



**LE GROUPE**

# ANALYSTS PRESENTATION

19 FEBRUARY 2014

This presentation contains certain forward-looking statements based on current expectations, forecasts and assumptions that involve risks and uncertainties. These statements are based on information available to the Company as of the date hereof.

All forward-looking statements are TF1 management's present expectations of future events, beliefs, intentions or strategies 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.

# ACTIVITY IN 2013

# 2013: A DIFFICULT ENVIRONMENT

## UNFAVOURABLE ECONOMIC SITUATION

- ▶ HIGH UNEMPLOYMENT RATE
- ▶ LACKLUSTRE GDP
- ▶ SUBDUED HOUSEHOLD SPENDING

DECREASE IN  
ADVERTISING SPEND

## HEIGHTENED COMPETITION IN THE TELEVISION MARKET

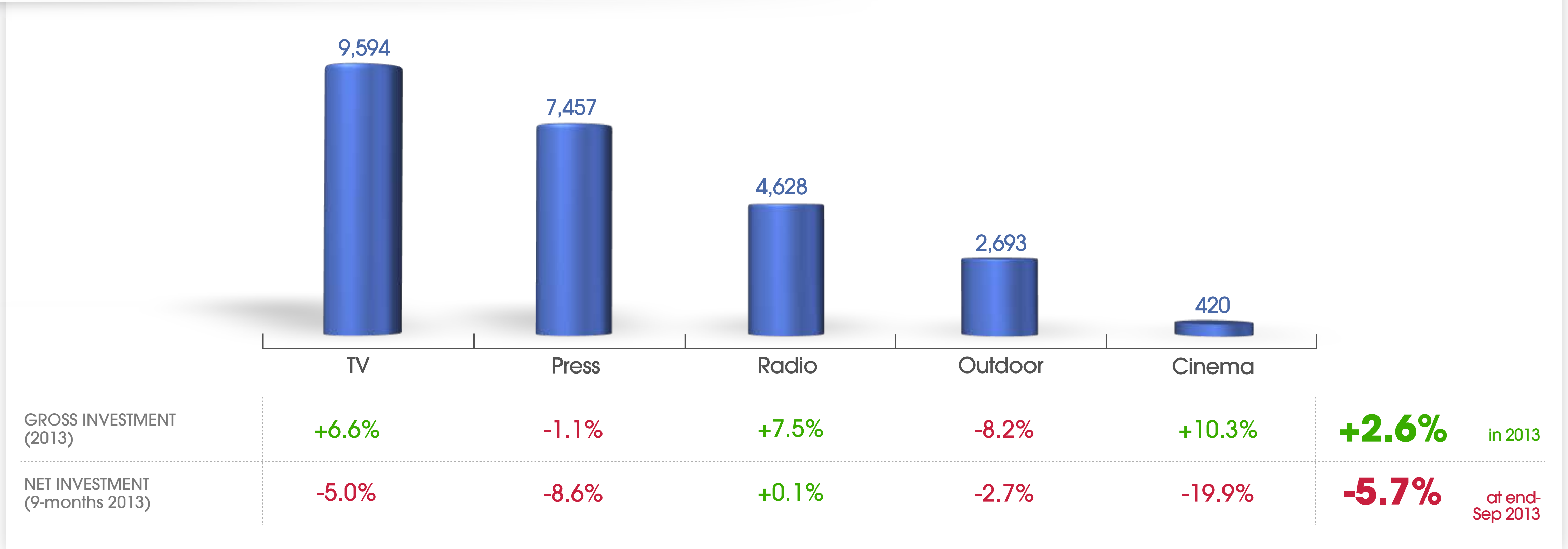
- ▶ 6 NEW CHANNELS
- ▶ MORE INTENSE COMPETITION
  - on ratings
  - on programme investments
  - continued competition in digital

PRESSURE ON  
PRICES

**NET TV ADVERTISING MARKET DOWN AN ESTIMATED - 4%**

# ADVERTISING MARKET UNDER PRESSURE IN 2013

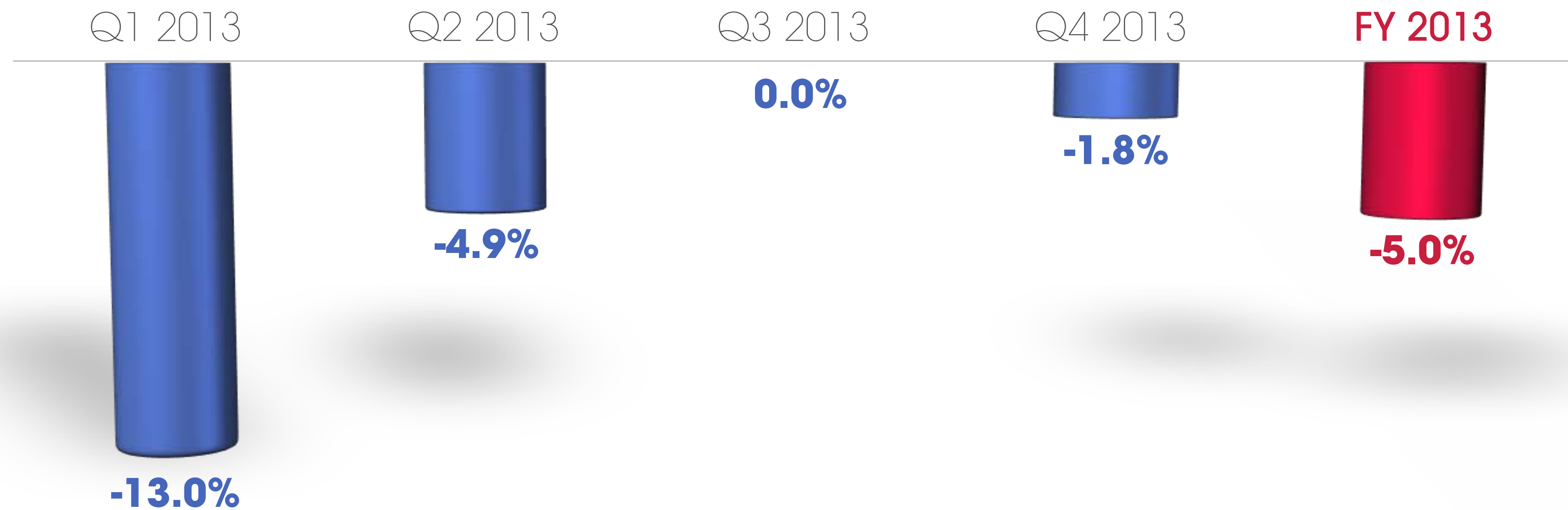
## GROSS PLURIMEDIA INVESTMENTS UP SLIGHTLY, BUT NET INVESTMENTS DOWN



## STRONG PRESSURE ON PRICES

# TF1 GROUP: TREND IN ADVERTISING ON FREE-TO-AIR CHANNELS

NET ADVERTISING REVENUE OF TF1, TMC, NT1 AND HD1 (y-o-y difference)



# RADIO: A SUCCESS

Découvrez le  
mur du son

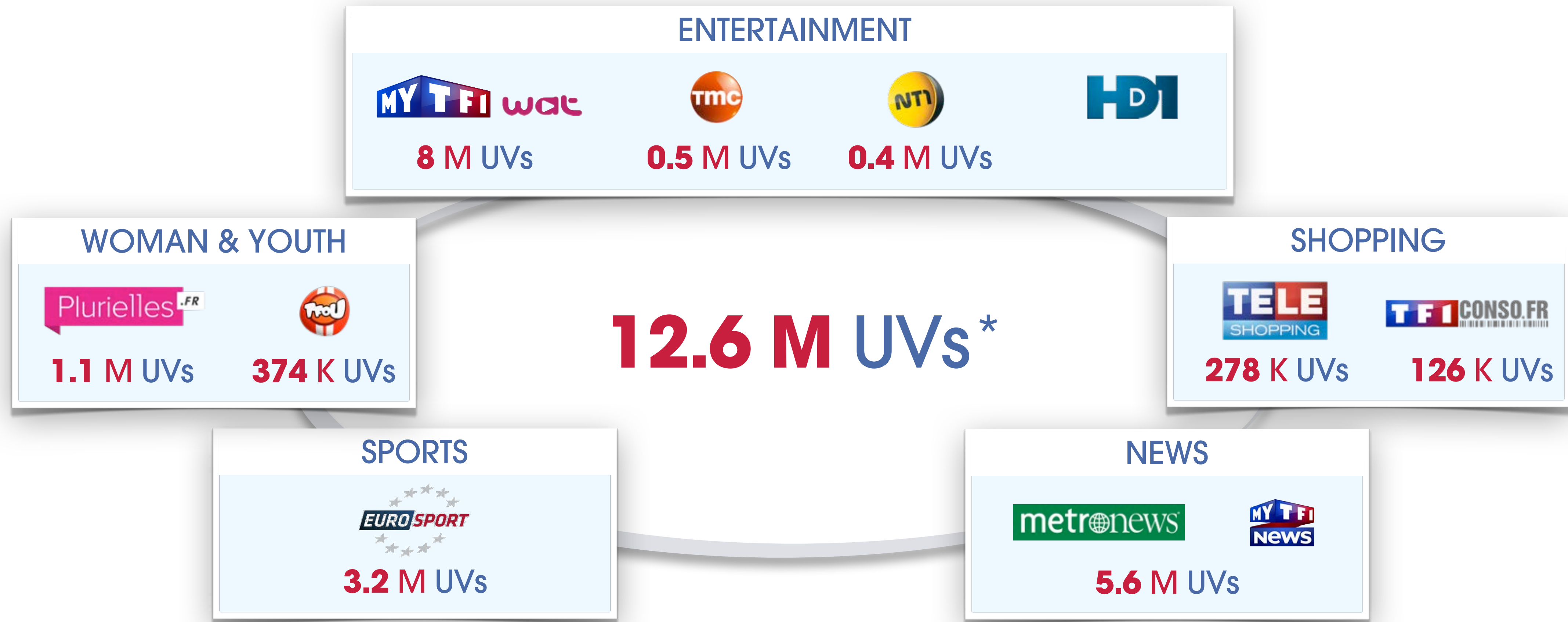


La bonne idée radio !



