



Roadshow UK

September 2008

Disclaimer

All forward-looking statements are TF1 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.

A contrasted advertising revenue

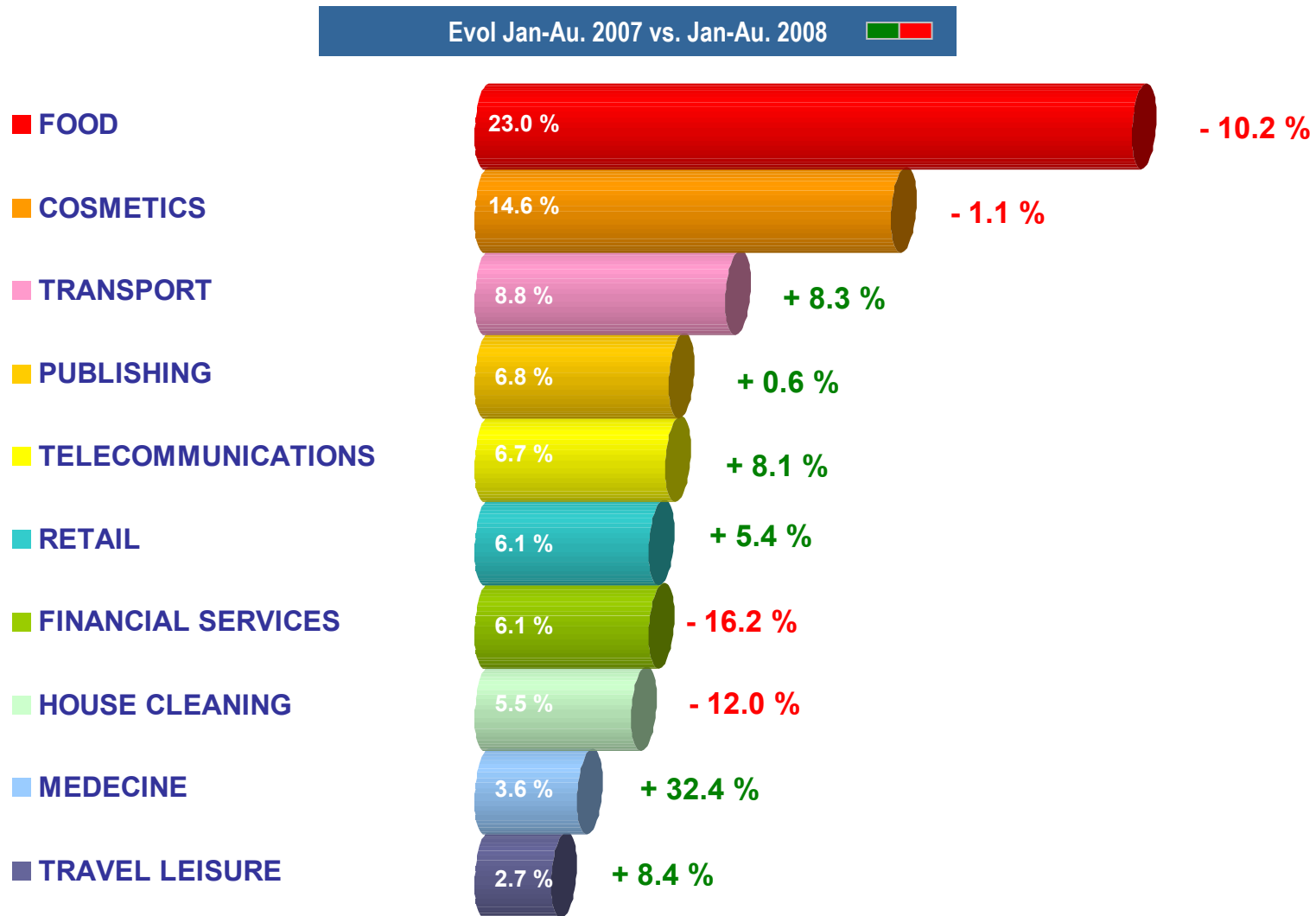
Breakdown of the Group advertising revenue

€M	H1 2008	H1 2007	Change	%
TF1 Channel	891.2	924.7	- 33.5	- 3.6 %
French Theme channels	48.3	44.4	+ 3.9	+ 8.8 %
Internet France	8.9	7.7	+ 1.2	+ 15.6 %
Eurosport international	40.0	36.6	+ 3.4	+ 9.3 %
Total advertising revenue	988.5	1,013.4	- 24.9	- 2.5 %

- A gloomy economic context
- Advertisers affected by the economic environment
- Redeployment of ad investments

A tough economic situation

Evolution of advertising revenue by sector Gross revenue (January-August 2008)



Consolidated revenue evolution

€M	H1 2008	H1 2007	Change	%
France Broadcasting	1,135.2	1,172.5	- 37.3	- 3.2 %
<i>TF1 Channel</i>	895.6	928.0	- 32.4	- 3.5 %
<i>Thematic channels in France</i>	96.2	95.1	+ 1.1	+ 1.2 %
<i>Téléshopping group</i>	77.9	79.3	- 1.4	- 1.8 %
<i>TF1 Entreprises</i>	12.1	13.2	- 1.1	- 8.3 %
<i>e-tf1</i>	24.3	27.1	- 2.8	- 10.3 %
<i>In-house production companies</i>	18.7	18.6	+ 0.1	+ 0.5 %
<i>Others</i>	10.4	11.2	- 0.8	- 7.1 %
Audiovisual rights	77.7	125.1	- 47.4	- 37.9 %
<i>TF1 Video</i>	49.5	70.3	- 20.8	- 29.6 %
<i>Catalogue</i>	28.2	54.8	- 26.6	- 48.5 %
International Broadcasting	150.3	133.0	+ 17.3	+ 13.0 %
Other activities	0.3	-	+ 0.3	na
Total revenue	1,363.5	1,430.6	- 67.1	- 4.7 %

