



Presentation

November 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.

Financial Results

Consolidated revenue evolution (1/2)

€M	9 Months 2008	9 Months 2007	2007	% 2008/2007
Total Revenue	1,880.3	1,970.3	2,763.6	- 4.6 %
<i>Incl. TF1 Channel Advertising</i>	<i>1,187.8</i>	<i>1,228.7</i>	<i>1,718.3</i>	<i>- 3.3 %</i>
<i>Incl. Other Activities</i>	<i>692.5</i>	<i>741.6</i>	<i>1,045.3</i>	<i>- 6.6 %</i>

€M	H1 2008	H1 2007	%	Q3 2008	Q3 2007	%
Total Revenue	1,363.5	1,430.6	- 4.7 %	516.8	539.7	- 4.2 %
<i>Incl. TF1 Channel Advertising</i>	<i>891.2</i>	<i>924.7</i>	<i>- 3.6 %</i>	<i>296.6</i>	<i>304.0</i>	<i>- 2.4 %</i>
<i>Incl. Other Activities</i>	<i>472.3</i>	<i>505.9</i>	<i>- 6.6 %</i>	<i>220.2</i>	<i>235.7</i>	<i>- 6.6 %</i>

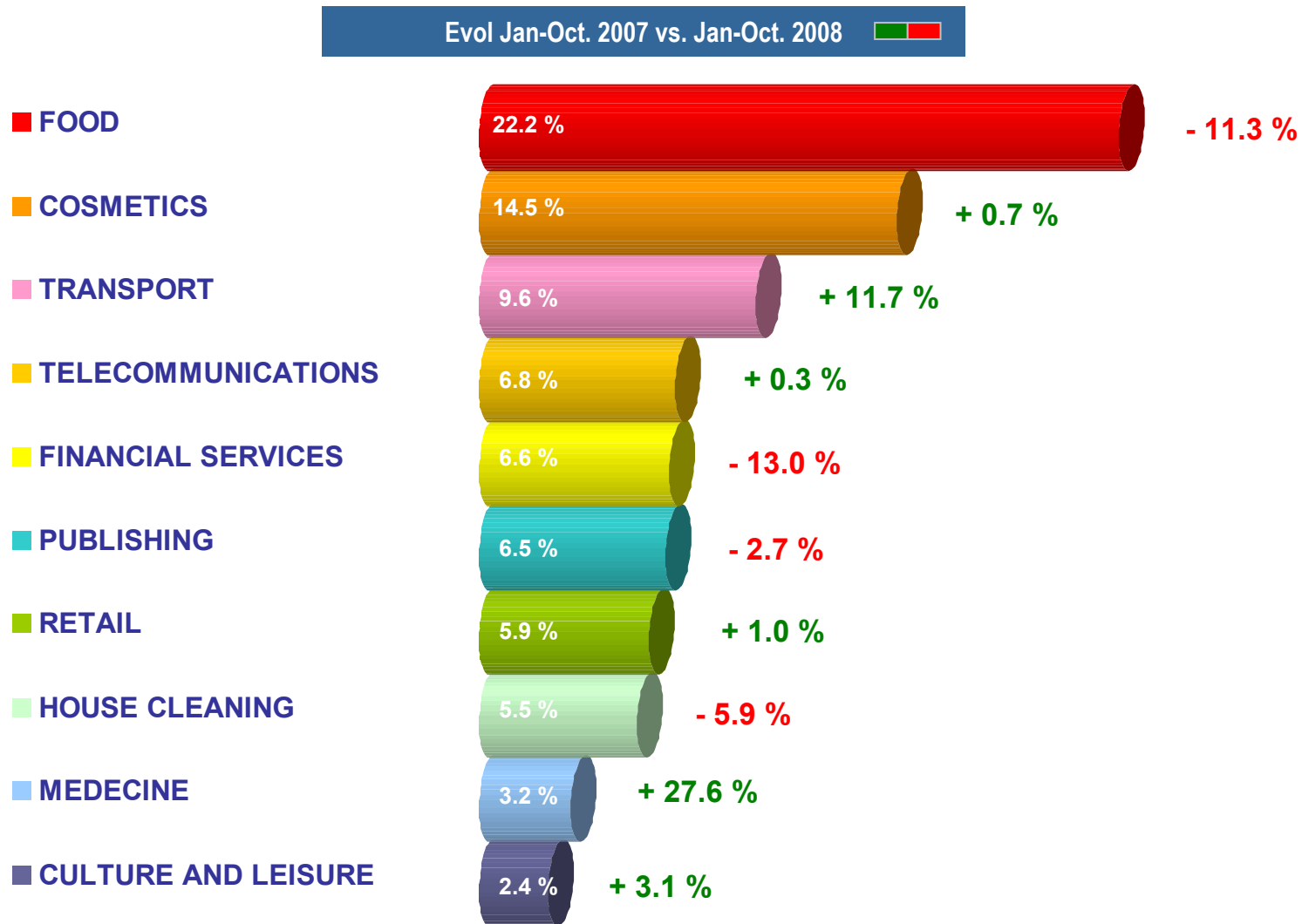
Consolidated revenue evolution (2/2)

