



LE GROUPE

ANALYST MEETING

23 JULY 2015

GROUP ACTIVITY

FINANCIAL STATEMENTS

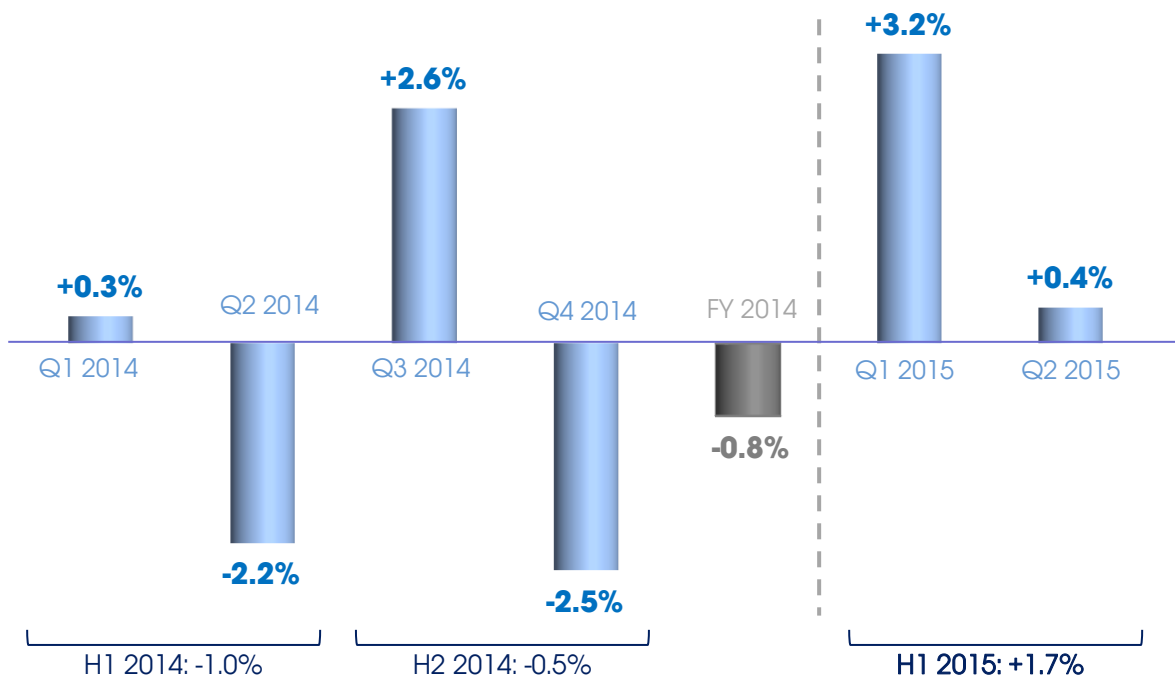
OUTLOOK

HIGHLIGHTS IN FIRST-HALF 2015

1. Stabilised advertising market
2. Audience ratings under control
3. Multi-channel: a reality
4. New phase in digital
5. Consumer Products in line with expectations
6. News: transformation under way
7. Eurosport: maximum value creation
8. Developments in digital and content
9. Social responsibility: strong commitment to diversity and climate issues

STABILISED ADVERTISING MARKET

NET REVENUE FOR THE 4 FTA CHANNELS OF TF1 GROUP



- ✓ Demand for TV media remains strong
- ✓ "HD DTT" takes off
- ✓ High basis of comparison: 2014 FIFA World Cup
- ✓ Relevant multi-channel strategy

Net ad market in H1 2015 estimated at +2%

AUDIENCE RATINGS UNDER CONTROL

LEADING GROUP ON ADVERTISING TARGETS

- ✓ **32.0%** share of W<50 PDM
- ✓ Non-stop increase in W<50 PDM audience share since January
- ✓ Audience share of W<50 PDM almost stable year on year

TF1 A STRONG LEADERSHIP

- ✓ The only channel to attract **8 million** viewers
- ✓ **49** of the **top 50** ratings

