

Roadshow UK

March 2007



JP Morgan

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.

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Summary

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- **OTHER ACTIVITIES**
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INTRODUCTION

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2006 key figures

Key figures (€m)	31/12/06	31/12/05
Revenue	2,653.7	2,508.4
<i>TF1 Channel advertising</i>	1,707.9	1,647.5
<i>Other activities</i>	945.8	860.9
TF1 channel programming costs	1,060.1	919.4
Current operating profit	300.8	339.0
Profit of discontinuing operations (TPS)	253.6	14.2
Net profit attributable to the Group	452.5	236.3
Diluted earnings per share¹ (€)	0.92	1.10
Dividend (€)	0.85*	0.65
Pay-out ratio (%)	92%	59%
Net financial debt	378.5	457.6
Gearing (%)	27.9%	43.5%

¹ Continuing operations in 2006 and including profit of discontinuing operations in 2005

* Dividend proposed by the Board of Directors to shareholders met in AGM on April 17, 2007

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New players on the market

The Telecom operators (fixed and mobile) include audiovisual contents in their offers

December 2003

*Launch of TV
over ADSL by
France Télécom and TPS*

TPS L



December 2006

1.5 million
households receives TV over ADSL



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**Audiovisual contents are watched
on every network**

DTT: 7.2 million
households equipped

Cable-Sat: 6.4 million
subscribers (Cable, TPS and Canalsat)

ADSL: 1.5 million
households receives TV over ADSL

Mobile TV: 1.1 million
people watches TV over mobile phones

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BROADCASTING FRANCE

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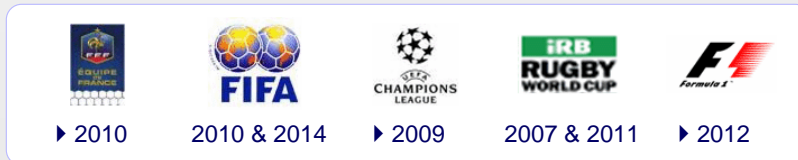
The key success factors

The best news contents

- Far **ahead** of its competitors
(+ **4.8 m viewers** vs. the 1 o'clock news bulletin of France 2 and + **3.6 m viewers** vs. the 8 o'clock news bulletin of France 2)
- **Audiences above** news bulletins of biggest US networks.

The best sports contents

- The **biggest events** are on TF1



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The key success factors

The best French TV dramas

- Exclusive productions strategy: **Prestige dramas, 52 minutes dramas and recurrent heroes**



The best movies

- Contracts secured with **US majors**
- Investments in **French movies**: €48 m in 2006



The key success factors

The best US series

- 7 out of the 10 best series in the US are on TF1



The best entertainment

- Sustainability of TF1 eventful shows
- Success of new access programmes in 2007



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TF1 : the best US series

7 out of the 10 best series in the US are on TF1

1	GREY'S ANATOMY	abc	22.1 m	TF1
2	CSI (Les Experts)	CBS	21.6 m	TF1
3	Desperate housewives	abc	21.6 m	
4	CSI : MIAMI (Les Experts Miami)	CBS	17.6 m	TF1
5	LOST	abc	17.1 m	TF1
6	CRIMINAL MINDS (Esprits criminels)	CBS	16.6 m	TF1
7	CSI : NY (Les Experts Manhattan)	CBS	16.4 m	TF1
8	NCIS	CBS	15.9 m	
9	HOUSE, MD (Dr House)	FOX	15.7 m	TF1
10	Two and a half men	CBS	15.5 m	

Source : Source Eurodata TV, all rights of reproduction reserved, all rights reserved by Mediamétrie (season 2006-07 as December 31, 2006)

TV: the only mass media in France

Above

40 million

Individuals 4+ watch TF1 every day !

