



# Analysts Meeting

26 July 2011

ON SE RETROUVE SUR 

# DISCLAIMER

**This presentation contains projections and forecasts. They express objectives based on current assessments and estimates of the Group's senior management, which remain subject to many factors and uncertainties that could cause actual figures to differ significantly from projected figures. TF1 gives no commitment to updating or revising the projections and forecasts contained in this presentation.**

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- 1** ACTIVITY IN FIRST-HALF 2011
- 2** H1 2011 FINANCIAL ACCOUNTS
- 3** OUTLOOK
- 4** QUESTION & ANSWER

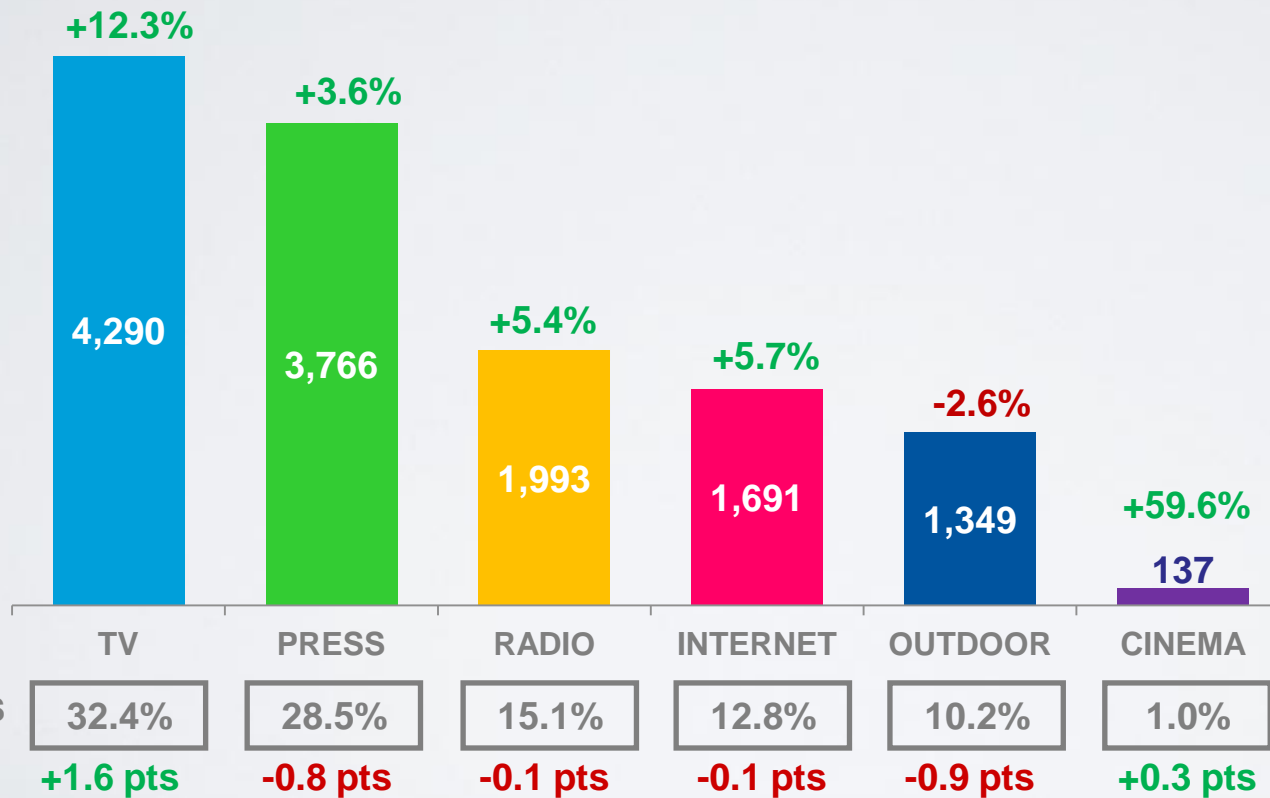
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# TV: NO.1 MEDIA IN FRANCE

## VARIATION IN AD REVENUE GROWTH FROM ONE MEDIA TO NEXT

### Trend in GROSS plurimedia investments (€m) – January-June 2011



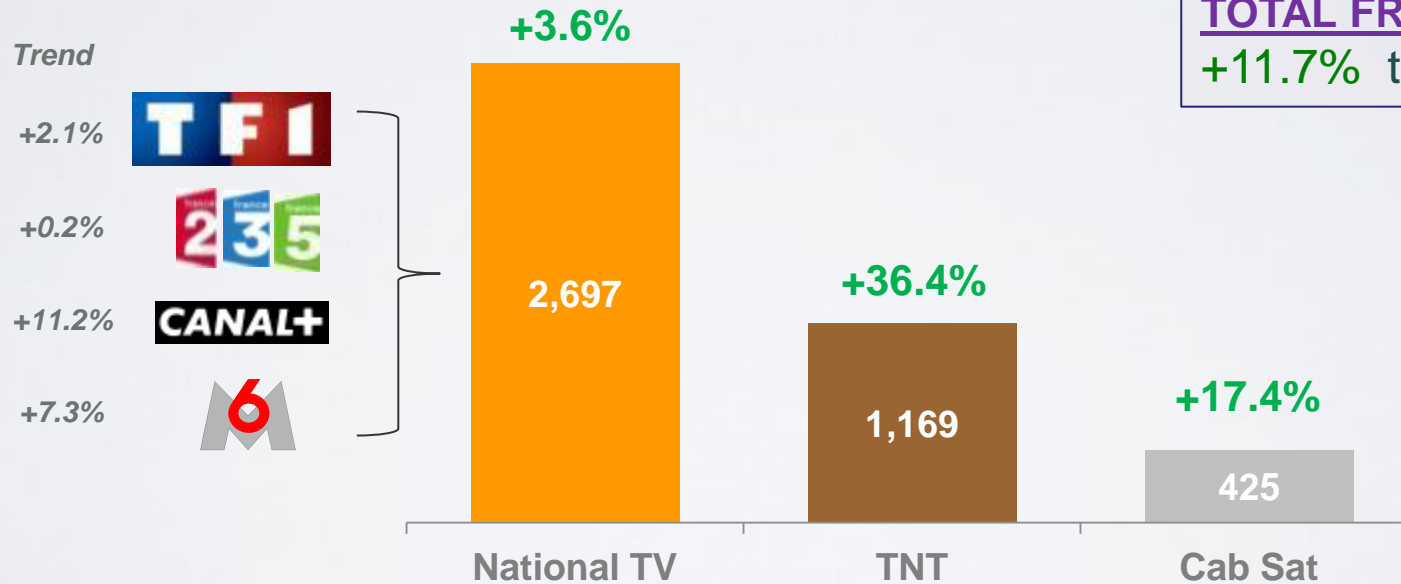
**PLURIMEDIA**  
+6.5% to €13,225m



Source: Kantar média – exTV sponsorship – ex self-promotion and subscriptions – Jan-June 2011 vs 2010 – Source Medial

