

2012 FIRST-HALF RESULTS

ANALYSTS MEETING

26 July 2012



1. ACTIVITY IN FIRST-HALF 2012

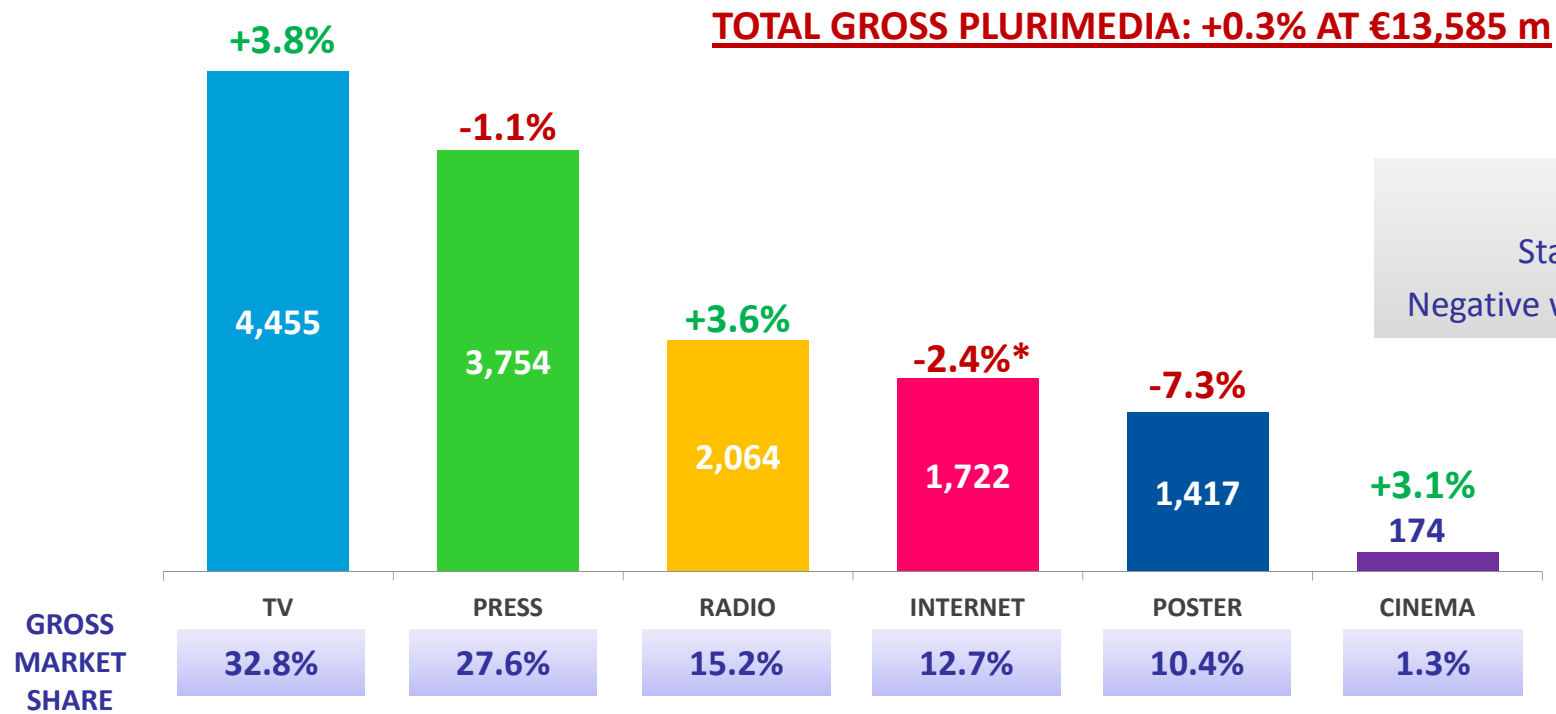
2. H1 2012 FINANCIAL ACCOUNTS

3. OUTLOOK

4. QUESTION & ANSWER

PLURIMEDIA INVESTMENTS DOWN IN EARLY 2012

Gross plurimedia investment (€m) – Jan-June 2012 vs 2011



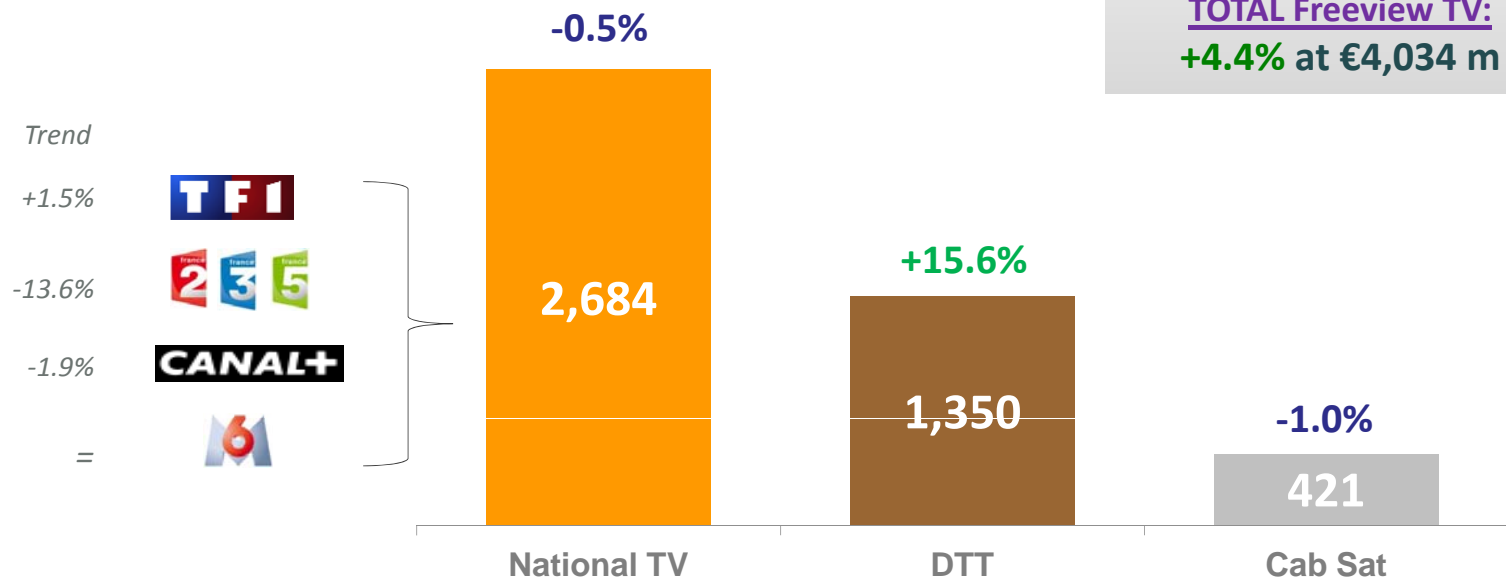
Net H1 2012 trend
 Stability at best in TV market
 Negative when combined with other media

*NB: gross data, not on a like-for-like basis. Net, the internet was -0,3% over Jan-June 2012.