TF1 channel programming costs

€M	H1 2008	H1 2007	Change	%
Total programming costs*	514.1	468.7	+ 45.4	+ 9.7 %
Sports events	54.4	-	-	-
Total programming costs (excl. sports events)	459.7	468.7	- 9.0	- 1.9 %
Entertainment	130.4	122.4	+ 8.0	+ 6.5 %
TV dramas / TV movies / Series / Theatre	135.4	140.5	- 5.1	- 3.6 %
Sports (<i>excl. Euro 2008</i>)	67.8	70.6	- 2.8	- 4.0 %
News	56.7	62.0	- 5.3	- 8.5 %
Movies	56.2	62.4	- 6.2	- 9.9 %
Youth	13.2	10.8	+ 2.4	+ 22.2 %

* Including reforms and retired/abandoned rights

Consolidated income statement

M€	H1 2008	H1 2007	Change	%
Consolidated revenue	1,363.5	1,430.6	- 67.1	- 4.7 %
Total programming costs	- 514.1	- 468.7	- 45.4	+ 9.7 %
Total other operating charges and revenue	- 611.4	- 632.2	+ 20.8	- 3.3 %
EBITDA ⁽¹⁾	238.0	329.7	- 91.7	- 27.8 %
EBITDA margin	17.5 %	23.0 %		
Amortisation and provisions	- 66.6	- 66.2	+ 0.4	+ 0.6 %
Operating profit	171.4	263.5	- 92.1	- 35.0 %
Operating margin	12.6 %	18.4 %		
Cost of net debt	- 15.2	- 8.1	- 7.1	+ 87.7 %
Other financial income and expenses	13.9	17.1	- 3.2	- 18.7 %
Income tax expense	50.8	- 86.4	+ 35.6	- 41.2 %
Share of profits/losses of associates	5.7	- 0.4	+ 6.1	ns
Net profit attributable to the Group	125.0	185.7	- 60.7	- 32.7 %

Cost-saving plan

€M	H1 2008
Operating result	171.4

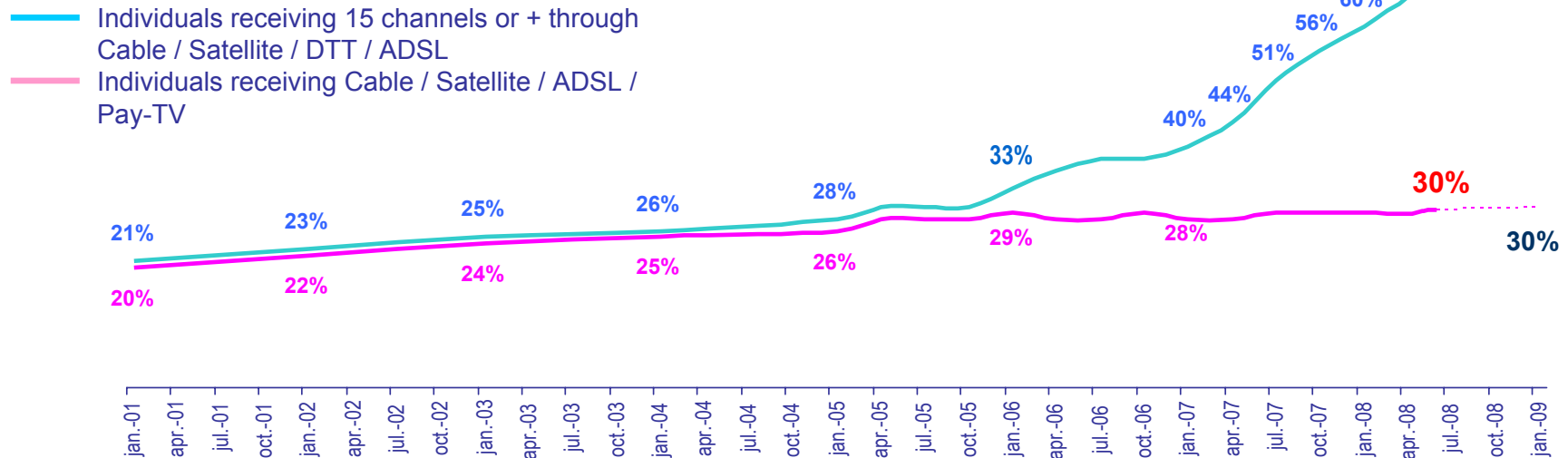
Main impacts on the operating profit for the first half year 2008

Renegotiation of contracts	+ 1.4	}	- 4.4
Reduction of other charges	+ 10.0		
Abandoned activities (JET, TFou...)	+ 5.2		
Reorganisation costs	- 21.0		
Euro 2008 costs	- 54.4		

TF1 : 4 challenges ahead

Quarterly evolution : breakdown of Individual according to the number of available channels

