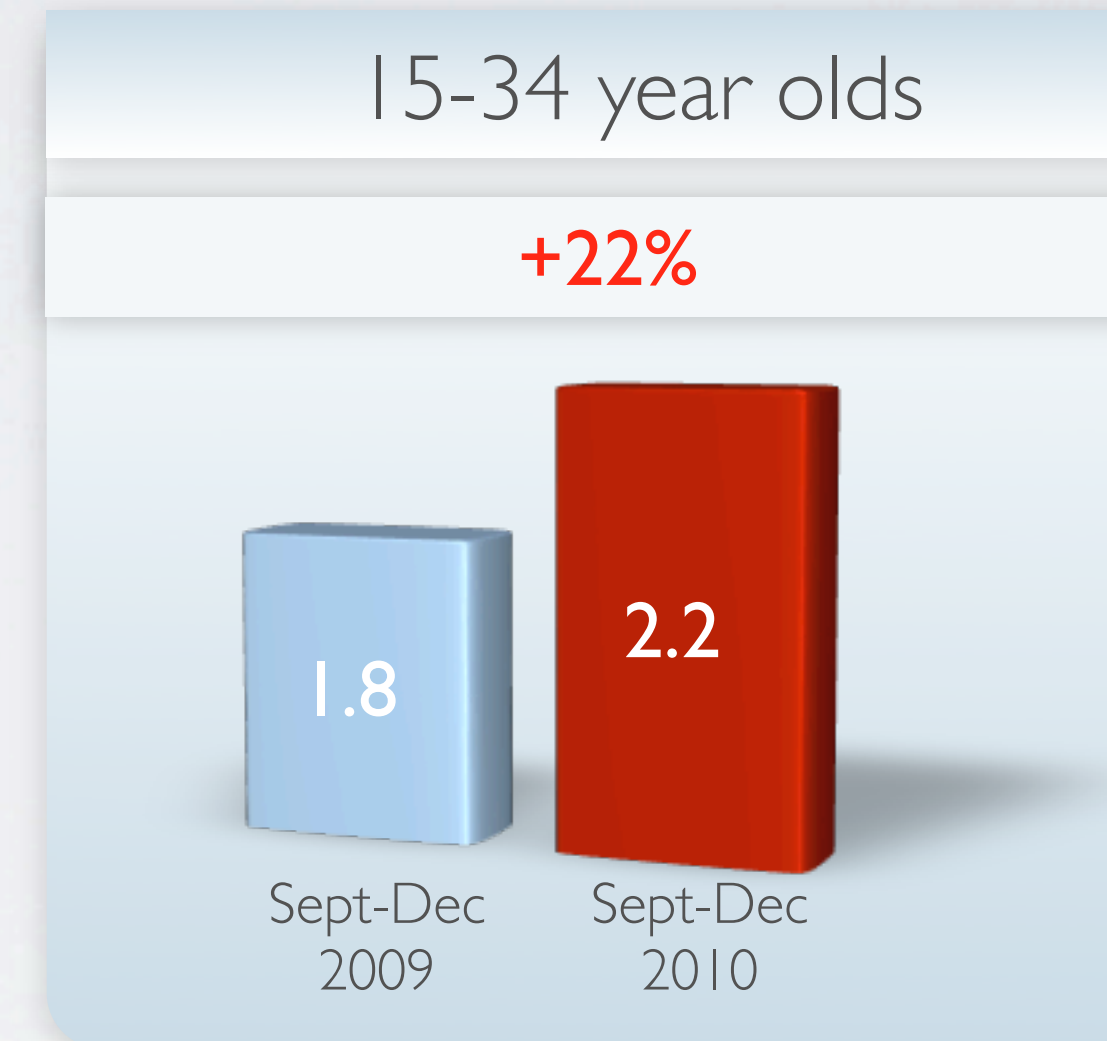
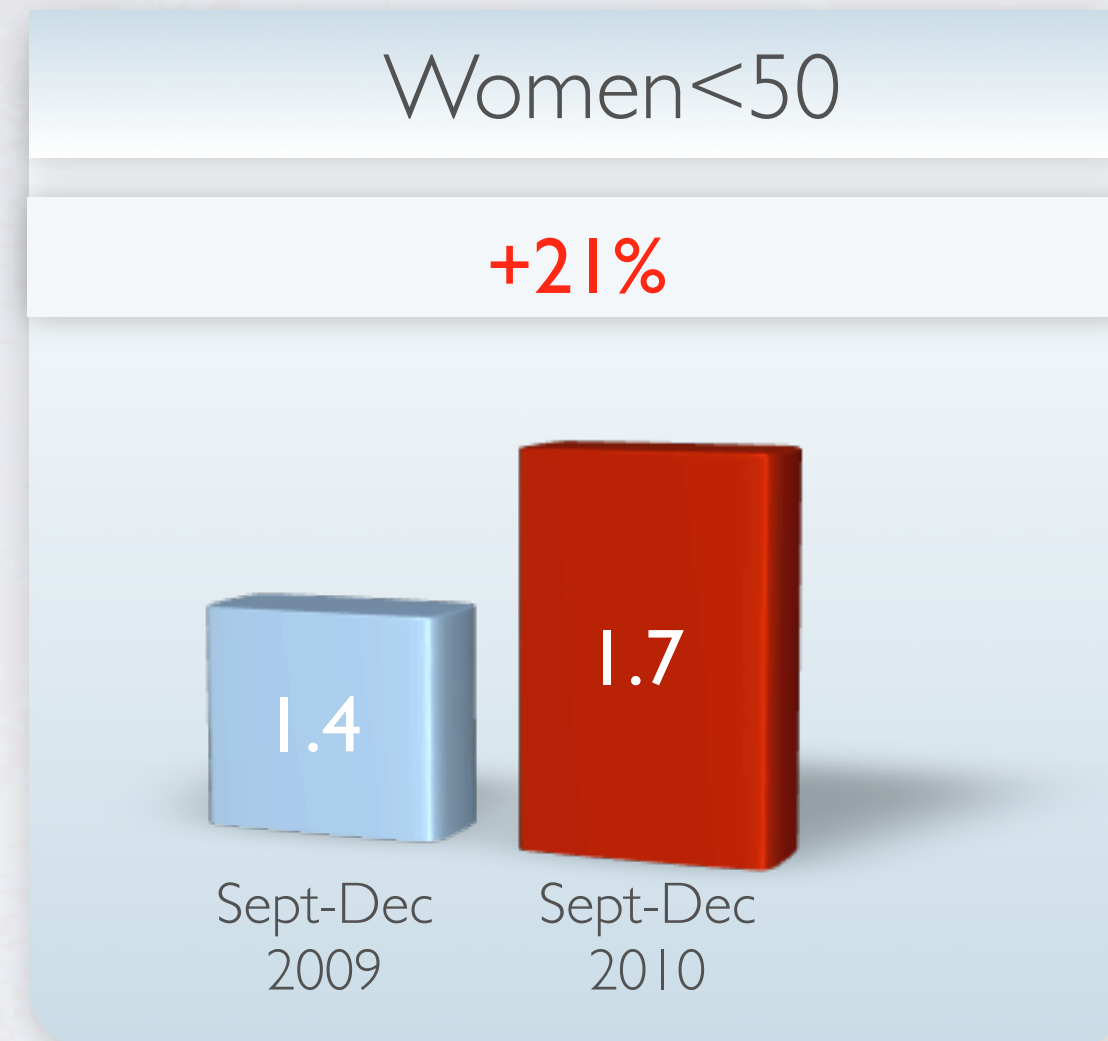
2010: THE YEAR OF THE FIGHTBACK