# TV STILL LARGELY DRIVEN BY DTT

## Trend in GROSS TV investments (€m) – H1 2011



**TOTAL TV:**  
+12.3% to €4,290m

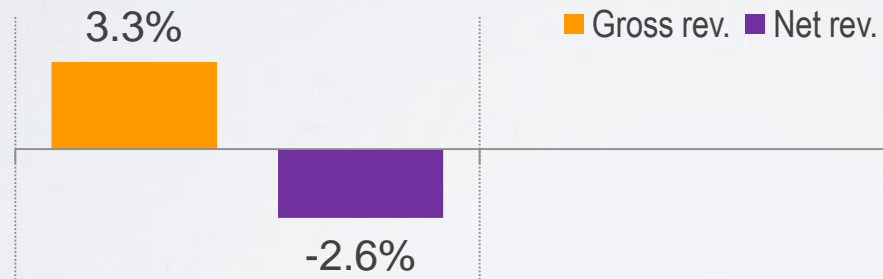
**TOTAL FREE-TO-VIEW:**  
+11.7% to €3,865m

# AFTER CONTRACTION IN APRIL, POSITIVE TREND IN MAY AND JUNE



NET REVENUE H1 2011 VS 2010: **-0.9%**

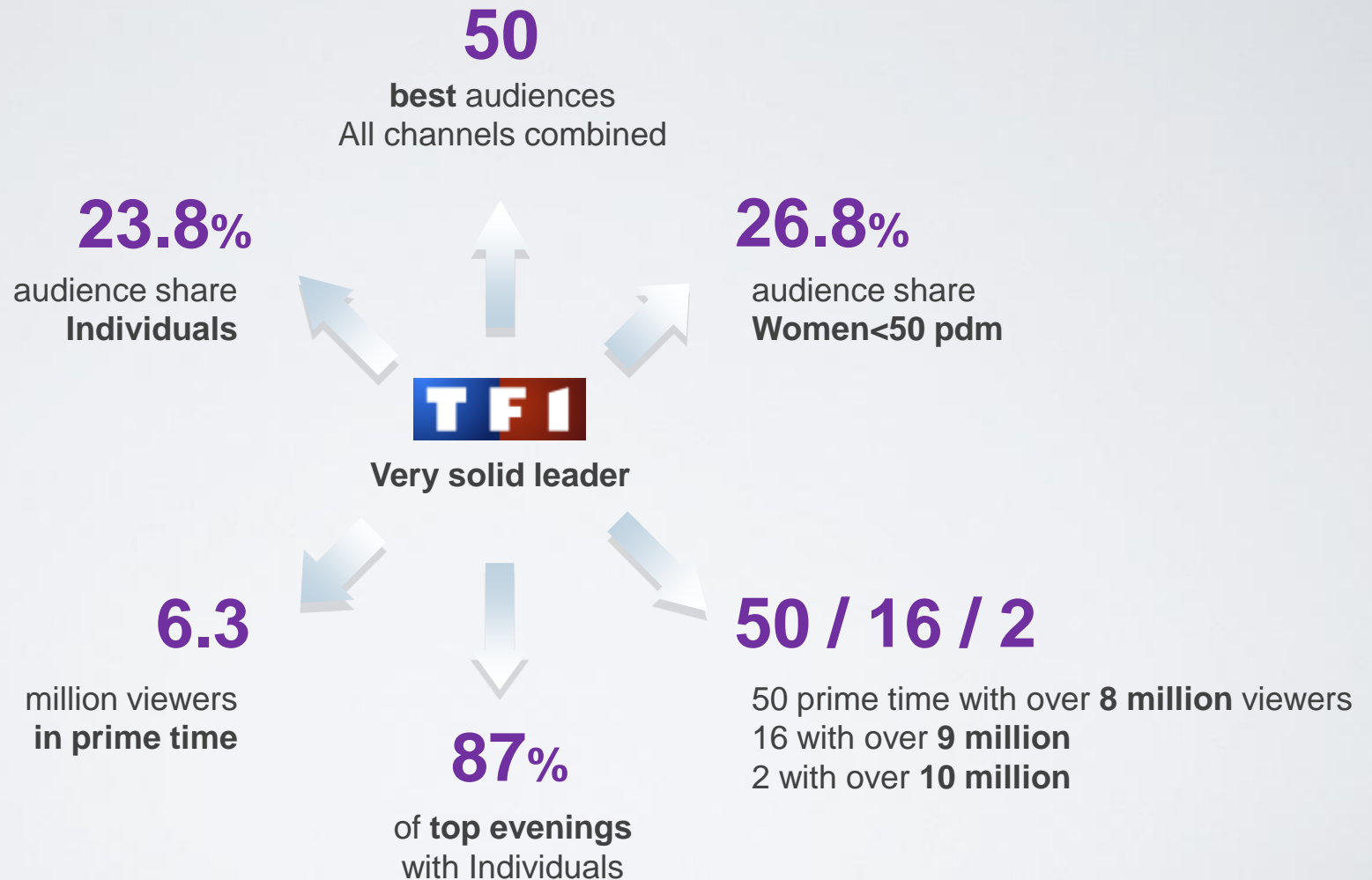
## Q1 2011 vs Q1 2010



## Q2 2011 vs Q2 2010



# FIRST-HALF 2011: UNRIVALLED TELEVISION OFFER





# FIRST-HALF 2011: TF1 SETS RECORDS IN ALL CATEGORIES



**Les Enfoirés: 12.5 m**

New record for the show



**Dr House: 9.5 m**

6 episodes with over 9 m viewers



**Doc Martin: 9.1 m**

(and 8.9 m for *Bienvenue aux Edelweiss*)