4 years or + equipped TV

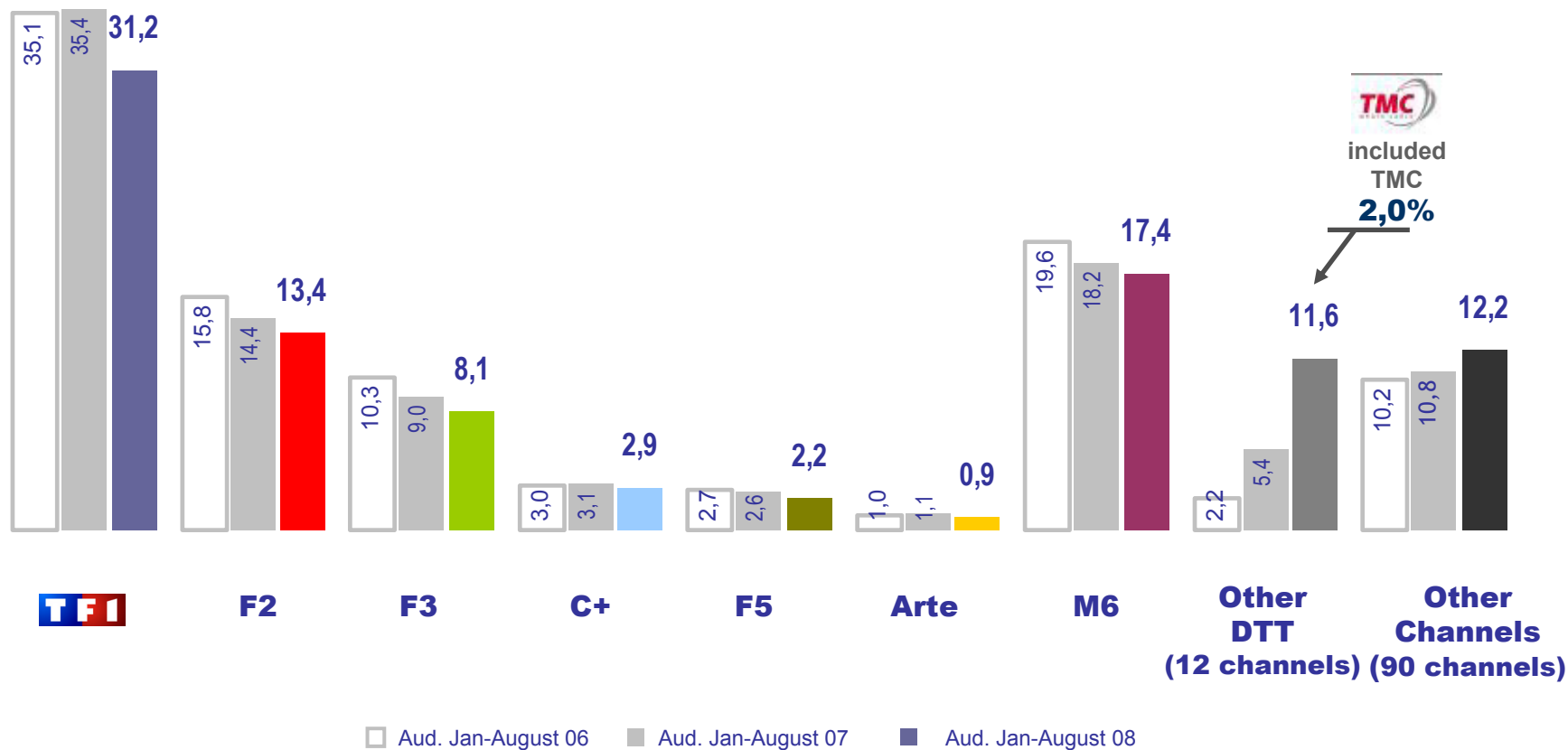


1. **Technology : large screens. HD. IPTV. Catch-up. VOD**
2. **Competition : DTT. ADSL. Cable and satellite. mobile phones**
3. **Finance : profitability and growth**
4. **Customers : new consumer behaviour**