- NT1: positive effects of new programme grid in September-December 2010

Change vs Sept-Dec 2009

Audience share (%)



- Record month for NT1 in November 2010:  
1,9% of Women <50 / 2,4% of 15-34 year olds
- Modest programming costs



**:A FUTURE POTENTIAL**

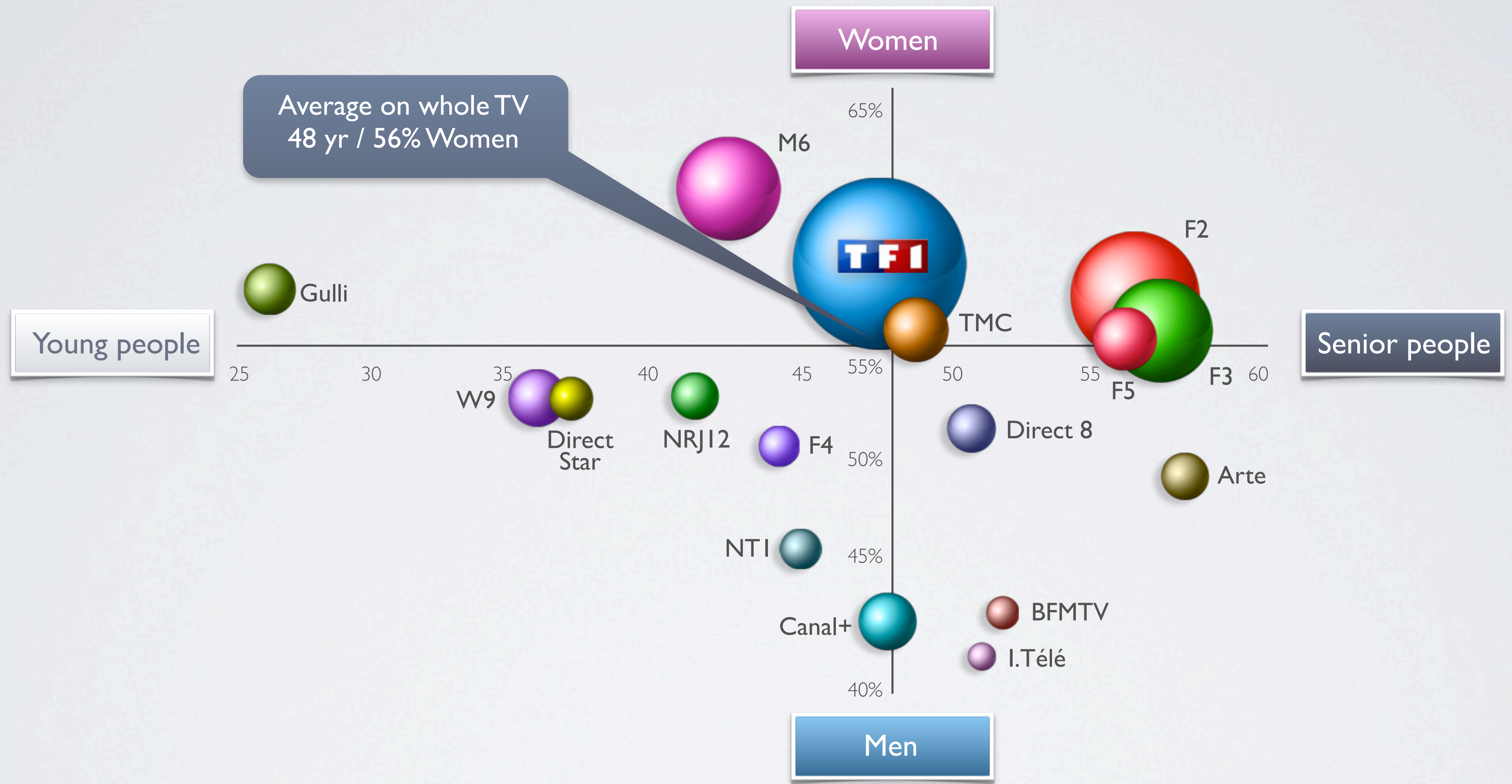
## TMC / NTI: SUCCESSFULLY INTEGRATED

- Short decision chain
- Group rights Negotiation and Purchasing department
- Huge rights catalogue
- Back-up from Group support departments