TV STILL BUOYED BY TNT

Trend in gross TV investment (€m) – Jan-June 2012



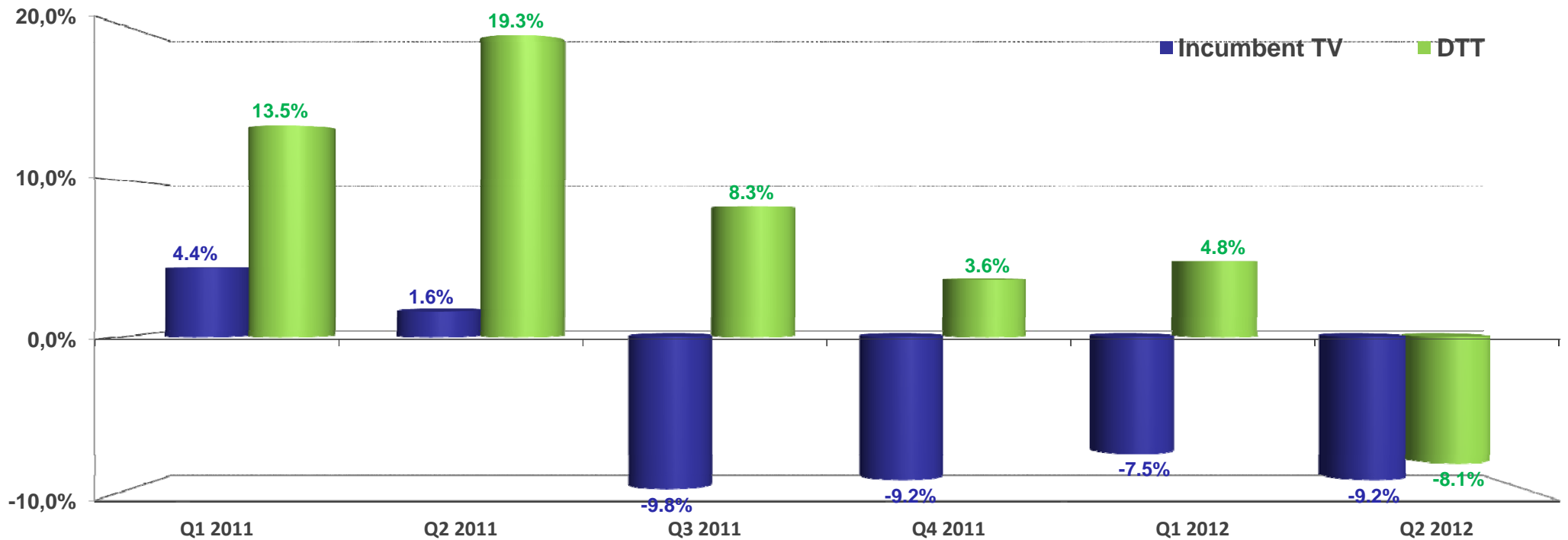
TOTAL TV:
+3.8% at €4,455 m

TOTAL Freeview TV:
+4.4% at €4,034 m



AD MARKET UNDER PRESSURE FROM ECONOMIC ENVIRONMENT

Quarterly trend in volume of advertising broadcast on TV

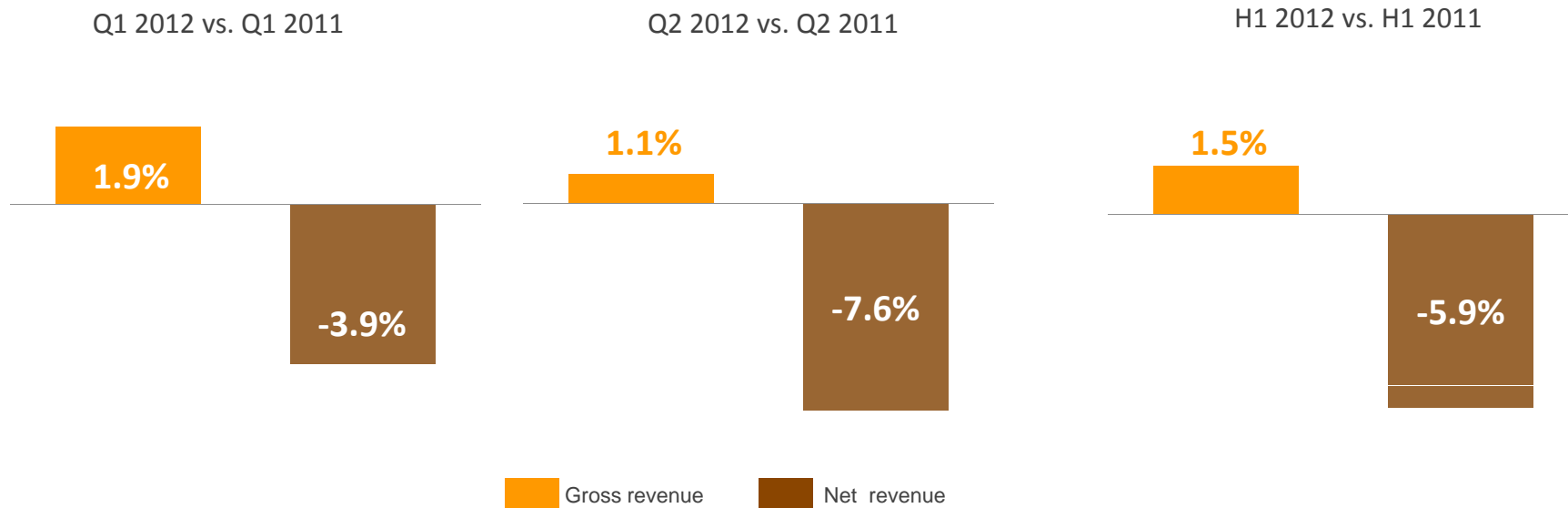


STRONG PRESSURE ON PRICES