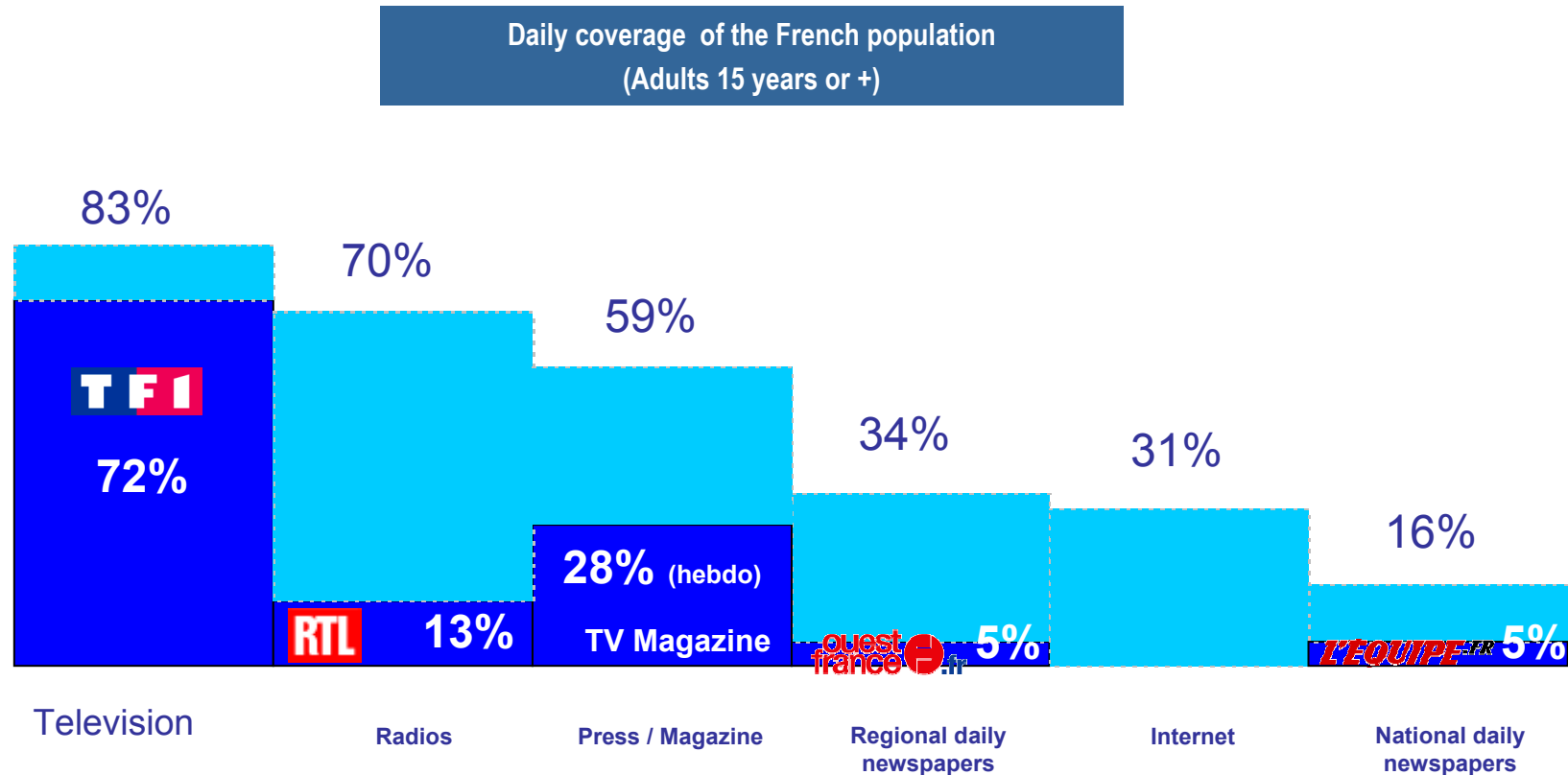
The audience share of national channels is falling down since 2006

Audience share - Women < 50

2008 vs 2006 →	-11%	-15%	-21%	-3%	-19%	-10%	-11%	+427%	+20%
2008 vs 2007 →	-12%	-7%	-10%	-6%	-15%	-18%	-4%	+115%	+13%