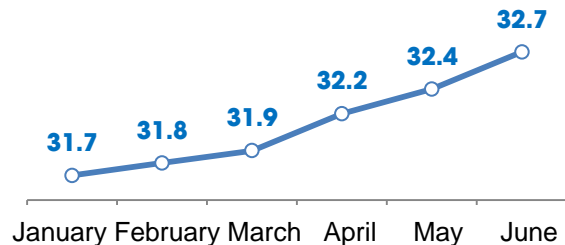
PRIORITY ON STRATEGIC SLOTS

- ✓ 1 p.m. bulletin : **41%** audience share on 4+ and 5.7m viewers on average
- ✓ TF1 led **89%** of **evenings**, stable year on year

POSITIVE MOMENTUM FOR DTT CHANNELS

- ✓ **TFMC** No. 5 channel in the evenings
- ✓ **NT1** No. 4 DTT channel with women
- ✓ **HDI** No. 1 HD DTT channel in the evenings

GROUP AUDIENCE SHARE ON W<50 PDM 2015 (%)



HIGH-PERFORMANCE MULTI-CHANNEL STRATEGY

- ✓ Cross-promotion
- ✓ Programme circulation
- ✓ Complementary editorial fit

Since January 26, 2015:



CROSS-PROMOTION

- Promotional trailers between channels
- Stronger complementarity in programming



ADVERTISING

- Advertising teams grouped geographically
- Work on back office under way to harmonise tools and processes
- New organisation structure enhances ability to:
 - ✓ respect competition rules
 - ✓ share information
 - ✓ boost efficiency
 - ✓ bring our customers value added
- Initial effects in 2015 and full-year impact in 2016



RIGHTS CIRCULATION

- Acceleration: World Handball Championships, Secret Story, Wimbledon semi-final



NEW PHASE IN DIGITAL

PERFORMANCE IN FIRST HALF

- ✓ Leading TV channel on replay
IPTV: 8.4 million catch-up viewers a month



+17% extra viewers*



+18% extra viewers*



+15% extra viewers*

- ✓ Improvement in inventory
- ✓ Improvement in digital advertising revenues

LAUNCH OF THE NEW



- ✓ Unique digital brand for the 4 channels
- ✓ Comprehensive premium catalogue enhanced by exclusive non-TV broadcast content
- ✓ Responsive design
- ✓ Adaptation and personalisation
- ✓ An ideal setting for the new objectives of advertisers

⇒ 10% increase in video viewed on a constant programming

NEW FIELDS OF ACTION

- ✓ Successful launch for  (SVOD for children)
- ✓ Couponing: development of TFI Conso

⇒ More than 600,000 vouchers edited
o/w 32% led to sales in stores



CONSUMER PRODUCTS IN LINE WITH EXPECTATIONS



First successful “full-right” acquisitions

Dynamic VOD offering:

- ✓ Increase in volume
- ✓ Launch of eCinéma label



- ✓ Improvement in store activity
- ✓ Increase of infomercial activities
- ✓ Successful partnership with Venteo
- ✓ Redesigned website



- ✓ 250,000 visitors to Harry Potter exhibition
- ✓ International success of games and collections



Streamlined channel portfolio:

- ✓ **TV BREIZH:** leading channel in Pay-TV universe
- ✓ **USHUAÏA TV:** 10th birthday in 2015: good editorial and ratings dynamic with reinforced programming tying in with COP21
- ✓ **HISTOIRE:** the channel posted a 7% increase with core target



- ✓ Deep analysis of news stories

NEWS: TRANSFORMATION UNDER WAY



- ✓ Discontinuation of print version
- ✓ Adapation under way
- ✓ Digital project based on text and video



- ✓ The Conseil d'Etat (Council of State) overturned the 29/07/2014 decision of the CSA (French audiovisual authority) refusing the migration of LCI to free-DTT
- ✓ The CSA is to re-examine the case in H2 2015