- ▶ *LES INDÉS RADIOS* : AN ALL-TIME RECORD
  - **126** stations in the EIG
  - First radio offering with over **8.5 million** listeners a day
  - Gross market share reaching **12.4%**, up 0.2pt
- ▶ ADVERTISING CONTRACT RENEWED UNTIL 2016
- ▶ SALES LAUNCH OF *LES INDÉS RADIOS* MOBILE AND TABLET APP
  
- ▶ FIRST FULL YEAR OF SELLING M FM RADIO

# DIVERSIFIED DIGITAL OFFERING



## GROWING ADVERTISING INVENTORY

\* Unique Visitor  
Source: Panel NNR, All connection locations, excluding web apps, France - Average 2013



# 2013: TF1 INITIATIVES PRODUCE RESULTS

**1**

CONSTRUCTION OF A LEADING TV OFFERING

**2**

CHANNELS BENEFITING OTHER MEDIA

**3**

GREAT SUCCESSES IN OTHER ACTIVITIES

**4**

MODEL CONTINUES TO BE ADAPTED

# 2013: TF1 INITIATIVES PRODUCE RESULTS

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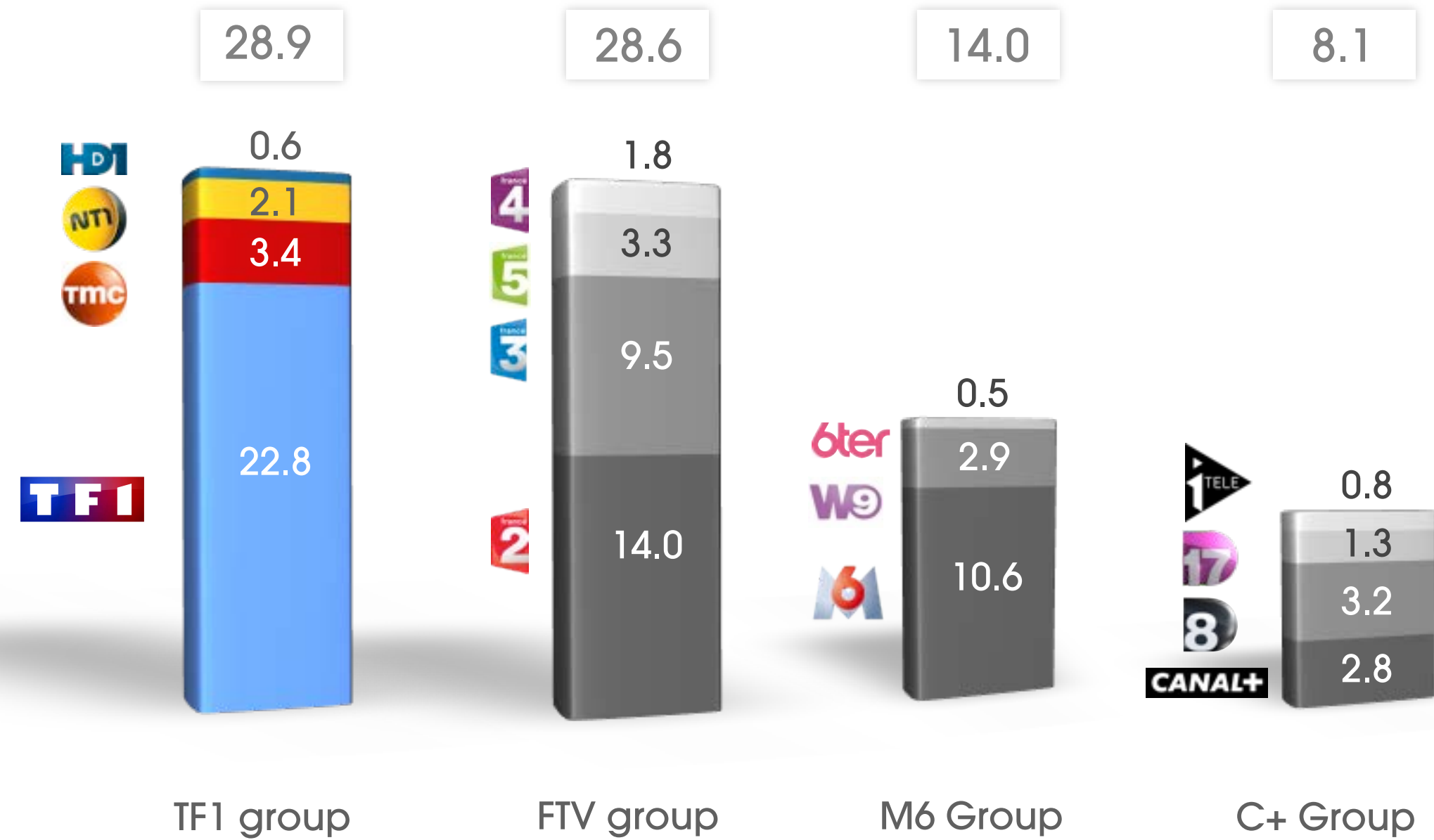
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# A LEADING OFFER

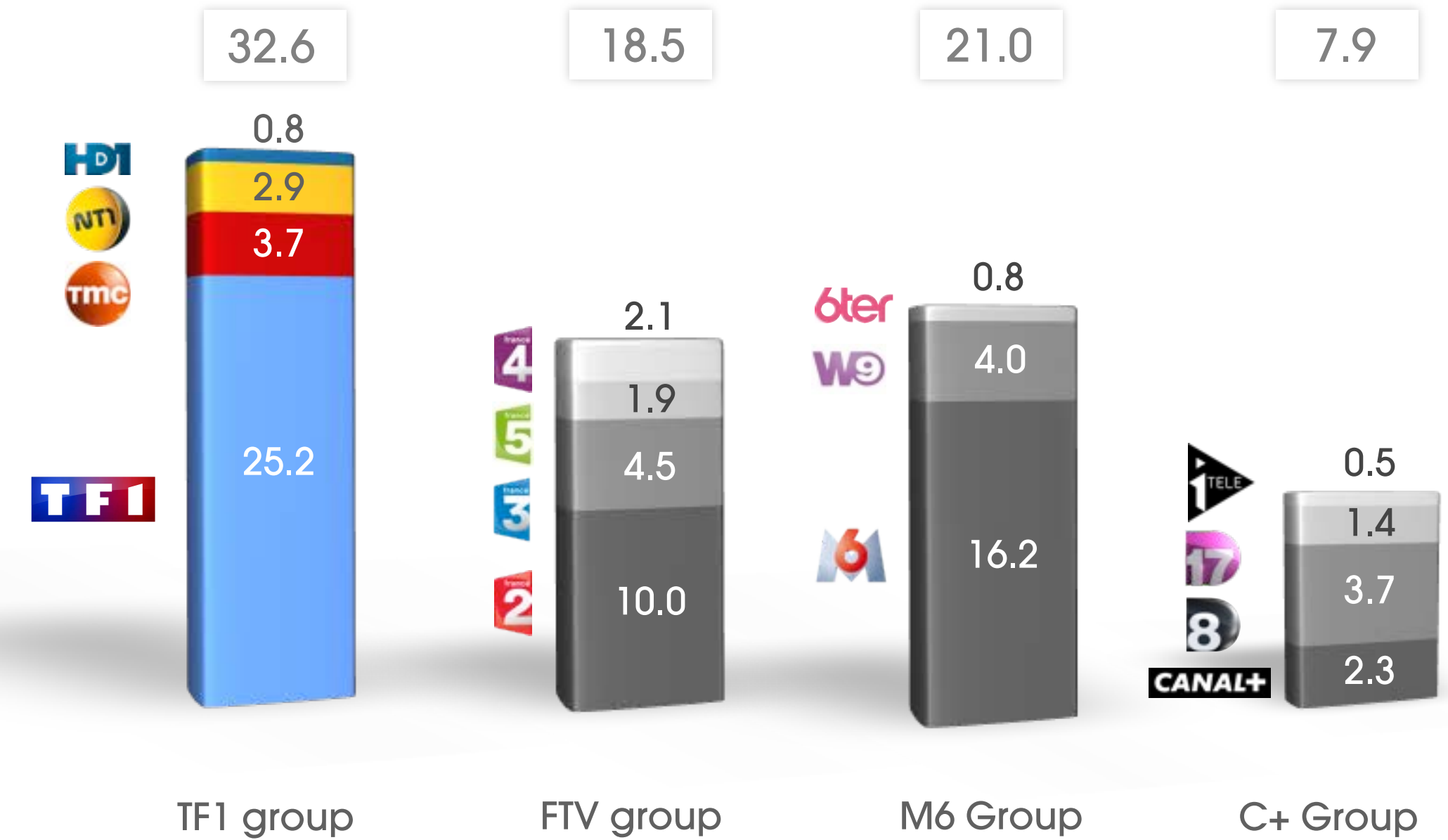
## AUDIENCE SHARE INDIVIDUALS 4 + (%)

DIFF. VS 2012 **+0.5pt** **-1.6pt** **-0.4pt** **+0.9pt**



## AUDIENCE SHARE WOMEN <50 PDM \* (%)

DIFF. VS 2012 **+0.4pt** **-2.4pt** **-0.2pt** **+1pt**

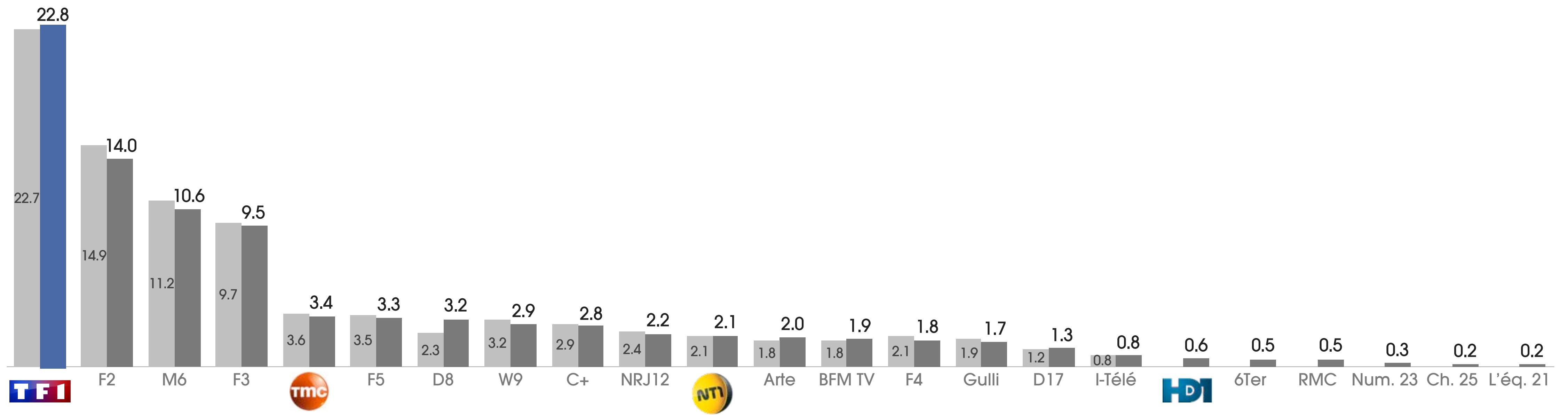


**TF1 GROUP: NO. 1 IN FRANCE**

# 2013: VOLATILITY IN AUDIENCE SHARES

DIFF. VS 2012    +0.1pt   -0.9pt   -0.6pt   -0.2pt   -0.2pt   -0.2pt   +0.9pt   -0.3pt   -0.1pt   -0.2pt   =   +0.2pt   +0.1pt   -0.3pt   -0.2pt   +0.1pt   =