€M	9 Months 2008	9 Months 2007 (*)	2007
France Broadcasting	1,539.8	1,587.5	2,220.5
<i>TF1 Channel</i>	1,193.1	1,235.9	1,729.3
<i>Téléshopping group</i>	109.4	110.9	153.1
<i>Thematic channels in France</i>	138.3	138.0	188.6
<i>TF1 Entreprises</i>	20.8	21.7	40.5
<i>In-house production companies</i>	24.0	23.1	28.1
<i>e-tf1</i>	38.1	42.6	57.4
<i>Others</i>	16.1	15.3	23.5
Audiovisual Rights	105.9	177.9	268.1
<i>Catalogue</i>	39.0	70.7	101.4
<i>TF1 Video</i>	66.9	107.2	166.7
International Broadcasting	234.0	204.9	274.8
Other Activities	0.6	-	0.2
Total revenue	1,880.3	1,970.3	2,763.6

(*) Reclassification of TF1 Hors Média (non-media below-the-line promotional activities) from TF1 Entreprises to Other after its merger into TF1 Publicité, and of WAT from Other to e-TF1

A tough economic situation

Evolution of advertising revenue by sector (for TF1) Gross revenue (January-October 2008)



Consolidated income statement

M€	9 months 2008	9 months 2007	Change	Var %
Consolidated revenue	1,880.3	1,970.3	- 90.0	- 4.6 %
Total programming costs	- 749.1	- 716.0	- 33.1	+ 4.6 %
Total other operating charges and revenue	- 910.9	- 919.6	+ 8.7	- 0.9 %
EBITDA ⁽¹⁾	220.3	334.7	- 114.4	- 34.2 %
EBITDA margin	11.7 %	17.0 %		
Amortisation and provisions	- 90.5	- 100.2	+ 9.7	- 9.7 %
Operating profit	129.8	234.5	- 104.7	- 44.6 %
Operating margin	6.9 %	11,9 %		
Cost of net debt	- 20.3	- 14.3	- 6.0	+ 42.0 %
Other financial income and expenses	27.8	21.9	5.9	+ 26.9 %
Income tax expense	- 34.7	-74.8	40.1	- 53.6 %
Share of profits/losses of associates	7.9	- 0.8	+ 8.7	ns
Net profit attributable to the Group	110.5	166.4	- 55.9	- 33.6 %

(1) EBITDA = current operating profit + depreciation, amortisation, provisions, and impairment + reversals of not used provisions for liabilities and charges + reversals of not used provisions on assets

Cost-saving plan

€M	9 months 2008	9 months 2007	% 08/07
Operating result	129.8	234.5	- 44.6%

Main impacts on the operating profit for the first nine months of 2008

Renegotiation of contracts	+ 5.3	} - 29.4
Reduction of other charges	+ 13.2	
Abandoned activities (JET, TFou...)	+ 6.8	
Reorganisation costs	- 31.3	
Euro 08 vs Rugby World Cup 07 costs	- 23.4	

Strategic Issues

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 8 p.m. to 6 a.m. starting January, 1st 2009
 - 3% tax on broadcasters revenue
 - 2nd ad break
- Review in November, 25th by the parliament