: MAXIMUM VALUE CREATION

December 21, 2012: Discovery Communications takes a 20% share in the Eurosport group

May 30, 2014: Discovery takes a majority stake in Eurosport International

March 31, 2015: Discovery takes a majority stake in Eurosport France

→ Real-life synergies

- Development of local advertising
- Negotiation ability with platforms
- Reorganisation of distribution

July 22, 2015 : TF1 announces that it will exercise its put option on its 49% stake in Eurosport Group

DEVELOPMENTS IN DIGITAL AND CONTENT

DIGITAL

INVENTORIES

from mass media  to one-to-one

TECHNOLOGY

Supporting changes in content consumption habits and advertising sales methods

DATA

Getting to know our audiences better

CONTENT

PRODUCTION AND CATALOGUES

Ground-breaking partnership for the production of US procedural dramas:

NBCUniversal
International Television Production



A more internalised R&D approach

FORMATS

- Digital content: MCN catalogue  on MYTF1
- Developing brand content for advertisers

SOCIAL RESPONSIBILITY: STRONG COMMITMENT TO DIVERSITY AND CLIMATE ISSUES

- REAFFIRMED COMMITMENT TO DIVERSITY

- ✓ Disability: a Group agreement renewed for 3 years
- ✓ Professional integration of young people: a reality (Company Foundation)



- CONTRIBUTION TO THE FIGHT AGAINST CLIMATE CHANGE

- ✓ Conference on January 6, 2015 focused on solutions
- ✓ Disseminating the "My positive impact" campaign by the Nicolas Hulot Foundation
- ✓ Ushuaïa series concentrating on developments in international negotiations
- ✓ Editorial coverage in TF1 news shows and on LCI
- ✓ Responsible consumption initiative with Advertising



GROUP ACTIVITY

FINANCIAL STATEMENTS

OUTLOOK

ADVERTISING REVENUE EVOLUTION

€m	H1 2015	H1 2014	Var. €m	Var. %
AD. REVENUE – BROADCASTING & CONTENT	769.3	762.3	+7.0	+0.9%
o/w TV	733.3	721.0	+12.3	+1.7%
o/w Other platforms	36.0	41.3	(5.3)	-12.8%
AD. REVENUE – PAY-TV	5.4	7.6	(2.2)	-28.9%
o/w Eurosport group	1.3	3.7	(2.4)	-64.9%
o/w Theme channels in France	4.1	3.9	+0.2	+5.1%
GROUP ADVERTISING REVENUE	774.7	769.9	+4.8	+0.6%
NON-ADVERTISING REVENUE	206.0	255.8	(49.8)	-19.5%
CONSOLIDATED REVENUE	980.7	1,025.7	(45.0)	-4.4%

CONSOLIDATED REVENUE EVOLUTION

€m	H1 2015	H1 2014	Var. €m	Var. %
BROADCASTING & CONTENT	839.4	866.1	(26.7)	-3.1%
Broadcasting	806.5	802.4	+4.1	+0.5%
Content	32.9	63.7	(30.8)	-48.4%
CONSUMER PRODUCTS	95.6	91.6	+4.0	+4.4%
TF1 Vidéo	25.9	20.5	+5.4	+26.3%
Téléshopping	47.7	47.7	0.0	0.0%
TF1 Entreprises	22.0	23.4	(1.4)	-6.0%
PAY TV	45.7	63.1	(17.4)	-27.6%
Eurosport France	17.8	33.3	(15.5)	-46.5%
Themes channels in France	27.9	29.8	(1.9)	-6.4%
HOLDING & OTHER	-	4.9	(4.9)	ns
TOTAL REVENUE	980.7	1,025.7	(45.0)	-4.4%