IND 4 +



**TF1: THE ONLY LARGE HISTORICAL CHANNEL TO POST AN INCREASE**

# TF1: RECORDS IN ALL CATEGORIES

- ▶ Number of  programmes in the Top 100 of each category in 2013

**99** TV news

**94** US series

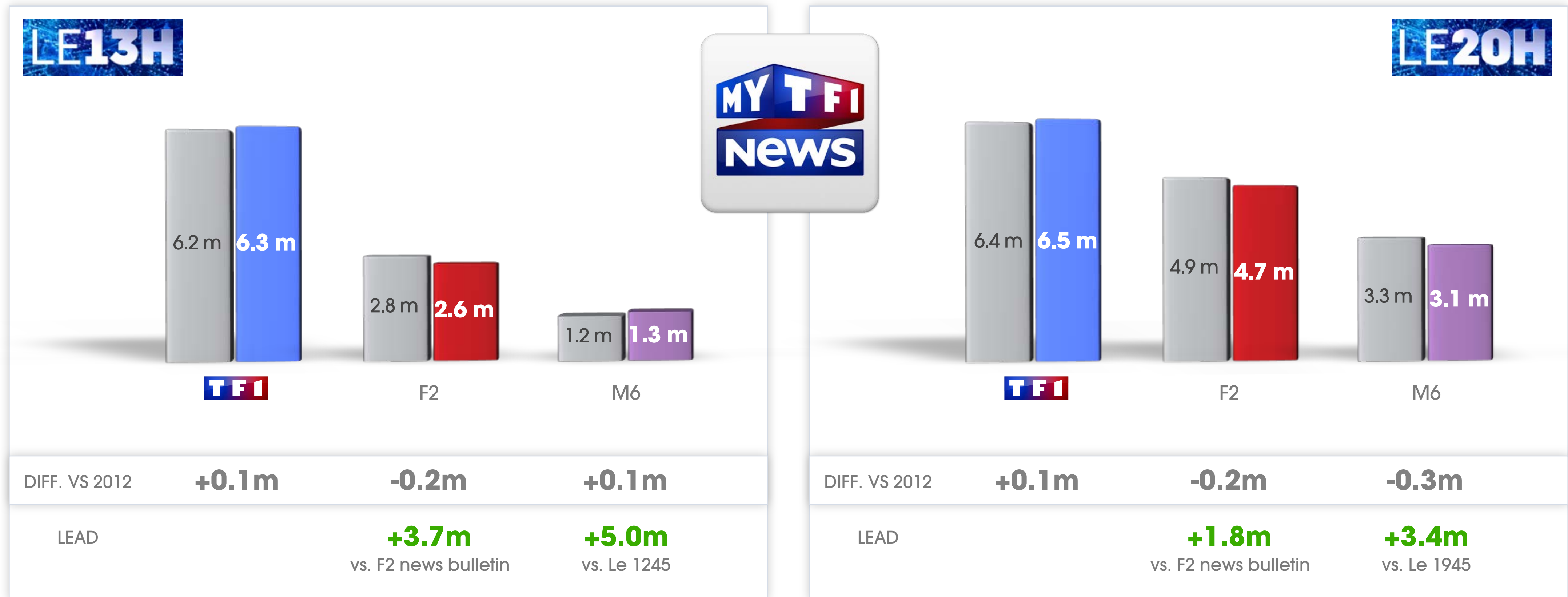
**87** French drama

**78** Entertainment and magazines

**57** Films

**AN OUTSTANDING PERFORMANCE: 99 OF THE TOP AUDIENCE RATINGS**

# NEWS: TF1 EXTENDS ITS LEAD



## RENEWED AND ENHANCED NEWS PROGRAMMES

# REVAMPED ACQUISITION STRATEGY

## SERIES & FILMS

- ▶ Contracts secured with US studios
- ▶ Successful new series & films launched in 2013

## NON-SCRIPTED PROGRAMMES

- ▶ New supply strategy
  - Volume deals dropped
  - Commitment only on exclusive programmes
  - Emergence of high value-added programmes  
(*The Voice, Danse avec les stars, Masterchef...*)



## FRENCH DRAMA

- ▶ Optimisation of production obligations
  - Work in new genres
  - Opening up to new slots
  - Unit prices renegotiated



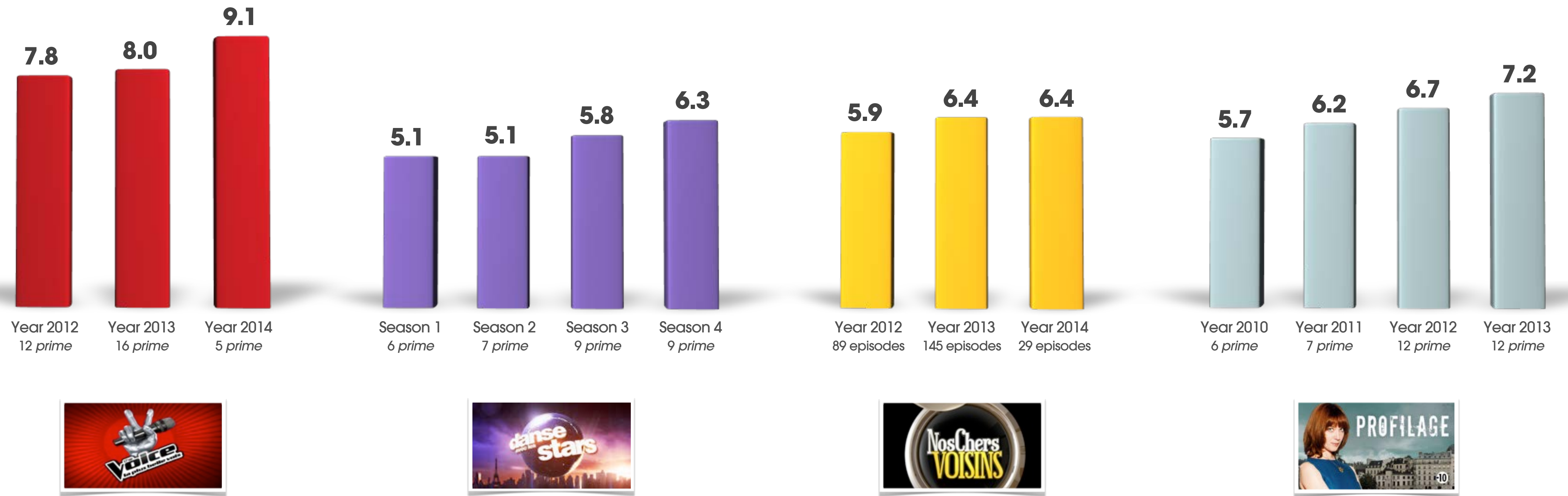
## SPORTS

- ▶ Greater selectivity
- ▶ Decrease in rights costs

ACQUISITIONS COMPLY WITH THE BALANCE BETWEEN AUDIENCE, COSTS AND REVENUE

# NEW SHOWS HAVE BECOME STRONG BRANDS

PERFORMANCE OF NEW SHOWS BY SEASON OR YEAR (millions of viewers)



**TF1: UNRIVALLED KNOW-HOW IN BRAND CREATION AND DEVELOPMENT**



# THE GROUP BUILDS A MULTI-CHANNEL OFFERING WITH A COMPLEMENTARY FIT



IND. 4 + / 15-59

Continue to offer the **best in all programme categories**, in line with our position as a **leading** brand



WOMEN 25-59

Maintain the **mini-mainstream** positioning based on “nostalgia” and “real life” to safeguard **DTT leadership** with individuals 4 and over



15-49 / 15-34

Strengthen positioning with **young adults** against DTT rivals.



25-49 / A+ \*

Continue **developing** the channel thanks to **original programming** that completes our offer

\* A+ = upper socio-professional category

- ▶ **800,000 viewers in prime time**  
and 500,000 viewers in second time  
No. 4 channel in France in the evening with Women <50 PDM

- ▶ **2.3 M viewers**  
THE HIGHEST RATINGS FOR A DTT CHANNEL IN 2013  
for the film *Despicable Me*

### CINEMA



**2.3 M** for *Despicable Me*

And the most successful film offering on DTT with an average 1.0m

### MAGAZINES



**1.4 M** viewers



Ratings have doubled since launch in access to **0.7 M** in December

### SPORT



**1.9 M** for the Confederations Cup match between Spain and Italy



### FRENCH SERIES



**Sous le soleil de St Tropez**  
TMC no. 4 channel with Women <50 PDM (with a 7% audience share)

and **Les mystères de l'amour** (a high of 800,000 viewers)



# GROWTH ON TARGETS IN LAST YEAR

- ▶ **+7% with Women <50 PDM, yet another increase** as has been the case every year since launch in 2005, to a 2.9% share of Women <50 PDM and a 3.0% share of 15-34 year-olds

- ▶ **500,000 viewers on average in prime time**  
300,000 viewers in second time  
25 programmes with over 1 M viewers

## ENTERTAINMENT



**1.3 M** viewers  
for the last episode of *Bachelor*

Record levels with Women <50 PDM  
in prime for NT1 (9% share)



No.4 channel with Women <50 PDM with  
children (6%). Monday evening.

## CINEMA



**1.5 M** for *X-Men : The Last Stand*  
Best rating for the channel in 2013

**1.4 M** for *The Transporter*, **1.2 M** for *G.I Joe*

## US SERIES



**Vampire diaries**  
no.3 channel with women 15-34

*The walking dead* : **0.4 M**  
in post-prime

*Dallas* : a high of **0.8 M**

- ▶ **No. 1 HD DTT channel with individuals**  
two-fold growth in 1 year
- ▶ **No. 1 HD DTT channels in prime time**  
141,000 prime-time viewers
- ▶ **494,000 viewers for the film, *The Italian Job***  
Best audience rating on HD DTT in 2013 (excl. sport)

## CINEMA



**494,000** viewers for *The Italian Job*  
No.1 HD DTT ratings (excl. sport)



**458,000** viewers  
for *Gladiator*



**435,000** viewers  
for *36 quai des orf vres*

## FRENCH DRAMA



A high of **313,000** viewers for *Julie Lescaut*  
Best drama show in 2013 on HD DTT



**300,000** viewers  
for *R.I.S.* and *Alice Nevers*

## US SERIES



A high of **228,000** viewers for *House*



*Gossip Girl* and  
*Brothers & Sisters*:  
up to **3%** share of  
Women <50 PDM