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Source : Médiamétrie 2006 - individuals aged 4 and above

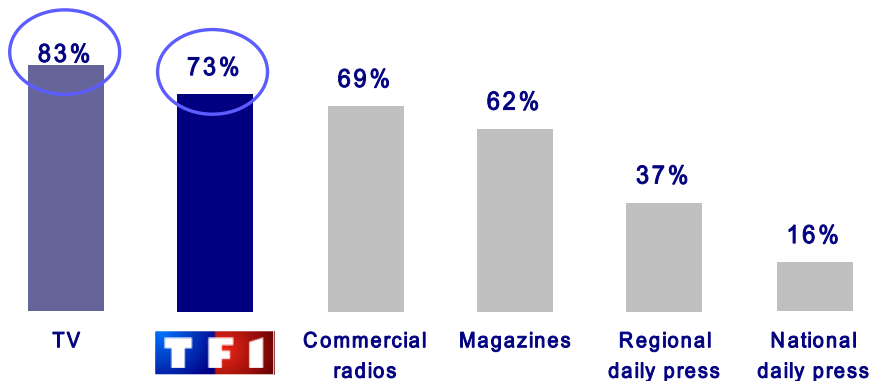
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TF1: a mass media ?

Above 40 million Individuals 4+ watch TF1 every day !

Daily coverage of the French population



Coverage on Individuals 15+ / Source Médiamétrie 2006 - Radio 126000 Nov.- Dec. 2006 - AEPM 2005- EPIQ 2005-2006 - Commercial Radios = commercial, local, regional and national stations, which have access to advertising

TOP 100: a record since 1991 !

98

out of the 100 best audiences for TF1 in 2006

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Source : Médiamétrie - Top 100 2006 - individuals 4+

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TF1: 98 positions in the top 100

47 French TV dramas



RIS - 26 January
11.3 million viewers

20 Sports



World Cup semi-final - 5 July
22.2 million viewers

14 US Series



CSI Miami - 10 May
10.3 million viewers

12 Movies



Les Bronzés font du ski - 31 January
12.4 million viewers

3 News*



8 o'clock news bulletin - 12 March
11.5 million viewers

2 Entertainments



Le Village des Enfoirés - 7 April
10.9 million viewers

2 programmes complete this 2006 top 100:
Les Choristes on France 2 (15th) and Louis la brocante on France 3 (75th)

M6 first programme ranks 256th
Prison Break broadcast on November 8, 2006

Source : Médiamétrie - Top 100 2006 - individuals 4+

* Only the first audience of the news bulletin (1 o'clock and 8 o'clock) taken into account over the period

An unchallenged leadership on every network

Indiv. 4+

Médiamat environment



31.6%

DTT environment



31.8%

Cable-sat environment



33.0%

Médiamétrie - Médiamat - Indiv. 4+ (Audience share TF1)

Médiamétrie - Nov-Dec 06 - Indiv. 4+ (Audience share TF1 + TMC)

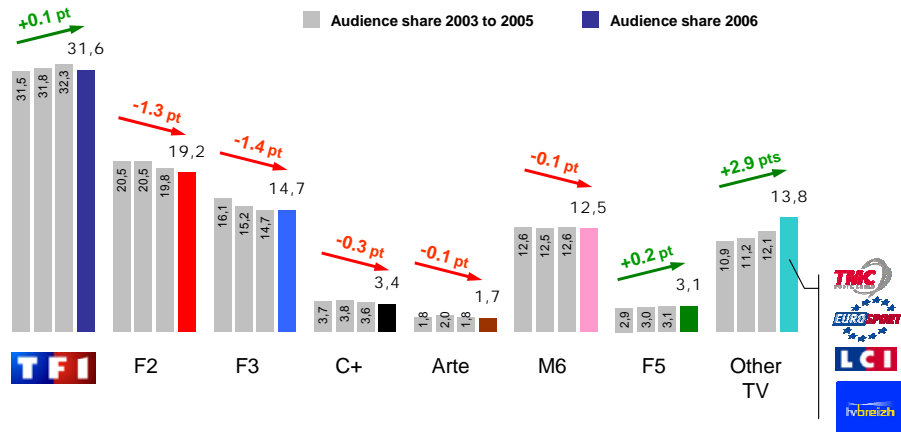
Mediacabsat 11 - Dec 05 / June 06 - Indiv. 4+ (PdA TF1 + TF1 Group theme channels)



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TF1: an unchallenged leadership ...