TF1 SUPPORTED ITS CUSTOMERS IN H1 2012

TF1 NET REVENUE H1 2012 VS. H1 2011: -5.9%



MONTHLY TREND IN TF1 AUDIENCE SHARE 4+ IN 2012



TF1 AUDIENCE SHARE HAS FLUCTUATED AROUND 23% SINCE ANALOGUE SWITCH-OFF



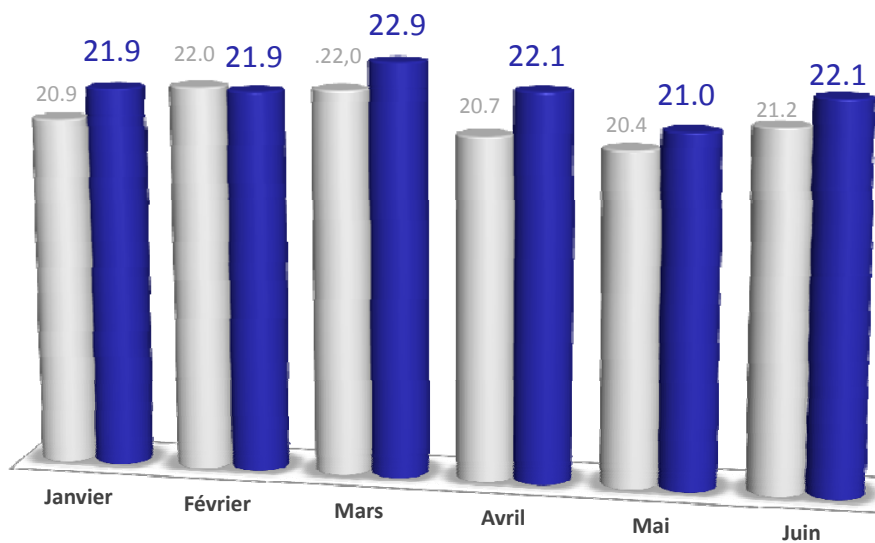
TREND IN TF1 AUDIENCES IN PRIME TIME ACCESS

Prime Time Access = 6 pm to 7.45 pm

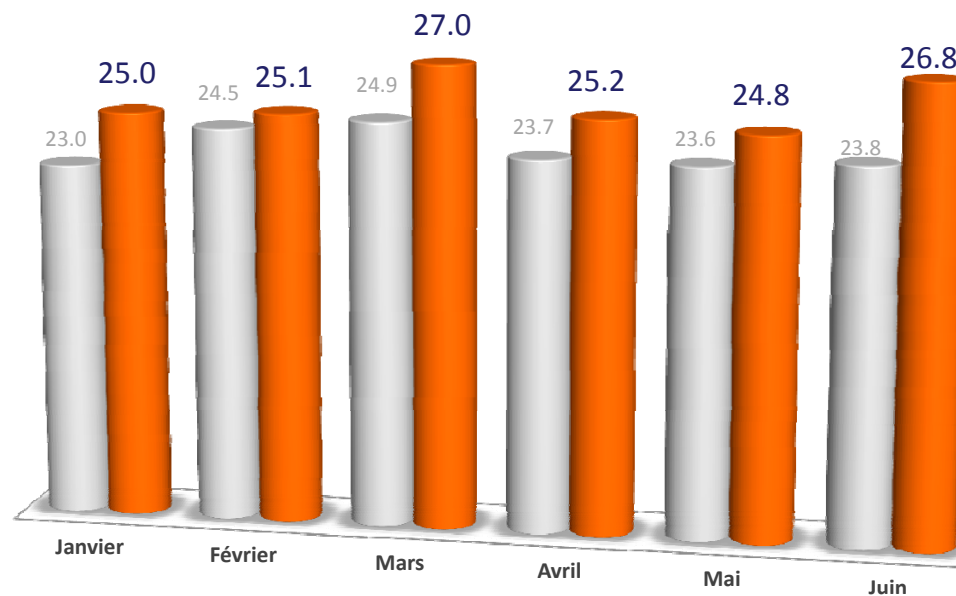
Audience share (%)