**AN AUDIENCE / PROFITABILITY OPTIMUM RATIO**

# 2

## AN UNRIVALLED TELEVISION OFFER WITH TMC AND NTI





3

# GROWING 360 PERFORMANCE

STRONG POSITION IN ALL SLOTS



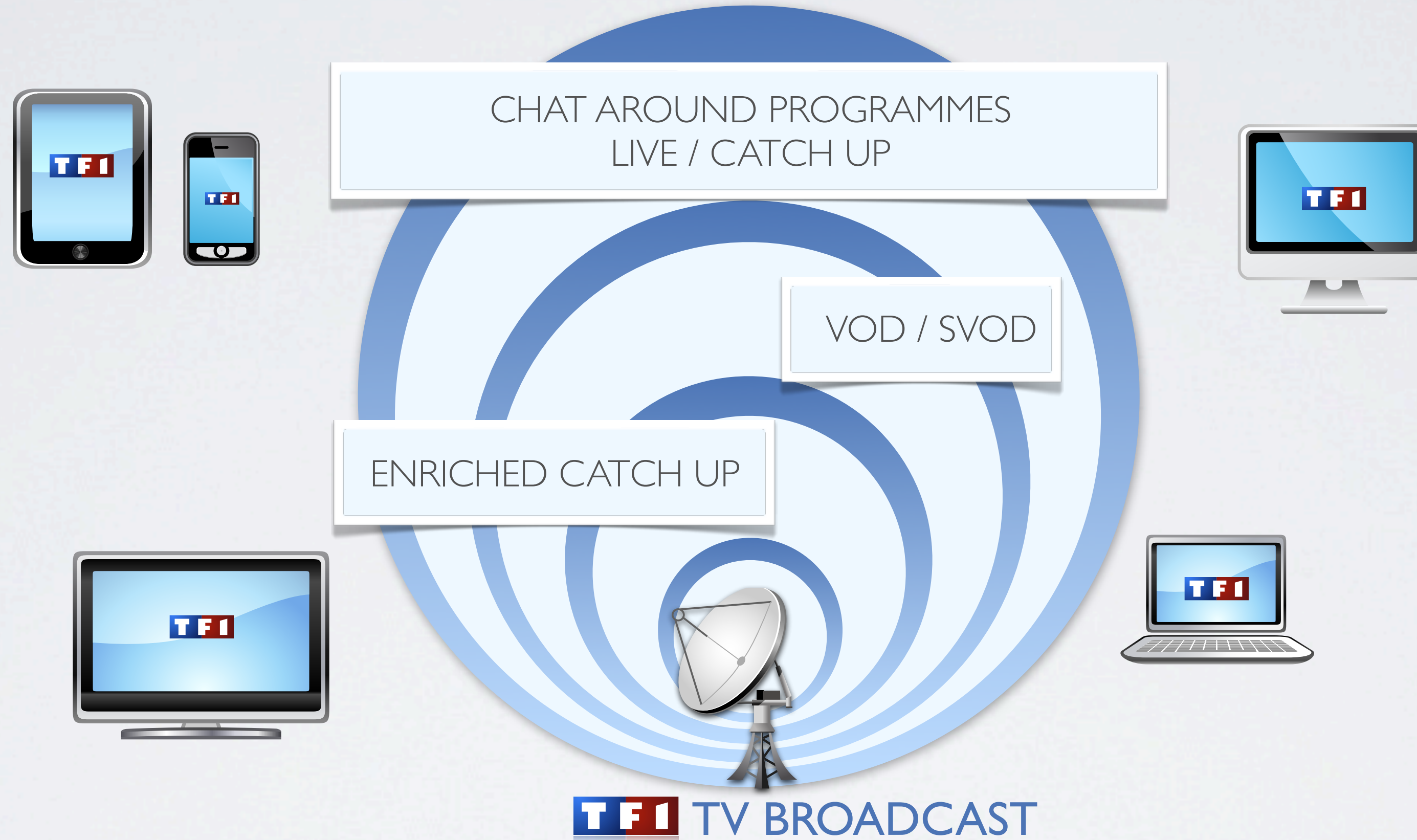
**TFI: THE TRUE #1 360 GROUP**

2010: THE YEAR OF THE FIGHTBACK



# GROWING 360 PERFORMANCE

BROADCAST ON TFI: STARTING POINT OF THE DIGITAL ECHO



**TFI DEVELOPS SOCIAL TV**

3

# GROWING 360 PERFORMANCE



PROGRAMMES SPONSORSHIP



AT THE CORE OF THE 360 SYSTEM



DECALS ON TFI BUILDING



LICENSING



SOCIAL GAMING



BRAND CONTENT



INTERNET

2010: THE YEAR OF THE FIGHTBACK

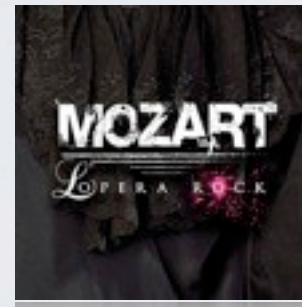


# 4

## SUCCESS IN OTHER GROUP ACTIVITIES

- **Eurosport:** an outstanding year

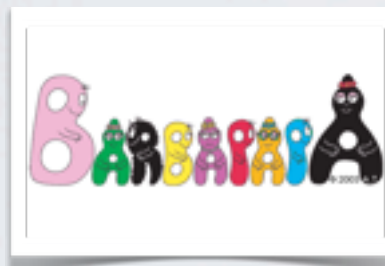
- **Music:** Mozart, Spiritus Dei, Zaz...



- **Games:** 1000 Bornes, FTV games distribution



- **Licences:** Barbapapa, Hello Kitty, Ushuaïa...