Individuals 4+



Source : Médiamétrie - Médiamat

TF1: the best resistance to market fragmentation

Audience share

	Mediamat environment* (i.e. ~28% pay TV penetration)		Cable & sat. environment** (100% pay TV)	Degree of resistance
TF1	31.6%	----->	25.5%	81%
France 2	19.2%	----->	13.9%	72%
France 3	14.7%	----->	9.5%	65%
M6	12.5%	----->	8.0%	64%

TF1: the best resistance to the market fragmentation

The market fragmentation widens the gap between TF1 and its competitors

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* Source: Mediamétrie 2006 - Ind. 4+

** Source: Mediacabsat 11 - Dec. 2005 / June 2006 - Ind. 4+



A more and more attractive prime time

+ 300,000

viewers on average vs. 2005

with 7.5 million Individuals on average (32.8% audience share) - best audience in prime time since 1994 !

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Leading theme channels



5 channels in the top 10

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Source : Médiamétrie - Médiacabsat 11 (Dec 05 - June 06) - Ind 4+

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Theme channels : a multi-channel strategy



1st DTT channel



1st news channel on AB+



1st cable and satellite channel



1st cable and satellite channel
on Women < 50



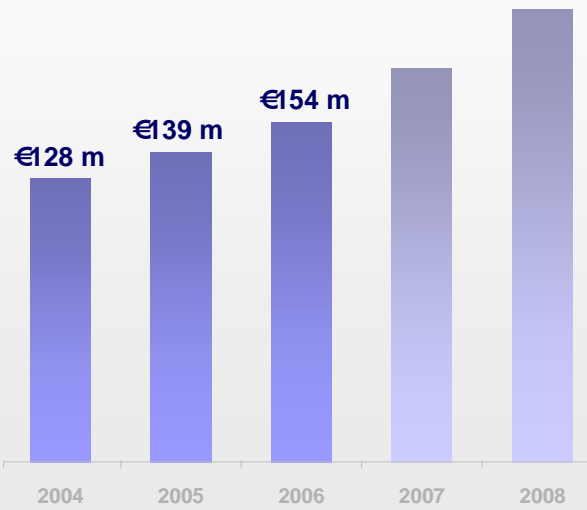
3rd cable and satellite channel
on 15-49



Source : Médiamétrie - Médiamat and Médiacabsat 11

TF1 Group theme channels revenue

2008 revenue target > €200 m



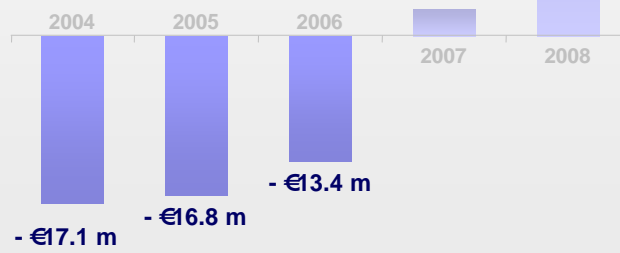
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TF1 Group theme channels operating profit

2008 operating
margin target

~ 10%



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TV: the only mass media in France

The best of every genre of programmes on TF1

An unchallenged leadership on every network and every target

Records of audience in 2006

A more and more attractive prime time

Leading theme channels

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ADVERTISING

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2006 advertising growth

TF1 channel +3.7%
Theme channels +14%
Internet +125%

**GDP
growth
in 2006**
+ 2.0%

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TF1: an advertising market share in increase