**De l'autre côté du lit: 9.4 m**



**France / Brazil: 8.0 m**

(and 7.6 m for *France / Croatia*)



**8 o'clock news: 10.4 m**

**1 o'clock news: 8.5 m**

Most-watched news programmes in Europe



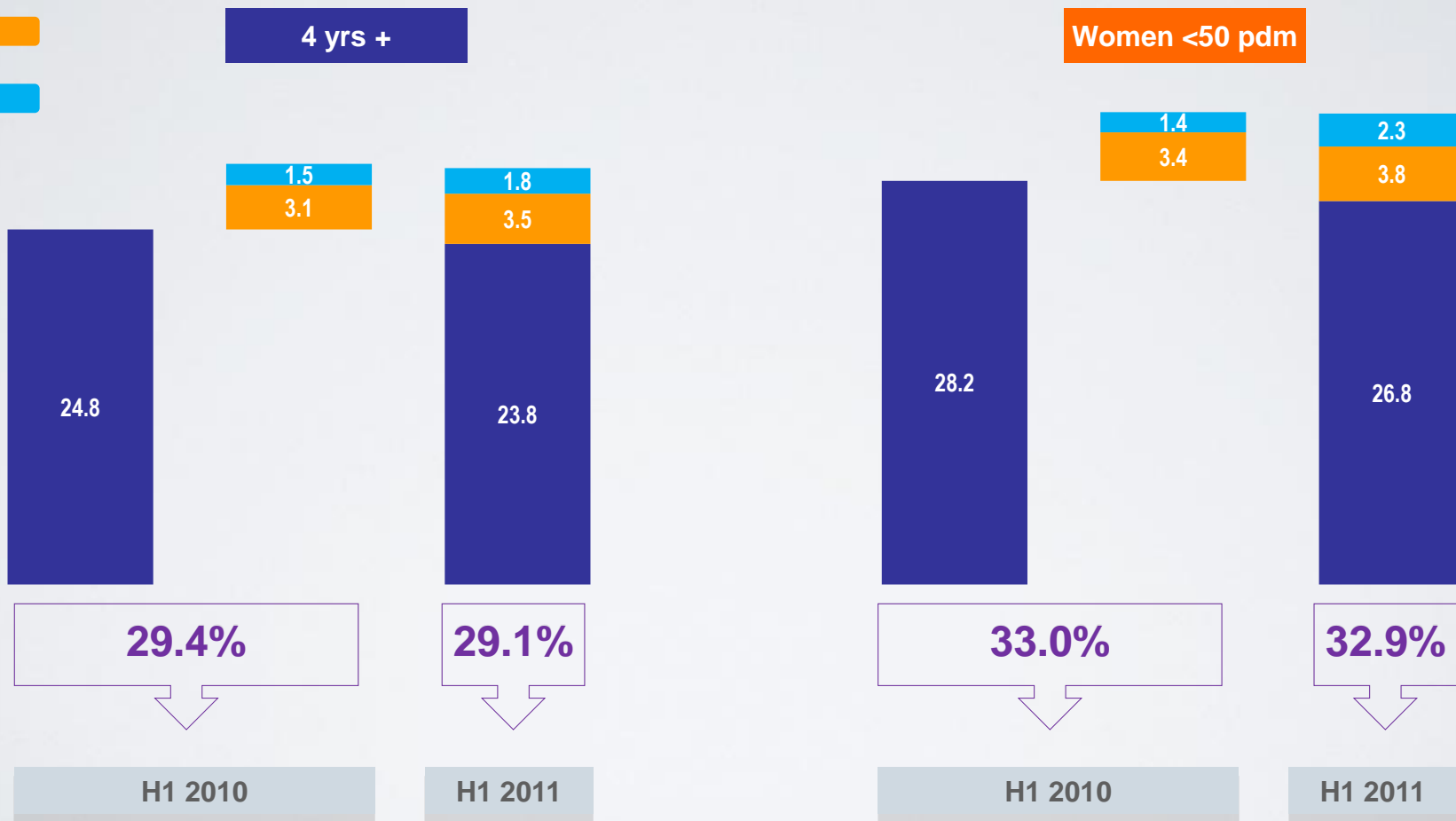
# CONTROLLED PROGRAMMING COSTS

in € million

Trend in programming costs with one-off sporting events,  
from H1 2005 to 2011



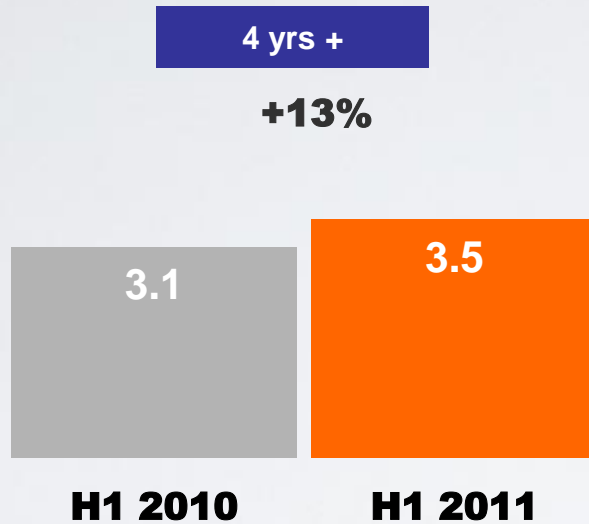
# FIRST-HALF 2011: TF1 GROUP AUDIENCES STABLE YEAR-ON-YEAR



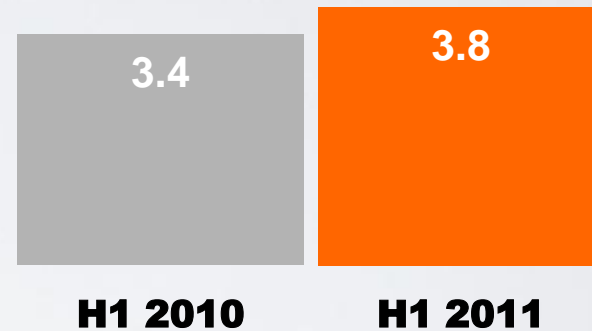
# FIRST-HALF 2011: TMC AND NT1, AN UNRIVALLED TELEVISION OFFER

Audience share (%)