Advertising Decree

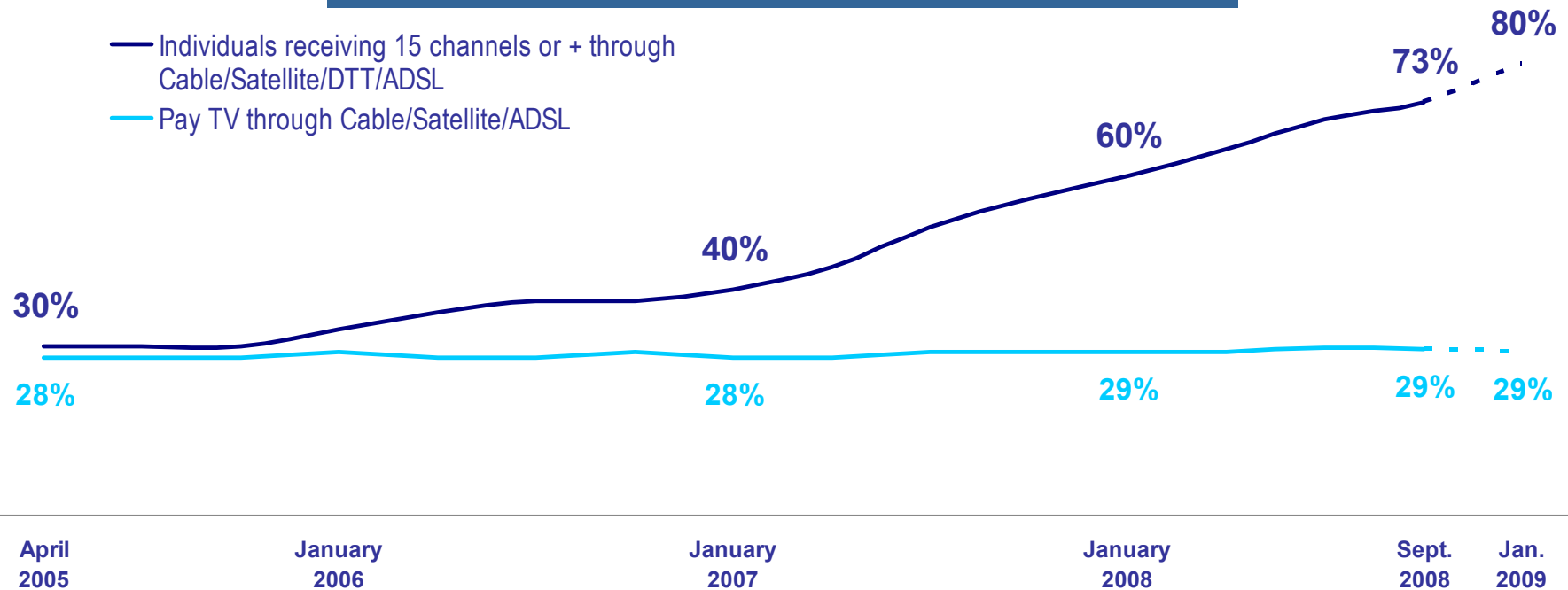
- **From 144 to 216 minutes** of daily TV advertising (6-9 min. per hour)
 - Sliding hour measurement vs. o'clock hour
- Signed in November by the Minister and implement from January 09

Production obligations

- Obligation to invest 16% of annual revenues in the commissioning of audiovisual productions replaced by an obligation to invest 12.5% of revenues in productions suitable for repeat broadcasting.
- 2/3 dedicated to independent producers
- New access to rights
- The 120 hours of original EU or EOF programming scheduled to start between 8 and 9 p.m. can include up to 30 hours of repeats

TF1: 4 challenges ahead

Quarterly evolution: breakdown of Individual according to the number of available channels
4 years or + equipped TV