Individuals aged 25-49

Women <50 PDM*



■ 2011 ■ 2012



■ 2011 ■ 2012

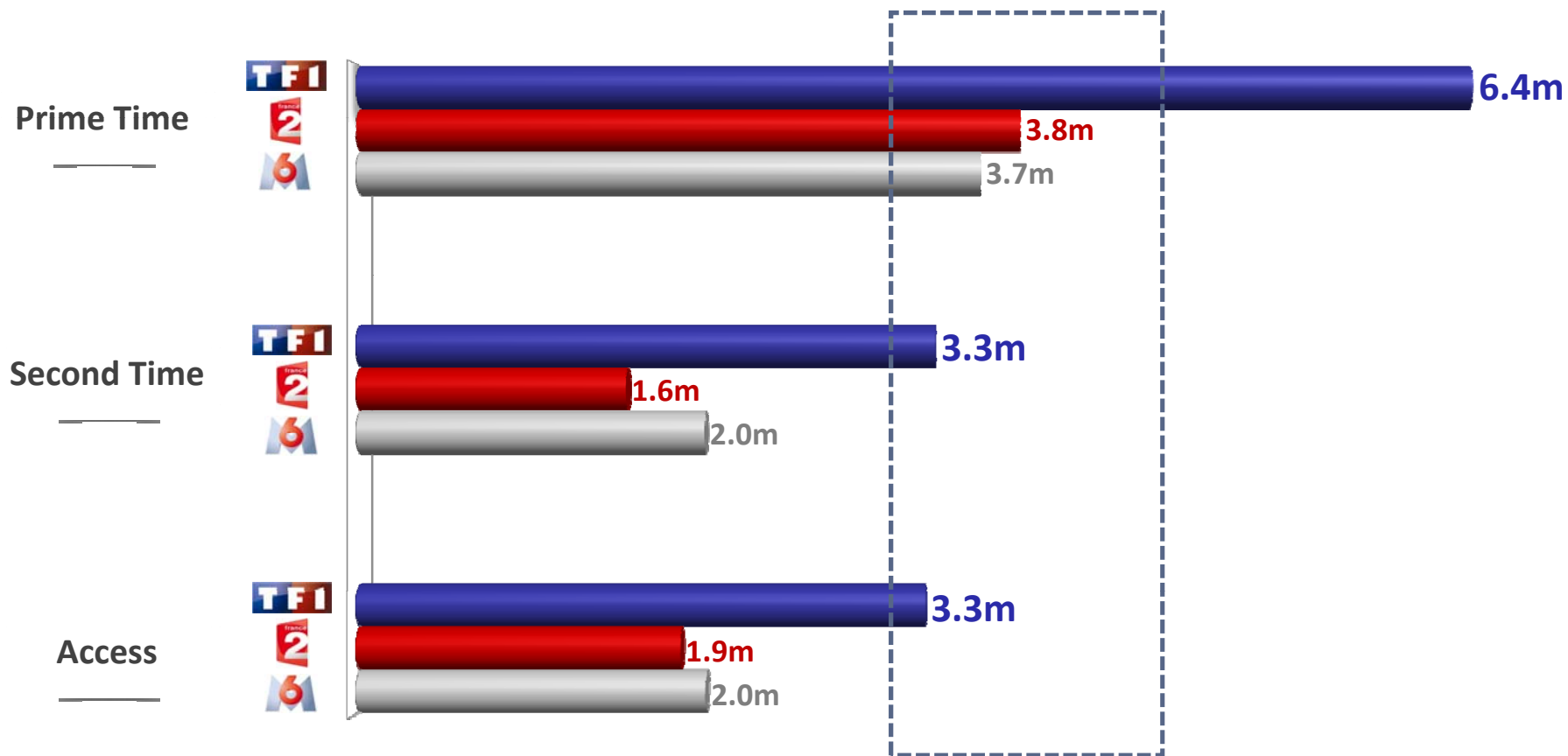
Source: Mediamétrie



* = Purchasing decision maker

TF1 THE CLEAR LEADER IN HIGH-POTENTIAL SLOTS

Viewer numbers



RECORDS IN ALL PROGRAMME TYPES

ENTERTAINMENT



Les Enfoirés: 13.3 m, record for the show
NRJ Music Awards: 7.0 m, best score since 2003

CINEMA



Gran Torino: 9.4 m, best audience for a film since November 2010
Les bronzés font du ski: 9.0 m, best audience for a French film this season

SPORT



Euro 2012: 12.9 m for *Spain/Italy*, best audience ratings for a football match since June 2006, all channels combined

US SERIES



Dr House: 9.1 m, best audience for a US series in 2012, all channels combined
CSI:NY: as many as 8.2 m

FRENCH DRAMA



Profilage: 7.8 m, best ratings for a French police show since November 2009
Joséphine ange gardien: 7.5 m (46% audience share with children)