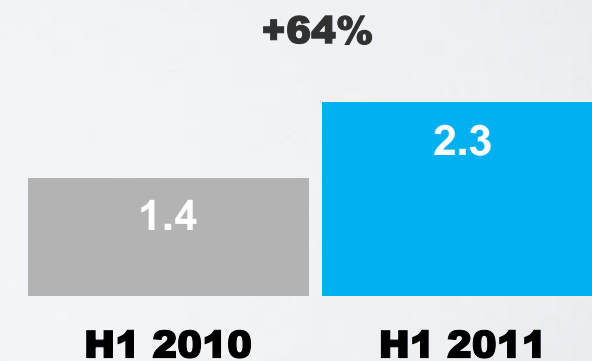
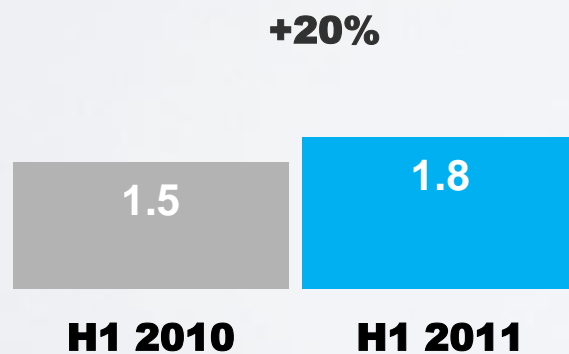
Change vs H1  
2010



**Women <50 pdm**



Change vs H1  
2010



# TF1 GROUP PAY-TO-VIEW CHANNELS IN ROBUST HEALTH



**No.1 channel on cable and satellite with 4 yrs +and women < 50 pdm**

**+29% audience with 4 yrs +year on year\***



**Best audience with high SPC Individuals since 2004**

**+59% audience with 4 yrs +year on year\*  
+75% audience with high SPC Individuals**



**No.3 channel on cable and satellite with 4 yrs +**

**+25% audience with 4 yrs +year on year\* and +33% with men 15-49**

**+82% audience with 4 yrs +year on year\* and +148% with 15-34 year olds**



**Stable with 4 yrs +year on year and +113% audience with high SPC Individuals**



**+9% audience with 4 yrs +year on year\***



**+17% audience with 4 yrs +year on year\***



**+16% audience with 4 yrs +year on year\*  
+30% audience with women < 50 pdm**



**+22 % audience with 4 yrs +year on year\***



\* Source: Médiamétrie-Médiamat Thématic V21 vs V19 / Extended competition

# ENHANCED EUROSPORT OFFER NO.1 SPORTS MULTIMEDIA PLATFORM IN EUROPE

## EUROSPORT

- ❖ 125 M households
- ❖ 59 countries
- ❖ 20 languages

## EUROSPORT 2

- ❖ 52 M households
- ❖ 17 languages
- ❖ 46 countries

## EUROSPORT HD

- ❖ HD for Eurosport and Eurosport 2

## EUROSPORT ASIA-PACIFIC

- ❖ 4.5 M households
- ❖ 2 languages
- ❖ 18 countries

## EUROSPORT NEWS

- ❖ Comprehensive sports news

## EUROSPORT.COM

- ❖ No.1 sports web platform in Europe
- ❖ 15 M UVs a month
- ❖ 11 languages

## MOBILE APP

- ❖ 10 languages

## EUROSPORT PLAYER

- ❖ Web TV: live and VOD
- ❖ Mobile app available in 5 countries

## EUROSPORT EVENTS

- ❖ Expertise in organising, managing and promoting international sports events



Boost the appeal  
of Eurosport  
channels

Win new markets

Develop  
diversification  
products

# RECOVERY IN DIVERSIFICATION ACTIVITIES CONFIRMED

## TF1 Entreprises

- **Games:** FDJ card and **1000 Bornes** app
- **Music:** **Les Prêtres** – 2<sup>nd</sup> album: 6 weeks at no.1
- **Shows:** **Mozart, L'opéra Rock**: > 1.3 million spectators
- **Licences:** signature of **Franklin** agent contract



## e-TF1

- **myTF1** launched on **Free**
- Strong increase in **video** advertising
- iPhone / iPad app: > 1.3 million downloads
- **wat** No.1 social video media for young people with 5.9 M UVs and **profitability** achieved



## Production

- **6 films** with more than one million admissions



## Téléshopping

- **200 brands** represented on the **Place des Tendances** site and strong growth in **e-commerce**



## Vidéo

- Increase in sales volume thanks to performance of releases in end-2010
- Strong growth in **VOD** (+11% in value and +7% in volume)



## TF1 Droits Audiovisuels

- High comparison base
- Restated revenue between Catalogue activity and TMC and NT1

### Une semaine pour l'EMPLOI

#### • THE CHANNEL AT THE SERVICE OF MAJOR CAUSES

- ⇒ **Work on employment:** 2,500 contracts including 1,635 open-ended contracts signed during “Employment Week” from 8 to 12 May, or roughly 10,000 since the first campaign in 2009.



#### • SOCIAL AND COMMUNITY-MINDED INITIATIVES

- ⇒ 131 employees attended the “Diversity in news programmes and magazines: reflecting French society” training course
- ⇒ **The fourth class of the Foundation was recruited.** Among graduates of the first class, 3 open-ended contracts have been signed.
- ⇒ **New agreement on policy for people with disabilities**



#### • THE ENVIRONMENT

- ⇒ **Enhanced recycling:** collection of employees’ used mobiles for recovery or recycling of materials; collection and recycling of CDs and DVDs



#### • RESPONSIBLE PURCHASING

- ⇒ **Introduction of a carsharing system** with electric vehicles
- ⇒ **Signature of “Responsible Purchasing Charter”** for major customers of small- and medium-sized companies and public works companies, proposed by Ministry of Economy, Finance and Industry.