but TV remains the leading media

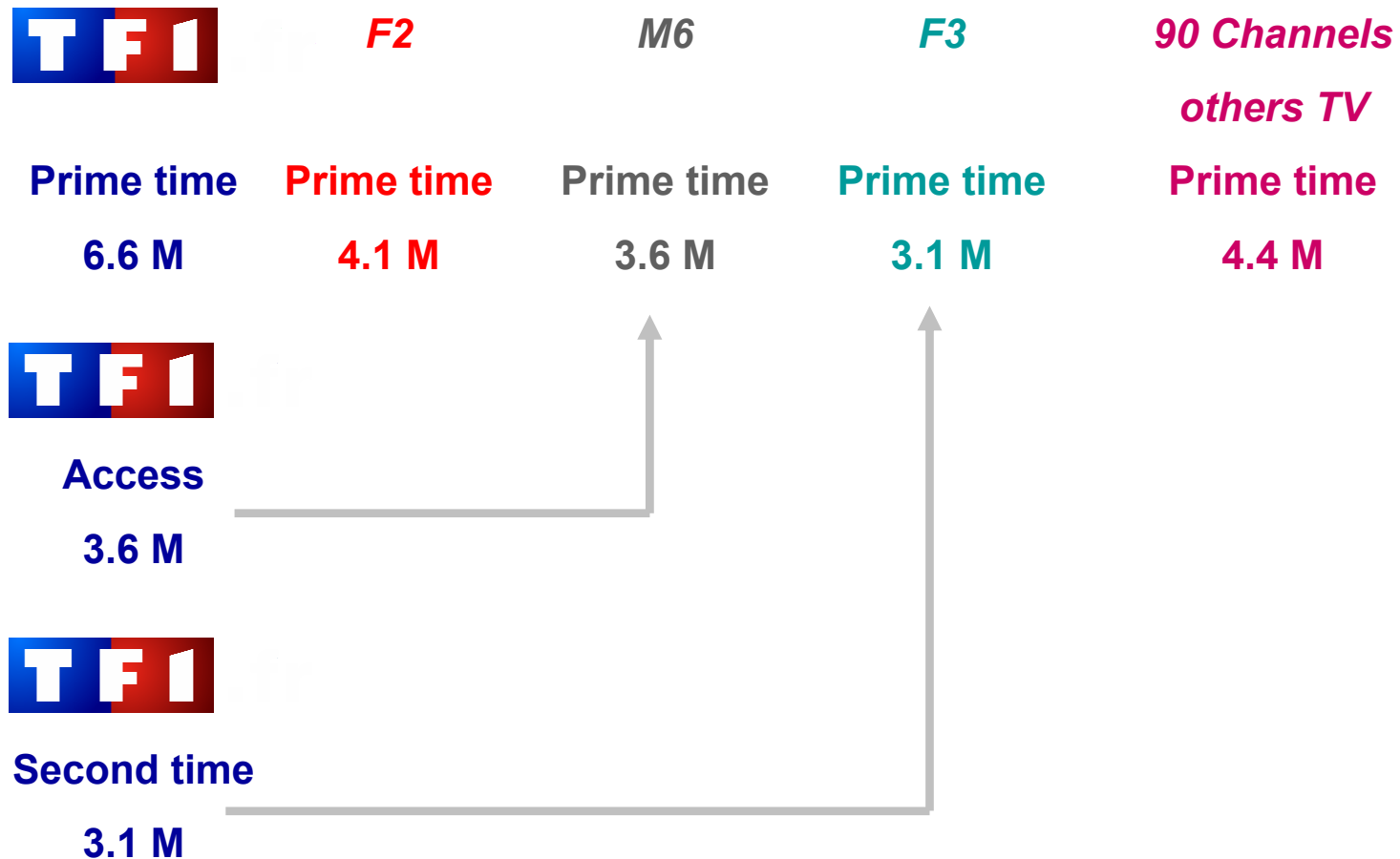


TFI : the unique mass media channel of the advertising market

Over 35 million people 15 years or + watch **TFI** every day

TF1 channel remains a strong leader

January-June 2008




Time Slots - Access : 6:15pm-7:45pm. Prime time : 9:00pm-10:45pm. Night time : 10:45pm-00:30am

Source Médiamétrie / Médiamat




Summer 2008 : a success for

Audience share - summer 2008
4 years ou +

		F2	F3	M6
July	27.1 %	19.6 %	13.2 %	10.9 %
August	27.7 %	17.7 %	14.7 %	9.8 %

Audience share - summer 2008
Women < 50

		F2	F3	M6
July	31.6 %	13.8 %	8.3 %	17.8 %
August	32.1 %	14.8 %	9.3 %	15.2 %

1. The **40** best audiences of the summer 2008
2. TF1, single channel with TV shows gathering **over 7 million TV viewers in prime-time** (21 TV shows)






Finding Nemo, best audience of the year : **8.3 million** of TV viewers

3. TF1, **leading 95% of prime-time** (i.e. 60 evenings over 63)

A solid position on TV and Web

Audience 4 years or + NATIONAL
JANUARY-AUGUST 2008

TV

	27.5 %
	2.0 %
Chaînes du Câble & Satellite 	1.5 %
TF1 GROUP	31.0 %

WEB

TF1 Network :
1st network
among
French TV
websites







TF1 Network

7th network of websites

11 M unique visitors
June 2008

13th → +39% →

7.9 M unique visitors
June 2007

-  3rd Sports website
-  5th Youth website
- TF1 News** (dont ) 6th News website
- TF1 Women** (dont ) 3rd Women website
-  3rd Video platform
-  2nd Community platform *

Source : Panel Médiamétrie NNR

* incl. premium blog



3 strategic axis

1st axis: reorganise to improve our performances

2nd axis: expand our TV leadership

3rd axis: undertake a 360° strategy



**Our brands, our contents, our know-how
on every fields**

1st axis: Reorganise to improve our performances

1. Our team : a good mix of experience and diversity

- Finance, HR, Purchasing dept, Group marketing
« The Challenger spirit »
- Broadcasting dept, Programming grid, News, TF1
Digital, Advertising agency
« Change in continuity »
- Top Executive, Executive and Management Committees
« A new governance »

**Synergy,
Team Spirit,
Complementarities**

2. Result-oriented methods and processes

- Management : ERP, « Cockpit », Plan, commitment committee
- Purchasing : bid offers, synergies within the TF1 Group
- HR : enhance workforce efficiency
- Programming : new negotiation methods
- Information : a unique management
- Projects : run by a single project manager

**Productivity gains
Cost-optimisation plan
Fine-tuning**

1st axis: Reorganise to improve our performances

One main project: News

Previously: 3 structures and 3 independent editorial departments

Current situation

- A unique management
- Common support functions
- Shared editorial departments
- A multi-channel editorial project
- Optimized means on ground
- Reinforced efficiency
- Professionals motivated by change
- A new process for News



**A less expensive
multi-channel
department**



1st axis: Reorganise to improve our performances

A new season supported by News and magazines

News : new newscaster L. Ferrari and new evening news



	Aud. (Mo-Th) vs	H1 08
4 year +	38.2%	+3.2 pts
Wom<50 rda	39.9%	+6.8 pts
15-34 years	38.0%	+9.7 pts
I. Executives	35.7%	+6.2 pts
Workers	39.1%	+6.4 pts

Setting-up new magazines

- « Enquêtes et révélations »
- « Combien ça coûte » – « L'hebdo »
- « Sans aucun doute » (new host and new lawyer team)
- « Au Field de la nuit »
- Magazine 'La matinale'



Magali Lunel / Enquêtes et Révélations



Jean-Pierre Pernaut et Justine Fraioli / Combien ça coûte ? L'hebdo



Christophe Moulin / Sans Aucun Doute

2nd Axis : Expand our TV leadership

1. Strengthen programmes on TF1

- Re-launch of the in-house creativity
- Open-up to new producers
- Strengthen win-win partnerships



A more innovative programming line-up relying upon sound basis

2. Strengthen our complementary offer

TMC Eurosport Discovery channels



A promising global offer to be enriched by stronger positions on DTT

3. Focus on strategic time frame

Prime time Access time
Second time News



New programmes on every genre

2nd Axis : Expand our TV leadership

New contents

Entertainment

- **Star Academy** : in Paris with new teachers (Armande Altaï, Anne Ducros, Stéphanie Bataille...)
- **Dance floor** : hosted by L. Boccolini from Monday to Friday at 6.00 p.m.