COSTS OF PROGRAMMES EVOLUTION

€m

	H1 2015	H1 2014	Var. €m	Var. %
TOTAL COST OF PROGRAMMES	460.2	512.6	(52.4)	-10.2%
One-off sporting events	-	55.7	(55.7)	ns
TOTAL EXCL. ONE-OFF SPORTING EVENTS	460.2	456.9	+3.3	+0.7%
Entertainment	143.0	148.6	(5.6)	-3.8%
TV dramas/ TV movies / Series / Theatre	164.0	160.2	+3.8	+2.4%
Sports (excl. one-off sporting events)	22.3	26.5	(4.2)	-15.8%
News	54.4	52.4	+2.0	+3.8%
Movies	70.0	60.9	+9.1	+14.9%
Youth	6.5	8.3	(1.8)	-21.7%

CONSOLIDATED INCOME STATEMENT(1/2)

€m	H1 2015	H1 2014	Var. €m	Var. %
CONSOLIDATED REVENUE	980.7	1,025.7	(45.0)	-4.4%
Total costs of programmes	(460.2)	(512.6)	+52.4	-10.2%
Other charges, amortisation, provision	(423.2)	(491.4)	+68.2	-13.9%
CURRENT OPERATING PROFIT	97.3	21.7	+75.6	x4.5
<i>CURRENT OPERATING MARGIN</i>	<i>9.9%</i>	<i>2.1%</i>		
Other operating income and expenses	(11.9)	-	(11.9)	ns
OPERATING PROFIT	85.4	21.7	+63.7	x3.9

CURRENT OPERATING PROFIT BREAKDOWN

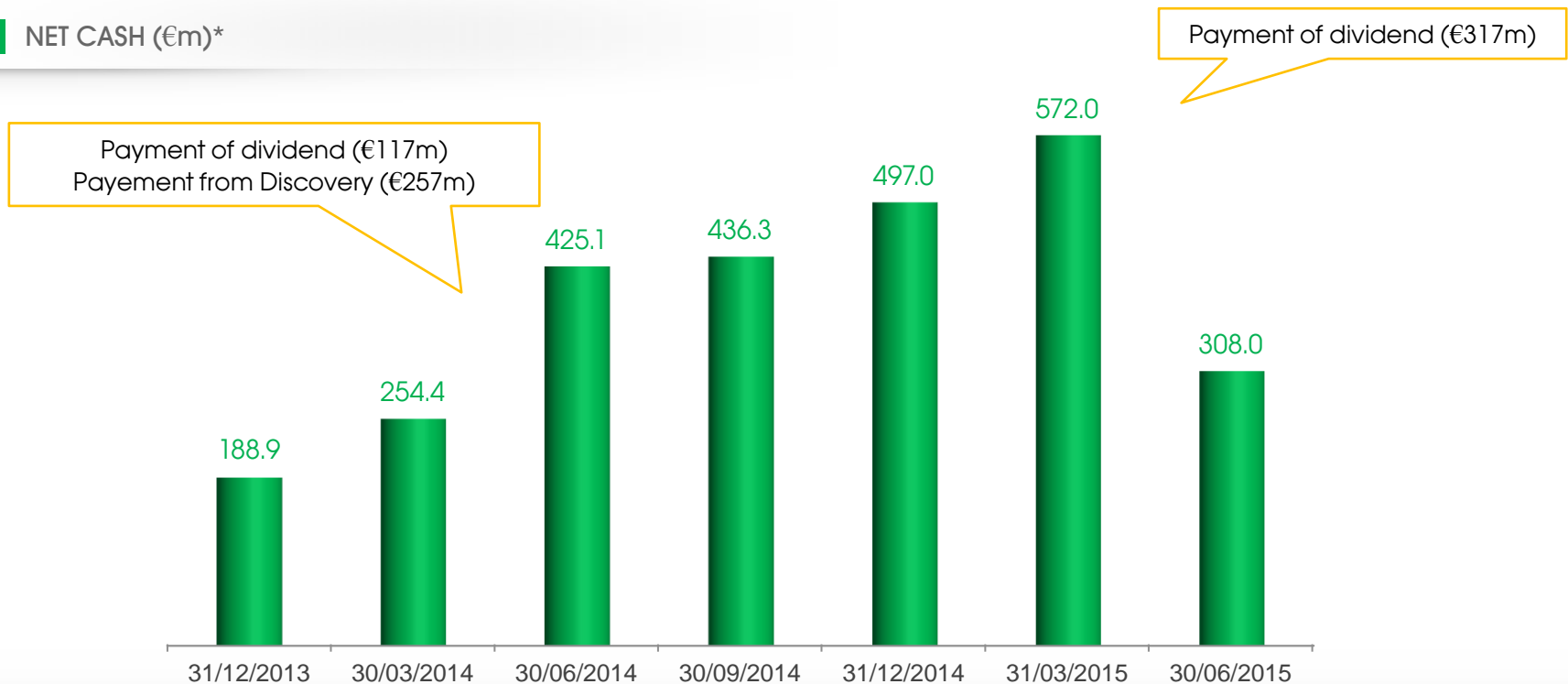
€m	H1 2015	H1 2014	Var. €m	Var. %
BROADCASTING & CONTENT	50.7	10.1	+40.6	x5.0
Broadcasting	48.4	(0.7)	+49.1	ns
Content	2.3	10.8	(8.5)	-78.7%
CONSUMER PRODUCTS	6.0	6.8	(0.8)	-11.8%
TF1 Vidéo	0.4	0.8	(0.4)	-50.0%
Téléshopping	2.9	3.5	(0.6)	-17.1%
TF1 Entreprises	2.7	2.5	+0.2	+8.0%
PAY TV	33.9	(3.2)	+37.1	ns
Eurosport France	33.7	(1.5)	+35.2	ns
Themes channels in France	0.2	(1.7)	+1.9	ns
HOLDING AND OTHERS	6.7	8.0	(1.3)	-16.3%
TOTAL CURRENT OPERATING PROFIT	97.3	21.7	+75.6	x4.5