+ 0.4 pt
at
54.8%

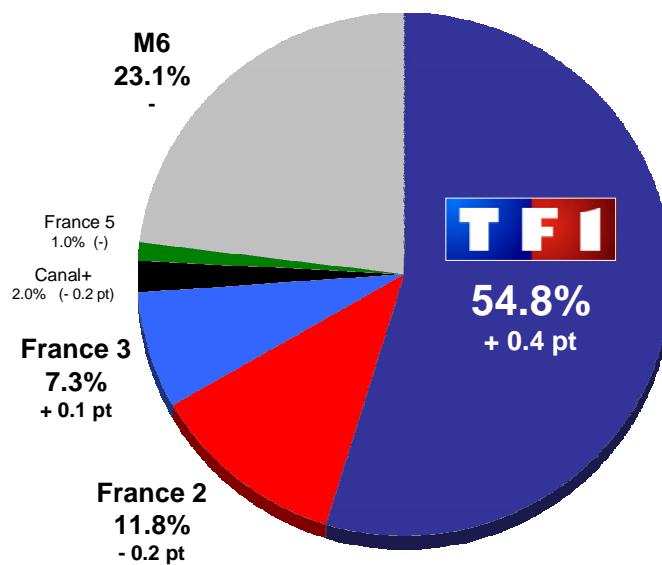
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Source : TNS Media intelligence - 2006

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2006 advertising market share



Source : TNS Media intelligence - 2006

TF1: exclusivity of powerful ad breaks

88%

of the ad breaks above 12 GRP on TF1

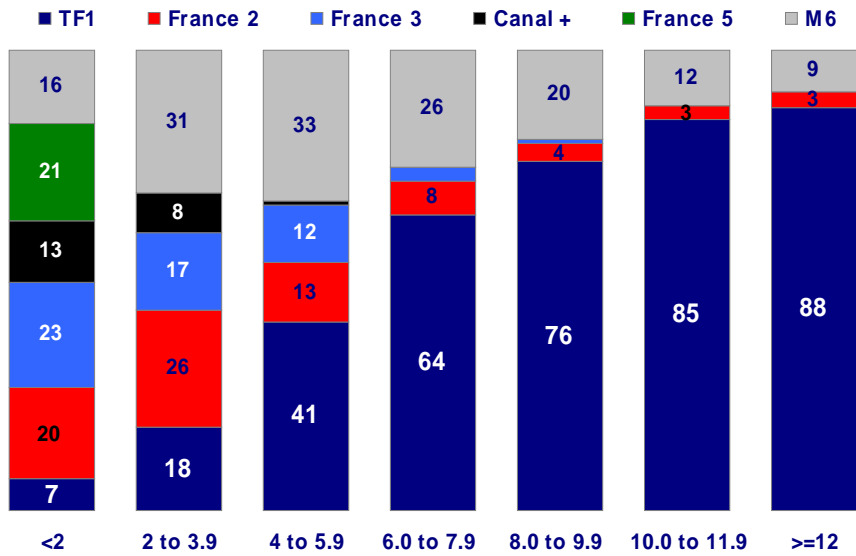
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Source : Médiamétrie - 2006 - Women < 50

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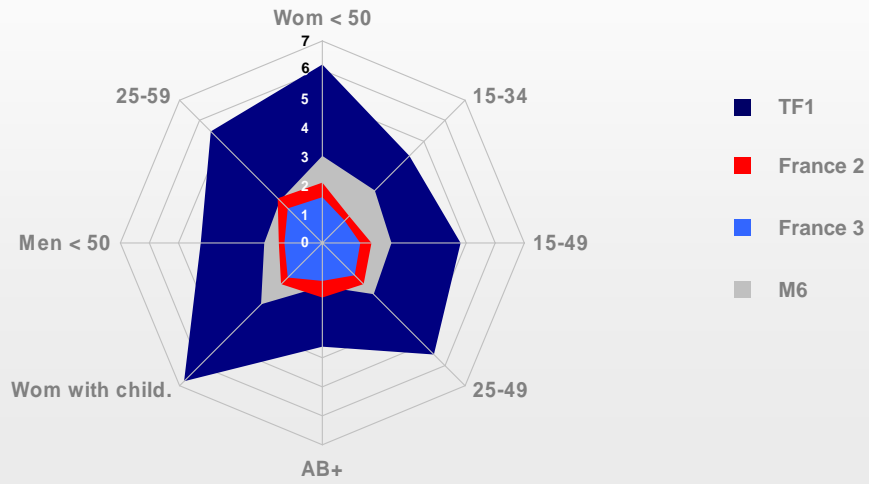
% of ad breaks split by audiences