TV shows

- **Seconde chance** : daily show
- **R.I.S** : season 4
- **F.L.I.C.S** : with Frédéric Diefenthal



US TV shows

- **Gossip Girl** : new in France
- **Grey's anatomy** : season 4
- **CSI** : season 7



The movies

- **Finding Nemo**
- **Les bronzés 3**
- **War of the worlds**
- **La doublure**



3rd axis: undertake a 360° strategy

Ushuaïa: a 360° brand

Internet

www.ushuaia.com → the Internet portal
<http://ushuaia-terre.tf1.fr> → the Internet portal dedicated to sustainable development (455k pages viewed since April 2008)

Ushuaïa TV



TV Channel

About sustainable development issues and protection of the environment. (2.2 million subscribers at end June 2008)



Ushuaïa Nature.
TV show hosted by Nicolas Hulot and broadcast on TF1
7.5 million TV viewers*



Video VOD

www.tf1vision.fr

Licenses

Spin-off products reflecting the core values of the brand



Ushuaïa Edition

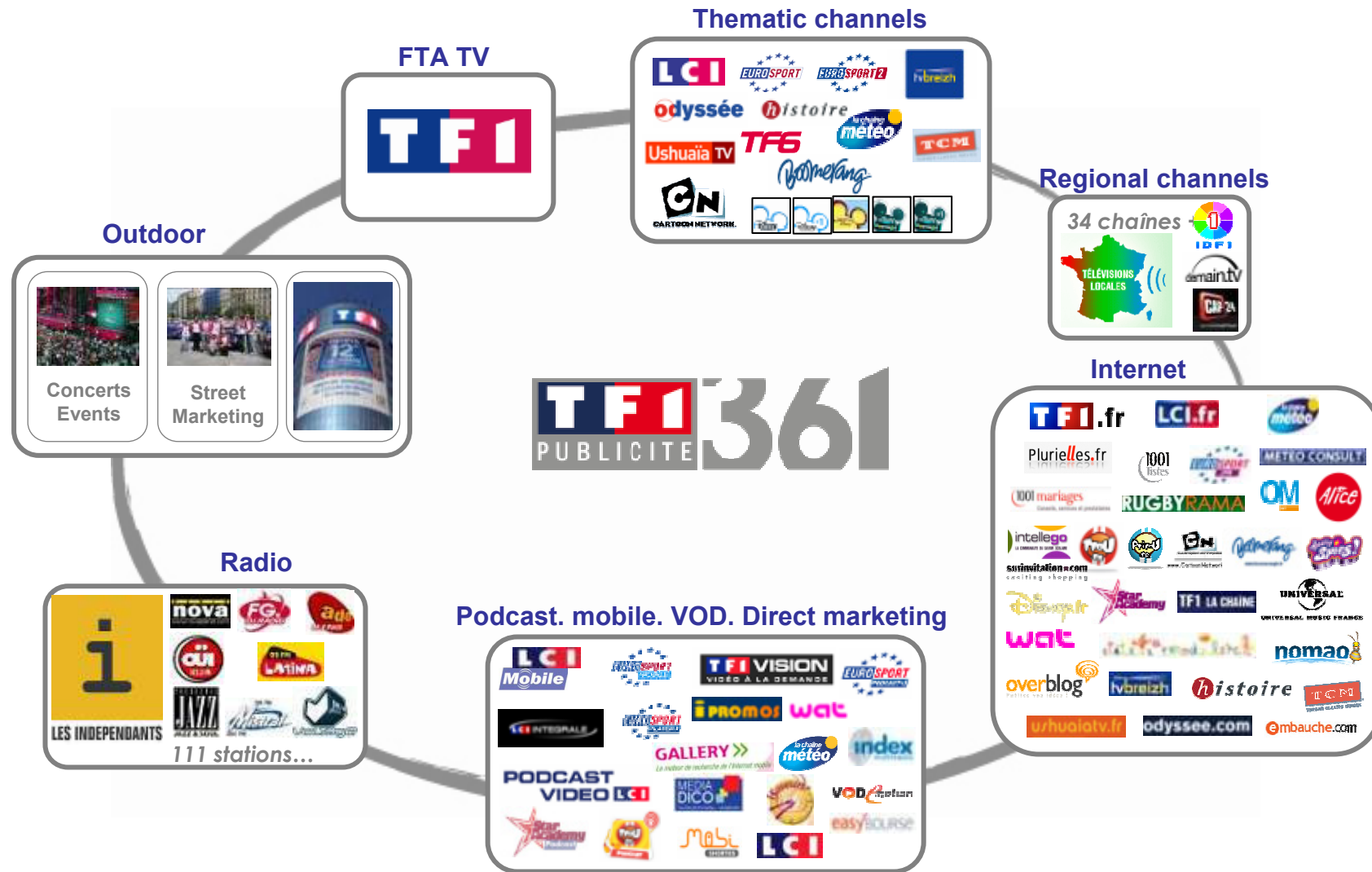
Magazines
Fine books
Education books

* TV Show of July 2nd 2008



3rd axis: undertake a 360° strategy

The 1st plurimedia advertising agency



CONCLUSION

5 skills for the future

1. A group ready for anything

- A team
- An organisation
- Processes

2. Financial

- Gearing at 52.8%
- Canal+ Put
- Assets : AB Group. Eurosport. TF1 International
- A solid shareholder : Bouygues
- S&P rating (A-)