CONSOLIDATED INCOME STATEMENT(2/2)

€m	H1 2015	H1 2014	Var. €m	Var. %
OPERATING PROFIT	85.4	21.7	+63.7	x3.9
Cost of net debt	0.7	0.4	+0.3	+75.0%
Other financial income and expenses	(0.2)	0.2	(0.4)	ns
Income tax expense	(23.5)	(8.8)	(14.7)	x2.7
Share of profits / (losses) of associates	1.3	2.0	(0.7)	-35.0%
NET PROFIT FROM CONTINUING OPERATIONS	63.7	15.5	+48.2	x4.1
Post-tax profit from discontinued/held-for-sale operations	-	310.2	(310.2)	ns
NET PROFIT	63.7	325.7	(262.0)	-80.4%
Net profit attributable to the Group	61.0	321.6	(260.6)	-81.0%
<i>attributable to non-controlling interests</i>	<i>2.7</i>	<i>4.1</i>	<i>(1.4)</i>	<i>-34.1%</i>

A SOUND FINANCIAL POSITION

NET CASH (€m)*



GROUP ACTIVITY

FINANCIAL STATEMENTS

OUTLOOK

STRENGTHS...

1. Unique position in the media landscape
2. Synergies between television and digital
3. Unrivalled exposure opportunities for advertisers
4. Renowned expertise
5. Ability to adapt
6. High-potential partnerships
7. Robust financial structure

... FOR PURSUING THE DEVELOPMENT OF THE STRATEGY

- STRENGTHENING LEADERSHIP IN FREE-TO-AIR TV
- SEIZING GROWTH OPPORTUNITIES

- In a net TV advertising market:
 - which may be flat during the second half of 2015,
 - depending on whether the economic recovery is confirmed



- With the second half of the year to benefit from the broadcast of the Rugby World Cup and the return of strong brands



- And a continued vigilance on costs and on the transformation of News department



LE GROUPE

ANALYST MEETING

23 JULY 2015