- **e-business:** Place des tendances, Automotocompare



- **Partnerships:** UGC, Samsung

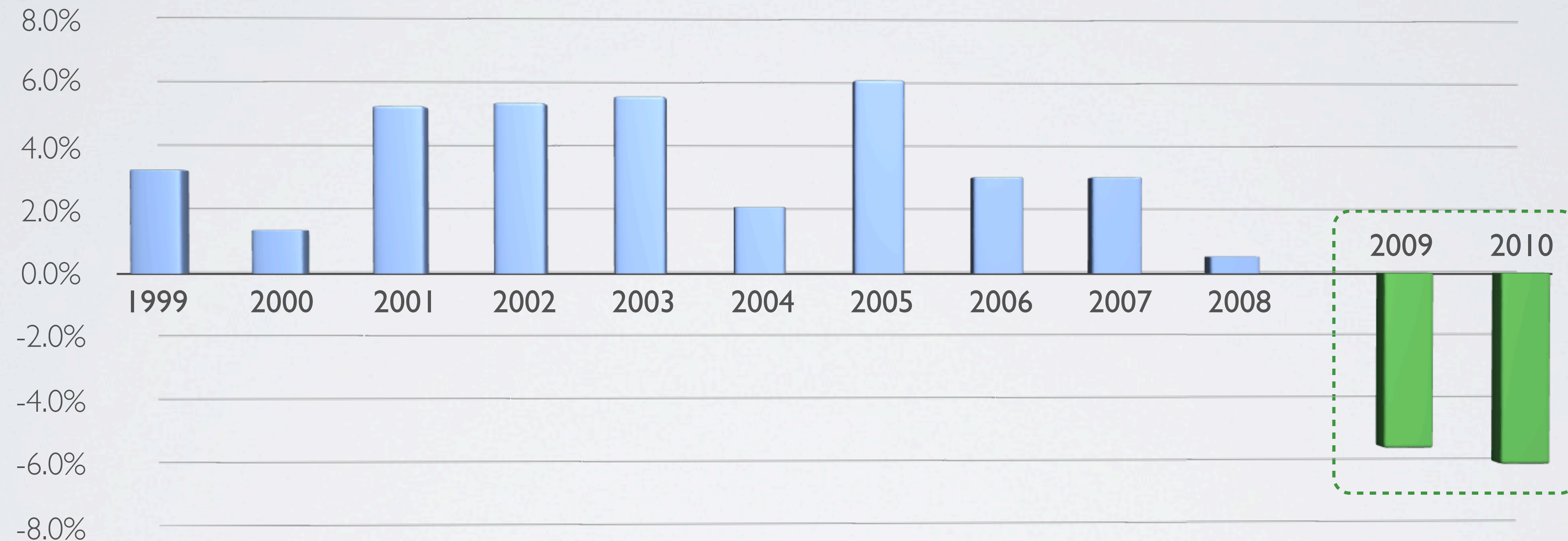


- **Creation:** TFI Production, TFI Films Production



**VITALITY AND PROFITABILITY**

ANNUAL EVOLUTION (1999-2010) OF THE PROGRAMMING COSTS  
EXCL. ONE-OFF SPORTS EVENTS



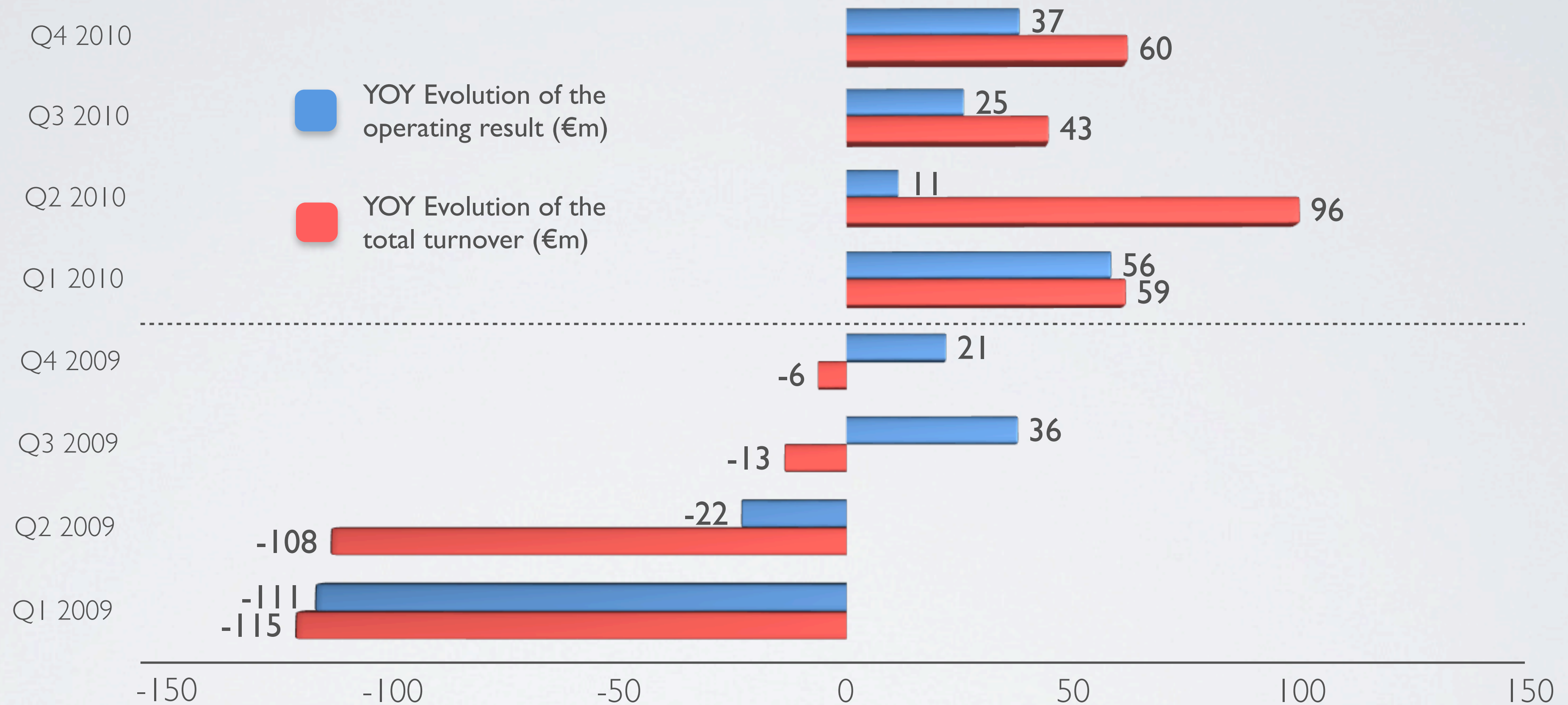
**PERFORMING PROGRAMMES AT DECREASING COSTS**

# 5

## OPTIMISED MANAGEMENT FOR A CONSOLIDATED BUSINESS MODEL

€ million	2008	2009	2010
Recurring savings Programming costs		35	19
Recurring savings External charges	32	39	13
<hr/>			
TOTAL Optimisation Plan	32	74	32

**OPTIMISATION IS A SHARED AIM**



**AN IMPROVING PROFITABILITY**

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# THE CONFIRMATION OF THE MODEL ADAPTATION

	Q4 2006	Q4 2007	Q4 2008	Q4 2009	Q4 2010	Var.	Var.%
Current operating profit (€m)	106.3	70.7	46.7	68.6	105.5	+36.9	+54%
Current operating margin (%)	13.8%	9.0%	6.4%	9.3%	13.2%	+3,9pts	-

# ADVERTISING REVENUE EVOLUTION

€ Million	2010	2009	Var. €m	Var. (%)
Consolidated revenue	2,622.4	2,364.7	+257.7	+10.9%
Advertising revenue TFI core channel	1,549.8	1,429.4	+120.4	+8.4%
Diversification revenue	1,072.6	935.3	+137.3	+14.7%

## DETAIL OF THE TOTAL ADVERTISING REVENUE

TFI core channel	1,549.8	1,429.4	+120.4	+8.4%
Thematic channels in France	129.9	79.0	+50.9	+64.4%
Internet France	21.8	12.6	+9.2	+73.0%
Eurosport International	78.1	70.6	+7.5	+10.6%
Radios	12.6	9.9	+2.7	+27.3%
Others	1.1	3.1	-2.0	NS
<b>TOTAL ADVERTISING REVENUE</b>	<b>1,793.3</b>	<b>1,604.6</b>	<b>+188.7</b>	<b>+11.8%</b>

# TF1 CORE CHANNEL PROGRAMMING COSTS

€ Million	2010	2009	Var. €m	Var. (%)
<b>TOTAL PROGRAMMING COSTS</b>	<b>951.2</b>	<b>926.9</b>	<b>+24.3</b>	<b>+2.6%</b>
ONE-OFF SPORTS EVENTS	77.6	-	+77.6	-
<b>PROGRAMMING COSTS</b> <small>EXCL. ONE-OFF SPORTS EVENTS</small>	<b>873.6</b>	<b>926.9</b>	<b>-53.3</b>	<b>-5.8%</b>
Entertainment / Games / Magazines	247.3	240.9	+6.4	+2.7%
TV dramas / TV movies / Series / Theatre	275.2	283.5	-8.3	-2.9%
Sports (excl. one-off sports events)	106.9	130.5	-23.6	-18.1%
News	106.5	103.8	+2.7	+2.6%
Movies	118.4	139.3	-20.9	-15.0%
Youth	19.3	28.9	-9.6	-33.2%

# CONSOLIDATED INCOME STATEMENT

1/2

€ Million	2010	2009	Var. €m	Var. (%)
<b>Consolidated revenue</b>	<b>2,622.4</b>	<b>2,364.7</b>	<b>+257.7</b>	<b>+10.9%</b>
Total programming costs incl. One-off sports events	-951.2	-926.9	-24.3	+2,6%
Total other charges	-1,335.8	-1,222.6	-113.2	+9.3%
Depreciations and amortisations, provisions and impairment	-105.0	-113.9	+8.9	-7.8%
<b>Current operating profit</b>	<b>230.4</b>	<b>101.3</b>	<b>+129.1</b>	<b>x 2.3</b>
<i>Operating margin</i>	<b>8.8%</b>	<b>4.3%</b>	<b>+4.5<sub>pts</sub></b>	<b>-</b>
Non-current operating income	82.8	-	+82.8	-
<b>Operating profit</b>	<b>313.2</b>	<b>101.3</b>	<b>+211.9</b>	<b>x 3.1</b>

# EVOLUTION OF THE CURRENT OPERATING PROFIT

BREAKDOWN OF THE 2009/2010 EVOLUTION OF THE CONSOLIDATED CURRENT OPERATING PROFIT



# CONSOLIDATED INCOME STATEMENT

2/2

€ Million	2010	2009	Var.	Var. (%)
<b>Operating profit</b>	<b>313.2</b>	<b>101.3</b>	<b>+211.9</b>	<b>x 3.1</b>
Cost of net debt	-18.2	-22.3	+4.1	-18.4%
Other financial income and expenses	-2.5	36.2	-38.7	NS
Income tax expense	-68.9	-15.3	-53.6	NS
Share of profit/losses of associates	5.7	14.6	-8.9	-61.0%
<b>Net profit</b>	<b>229.3</b>	<b>114.5</b>	<b>114.8</b>	<b>x 2.0</b>

# CONSOLIDATED BALANCE SHEET

ASSETS	€m	31/12/10	31/12/09	Var. €m
Total non-current assets		1,414.7	1,143.1	+271.6
Total current assets		1,910.0	2,539.7	-629.7
<b>TOTAL ASSETS</b>		<b>3,324.7</b>	<b>3,682.8</b>	<b>-358.1</b>
SHAREHOLDER'S EQUITY & LIABILITIES	€m	31/12/10	31/12/09	Var. €m
Shareholder's equity		1,547.6	1,396.6	+151.0
Non-current liabilities		71.5	45.8	+25.7
Current liabilities		1,705.6	2,240.4	-534.8
<b>TOTAL SHAREHOLDER'S EQUITY &amp; LIABILITIES</b>		<b>3,324.7</b>	<b>3,682.8</b>	<b>-358.1</b>
Net Cash (+)		<b>16.8</b>	72.8	-56.0