NEWS



8 o'clock news: 9.8 m viewers
1 o'clock news: 8.3 m viewers
Most-watched news shows in Europe



INNOVATION-DRIVEN TF1 PROGRAMMES

▶ ALL DAY

EVENING



9.3 m, best score for Saturday entertainment show since Dec 2006

ACCESS



Peak 9.7 m viewers and more than 7 m every evening

AFTERNOON



Clear leader in ad targets (29% audience share women <50 pdm)

MORNING



Ratings boost in morning slot (30% growth on women <50 pdm)

▶ ALL PROGRAMME TYPES

ENTERTAINMENT



3.0 m viewers, 33% audience share on women <50 pdm

MAGAZINES / DOCS



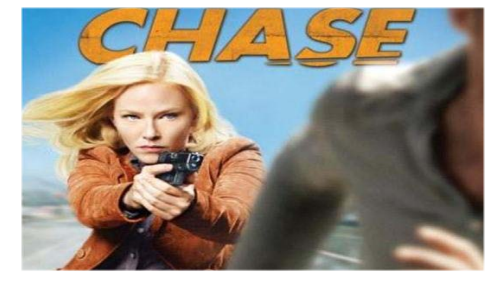
Constant progress since launch: +500,000 viewers

FRENCH DRAMA



Best performance in ad target slots (up to 29% audience share on women <50 pdm)

US SERIES



Particularly strong performances in second time (29% audience share on individuals, 36% on women <50 pdm)

360° STRATEGY FOR UEFA EURO 2012

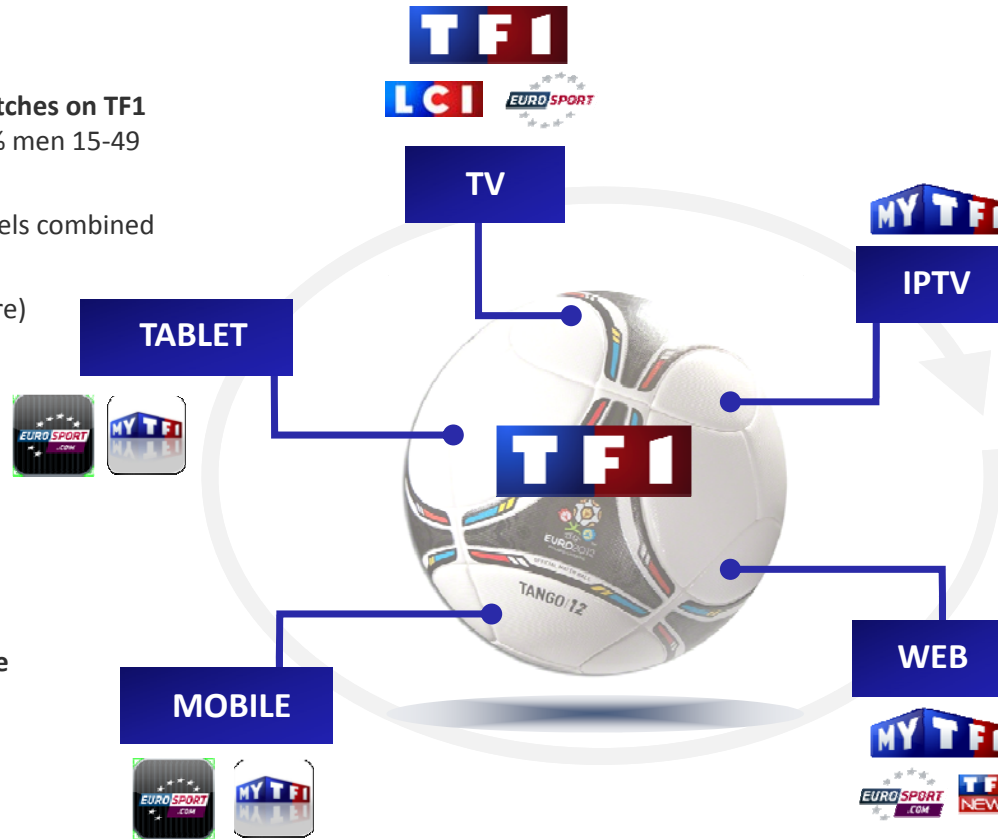


Strong audience ratings

- ▶ An average 8.3 m viewers for the 9 matches on TF1
34% audience share individuals and 49% men 15-49
- ▶ Spain / Italy final: 12.9 m viewers
Best audience score for event, all channels combined
- ▶ Better scores than for M6 matches
(M6 average: 6.7 m / 29% audience share)

Euro 2012 success in all media

- ▶ 11.5 m unique visitors on dedicated site
- ▶ 6.6 m videos watched (including live)
- ▶ Numerous live sessions for France/Spain



Programming cost

- ▶ 8 matches broadcast in Q2 2012
- ▶ Final broadcast in Q3 2012 (1 July 2012)
- ▶ Competition programming cost: €24.4 m (including production costs) for 2012, of which €21.8 m accounted for in Q2 2012.