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## ADVERTISING REVENUE EVOLUTION

€m	H1 2011	H1 2010	Var. €m	Var. (%)
Consolidated revenue	1,277.6	1,284.6	-7.0	-0.5%
Advertising revenue TF1 channel	757.8	764.6	-6.8	-0.9%
Diversification revenue	519.8	520.0	-0.2	=
<b><u>Detail of the total advertising revenue:</u></b>				
TF1 Channel	757.8	764.6	-6.8	-0.9%
Thematic channels in France	97.5	47.2	+50.3	x2.1
Internet France	12.5	9.2	+3.3	+35.9%
Eurosport International	31.5	38.3	-6.8	-17.8%
Radios	5.9	5.6	+0.3	+5.4%
<b>Total advertising revenue</b>	<b>905.2</b>	<b>864.9</b>	<b>+40.3</b>	<b>+4.7%</b>

## PROGRAMMING COSTS TF1 CHANNEL EVOLUTION

€m	H1 2011	H1 2010	Var. €m	Var. (%)
Total programming costs	423.6	482.6	-59.0	-12.2%
One-off sporting events	-	60.1	-60.1	-
Programming costs excl. one-off sporting events	423.6	422.5	+1.1	+0.3%
Entertainment	110.1	119.1	-9.0	-7.6%
TV dramas / TV movies / Series / Theatre	156.0	139.8	+16.2	+11.6%
Sports ( <i>excl. one-off sporting events</i> )	51.7	54.0	-2.3	-4.3%
News	56.4	54.4	+2.0	+3.7%
Movies	40.7	45.8	-5.1	-11.1%
Youth	8.7	9.4	-0.7	-7.4%

# CONSOLIDATED INCOME STATEMENT

## 1/2

€m	H1 2011	H1 2010	Var. €m	Var. (%)
<b>Consolidated revenue</b>	<b>1,277.6</b>	1,284.6	-7.0	-0.5%
Total programming costs	(423.6)	(482.6)	+59.0	-12.2%
Total other charges	(610.6)	(665.5)	+54.9	-8.2%
Depreciation and amortisation, provisions and impairment (net)	(56.9)	(32.1)	-24.8	+77.3%
<b>Current Operating profit</b> <i>Operating Margin</i>	<b>186.5</b> <b>14.6%</b>	<b>104.4</b> <b>8.1%</b>	<b>+82.1</b> <b>+6.5 pts</b>	<b>+78.6%</b>
Non-current operating income	-	-	-	-
<b>Operating profit</b>	<b>186.5</b>	<b>104.4</b>	<b>+82.1</b>	<b>+78.6%</b>

# CONSOLIDATED INCOME STATEMENT

## 2/2

€m	H1 2011	H1 2010	Var. €m	Var. (%)
<b>Operating profit</b>	<b>186.5</b>	<b>104.4</b>	<b>+82.1</b>	<b>+78.6%</b>
Cost of net debt	0.2	(10.4)	+10.6	ns
Other financial income and expenses	(1.0)	+3.4	-4.4	ns
Income tax expense	(53.1)	(30.3)	-22.8	+75.2%
Share of profits / (losses) of associates	(11.6)	6.8	-18.4	ns
<b>Net profit</b>	<b>121.0</b>	<b>73.9</b>	<b>+47.1</b>	<b>+63.7%</b>
<b>Net profit attributable to the Group</b>	<b>118.6</b>	<b>74.2</b>	<b>+44.4</b>	<b>+59.8%</b>
<i>Attributable to minority interests</i>	<i>2.4</i>	<i>(0.3)</i>	<i>+2.7</i>	<i>ns</i>