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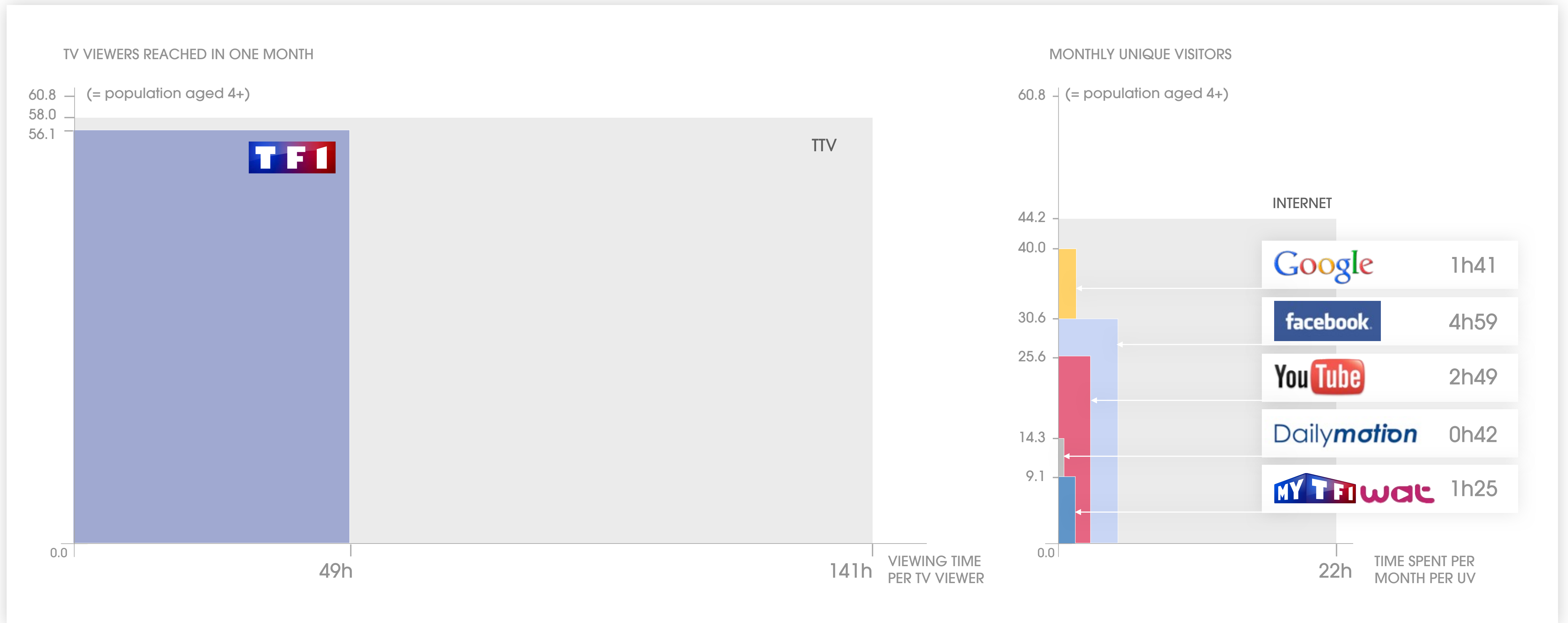
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MODEL CONTINUES TO BE ADAPTED

# TV IS THE No. 1 MEDIA IN FRANCE IN REACH AND USE



## TF1 LEADS MEDIA CONSUMPTION

Yearly averages for the whole year 2013 for TV values, and Nov.12 – Nov. 13 for Internet services (sources : Mediamétrie, Mediamat et NetRatings).  
 Fix panel for Google and Facebook, Video for YouTube, Dailymotion et TF1/Wat, excl. Mobile panel.  
 NB : Google = « brand » Google (search engine, Gmail, Google Maps, Google+, etc.), excl. YouTube.

# DIGITAL POWER ON EVERY SCREEN

## ▶ ORIGINAL MODEL, STRONG BRAND

**1.4 billion**

free online videos watched on TF1 group sites in 2013

**8 million**

unique visitors a month in 2013 for MYTF1.fr

**11 million**

IPTV equipped households



**9 millions**

downloads at end-December, all apps combined

**20 million**

subscribers to TF1 accounts and programmes through the social networks

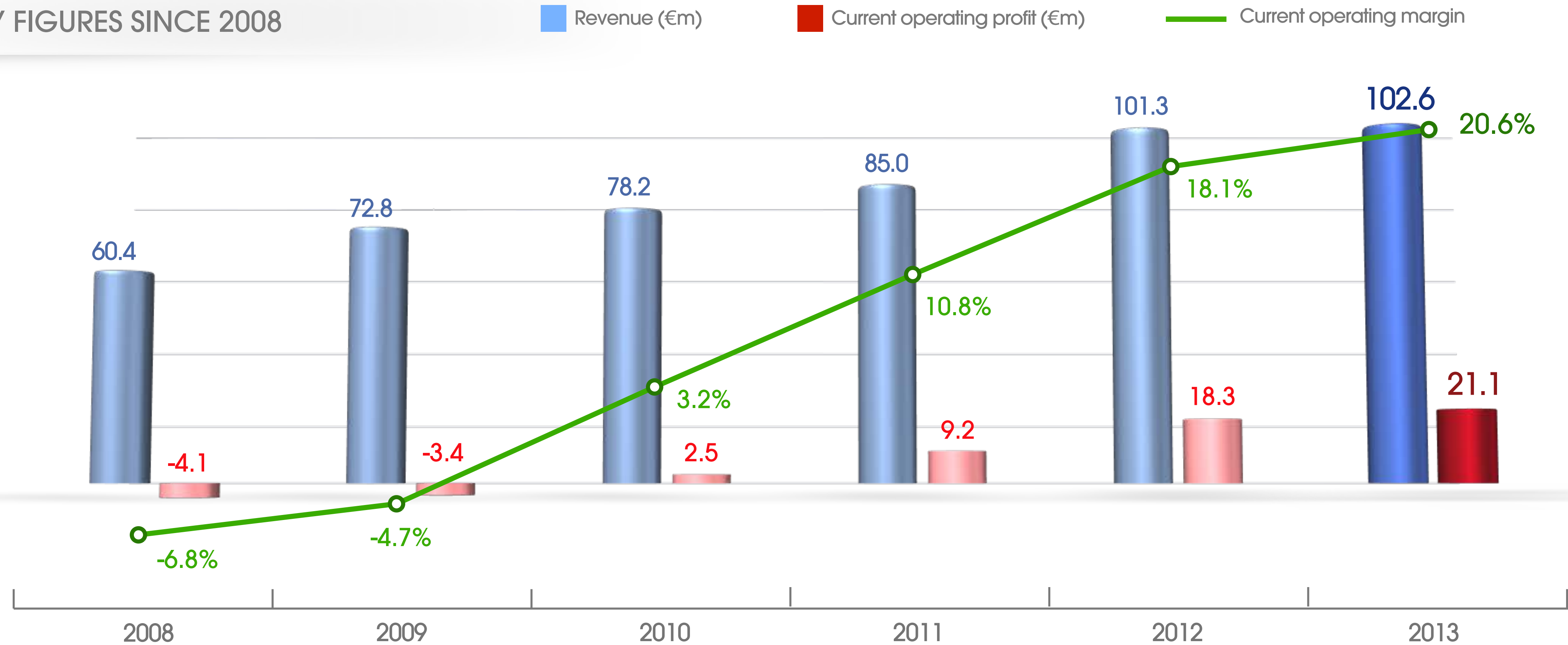
**42%**

share of voice of TV groups on Twitter

## TF1, THE BEST SOCIAL TV CHANNEL

# E-TF1 : A VIRTUOUS MODEL

E-TF1 KEY FIGURES SINCE 2008



**INNOVATIVE AND PROFITABLE DEVELOPMENTS**



# ROBUST PERFORMANCE BY CONTENT BUSINESS

## TF1 PRODUCTION

- ▶ 400 hours of programmes delivered to Group channels
- ▶ Strong increase in Entertainment business (*Splash*, *Petits Secrets entre Voisins*, etc.)
- ▶ Unfavourable comparison basis owing to Euro 2012
- ▶ Delivery of *Crossing Lines* series to TF1

## TF1 FILMS PRODUCTION

- ▶ 19 films released in theatres in 2013 (14 in 2012)...
- ▶ ...for a total box-office of 18.4 million
- ▶ 7 films topped the one-million mark

## TF1 DROITS AUDIOVISUELS

- ▶ 10 films released in theatres in 2013 (15 in 2012)
- ▶ *Les Profs*, best performance by a French film in 2013 (4.0m tickets)
- ▶ Catalogue: strong increase in sales of feature films and drama



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# CONSUMER SERVICES: A CONTRASTED YEAR



- ▶ Music: the number-one independent music label on the market
  - 5 albums in partnership or co-produced in the Top 10
- ▶ Shows: after Mozart, success of 1789, a TF1 co-production
- ▶ TF1Games / Dujardin: new games developed in-house
- ▶ A growing Exhibitions business line



- ▶ Disposal of Place des Tendances
- ▶ Opening of new Téléshopping points of sale
- ▶ Optimisation of customer IT systems

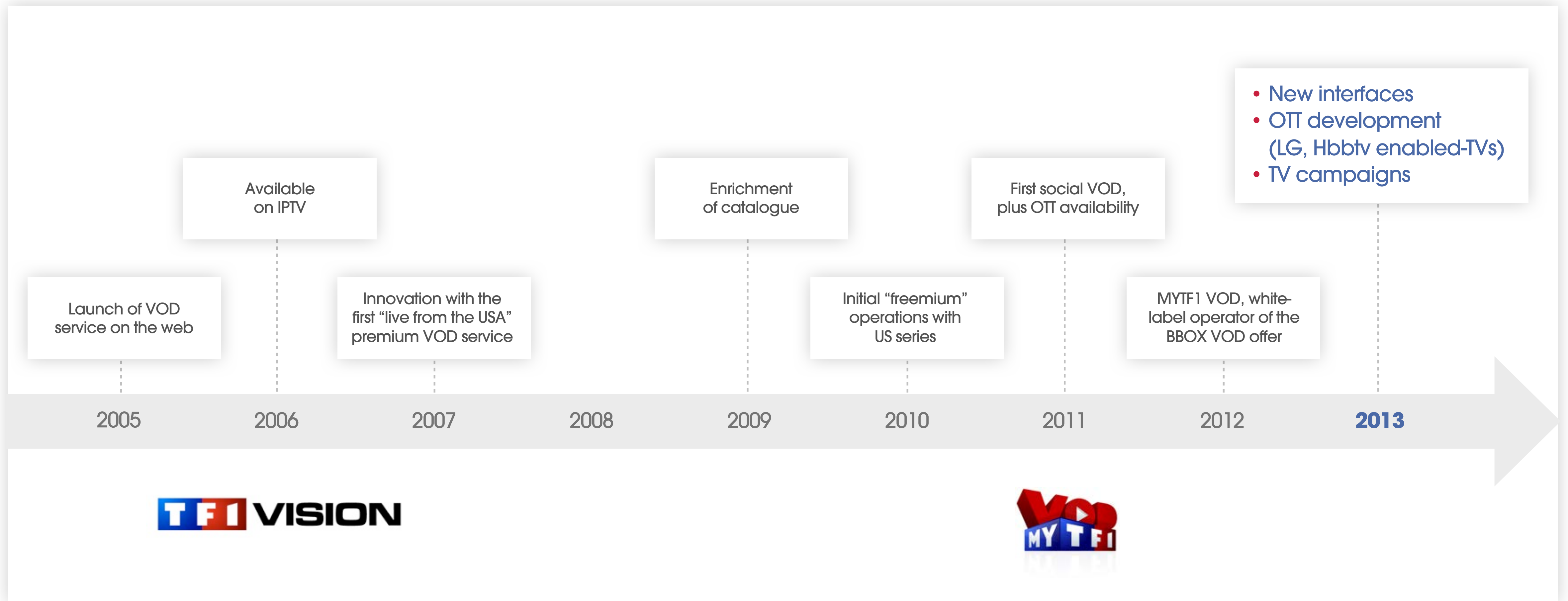


- ▶ Profitability maintained in a lacklustre market
  - Tighter line-up of DVD releases
  - Reorganisation completed and new distribution in place
- ▶ MYTF1VOD: growth of 21% in a contracting market