Ad revenue

- ▶ €37 m in gross revenue for TF1 channel (excl. sponsoring)
- ▶ 96% slot fill rate
- ▶ Extra revenue before and after competition via all media

A BETTER ECONOMIC EQUATION



360° STRATEGY: A RECORD HALF-YEAR



▶ **INTERACTIVITY** ➔ Strong performances by *The Voice*, *Les 12 coups de midi*



▶ **VIDEO ON-LINE** ➔ TF1 no.1 in time spent per individual (1hr 59mins)



▶ **CATCH-UP** ➔ *The Voice*: 55 million videos watched, 2.1 million reads at D+7



▶ **LIVE DIGITAL** ➔ 560,000 sessions for France – Spain

▶ **INNOVATION** ➔ Tweet Replay (social networks) – Oz (check in ad)



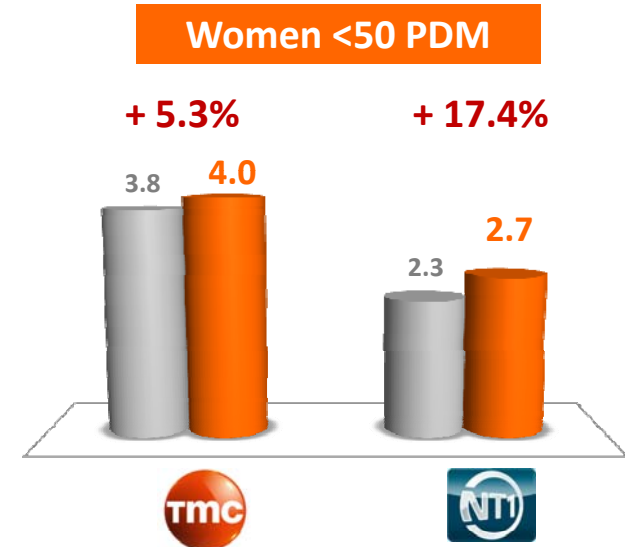
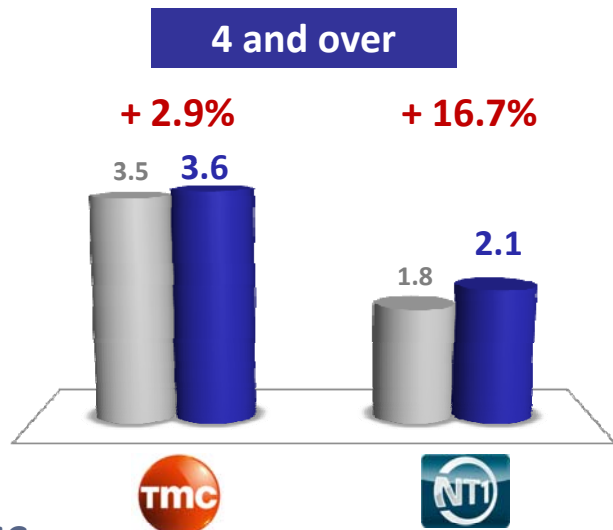
▶ **MOBILE** ➔ 9.4 million visits per month



MYTF1: 631 MILLION VIDEOS WATCHED IN H1 2012 (+90%)



TMC AND NT1 CONFIRM AUDIENCE MOMENTUM



► **TMC:**

- Fifth-ranked channel in France for individuals and long-standing DTT leader
- Top two DTT audience ratings in 2012: peak of 2.1 m viewers for *Bodyguard*
- Average 0.9 m prime-time viewers (leading DTT channel) and 92 programmes with over 1 m (72 in 2011)

► **NT1:**

- One of biggest increases, all channels combined (+17% on both targets in 1 year)
- Peak of 1.8 m viewers in 2012 (channel record with *The Bourne Supremacy*)
- Average 600,000 prime-time viewers (up 100,000 in 1 year), 19 programmes with more than 1 m (3 in 2011)



MOVING AHEAD ON OTHER ACTIVITIES

DYNAMIC PAY TV SERVICES

Theme channels



- Non-exclusive distribution
- Sharp increase in audience ratings for all TF1 group theme channels

Eurosport International



- Revenue up 10.1%
- Audience rise for Group channels
- Strong sales dynamic

MyTF1 services



- 326 m of catch-up videos viewed over H1 2012 (+43.6%)
- 3.3 m app. downloads

REINFORCED CONSUMER SERVICES



- Revenue up 4.4%
- Brand growth
- 20% rise in UVs for Place des Tendances



- Revenue up 19.8%
- Restructure underway
- Partnership signed with Paramount



- Revenue up 4.8%
- Success in music
- CA Games stable
- Launch of Recycler.fr



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3. OUTLOOK

4. QUESTION & ANSWER

ADVERTISING REVENUE EVOLUTION

| €m | H1 2012 | H1 2011 | Var. €m | Var. % |
|--|----------------|----------------|--------------|---------------|
| Consolidated revenue | 1,301.2 | 1,277.6 | +23.6 | +1.8% |
| Advertising revenue TF1 channel | 713.2 | 757.8 | -44.6 | -5.9% |
| Diversification revenue | 588.0 | 519.8 | +68.2 | +13.1% |
| Detail of the total advertising revenue | | | | |
| TF1 Channel | 713.2 | 757.8 | -44.6 | -5.9% |
| Thematic channels in France | 103.5 | 97.5 | +6.0 | +6.2% |
| Internet France | 16.0 | 12.5 | +3.5 | +28.0% |
| Eurosport International | 40.1 | 31.5 | +8.6 | +27.3% |
| Others | 24.0 | 5.9 | +18.1 | ns |
| Total advertising revenue | 896.8 | 905.2 | -8.4 | -0.9 % |