Source : Médiamétrie - 2006 - Women < 50

TF1 ad breaks: efficient on every target

Average audience (%) of ad breaks per channel and per target in 2006 – whole day



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Source : Mediamétrie / year 2006 / average audience in % of the targeted population



January 2007: first steps for retailers on TV

Investments on TF1*

➤ **€16.6 m (gross)**
invested in January 2007

➤ **Coverage rate: 100%***
15 advertisers on TF1

TF1 advertising market share
on the retail sector (excl. Mistergooddeal)

60%



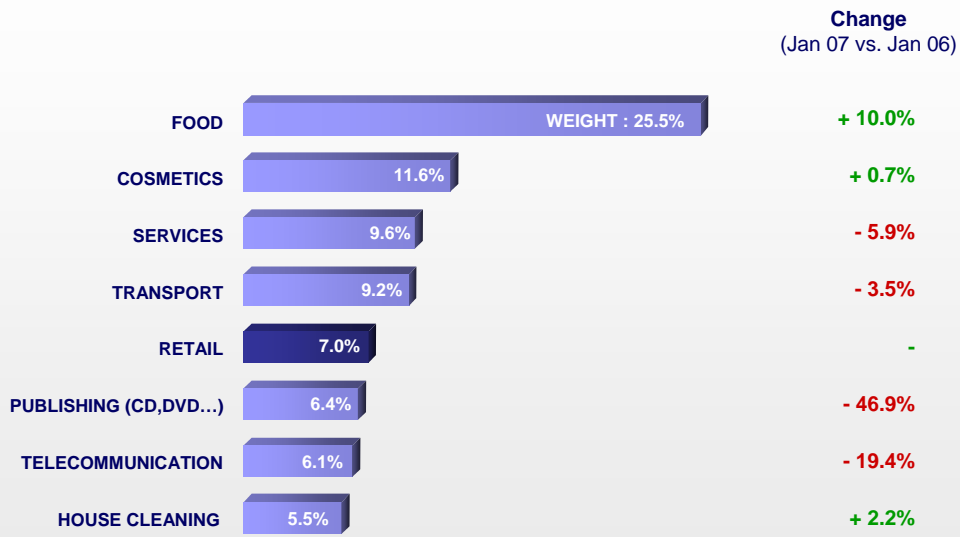
Source : TNSMI – January 2007

* Coverage rate and market share calculated excluding Mistergooddeal (M6 Group)



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TF1: sectors breakdown (January 2007)



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Consolidated revenue by sector

€m	2006	2005	Change	%
Broadcasting France	2,153.6	2,037.2	116.4	5.7%
TF1 SA	1,724.3	1,661.5	62.8	3.8%
Theme channels in France	153.9	139.4	14.5	10.4%
Group Téléshopping	110.3	89.4	20.9	23.4%
TF1 Entreprises	40.3	32.4	7.9	24.4%
e-tf1	71.3	69.2	2.1	3.0%
In-house production companies	31.1	30.2	0.9	3.0%
Others	22.4	15.1	7.3	48.3%
Audiovisual rights	240.9	232.9	8.0	3.4%
TF1 Vidéo	157.9	160.5	(2.6)	(1.6%)
Catalogue	83.0	72.4	10.6	14.6%
International broadcasting	259.2	243.4	15.8	6.5%
Other activities	0.0	(5.1)	5.1	ns
Total revenue	2,653.7	2,508.4	145.3	5.8%