# CONSOLIDATED CASH FLOW STATEMENT

€ Million	31/12/10	31/12/09	Var. €m
Operating cash flow before cost of net debt and income tax	297.2	185.8	+111.4
Income taxes paid (-) / reimbursed (+)	-52.7	32.3	-85.0
Change in operating working capital needs	56.9	23.8	+33.1
<b>Net cash generated by/used in operating activities</b>	<b>301.4</b>	<b>241.9</b>	<b>+59.5</b>
Net cash generated by/used in investing activities	-245.9	654.8	-900.7
Net cash generated by/used in financing activities	-585.3	-325.7	-259.6
<b>Change in cash position</b>	<b>-529.8</b>	<b>571.0</b>	<b>-1,100.8</b>
Cash position at beginning of period	566.8	-4.2	+571.0
Cash position at end of period	37.0	566.8	-529.8



# A HEALTHY BALANCE SHEET



AS OF DECEMBER 31 2010, A DEBT ELIMINATED FROM THE BALANCE SHEET

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# SUGGESTED DIVIDEND AT THE GENERAL MEETING OF APRIL 14<sup>TH</sup> 2011

Dividend  
per share (in €)



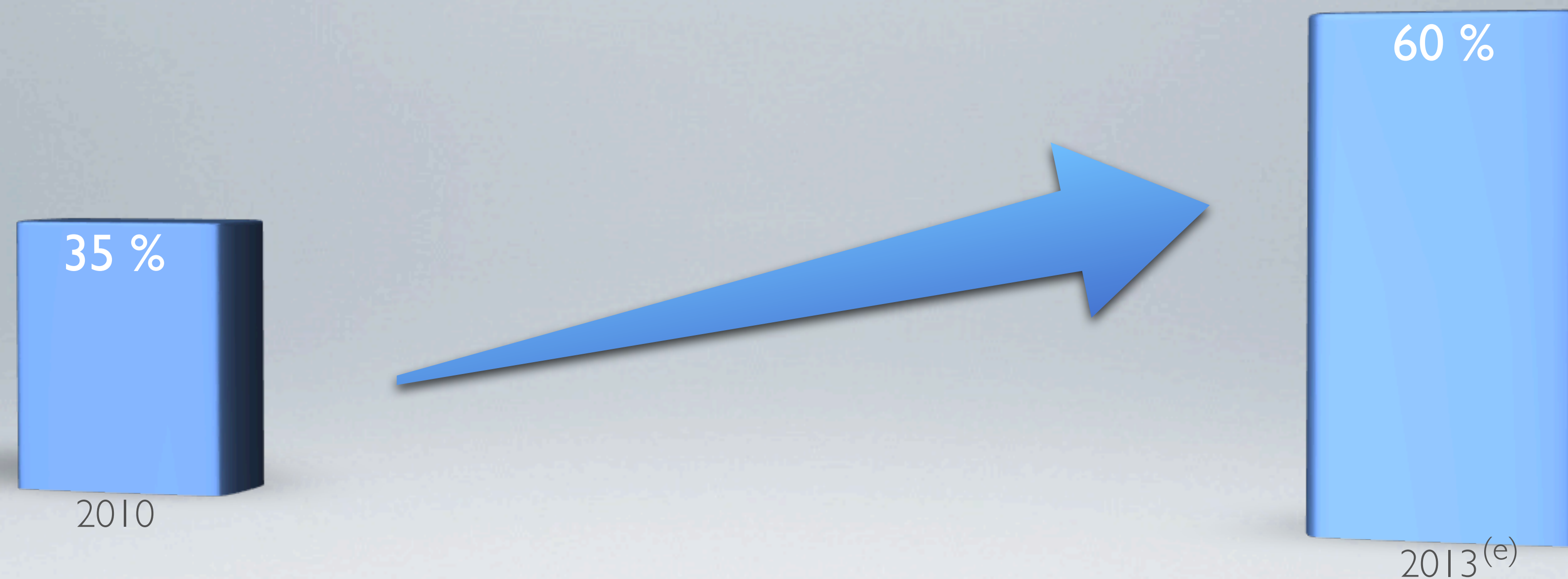
# OUTLOOK

- **Economic environment still in flux**
  - ▶ Weak visibility from advertisers
  - ▶ Cautious macroeconomic forecasts
- **Assumption that revenue will remain stable in 2011, based on:**
  - ▶ Confidence in our ability to leverage advertising revenue growth
  - ▶ Diversification activities developments, but with less favorable comparatives
  - ▶ Changes in structure:
    - ⊕ Consolidation of the revenue contribution from the acquired equity interests of TMC and NTI
    - ⊖ Non-recurrence of resale of 2010 FIFA World Cup rights
- **Tight cost control maintained**
  - ▶ Future savings in external expenses
  - ▶ Stabilisation of TFI core channel programming costs: €950m on average in 2011 and 2012