TF1 CORE CHANNEL PROGRAMMING COSTS EVOLUTION

€m

| | H1 2012 | H1 2011 | Var. €m | Var. % |
|--|--------------|--------------|--------------|---------------|
| Total programming costs | 476.5 | 423.6 | +52.9 | +12.5% |
| One-off sporting events | 21.8 | - | +21.8 | ns |
| Programming costs excl. one-off sporting events | 454.7 | 423.6 | +31.1 | +7.3% |
| Entertainment | 128.6 | 110.1 | +18.5 | +16.8% |
| TV dramas / TV movies / Series / Theatre | 154.6 | 156.0 | -1.4 | -0.9% |
| Sports (excl. one-off sporting events) | 47.7 | 51.7 | -4.0 | -7.7% |
| News | 61.3 | 56.4 | +4.9 | +8.7% |
| Movies | 54.2 | 40.7 | +13.5 | +33.2% |
| Youth | 8.3 | 8.7 | -0.4 | -4.6% |

CONSOLIDATED INCOME STATEMENT (1/2)

| €m | H1 2012 | H1 2011 | Var. €m | Var. % |
|--|----------------|----------------|-----------------|----------------|
| Consolidated revenue | 1,301.2 | 1,277.6 | +23.6 | +1.8% |
| Total programming costs | (476.5) | (423.6) | -52.9 | +12.5% |
| Total other charges | (640.3) | (610.6) | -29.7 | +4.9% |
| Depreciation and amortisation, provisions and impairment (net) | (50.5) | (56.9) | +6.4 | -11.2% |
| Current operating profit | 133.9 | 186.5 | -52.6 | -28.2 % |
| <i>Current operating margin</i> | 10.3% | 14.6% | -4.3 pts | |

CONSOLIDATED INCOME STATEMENT(2/2)

€m

| | H1 2012 | H1 2011 | Var. €m | Var. % |
|---|--------------|--------------|--------------|---------------|
| Operating profit | 133.9 | 186.5 | -52.6 | -28.2% |
| Cost of net debt | 0.0 | 0.2 | - 0.2 | ns |
| Other financial income and expenses | 5.7 | (1.0) | +6.7 | ns |
| Income tax expense | (43.9) | (53.1) | +9.2 | -17.3% |
| Share of profits / (losses) of associates | (0.1) | (11.6) | +11.5 | ns |
| Net profit | 95.6 | 121.0 | -25.4 | -21.0% |
| Net profit attributable to the Group | 93.5 | 118.6 | -25.1 | -21.2% |
| <i>Attributable to minority interests</i> | <i>2.1</i> | <i>2.4</i> | <i>-0.3</i> | <i>-12.5%</i> |

REVENUE CONTRIBUTIONS BY SEGMENT

| €m | H1 2012 | H1 2011 | Var. €m | Var. % |
|-----------------------------------|----------------|----------------|--------------|---------------|
| Broadcasting France | 1,045.4 | 1,052.2 | -6.8 | -0.6% |
| TF1 SA | 716.1 | 760.5 | -44.4 | -5.8% |
| Téléshopping | 56.5 | 54.1 | +2.4 | +4.4% |
| Thematic channels in France | 163.3 | 160.1 | +3.2 | +2.0% |
| TF1 Entreprises | 17.4 | 16.6 | +0.8 | +4.8% |
| In-house production companies | 11.1 | 11.6 | -0.5 | -4.3% |
| e-TF1 | 50.1 | 38.6 | +11.5 | +29.8% |
| Others | 30.9 | 10.7 | +20.2 | ns |
| Audiovisual Rights | 64.5 | 50.1 | +14.4 | +28.7% |
| Catalogue | 18.5 | 11.7 | +6.8 | +58.1% |
| TF1 Vidéo | 46.0 | 38.4 | +7.6 | +19.8% |
| Broadcasting International | 191.3 | 173.8 | +17.5 | +10.1% |
| Eurosport International | 191.3 | 173.8 | +17.5 | +10.1% |
| Other Activities | - | 1.5 | -1.5 | ns |
| SPS | - | 1.5 | -1.5 | ns |
| Total consolidated revenue | 1,301.2 | 1,277.6 | +23.6 | +1.8% |

OPERATING PROFIT CONTRIBUTIONS BY SEGMENT

| €m | H1 2012 | H1 2011 | Var. €m | Var. % |
|-----------------------------------|--------------|---------------|--------------|---------------|
| Broadcasting France | 102.1 | 181.0 | -78.9 | -43.6% |
| TF1 SA | 63.1 | 131.9 | -68.8 | -52.2% |
| Téléshopping | 7.0 | 1.0 | +6.0 | x7.0 |
| Thematic channels in France | 17.8 | 27.9 | -10.1 | -36.2% |
| TF1 Entreprises | 1.6 | 2.6 | -1.0 | -38.5% |
| In-house production companies | (2.0) | 2.0 | -4.0 | ns |
| e-TF1 | 9.3 | 3.1 | +6.2 | X3.0 |
| Others | 5.3 | 12.5 | -7.2 | -57.6% |
| Audiovisual Rights | 4.9 | (11.1) | +16.0 | ns |
| Catalogue | 3.6 | (10.1) | +13.7 | ns |
| TF1 Vidéo | 1.3 | (1.0) | +2.3 | ns |
| Broadcasting International | 26.9 | 27.6 | -0.7 | -2.5% |
| Eurosport International | 26.9 | 27.6 | -0.7 | -2.5% |
| Other Activities | - | (11.0) | +11.0 | ns |
| SPS | - | (11.0) | +11.0 | ns |
| Total operating profit | 133.9 | 186.5 | -52.6 | -28.2% |