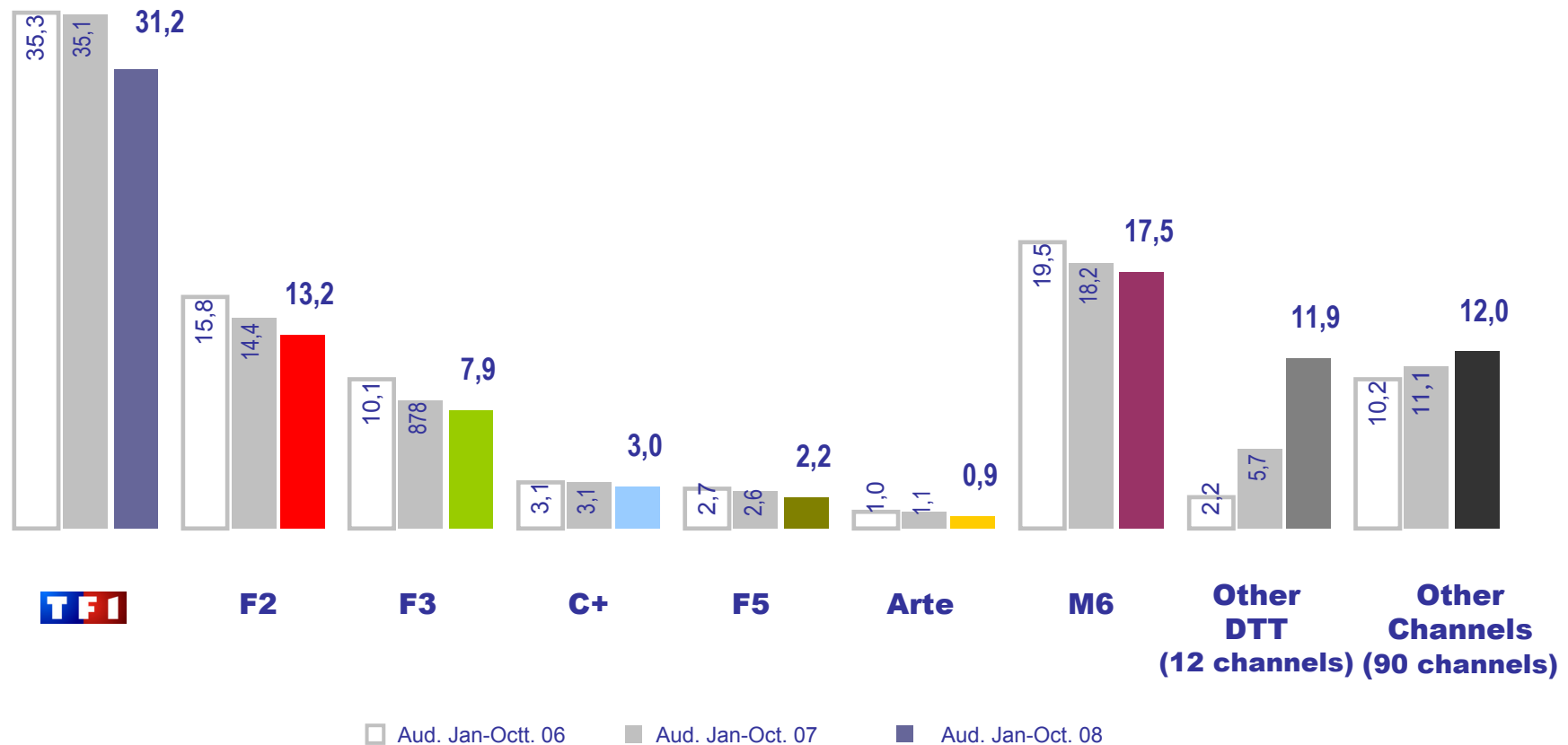


1. **Technology: large screens, HD, IPTV, Catch-up, VOD**
2. **Competition: DTT, ADSL, Cable and Satellite, mobile phones**
3. **Finance: profitability and growth**
4. **Customers: new consumer behaviour**