3. A multi-channel presence

- Free TV / Pay TV
- Free newspapers (Metro)
- Web
- Video / VOD
- E-commerce

4. A multi-support advertising agency

- TV
- Web
- Radio
- Off media
- Free newspapers

5. New markets to enter

- Partnerships
- Games / Betting on sports and horses
- Innovative devices
- TV on mobile devices
- Catch-up TV
- CRM : from mass audience to customer base approach

Our ambition

Reaching **everybody** with show-case TV
around outstanding and federative programs

Offering **everyone** the opportunity to prolonge their own experience
through multimedia and spin-off activities

Building a **customised client base** on the Web
to benefit from new ways of business

Improving our **financial performances**
while investing for the future



Q&A

France : The most regulated market in Europe

Shareholding

- **Ownership law** : Allow one to hold 100% of a channel with less than 8% of audience share (vs. 2.5% previously)

→ Voted

Government bills

*To adapt European SMA law
To reform public television*

- **End of advertising** on France Télévision from 20 p.m. to 6 a.m. from January, 1st 2009

- 3% tax on broadcasters revenue

- 2nd ad break

→ Discussed on 01/10 at the Minister committee
Enforcement : January, 1st 2009 ?

Advertising decree

- **From 144 to 216 minutes** of daily TV advertising (6-9 min. per hour)

- Sliding hour measurement vs. o'clock hour in Europe

→ Enforcement : October, 1st 2008 ?

Tasca decree

- 16% of advertising revenue to be invested in French audiovisual rights, 2/3 dedicated to independent producers
- Limited access to rights

→ Enforcement ?