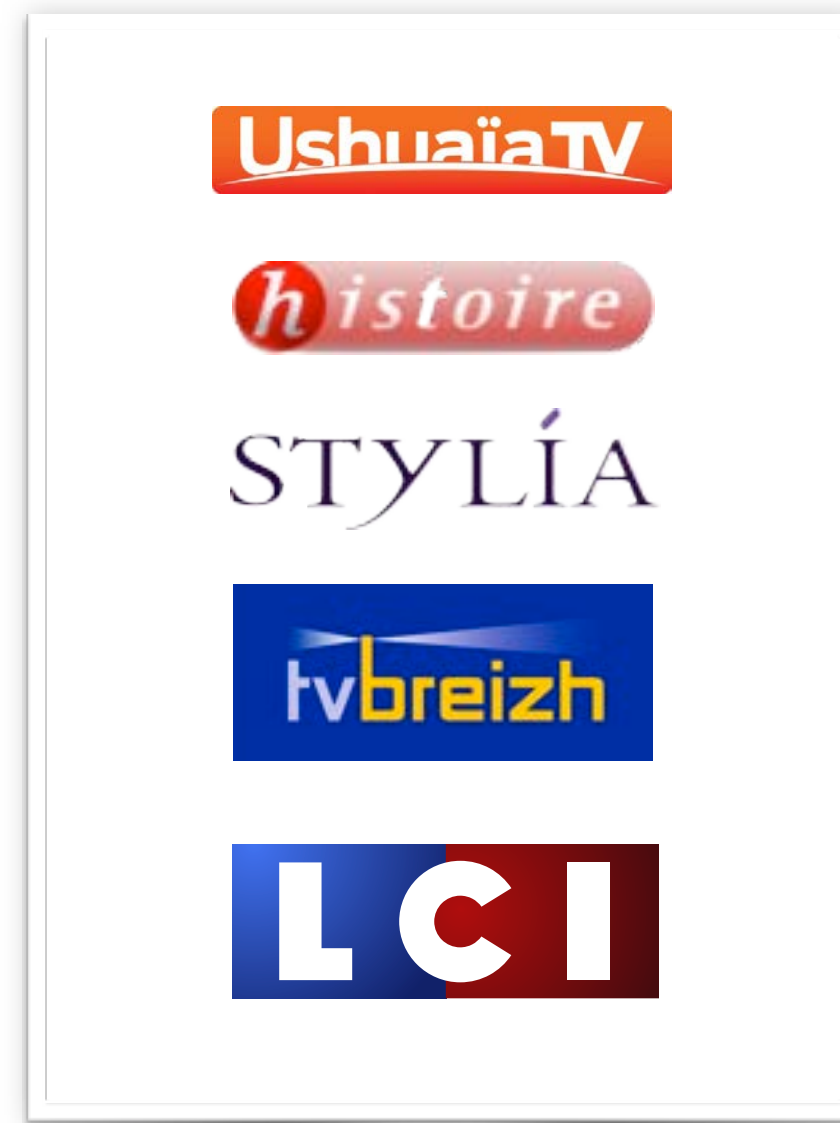
**GREAT BUSINESS SUCCESSES IN A TOUGH ECONOMIC ENVIRONMENT**

# MYTF1 VOD: STRONG GROWTH IN 2013



**A 21% Y-O-Y VOLUMES INCREASE FOR MYTF1 VOD SERVICE**

# PAY-TV CHANNELS IN FRANCE



## 2013 WAS A DIFFICULT YEAR FOR CABLE & SATELLITE CHANNELS IN FRANCE

- ▶ Aggregate audience share of 10.8% (down 4% on 2012)
- ▶ 6% drop in gross investments

## TF1 GROUP : STRONG AND RECOGNISED BRANDS

- ▶ LCI is reinventing itself, creating and developing new programmes and prestigious events (including Le Club LCI)
- ▶ TV Breizh has maintained its leadership
- ▶ The *Découverte* channels have maintained robust awareness and satisfaction levels

## REAL EFFORTS TO ADAPT

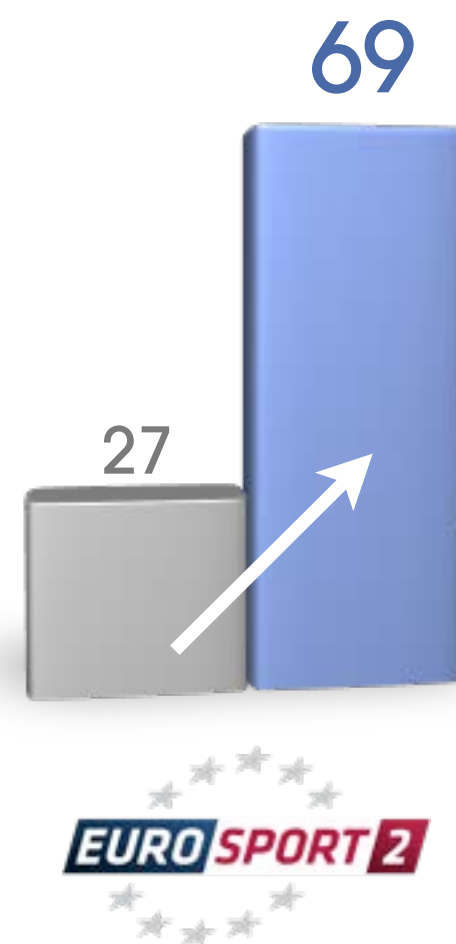
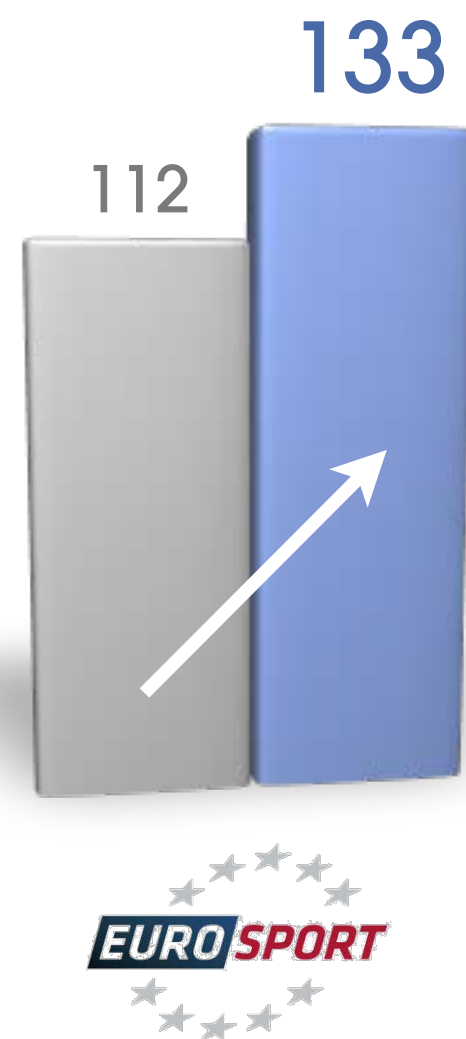
- ▶ Channels now broadcast from Boulogne
- ▶ Cost base optimised in reaction to drop in advertising revenue

## 2014: LCI AUTHORISED ON FREE-TO-AIR ?

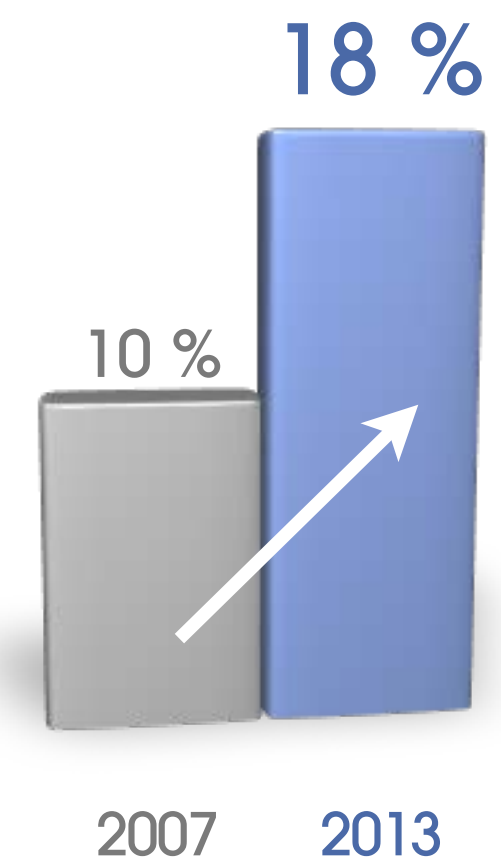
# EUROSPORT: A MODEL OF VALUE CREATION

NUMBER OF HOUSEHOLDS (in millions)

■ 2007 ■ 2013



CURRENT OPERATING MARGIN



AND AT END-2013

▶ 17 M APPS DOWNLOADED

▶ 23 M UNIQUE VISITORS A MONTH ON



**GROWTH SET TO CONTINUE THROUGH THE PARTNERSHIP WITH DISCOVERY**

### 3 KEY AREAS

#### DEVELOPMENT OF EUROSPORT BUSINESS

- ▶ 2013: rollout of common operational and organisational initiatives
- ▶ Early 2014 : Discovery becomes majority shareholder
- ▶ A value-creating move

#### DEVELOPMENT OF THE PUBLISHING BUSINESSES OF PAY-TV CHANNELS IN FRANCE

- ▶ Advertising for Discovery channels in France handled by TF1 Publicité
- ▶ Preparations for upcoming negotiations on distribution contracts in France

#### DEVELOPMENT OF PRODUCTION BUSINESSES

- ▶ Expertise and skills shared with TF1 Production
- ▶ Several programme projects under development

**PARTNERSHIP GAINS SPEED**

# CSR: TF1 GIVES BROAD VISIBILITY TO ASSOCIATIONS

## SOLIDARITY ACTIONS

- 38 million euros given to 131 organisations
- Donations in kind or cash
- 248 associations have been quoted in news bulletins

## VOLUNTEER PROGRAMS FOR EMPLOYEES

- Fight for literacy with B'A'ba Solidarity Employees
- Short film productions to fight prejudice against people with disability

## THE TF1 GROUP RECEIVED THE RESPONSIBLE SUPPLIER RELATIONS LABEL ON 27 JANUARY 2014

- First time this label has been given to a Media company
- The label is awarded by France's inter-company mediation body, Médiation Interentreprises and the Purchasing Managers' Association