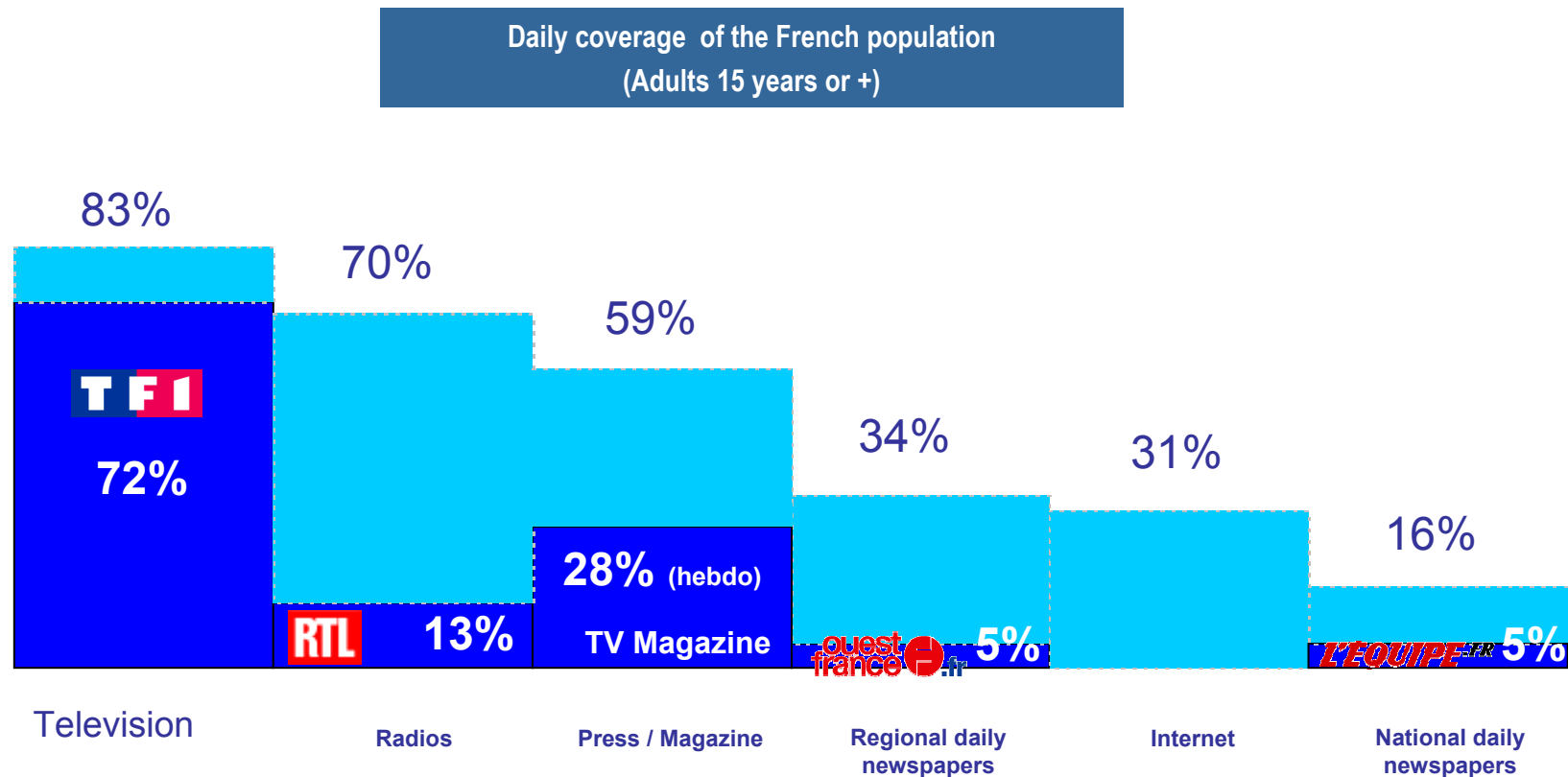
The audience share of national channels is falling down since 2006

Audience share - Women < 50y

2008 vs 2006 →	- 12%	- 16%	- 22%	- 3%	- 19%	- 10%	- 10%	+417%	+18%
2008 vs 2007 →	- 11%	- 8%	- 9%	- 3%	- 15%	- 18%	- 4%	+109%	+8%