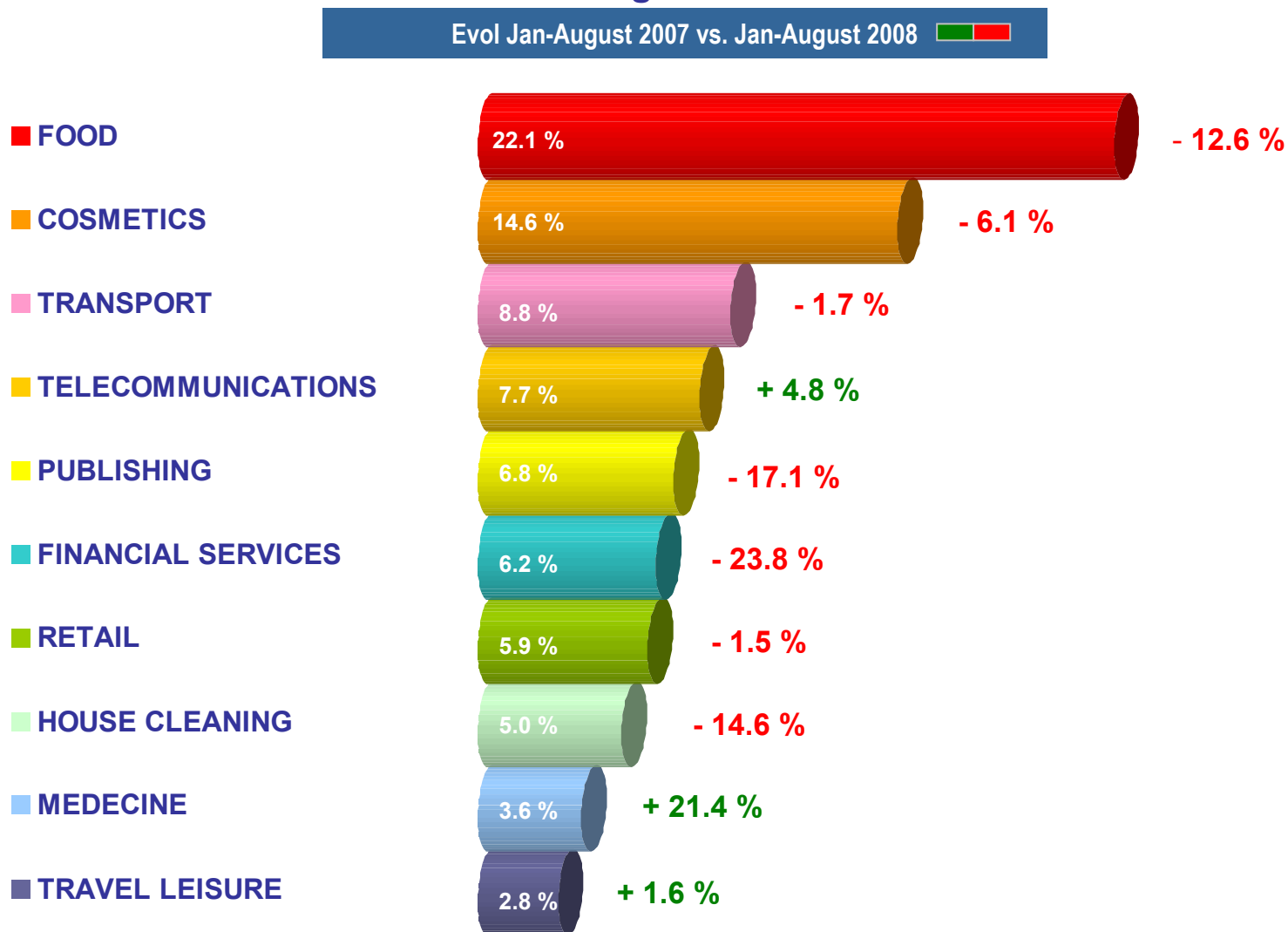
Appendix

Main financial objectives

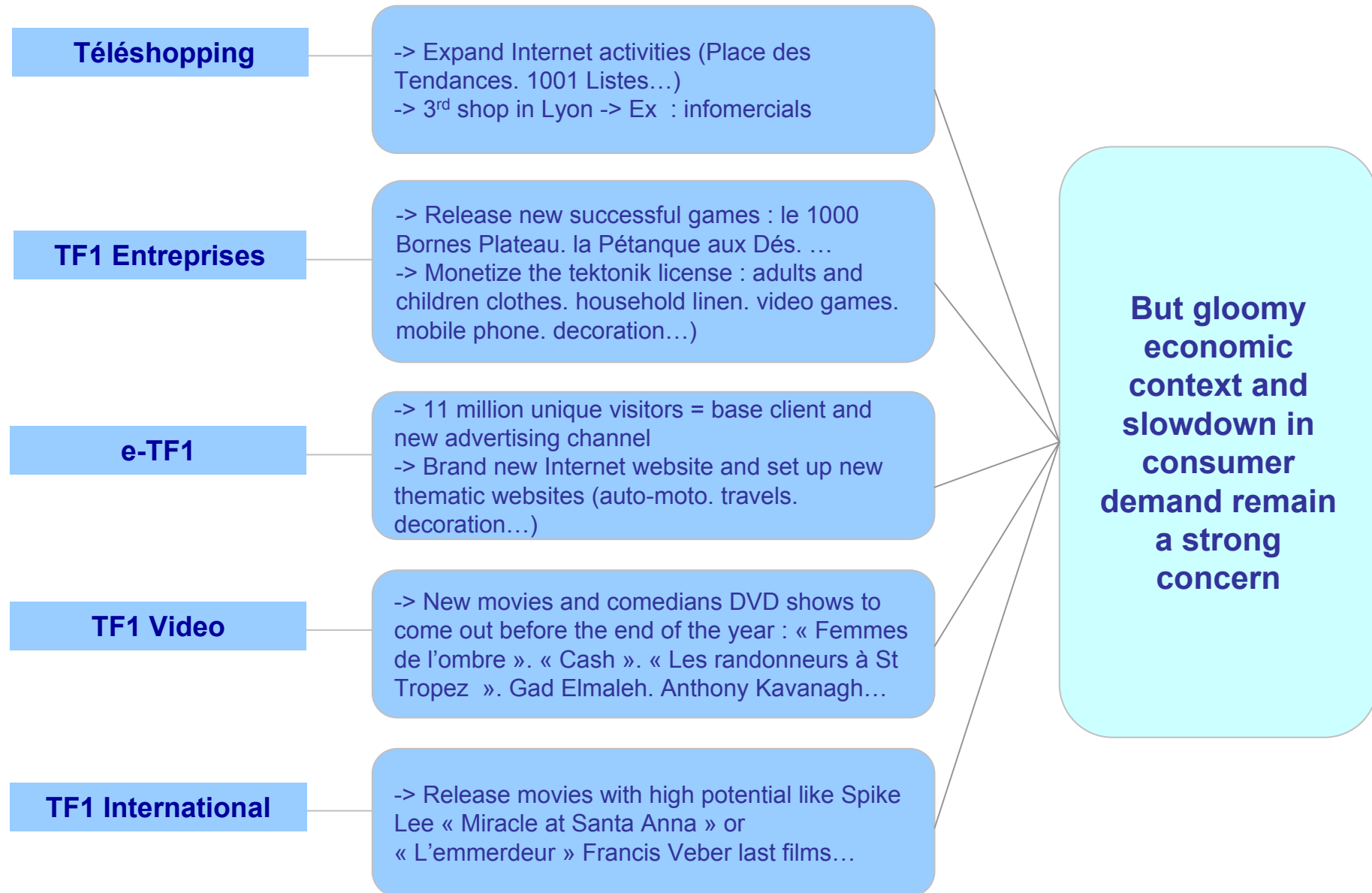
- **Forecasted group revenue in 2008 : ~ - 3%**
 - Current situation of the media market
 - Uncertain economic environment
 - Unclear regulatory framework
- **Diversification activities : 50% of total group revenue by 2011/2012**
- **EBITDA margin by 2011/2012 : ~ 20%**
- **Stabilize programming costs**

A tough economic situation

Evolution of advertising revenue by sector Gross revenue national TV Jan-August 2008



Diversifications activities











A changing environment



DTT

17 free channels

State-owned	     	 	News
Generalists	 		Music
Mini generalists	    		Youth

MPEG 2

11 paying channels

Premium	 	 	Sport
Mini generalists	 		Cinema
News			15-35 years old
Youth			Documentaries

MPEG 4



TF1 Group channels



Forecasted Financial Agenda 2008 - 2009

- **November, 13th 2008** **Q3 Revenue & Accounts**
- **January, 27th 2009** **FY Revenue**
- **February, 18th 2009** **FY Accounts**
- **February, 19th 2009** **Analysts Meeting**
- **April, 17th 2009** **AGM**

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