## A COMMITTED GROUP



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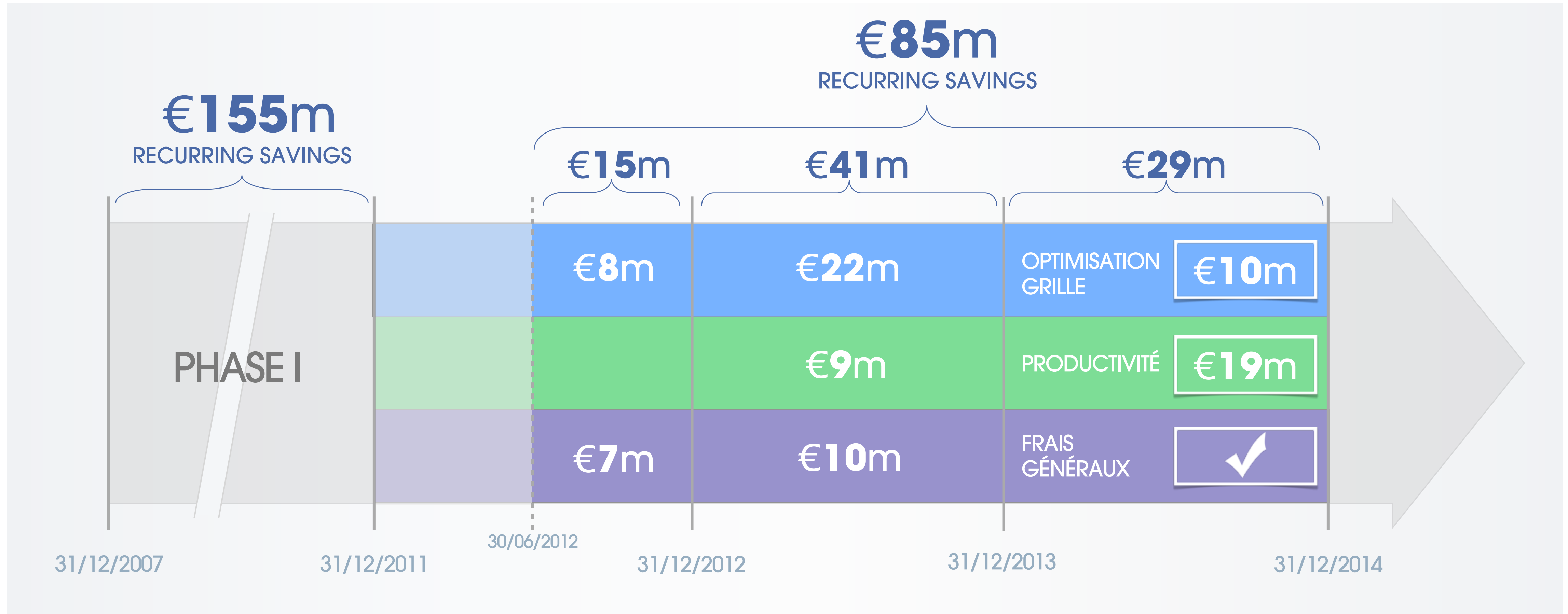
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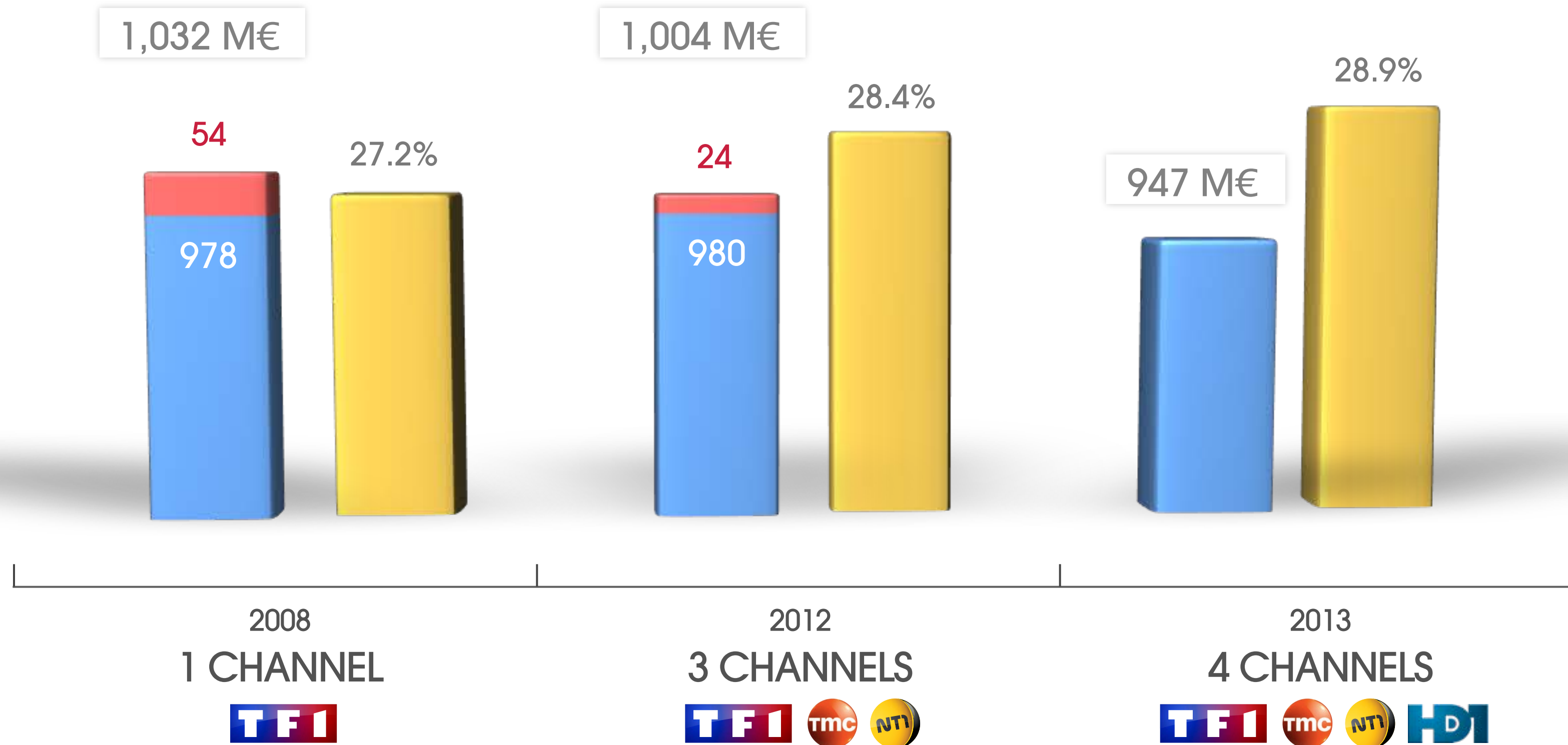
# TF1 GROUP: ADAPTATION IS THE KEYWORD



**PHASE II IS GOING ON AS PLANNED**

# AUDIENCES UP, COSTS DOWN

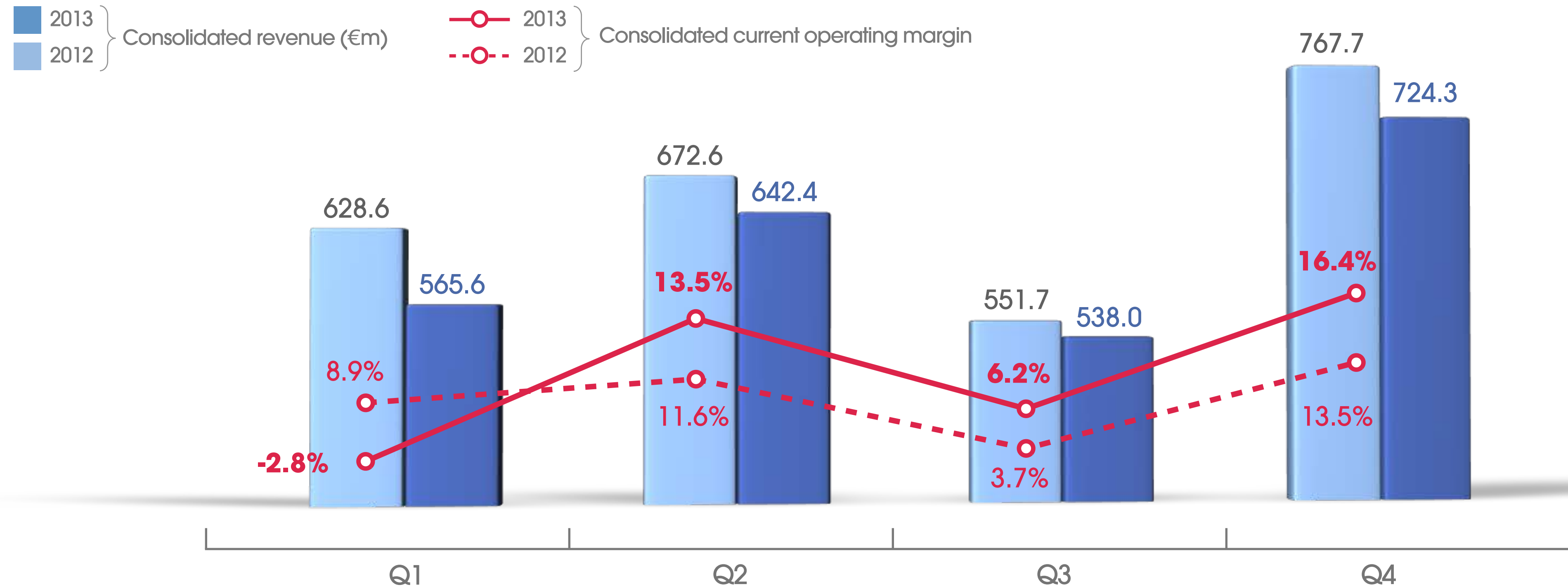
■ For 2008: programming cost excluding sports events on TF1 channel - For 2012 & 2013: cost of programmes excluding sports events on the four channels (TF1 + TMC + NT1 + HD1)  
■ Sports events ■ For 2008: TF1 channel audience share (Individuals aged 4+) - For 2012 & 2013: Group audience share (Individuals 4+)



# 2013 FINANCIAL STATEMENTS

# QUARTERLY KEY FIGURES

## CONSOLIDATED REVENUE AND CURRENT OPERATING MARGIN EVOLUTION



**A YEAR PENALISED BY THE FIRST QUARTER**

# CONSOLIDATED REVENUE EVOLUTION

€m	2013	2012	Var. €m	Var. (%)
<b>BROADCASTING &amp; CONTENT</b>	<b>1,725.6</b>	<b>1,809.3</b>	<b>(83.7)</b>	<b>-4.6%</b>
Broadcasting	1,654.9	1,737.8	(82.9)	-4.8%
Content	70.7	71.5	(0.8)	-1.1%
<b>CONSUMER PRODUCTS</b>	<b>205.1</b>	<b>240.3</b>	<b>(35.2)</b>	<b>-14.6%</b>
TF1 Vidéo	58.0	84.1	(26.1)	-31.0%
Téléshopping	85.5	99.3	(13.8)	-13.9%
TF1 Entreprises	61.6	56.9	+4.7	+8.3%
<b>PAY TV</b>	<b>530.7</b>	<b>562.7</b>	<b>(32.0)</b>	<b>-5.7%</b>
Eurosport group *	452.9	475.1	(22.2)	-4.7%
Themes channels in France	77.8	87.6	(9.8)	-11.2%
<b>HOLDING AND OTHERS</b>	<b>8.9</b>	<b>8.3</b>	<b>+0.6</b>	<b>+7.2%</b>
<b>TOTAL REVENUE</b>	<b>2,470.3</b>	<b>2,620.6</b>	<b>(150.3)</b>	<b>-5.7%</b>
* o/w Eurosport International	385.8	406.0	(20.2)	-5.0%