but TV remains the leading media

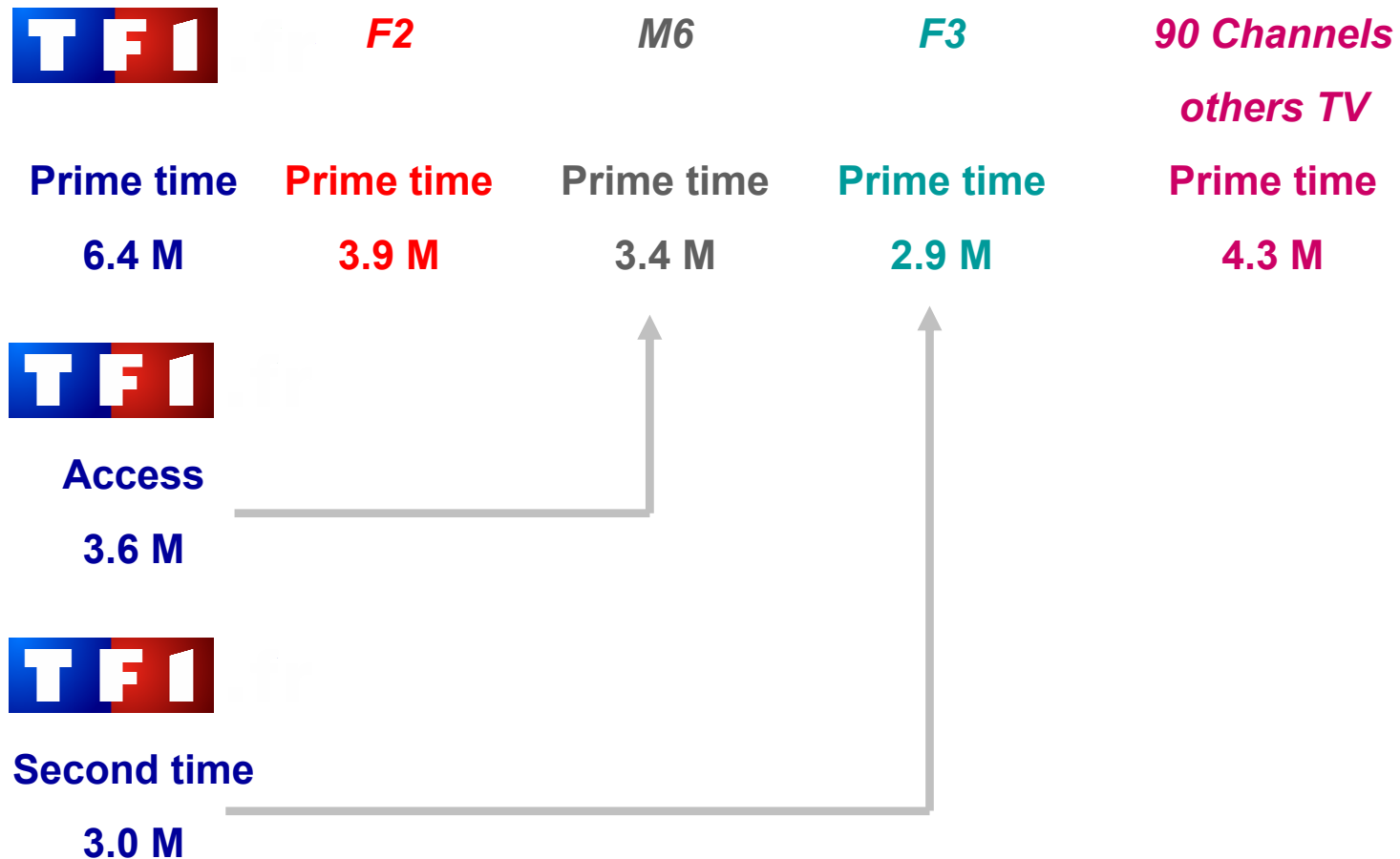


TFI: the unique mass media channel of the advertising market

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

TF1 channel remains a strong leader

January-October 2008



Adience 4 years +

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




Source Médiamétrie / Médiamat



A solid position on TV and Web

Audience 4 years or + NATIONAL
JANUARY-OCTOBER 2008

TV

	27.4 %
	2.1 %
Cable and Satellite 	1.5 %
TF1 GROUP	31.0 %

WEB

TF1 Network:
1st network
among
French TV
websites







TF1 Network

6th network of websites

14.5 M unique visitors
August 2008

8th **9.3 M** unique visitors
August 2007

+54.7%

-  2nd Sports website
-  5th Youth website
-  3rd Women website
-  3rd Video platform
-  3rd Community platform ⁽¹⁾
-  3rd News websites

Source: Panel Médiamétrie NNR
(1) 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**

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

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

Ushuaïa TV
développement durable

TV Channel in HD since 25th September 2008
About sustainable development issues and protection of the environment (2.2 million subscribers at end June 2008)