CONSOLIDATED BALANCE SHEET

| ASSETS (€m) | 30/06/2012 | 31/12/2011 | Var. €m |
|--------------------------|----------------|----------------|--------------|
| Total non-current assets | 1,409.2 | 1,421.8 | -12.6 |
| Total current assets | 2,016.2 | 1,932.6 | +83.6 |
| Total assets | 3,425.4 | 3,354.4 | +71.0 |

| SHAREHOLDERS' EQUITY AND LIAB. (€m) | 30/06/12 | 31/12/11 | Var. €m |
|--|----------------|----------------|--------------|
| Shareholders equity | 1,561.1 | 1,587.2 | -26.1 |
| <i>of which shareholders' equity attributable to the Group</i> | <i>1,547.9</i> | <i>1,575.1</i> | <i>-27.2</i> |
| Non-current liabilities | 71.0 | 67.9 | +3.1 |
| Current liabilities | 1,793.3 | 1,699.3 | +94.0 |
| Total shareholders' equity and liabilities | 3,425.4 | 3,354.4 | +71.0 |
| Net cash (+) / Debt (-) | (91.7) | (40.6) | -51.1 |

CONSOLIDATED CASH FLOW STATEMENT

| €m | 30/06/12 | 30/06/11 | Var. M€ |
|---|----------------|----------------|--------------|
| Operating cash flow | 164.4 | 219.7 | -55.3 |
| Income taxes (paid)/reimbursed | (62.2) | (31.7) | -30.5 |
| Change in operating working capital needs | (5.9) | (56.2) | +50.3 |
| Net cash generated by/(used in) operating activities | 96.3 | 131.8 | -35.5 |
| Net cash generated by/(used in) investing activities | (28.3) | (14.7) | -13.6 |
| Net cash generated by/(used in) financing activities | (121.3) | (125.8) | +4.5 |
| Change in cash position | (53.3) | (8.7) | -44.6 |
| Cash position at beginning of period | (18.2) | 37.0 | -55.2 |
| Cash position at end of period | (71.5) | 28.3 | -99.8 |

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TELEVISION HAS ROBUST FUNDAMENTALS FOR THE FUTURE

- ▶ Television consumption has risen continuously in 2012
- ▶ Major live events continue to attract big audiences
- ▶ TV campaign performance confirmed
- ▶ Digital extends the TV offer and boosts its value

TELEVISION MORE THAN EVER IS AT THE HEART
OF THE BUSINESS ECOSYSTEM

NEW PARADIGM

- ▶ The economic environment has gradually and significantly deteriorated in 2012
- ▶ The competitive environment continues to change
 - 6 new DTT channels will be launched on 12 December 2012
 - Canal+ is set to make its entry in free-to-air TV

TF1 CONTINUES TO ADAPT

TF1 CONTINUES TO ADAPT ITS BUSINESS MODEL...

2008-2011

- ▶ Optimisation plan, phase 1: €155 m in recurring savings
 - reduced structural costs
 - optimised programming costs
- ▶ Rationalised diversifications
 - Surinvitation, Dogan, 1001 Listes, SPS, etc.
- ▶ Review of processes and organisation
 - Creation of Purchasing Department and DGAAN
- ▶ Group out of debt

2012-...

- ▶ Optimisation plan, phase 2, aimed at:
 - reducing payroll
 - increasing flexibility in producer contracts
 - reviewing stocks and potential sales
- ▶ Rationalised diversifications:
 - restructuration TF1 Vidéo
 - distribution partnership with Paramount
- ▶ Organisations and processes under review

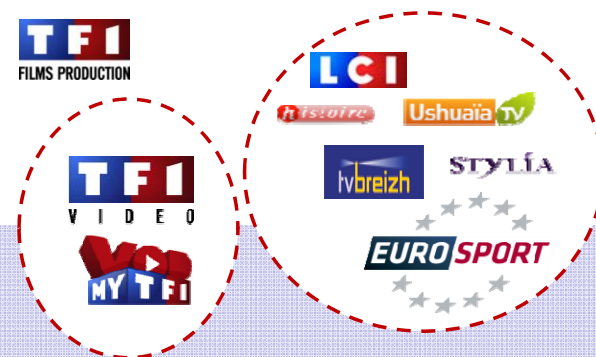
THE GOUP IS MORE MOBILISED THAN EVER

... WITHOUT NEGLECTING GROWTH OPPORTUNITIES

A STRONGER FREE-TO-AIR OFFER

CONTINUED DEVELOPMENT OF PAY OFFER

- Launch of HD1 in December 2012



DIGITAL, AT THE HEART OF OUR BUSINESSES

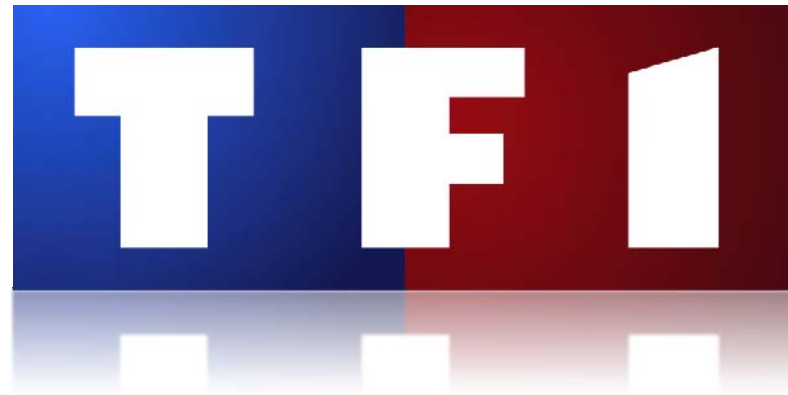


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