# ÉVOLUTION DU CHIFFRE D'AFFAIRES PUBLICITAIRE

€m	2013	2012	Var. €m	Var. (%)
<b>AD. REVENUE - BROADCASTING &amp; CONTENT</b>	<b>1,571.3</b>	<b>1,649.7</b>	<b>(78.4)</b>	<b>-4.8%</b>
o/w TV	1,487.6	1,566.0	(78.4)	-5.0%
o/w Other platforms	83.7	83.7	=	=
<b>AD. REVENUE - PAY-TV</b>	<b>107.7</b>	<b>125.8</b>	<b>(18.1)</b>	<b>-14.4%</b>
o/w Eurosport group *	90.2	98.6	(8.4)	-8.5%
o/w Theme channels in France	17.5	27.2	(9.7)	-35.7%
<b>GROUP ADVERTISING REVENUE</b>	<b>1,679.0</b>	<b>1,775.5</b>	<b>(96.5)</b>	<b>-5.4%</b>
* o/w Eurosport International	81.2	88.8	(7.6)	-8.6%

# COSTS OF PROGRAMMES EVOLUTION

€m	2013	2012	Var. M€	Var. (%)
<b>TOTAL COST OF PROGRAMMES</b>	<b>946.7</b>	<b>1,004.4</b>	<b>(57.7)</b>	<b>-5.7%</b>
One-off sporting events	-	24.2	(24.2)	ns
<b>TOTAL COST OF PROGRAMMES EXCL. ONE-OFF SPORTING EVENTS</b>	<b>946.7</b>	<b>980.2</b>	<b>(33.5)</b>	<b>-3.4%</b>
Entertainment	285.1	294.3	(9.2)	-3.1%
TV dramas / TV movies / Series / Theatre	321.9	312.7	+9.2	+2.9%
Sports (excl.one-off sporting events)	60.4	101.0	(40.6)	-40.2%
News	100.8	107.6	(6.8)	-6.3%
Movies	161.8	148.1	+13.7	+9.3%
Youth	16.7	16.5	+0.2	+1.2%



# CONSOLIDATED INCOME STATEMENT(1 / 2)

€m	2013	2012	Var. €m	Var. (%)
<b>CONSOLIDATED REVENUE</b>	<b>2,470.3</b>	<b>2,620.6</b>	<b>(150.3)</b>	<b>-5.7%</b>
Total costs of programmes	(946.7)	(1,004.4)	+57.7	-5.7%
Total other charges, depreciation, Amortisation, provision and impairment (net)	(1,300.5)	(1,358.1) *	+57.6	-4.2%
<b>CURRENT OPERATING PROFIT</b> CURRENT OPERATING MARGIN	<b>223.1</b> 9.0 %	<b>258.1</b> * 9.8 %	<b>(35.0)</b> - 0.8 pt	<b>-13.6%</b>
Other operating income and expenses	-	(47.7)	+47.7	ns
<b>OPERATING PROFIT</b>	<b>223.1</b>	<b>210.4</b> *	<b>+12.7</b>	<b>+6.0%</b>

\* Includes a gain of €27.1m relating to a successful claim for reimbursement of CNC taxes

# CURRENT OPERATING PROFIT BREAKDOWN

€m	2013	2012	Var. M€	Var. (%)
<b>BROADCASTING &amp; CONTENT</b>	<b>101.6</b>	<b>160.1**</b>	<b>(58.5)</b>	<b>-36.5%</b>
Broadcasting	92.8	154.9**	(62.1)	-40.1%
Content	8.8	5.2	+3.6	+69.2%
<b>CONSUMER PRODUCTS</b>	<b>25.3</b>	<b>18.0</b>	<b>+7.3</b>	<b>+40.6%</b>
TF1 Vidéo	0.8	0.3	+0.5	ns
Téléshopping	14.2	6.8	+7.4	ns
TF1 Entreprises	10.3	10.9	(0.6)	-5.5%
<b>PAY TV</b>	<b>79.5</b>	<b>64.3</b>	<b>+15.2</b>	<b>+23.6%</b>
Eurosport Group *	81.8	63.6	+18.2	+28.6%
Themes channels in France	(2.3)	0.7	(3.0)	ns
<b>HOLDING AND OTHERS</b>	<b>16.7</b>	<b>15.7</b>	<b>+1.0</b>	<b>+6.4%</b>
<b>TOTAL CURRENT OP. PROFIT</b>	<b>223.1</b>	<b>258.1**</b>	<b>(35.0)</b>	<b>-13.6%</b>
* o/w Eurosport International	76.6	57.8	+18.8	+32.5%

\*\* Includes a gain of €27.1m relating to a successful claim for reimbursement of CNC taxes

# CONSOLIDATED INCOME STATEMENT(2/2)

€m	2013	2012	Var. €m	Var. (%)
<b>OPERATING PROFIT</b>	<b>223.1</b>	<b>210.4*</b>	<b>+12.7</b>	<b>+6.0%</b>
Cost of net debt	0.4	-	+0.4	ns
Other financial income and expenses	0.8	5.8	(5.0)	ns
Income tax expense	(73.4)	(70.5)	(2.9)	+4.1%
Share of profits / (losses) of associates	0.8	(6.4)	+7.2	ns
<b>NET PROFIT</b>	<b>151.7</b>	<b>139.3</b>	<b>+12.4</b>	<b>+8.9%</b>
<b>NET PROFIT ATTRIBUTABLE TO THE GROUP</b>	<b>137.0</b>	<b>136.0</b>	<b>+1.0</b>	<b>+0.7%</b>
ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	14.7	3.3	+11.4	ns

\* Includes a gain of €27.1m relating to a successful claim for reimbursement of CNC taxes

# CONSOLIDATED BALANCE SHEET

<b>ASSETS (€m)</b>	<b>31 DEC. 13</b>	<b>31 DEC. 12</b>	<b>Var. €m</b>
Total non-current assets	1,307.5	1,408.4	(100.9)
Total current assets	2,222.3	2,209.4	+12.9
<b>TOTAL ASSETS</b>	<b>3,529.8</b>	<b>3,617.8</b>	<b>(88.0)</b>
NET CASH(+) / NET DEBT (-)	255.5	236.3	+19.2

<b>SHAREHOLDERS' EQUITY AND LIAB. (€m)</b>	<b>31 DEC. 13</b>	<b>31 DEC. 12</b>	<b>Var. €m</b>
Shareholders' equity	1,841.9	1,801.8	+40.1
o/w shareholders' equity attributable to the Group	1,711.4	1,684.8	+26.6
Non-current liabilities	54.4	62.7	(8.3)
Current liabilities	1,633.5	1,753.3	(119.8)
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>3,529.8</b>	<b>3,617.8</b>	<b>(88.0)</b>

# CONSOLIDATED CASH FLOW STATEMENT

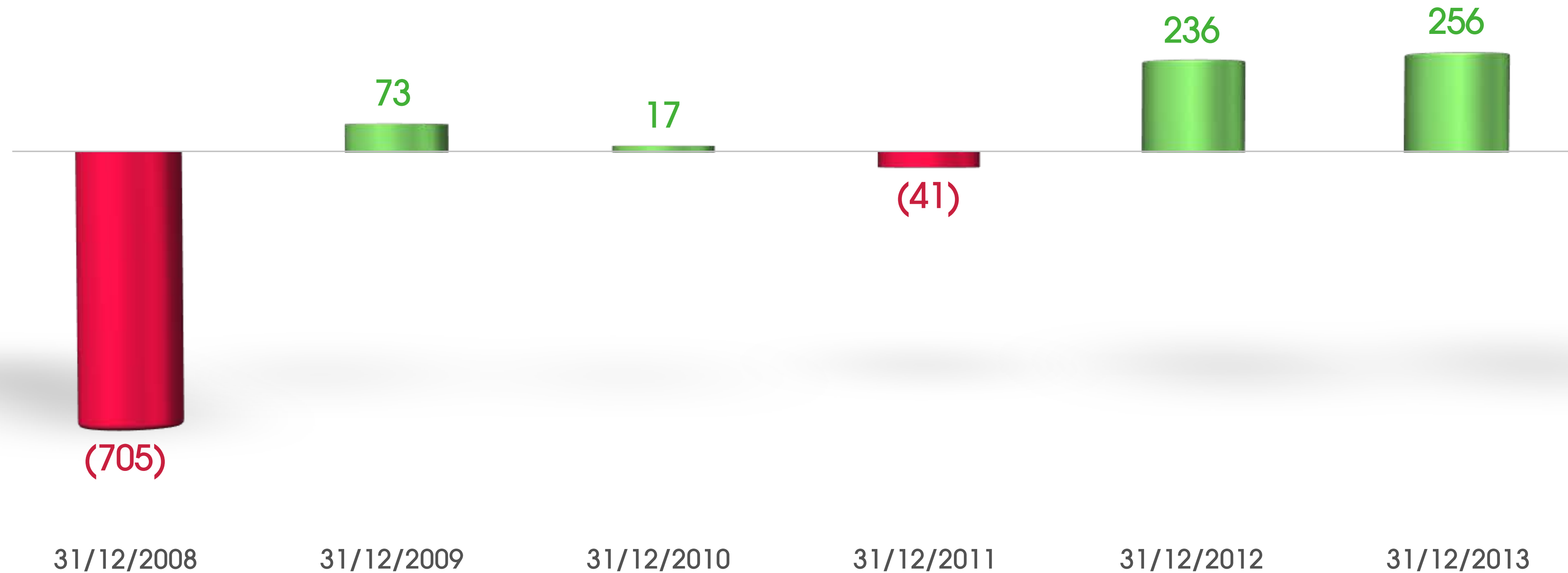
€m	2013	2012	Var. €m
Operating cash flow	260.8	277.0	(16.2)
Income taxes paid	(65.0)	(102.1)	+37.1
Change in operating working capital needs	(76.6)	87.6	(164.2)
<b>Net cash generated by/(used in) operating activities</b>	<b>119.2</b>	<b>262.5</b>	<b>(143.3)</b>
Net cash generated by/(used in) investing activities	6.2	(58.6)	+64.8
Net cash generated by/(used in) financing activities	(119.4)	68.7	(188.1)
<b>CHANGE IN CASH POSITION</b>	<b>6.0</b>	<b>272.6</b>	<b>(266.6)</b>
<b>CASH POSITION AT BEGINNING OF PERIOD</b>	<b>254.4</b>	<b>(18.2)</b>	<b>+272.6</b>
<b>CASH POSITION AT END OF PERIOD</b>	<b>260.4</b>	<b>254.4</b>	<b>+6.0</b>