TF1

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

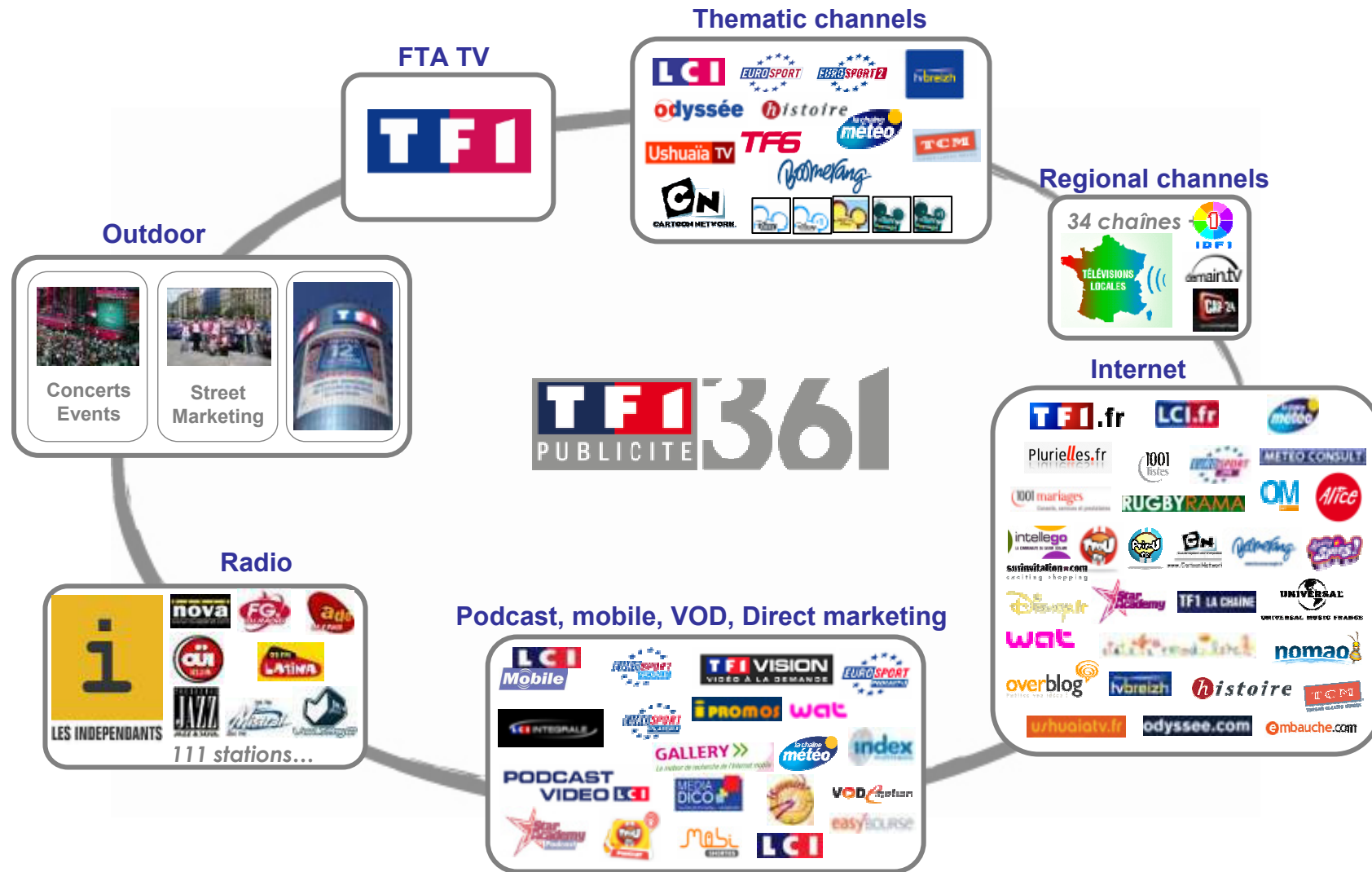


Ushuaïa Edition
Magazines
Fine books
Education books

* TV Show of July 2nd 2008

3rd axis: undertake a 360° strategy

The 1st plurimedia advertising agency





Appendix

Main financial objectives

- **Forecasted group revenue in 2008: ~ - 6%**
 - 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**

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

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**

2nd axis: expand our TV leadership

New contents

US TV shows

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



TV shows

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



Entertainment

- **Star Academy**: in Paris with new teachers (Armande Altaï, Anne Ducros, Stéphanie Bataille...)