**WE REMAIN COMMITTED TO IMPROVING OUR PROFITABILITY**

# A LEVER FOR OPTIMISATION: IN-HOUSE PRODUCTION AND INTRA-GROUP ACQUISITIONS

TRENDS IN THE PROPORTION OF  AND  PROGRAMMES  
SOURCED VIA THE  GROUP



**SYNERGIES THANKS TO IN-HOUSE PRODUCTION AND  
INTRA-GROUP ACQUISITIONS**

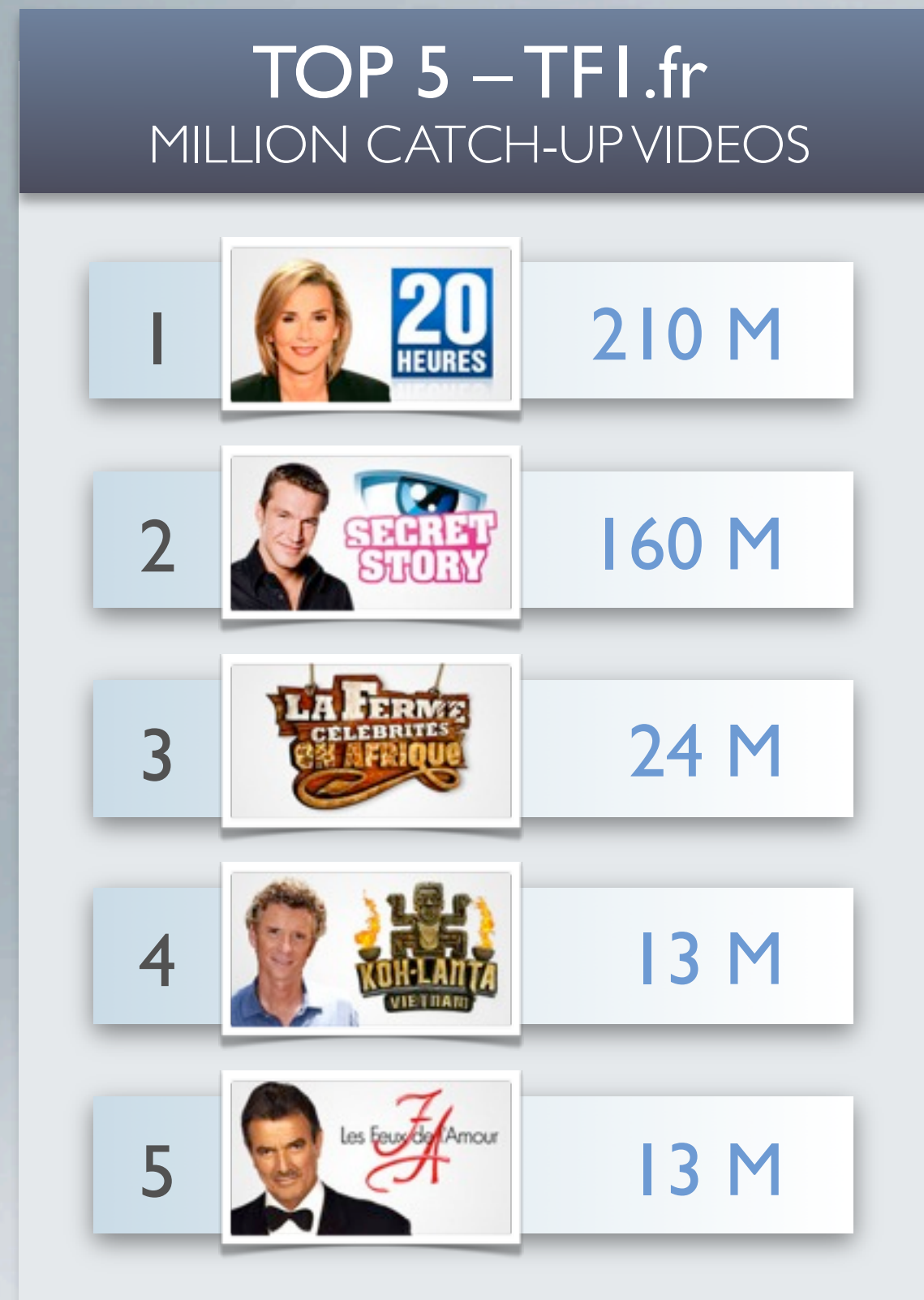
# GROWTH LEVERS

## ADVERTISING REVENUE

- Based on TFI's unique position as mass media
- Show our customers the effectiveness of our offer
- Market it by strengthening negotiation and price segmentation
- Continue to adapt our organisation system and management tools
- Extend the advertising experience through more interaction with TV viewers (TFI Conso, Tags TV, interactive ads...)
- Realise potential of new communication territories (mobiles, tablets, 360° system...)

**AN ADVERTISING AGENCY MOBILISED FOR RETURN OF VALUE**

# GROWTH LEVERS



## CATCH-UP: AN ADVERTISING CHANNEL WITH A FUTURE

- Already 11 million catch-up users today
- TFI.fr, market leader with 700 million catch-up videos watched in 2010 (60 million a month, up 28% on 2009)
- Strong monetisation of cost for video contact
- Well-received by users:

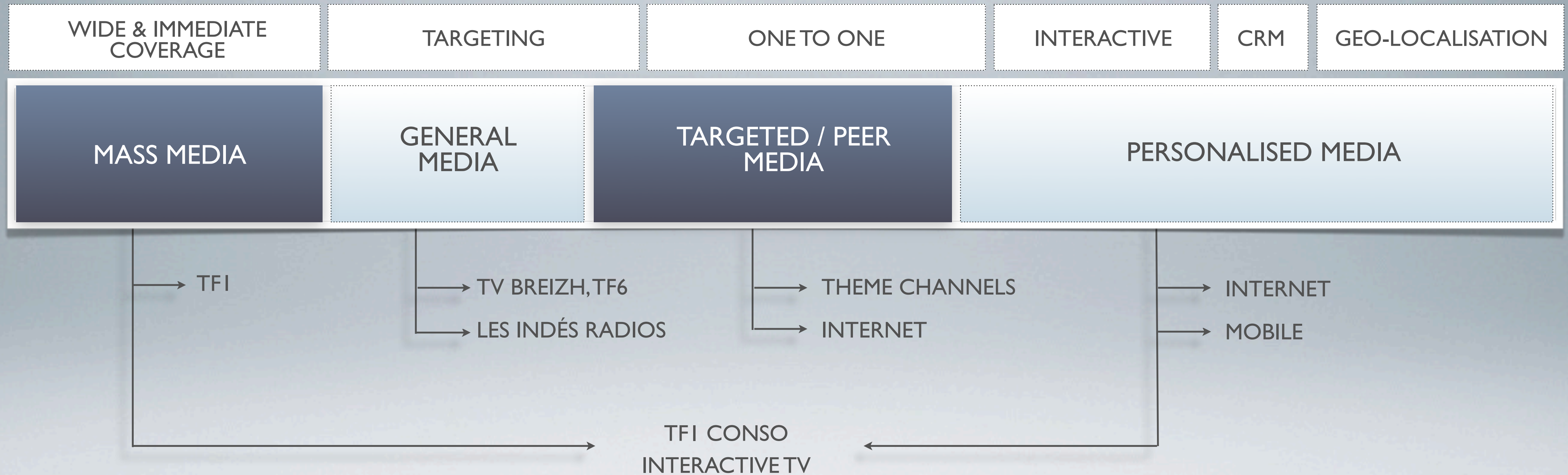
**70%**

consider advertising acceptable in catch-up content providing access is free

**HIGH-POTENTIAL FORM OF CONTACT**

# GROWTH LEVERS

ENTIRE RANGE OF CONTACTS AVAILABLE FOR OUR CUSTOMERS



**TFI PUBLICITÉ PRESENT ACROSS THE BOARD**



# GROWTH LEVERS

## A NEW MODEL : IPTV / CONNECT TV

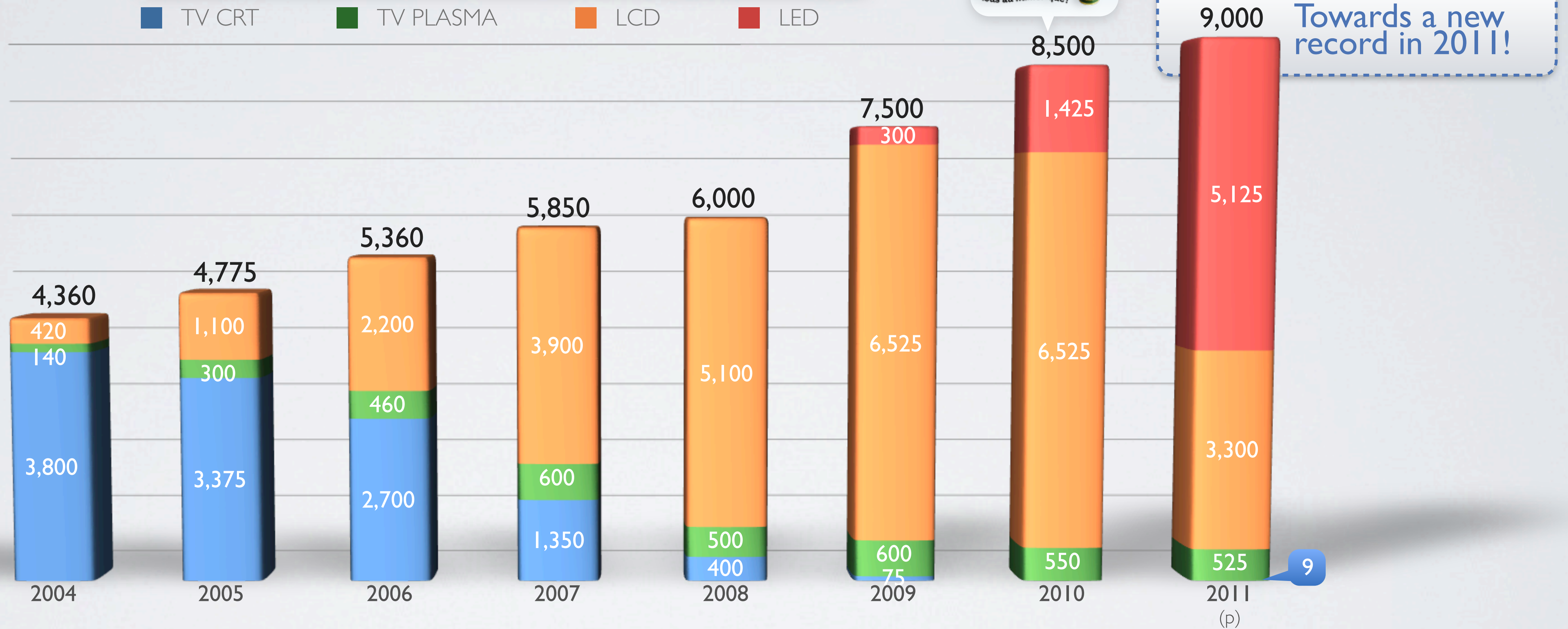
				
<b>TFI PRODUCT</b>	 Replace TFI Player since 24/01/2011	 Application Ipad TFI launched 24/01/2011		
<b>2011 BUSINESS MODEL</b>	▶ Advertising and B2B	▶ Advertising ▶ B2B in addition, consistent to the mobile model	▶ MyTFI: B2B contracts with ISP ▶ TFI Vision: Pay-per-view	▶ TFI.fr: advertising ▶ TFI Vision: Pay-per-view

**FREEMIUM: A NEW OPPORTUNITY FOR REVENUE**

# WHAT FUTURE FOR FREE-TO-AIR TELEVISION?

# 2010: A RECORD IN EQUIPMENT RATES

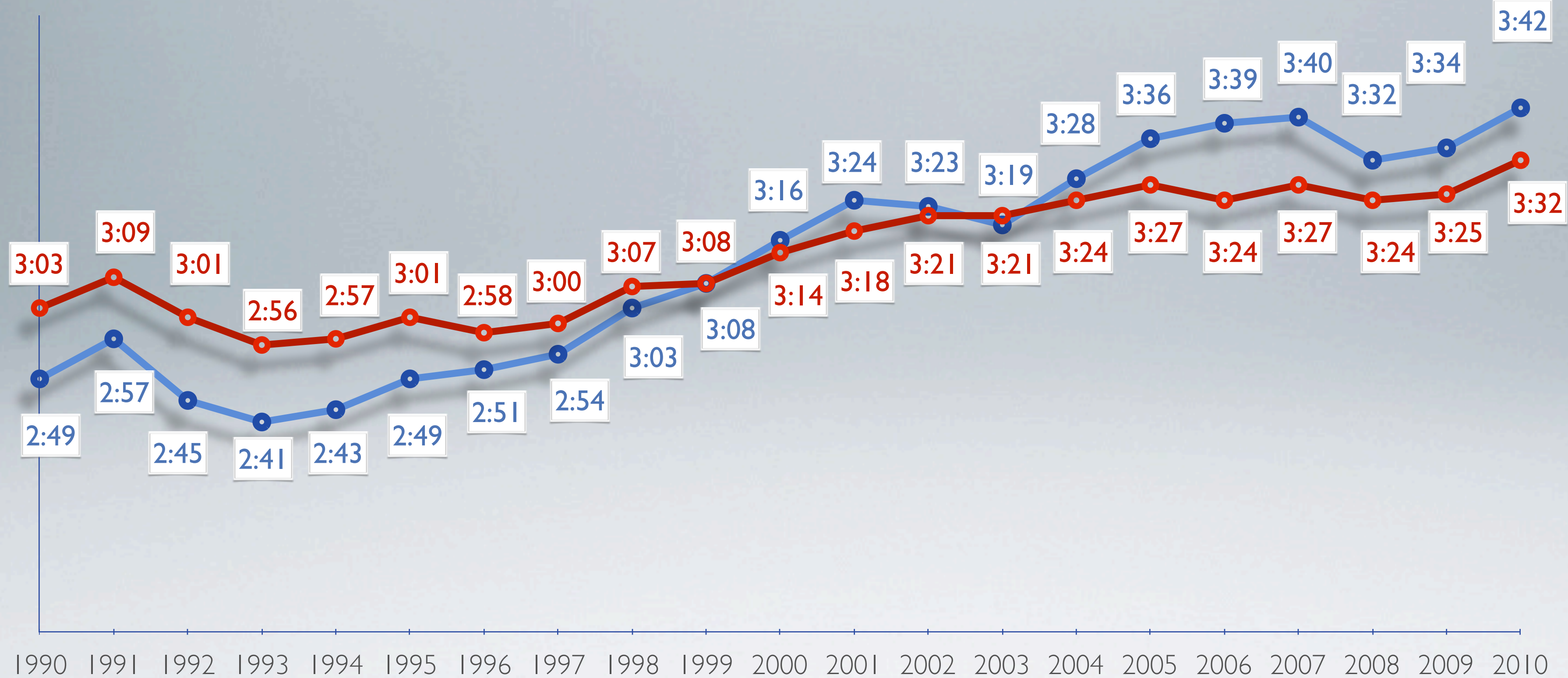
SALE OF TV SETS (THOUSANDS OF UNITS)



SOURCE: GfK

# 2010: A RECORD YEAR FOR TV CONSUMPTION

## ANNUAL VIEWING TIMES FOR INDIVIDUALS



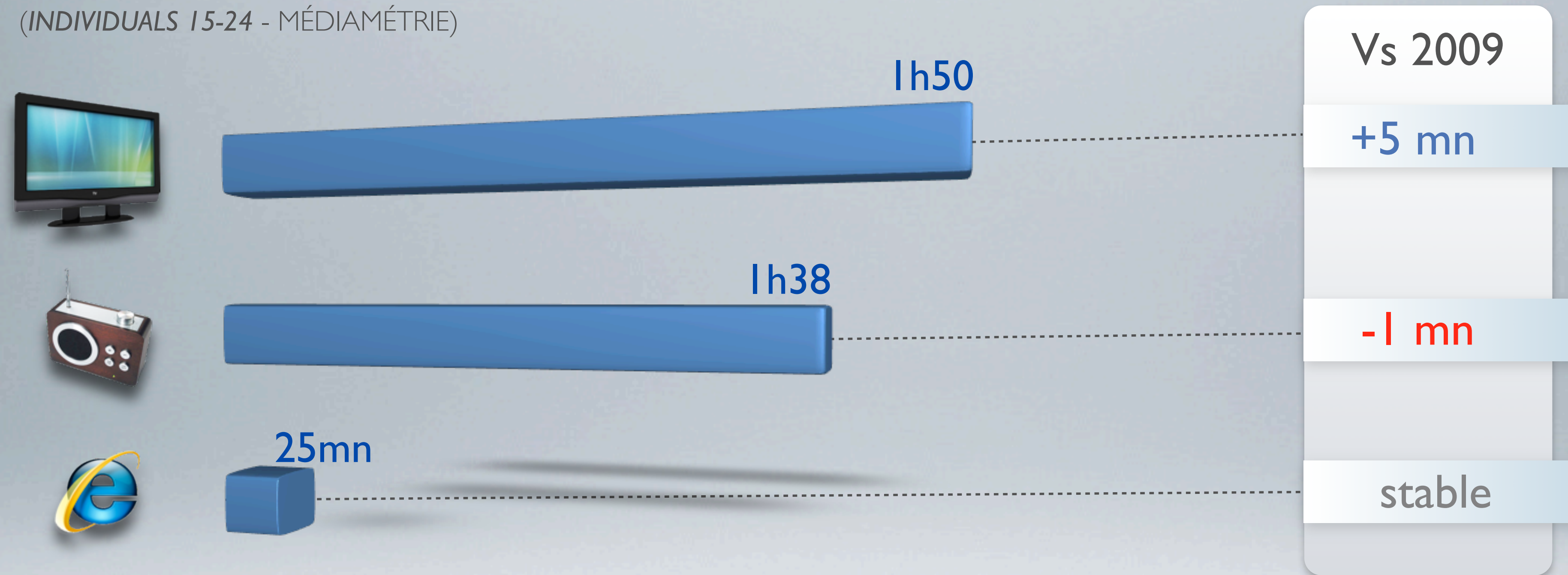
Women < 50 pdm: 3h42  
8 mn more vs 2009 / +4%