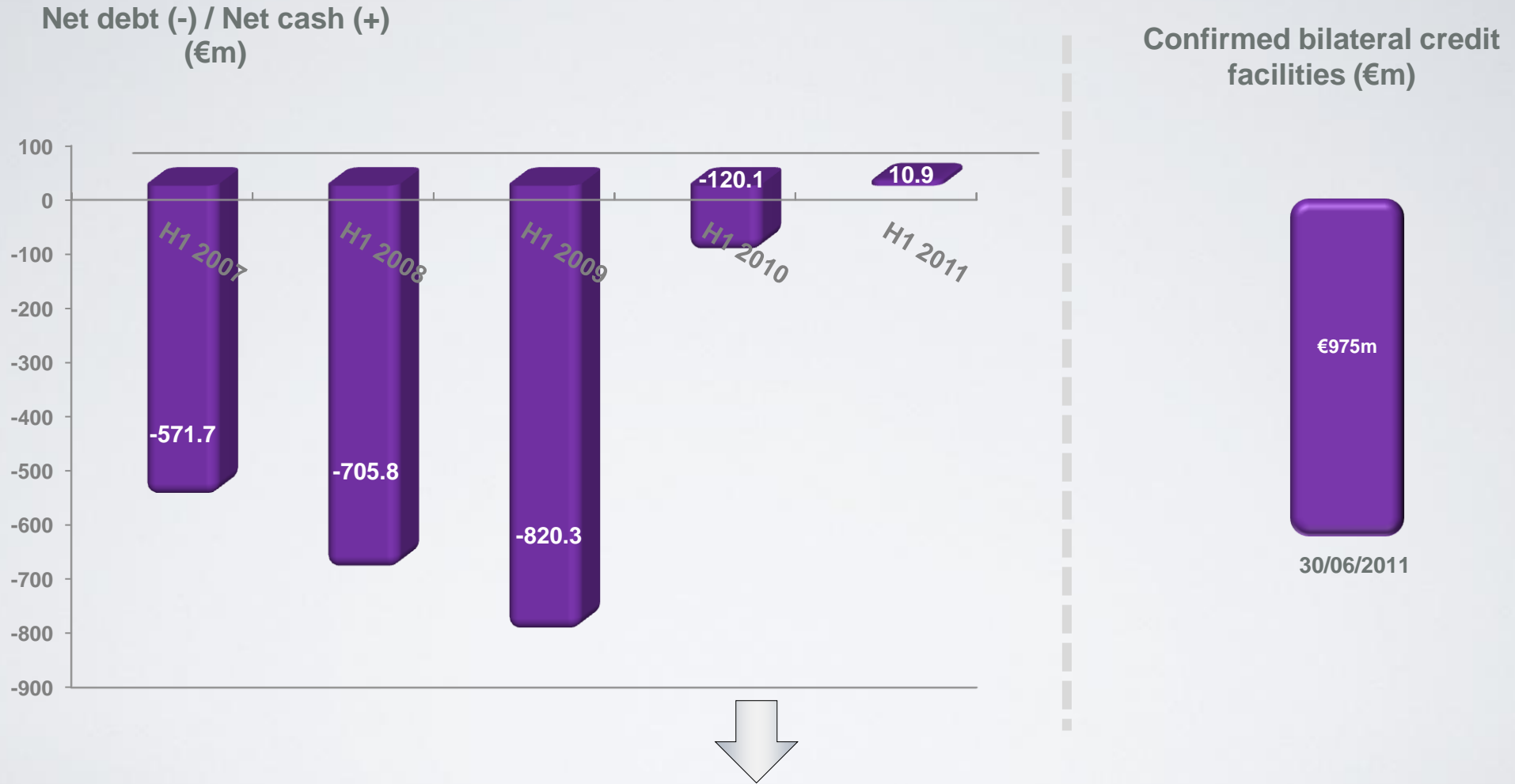
## CONSOLIDATED BALANCE SHEET

ASSETS (€m)	30/06/11	31/12/10	Var. €m
Total non-current assets	1,362.0	1,414.7	-52.7
Total current assets	2,031.7	1,910.0	+121.7
<b>Total assets</b>	<b>3,393.7</b>	<b>3,324.7</b>	<b>+69.0</b>
SHAREHOLDERS' EQUITY AND LIAB. (€m)	30/06/11	31/12/10	Var. €m
<b>Shareholders' equity</b> <i>(attributable to the Group)</i>	<b>1,540.9</b> 1,529.8	1,547.6 1,538.9	-6.7 -9.1
<b>Non-current liabilities</b>	<b>66.3</b>	71.5	-5.2
<b>Curent liabilities</b>	<b>1,786.5</b>	1,705.6	+80.9
<b>Total shareholders' equity and liabilities</b>	<b>3,393.7</b>	<b>3,324.7</b>	<b>+69.0</b>
<b>Net cash (+) / Net debt (-)</b>	<b>+10.9</b>	<b>+16.8</b>	<b>-5.9</b>

## CONSOLIDATED CASH FLOW STATEMENT

€m	30/06/11	30/06/10	Var. €m
Operating cash flow	219.7	132.5	+87.2
Income taxes (paid)/reimbursed	(31.7)	3.0	-34.7
Change in operating working capital needs	(56.2)	(3.2)	-53.0
<b>Net cash generated by/(used in) operating activities</b>	<b>131.8</b>	<b>132.3</b>	<b>-0.5</b>
<b>Net cash generated by/(used in) investing activities</b>	<b>(14.7)</b>	<b>(222.7)</b>	<b>+208.0</b>
<b>Net cash generated by/(used in) financing activities</b>	<b>(125.8)</b>	<b>(61.0)</b>	<b>-64.8</b>
<b>Change in cash position</b>	<b>(8.7)</b>	<b>(151.4)</b>	<b>+142.7</b>
<b>Cash position at beginning of period</b>	<b>37.0</b>	<b>566.8</b>	<b>-529.8</b>
<b>Cash position at end of period</b>	<b>28.3</b>	<b>415.4</b>	<b>-387.1</b>

# A HEALTHY BALANCE SHEET



**S&P upgraded the TF1 Group's credit rating from BBB / positive outlook to BBB +/- stable outlook**



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# OUTLOOK

	2010	2011 <sup>e</sup>
TF1 Group consolidated revenue	€2,622m	=

❖ Hypothesis of consolidated revenue expected to remain stable in 2011

# 2011-2012 SEASON ON TF1

## US series: seven prime-time franchises renewed for 2011-2012



**The Mentalist**  
(season 3)



**House MD**  
(season 7)



**Grey's Anatomy**  
(season 7)



**CSI: Miami**  
(season 9)

Also: **CSI**, **CSI: NY**  
and **Criminal Minds**

## Films: French comedies and US blockbusters



## French comedy and drama: airing from September to December

Strong brands:



**Joséphine ange gardien**



**Camping paradis**

Events:



**Flics**  
Season 2

## 2011-2012 SEASON ON TF1

### Prime time: emblematic brands



#### **Masterchef** (season 2)

- Presented by Carole Rousseau
- Same jury (F. Anton, Y. Camdeborde, S. Demorand)



#### **Danse avec les stars** (season 2)

- Presented by S. Quétier and V. Cerutti
- Same jury and star dancers



#### **Koh Lanta: in Indonesia**

11<sup>th</sup> season

Presented by D. Brogniart

### Access: innovative formats



#### **New comedy show with Nicolas Canteloup**

- partnered by Nikos Aliagas



#### **Confirmation of longer version of Sept à huit**

- from 6 pm to 7.45 pm
- format performed well in June: 3.6 m / 26% / 32% for last two programmes

### Politics: Parole directe



20-minute interview with political figure by Laurence Ferrari after 8 o'clock news

**And major political programmes  
during 2012 presidential campaign**

# RUGBY WORLD CUP: TF1 GROUP ROLLS OUT 360 MULTI-SCREEN SYSTEM

TV



- => 20 main matches live on TF1
- => Special magazines on TF1, Eurosport and LCI
- => All matches re-broadcast on Eurosport

IPTV



- => MyTF1, special World Cup portal for partner boxes: catch-up

TABLET



- => All the latest news on the World Cup in real-time: results, analysis, catch-up, etc.

WEB



- => Special World Cup site: simulcast, catch-up, video, analysis, community, etc.