# VERY STRONG FINANCIAL SITUATION

EN €m

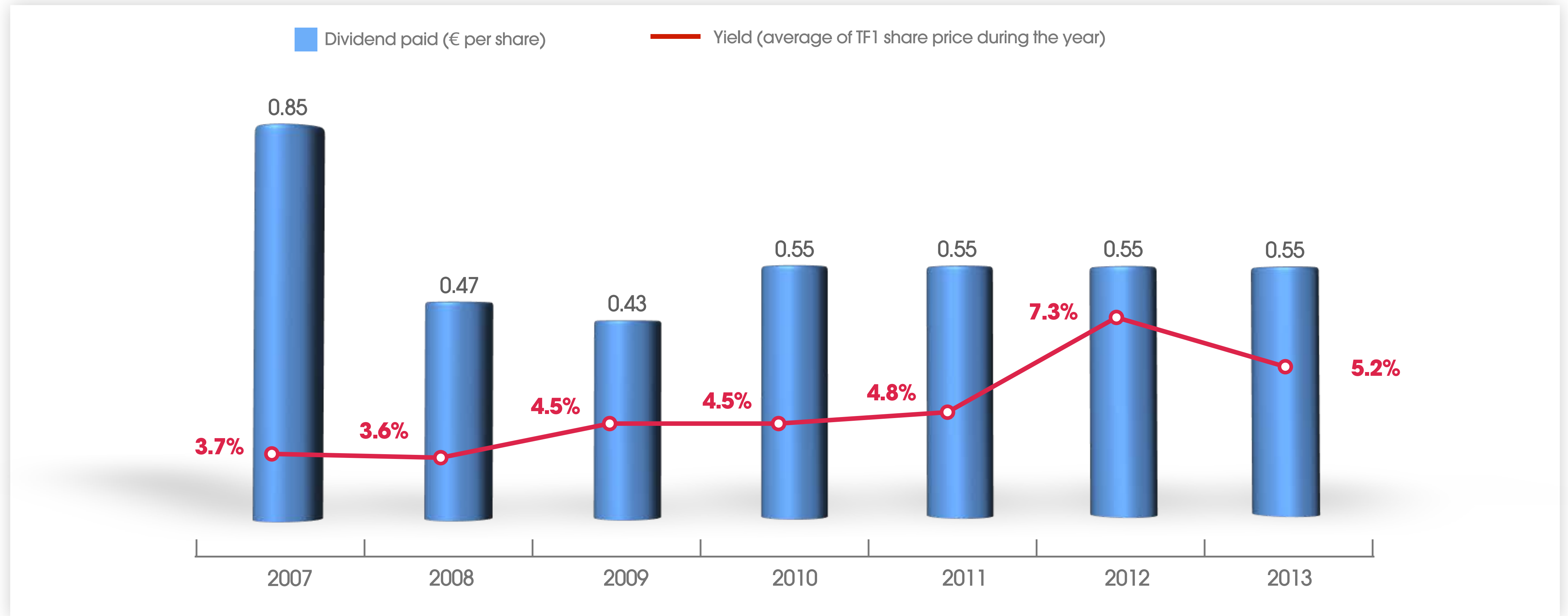
Net cash

(Net Debt)



**PRAGMATIC CASH MANAGEMENT**

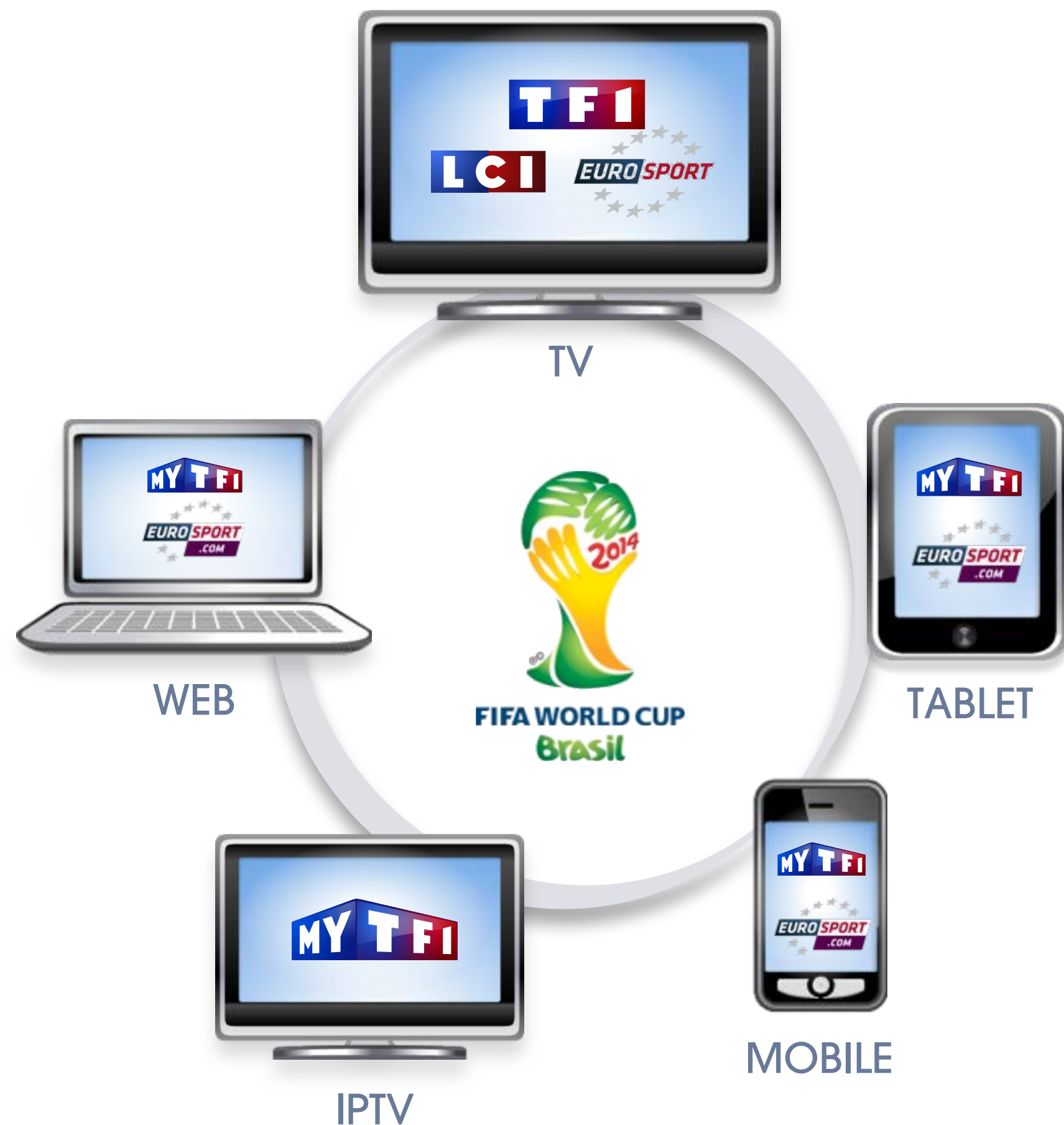
# DIVIDEND PROPOSED TO 17 APRIL 2014 ANNUAL GENERAL MEETING



# OUTLOOK



# 2014 FOOTBALL WORLD CUP



## CHANNELS READY TO GO INTO ACTION

- ▶ Main matches live on TF1
- ▶ Dedicated magazines on TF1 and LCI
- ▶ Special editions in TF1 News bulletins
- ▶ A daily show on Eurosport with a permanent studio in Rio

## A COMPLETE 360 DIGITAL OFFER

- ▶ A multi-screen video offer by MYTF1 : best matches live, in catch-up and in video summaries on MYTF1
- ▶ Eurosport's expertise : articles, analysis and opinions, interviews, statistics, etc.
- ▶ A dedicated digital magazine : MY TELEFOOT

## AN UNPRECEDENTED 2ND SCREEN PRESENCE WITH

- ▶ A LIVE MULTI-STREAM: Live control by choosing among 6 available cameras
- ▶ A MULTI-ANGLE NEAR-LIVE REPLAY: the best actions of the match can be seen just after they happen and from different angles
- ▶ AN INTERACTIVE GAME THAT CAN BE PLAYED 24/7 and during live matches to share the collective experience in the competition



# 2014: A CHALLENGING YEAR

## AN ATYPICAL YEAR

- ▶ Major events that are difficult to make profitable due to a still uncertain context
  - Local elections
  - Commemorations
  - Football World Cup

## A YEAR OF TRANSITION

- ▶ Final year of commitments made to the Competition Authority regarding TMC/NT1
- ▶ Completion of phase II of the optimisation plan (€29m of recurrent savings to be made in 2014)
- ▶ Increase of Discovery's stake in Eurosport International
- ▶ LCI to switch to free-to-air ?

## A CLEAR ROADMAP

- ▶ Make our multi-channel offer a must-have on the market
- ▶ Reinforce our digital offer
- ▶ Roll-out a relevant commercial offer
- ▶ Focus on development and growth

**2014 LAY THE FOUNDATIONS FOR THE FUTURE DEVELOPMENT OF TF1 GROUP**

# A CLEAR STRATEGY

**1**

FULLY AWARE OF THE CHALLENGES

**2**

FREED FROM SEVERAL CONSTRAINT

**3**

STRENGTHENED BY NEW RESOURCES

**4**

READY TO SEIZE AND CREATE NEW OPPORTUNITES

THE GROUP WILL  
KEEP IMPROVING ITS  
BUSINESS, ITS MODEL  
AND ITS PROFITABILITY

# CHALLENGES ARE CLEARLY UNDERSTOOD

- ▶ An uncertain and sluggish economic environment
- ▶ A highly competitive sector
- ▶ A restrictive regulatory landscape
- ▶ New sector players in September ?

**A WELL-IDENTIFIED PLAYING FIELD**

- ▶ Channels with complementary editorial lines
- ▶ Well on-track digital activities
  
- ▶ Streamlined activities and organisations
- ▶ €240m of recurrent savings to be made before end-2014
  
- ▶ Flexibility regarding audiovisual rights (end of volume-deals)
- ▶ Sports rights renegotiated in accordance with the economic context
  
- ▶ Focus on innovation in all business lines
- ▶ Improved capacity to anticipate

**INCREASED CAPACITY FOR ACTION**

- ▶ Real financial strength
- ▶ Capacity for long-term investment (organic or external) in new, complementary, original activities
- ▶ Tight cost management is in the Group's genetic make-up
- ▶ Experienced teams in all our activities
- ▶ Even tighter management structure
- ▶ Flourishing partnerships

**A NEW STAGE BEGINS FOR THE GROUP**

**EXTERNAL OPPORTUNITIES**

- ▶ Analyse extensively our markets
- ▶ Anticipate changes in uses
- ▶ Push for regulatory changes
- ▶ Explore new possibilities offered by technological change

**INTERNAL OPPORTUNITIES**

- ▶ Strengthen the identity and position of each of our channels
- ▶ Operate a 5th free-to-air channel
- ▶ Develop a revamped commercial offer as of 2015
- ▶ Optimise rights utilisation
- ▶ Intensify our links with individuals

**STRENGTHENING OUR CORE BUSINESS**

# THREE PRIORITIES FOR CASH USAGE

KEEP A STRONG  
FINANCIAL STRUCTURE

ORGANIC AND  
POTENTIALLY  
EXTERNAL GROWTH

RETURN TO  
SHAREHOLDERS

**CAUTION AND DETERMINATION**



TF1 GROUP REINFORCES ITS DUAL MISSION  
OF BEING A LEADING INFORMATION  
AND ENTERTAINMENT GROUP



**LE GROUPE**

# ANALYSTS PRESENTATION

19 FEBRUARY 2014