4+: 3h32  
7 mn more / +3%

SOURCE: Médiamétrie - Médiamat

# THE CONSUMPTION OF YOUNG VIEWERS

AVERAGE DAILY MEDIA CONSUMPTION  
(INDIVIDUALS 15-24 - MÉDIAMÉTRIE)



15-24 year olds spend four times more time watching TV than surfing the net

**TELEVISION IS THE #1 MEDIA FOR 15-24 YEAR OLDS**

# PROMISING OUTLOOK FOR FREE TV

1 - Will the consumption of TFI resist digital media and pay TV?

YES

because:

- ▶ our content is now on all media
- ▶ our rights are extended (multi broadcast, web, IPTV, mobile)
- ▶ our creativity is stimulated (enhanced catch-up)
- ▶ audience ratings include rebroadcasts
- ▶ Connect TV: an opportunity for additional broadcasting (VOD and Services)

**ANOTHER STRENGTH: OUR CONTENT IS EVERYWHERE**

# PROMISING OUTLOOK FOR FREE TV

**2** - Can TFI stand up to the likely long-term arrival of transnational players such as Google TV, Apple, Netflix, Hulu and connectable TV?

YES

because: ● Diversity is a key strength:

- ▶ event
- ▶ information
- ▶ drama and non-scripted shows
- ▶ framework agreements with studios

● The channel will be protected by:

- ▶ its quality and its permanent renewal
- ▶ the “anti-intrusion charter” signed in September 2010
- ▶ adapted regulation and tax system

**THE PREFERENCE FOR “LIVE” TELEVISION WILL REMAIN STRONG**

# PROMISING OUTLOOK FOR FREE TV

## 3 - Is the business model of TFI sustainable?

YES

- because :
- advertising is evolving:
    - ▶ it is multi-form (slots, partnerships, product placement, preroll ads, interactive ads)
    - ▶ and multi-media (TV, web, mobile, IPTV, tablets)
  - And other sources of revenue are appearing:
    - ▶ operators (MyTFI)
    - ▶ paying services (VOD, SVOD)
    - ▶ CRM

**FREE TV REMAINS ATTRACTIVE BY OFFERING NEW OPPORTUNITIES FOR B2B AND B2C CONTACT**



# FREE TV: FRESH TV

## Advantages over “catalogue TV”

- ▶ Here and now: live and urgent
- ▶ Event: social link and shared emotion
- ▶ Exclusive: the appeal of all-new content and the strength of the programming
- ▶ Premium: quality and major entertainment
- ▶ Interactive: instant dialogue through digital medias
- ▶ Four screens: stronger loyalty thanks to Social TV

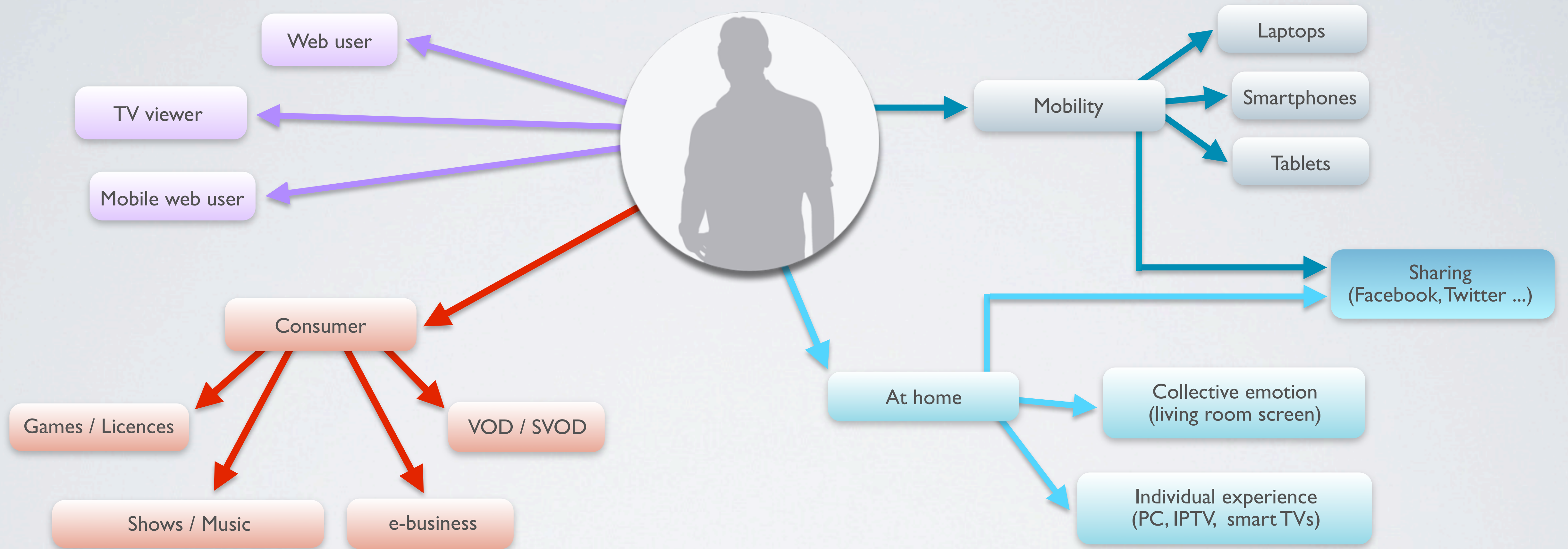
**FRESH TELEVISION IS IRREPLACEABLE...**

## ...AND TFI IS THE LEADER OF FREE TV

- ▶ Comprehensive editorial know-how
- ▶ Pool of high-performance channels
- ▶ Multi-channel presence
- ▶ Confirmed 360 strategy
- ▶ 2 ad agencies with attractive offers
- ▶ Rebound of subsidiaries
- ▶ Stronger management
- ▶ Sound financial structure, confirmed rating
- ▶ Supportive shareholders

**TFI: STRONG SKILLS FOR 2011**

# TF1 GROUP OFFER: THE MOST COMPLETE ON THE MARKET



FROM MASS MEDIA TO PERSONAL EXPERIENCE

# PRIORITIES FOR 2011

- 1 Consolidate TFI audience and build up audiences for TMC and NTI
- 2 Negotiate the financing of our Pay-TV channels for a sustainable future
- 3 Rebuild value
- 4 Strengthen our positions in digital with increased monetisation
- 5 Continue with the relaunch of our diversifications
- 6 Keep improving our profitability

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