MOBILE



- => Matches and mags live on TF1 and Eurosport apps



## ADVERTISING DEPARTMENT CONTINUES HARD WORK IN SECOND HALF-YEAR

### ◆ PROGRESS ON CHALLENGE 2012 PROJECT

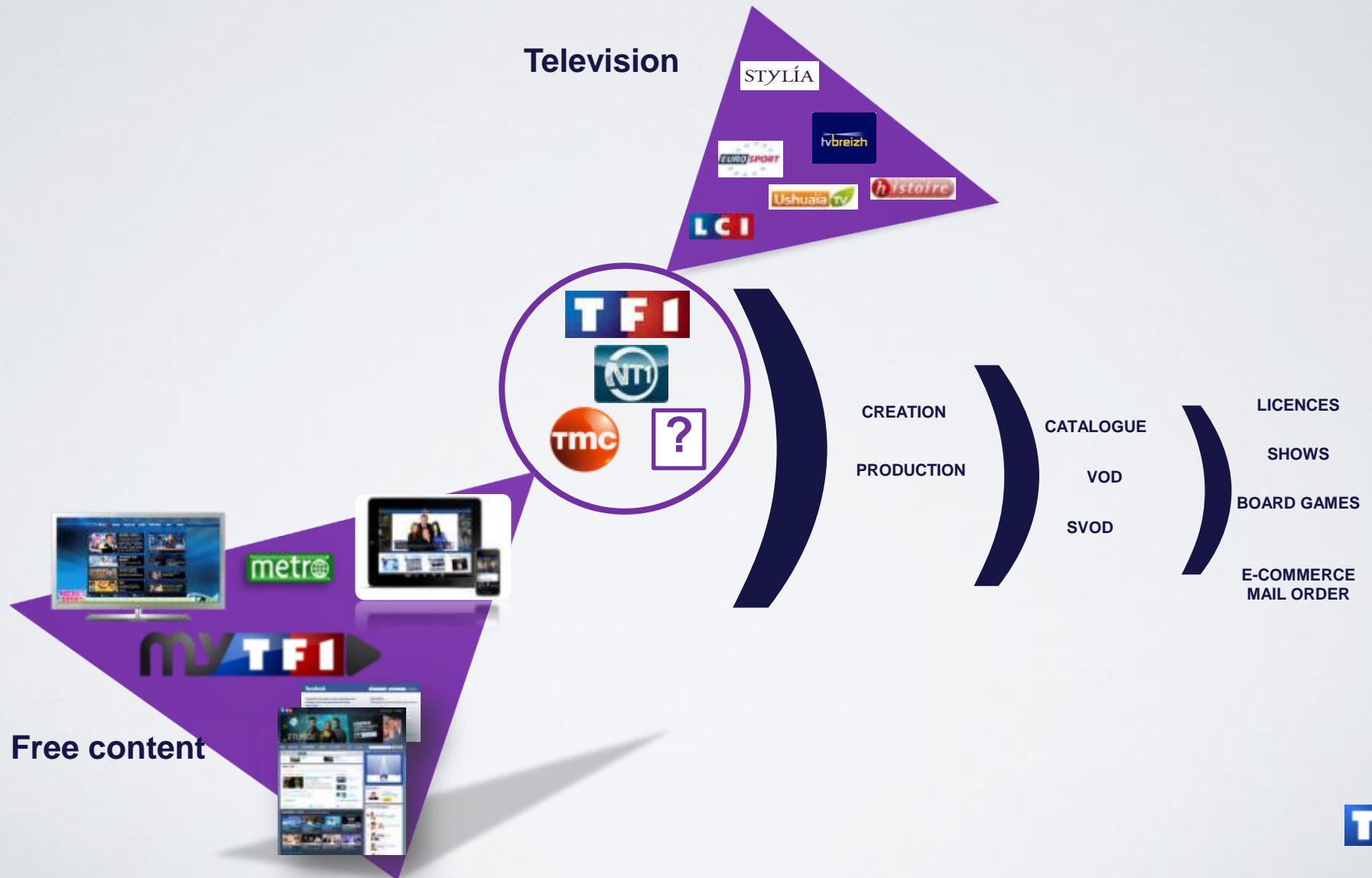
- Development of tool for Internal Media Planning and tests made with customers
- Continued work on drawing up new framework for negotiations and introduction of tool
- Finalisation of sales conditions and presentation to market on 15 September 2011