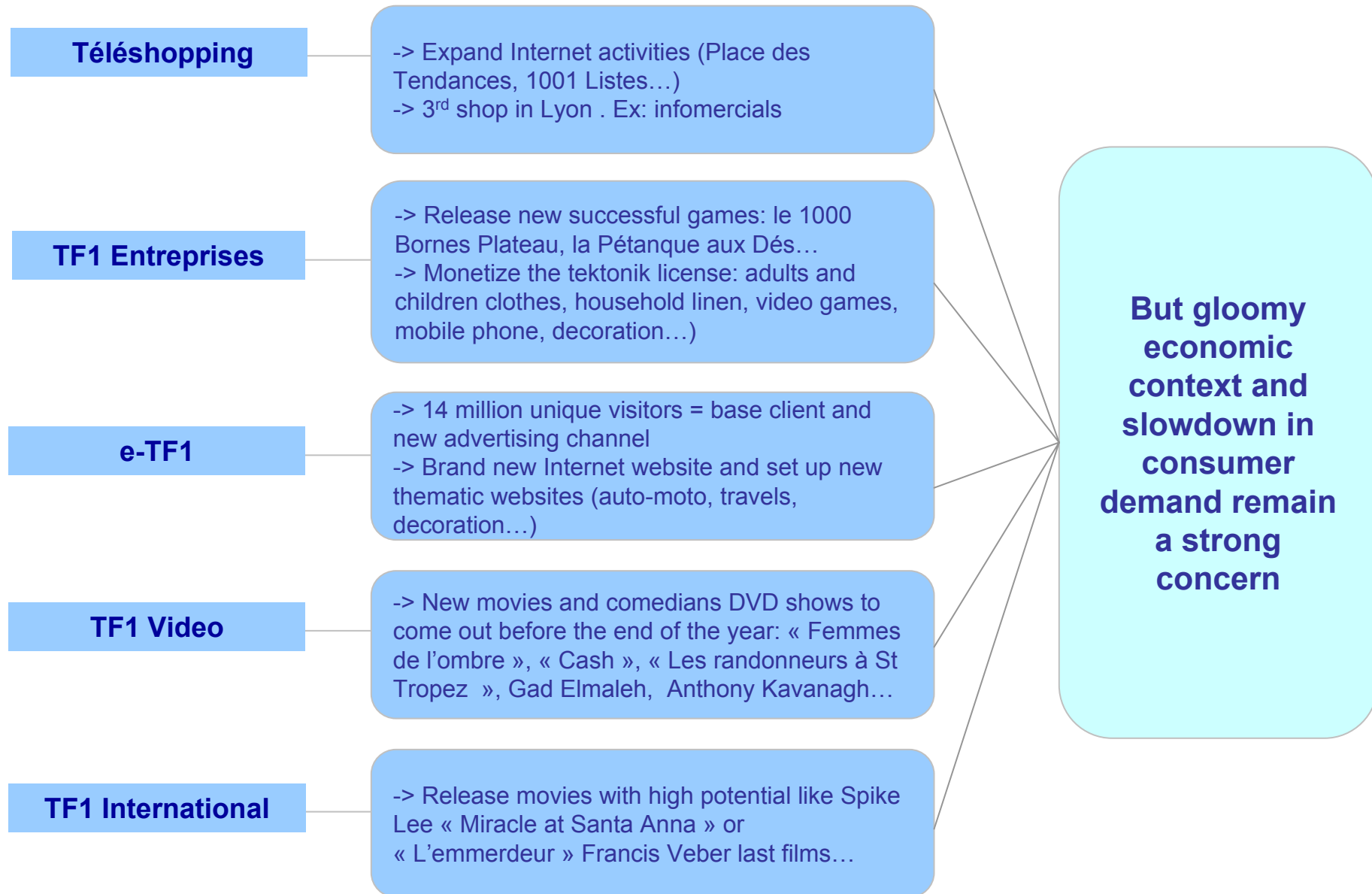


The movies

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



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

- **February, 18th 2009** **FY Accounts**
- **February, 19th 2009** **Analysts Meeting**
- **April, 17th 2009** **AGM**

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