### ◆ DEVELOPMENT OF A NEW MEDIA-MARKET INDICATOR FOR ASSESSING AD CAMPAIGNS: GRP QP (Quantity Purchased)

### ◆ DIGITAL STRATEGY IN H2 2011 (WEB, MOBILE, IPTV)

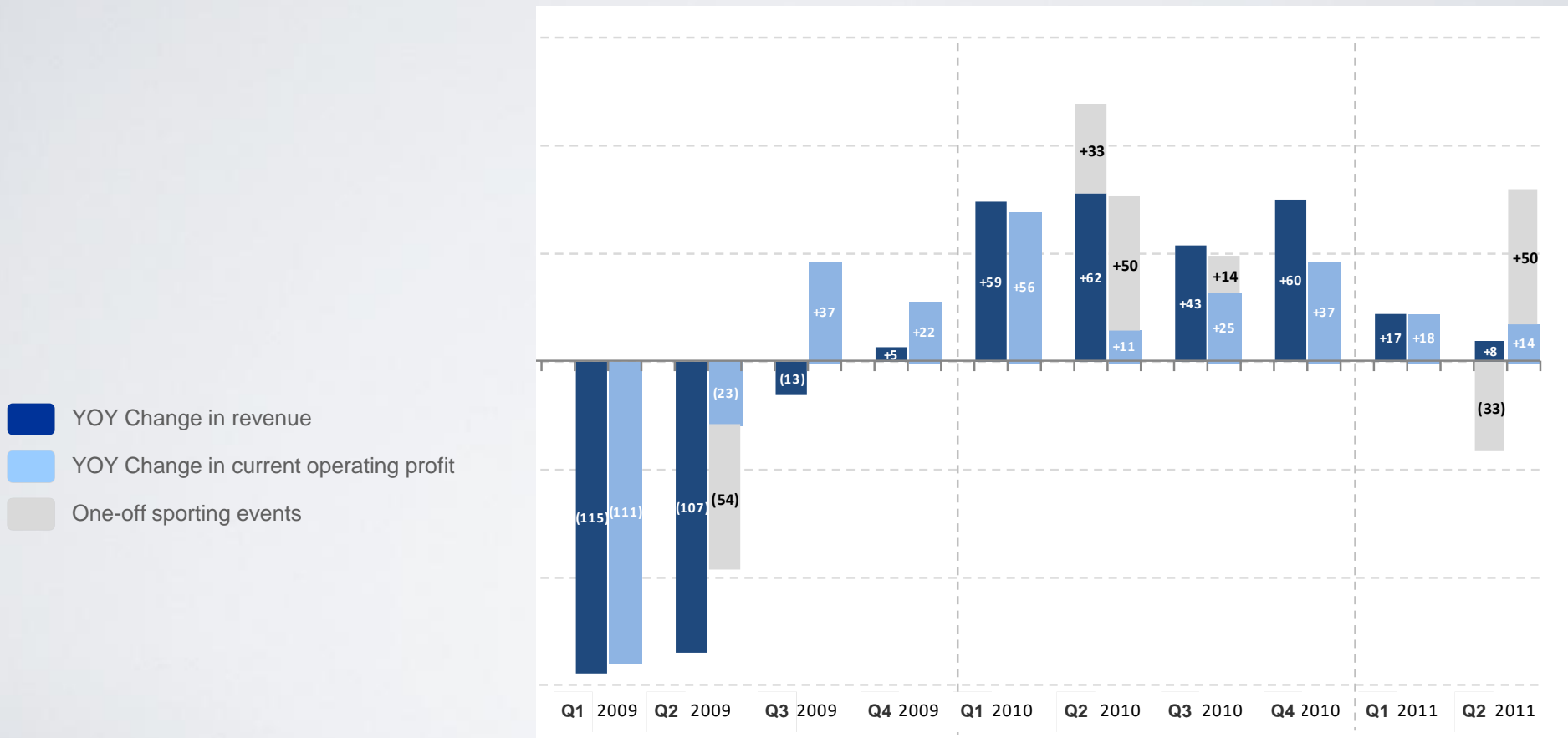
- Increase our leadership in the video market
- Develop our position in mobile media

# CONSISTENT DIVERSIFICATION IN TELEVISION AND FREE CONTENT



# CONSOLIDATED BUSINESS MODEL

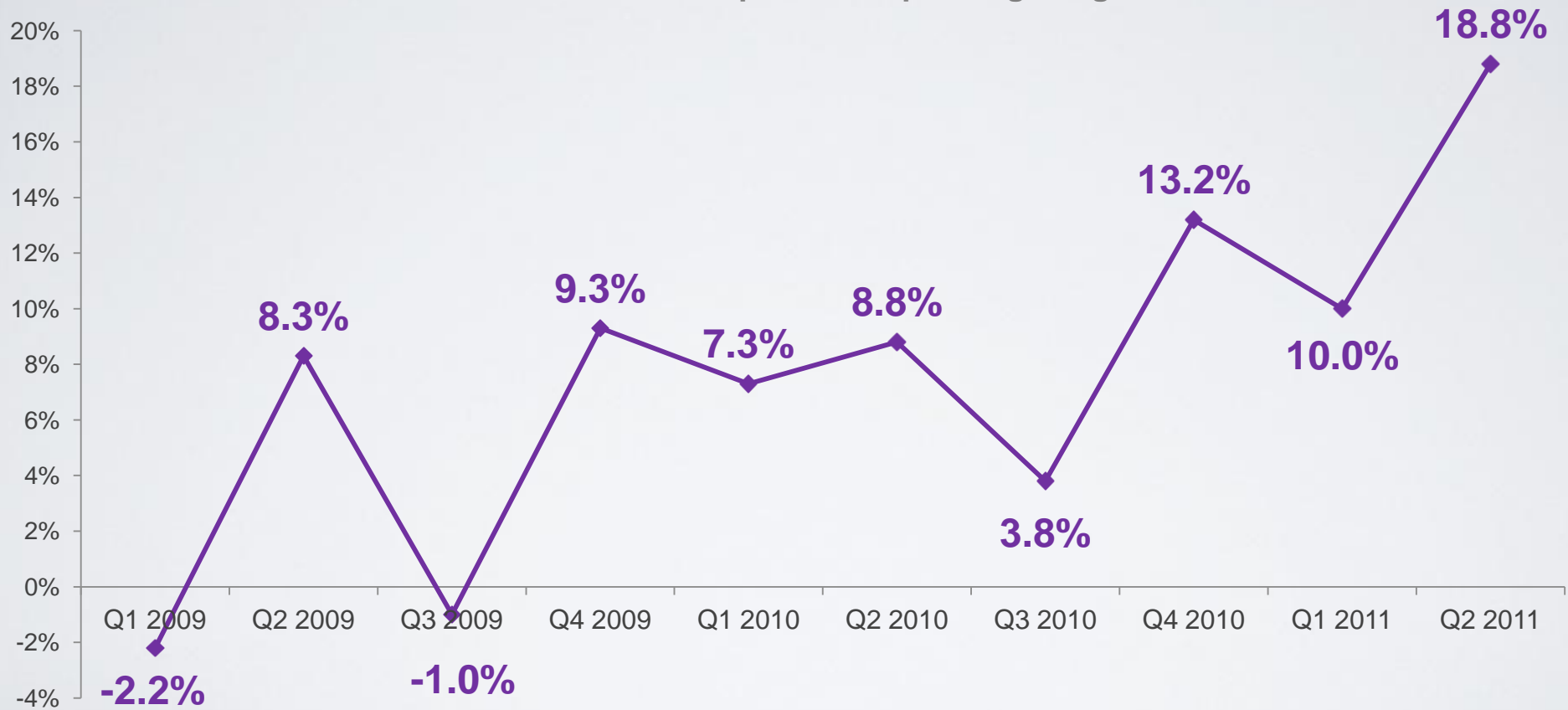
Quarterly variations in consolidated revenue and current operating profit (€M) since 2009





# AND AS EVER... OPTIMISED MANAGEMENT FOR IMPROVED PROFITABILITY

Trend in TF1 Group current operating margin



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