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Current operating profit by sector

€m	2006	2005	Change	%
Broadcasting France	245.9	291.9	(46.0)	(15.8%)
<i>TF1 SA</i>	224.5	263.0	(38.5)	(14.6%)
<i>Theme channels in France</i>	(13.4)	(16.8)	3.4	(20.2%)
<i>Group Téléshopping</i>	8.7	8.2	0.5	6.1%
<i>TF1 Entreprises</i>	5.9	6.6	(0.7)	(10.6%)
<i>e-tf1</i>	3.8	6.3	(2.5)	(39.7%)
<i>In-house production companies</i>	(1.2)	3.3	(4.5)	ns
<i>Others</i>	17.6	21.3	(3.7)	(17.4%)
Audiovisual rights	24.9	22.6	2.3	10.2%
<i>TF1 Vidéo</i>	15.6	16.8	(1.2)	(7,1%)
<i>Catalogue</i>	9.3	5.8	3.5	60.3%
International broadcasting	30.0	29.9	0.1	0.3%
Other activities	0.0	(5.4)	5.4	ns
Current operating profit	300.8	339.0	(38.2)	(11.3%)

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Eurosport key figures

2006 key figures



59 countries

20 languages

110.3 million households (+ 4.9%)*

62.6 million subscribers (+ 12.1%)*

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* Incl. Eurosport France

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Organiser of sports events



Target : All media rights
New revenue (field marketing)



Through major international events

- A world championship



FIA World Touring Car Championship

WORLD TOURING CAR CHAMPIONSHIP: 11 stages of car races

€11 m
revenue in 2006

- New events in 2007

INTERCONTINENTAL RALLY CHALLENGE: 9 rallies on 3 continents

INTERNATIONAL FORMULA MASTER: 8 races of single-seaters on circuit

GLOBAL CHAMPIONS TOUR: 8 jumping horse-riding shows "5 stars"

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Target: become the n°1 sports website in Europe !



YAHOO!

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European sports website

Year 2006	Unique visitors*	Sports reach**
1 BBC UK (excl. homepage)	5,802	8.3%
2 Yahoo! Sports	5,469	7.9%
3 Eurosport	3,834	5.5%
4 Yahoo! FIFA World Cup	3,495	5.0%
5 Sky Sports	3,406	4.9%
6 Sport 1 online	2,963	4.3%
7 AOL Sports	2,577	3.7%

Eurosport.com: 3rd sports website in Europe

Source : comScore

* Monthly average in thousands

** Audience share among sports websites in Europe (sports reach)

STRATEGY

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Target

Be leader
on every business


















**With contents customized
to each and every platform**



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An organisation by line of products

Networks	TV	Internet	Mobility	Commerce
Genres	TF1 channel n°1 5 theme channels in the top 10	1 st media website 13 th website in France	3 rd editor of mobile contents	
Sport				
News				
Cinema/Series Dramas				
Music / Games Entertainment				
Youth			Launch of youth Podcasts	

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Strategic issues

- Reinforce the “share of voice” of the Group
- Develop new activities
- Secure the access to multi-platforms rights
- Implement a strategy of multi-supports contents around key genres (news, sport, cinema ...)
- Dynamise the International development
- Increase the Group profitability
- Be leader on every business

Appendix



FAQ

TF1 channel advertising

- Guidance of TF1 channel advertising growth in 2007: +6% to +8%
- Impact from the opening of TV adv to retailers in 2007 (given by media agencies): €200 m - €240 m
- 2006 Football World Cup: net revenue of ~ €70 m (incl. sponsorship) and total costs of the event (incl. HD broadcast) of ~ €114 m

TF1 channel programming costs

- 2010 Football World Cup: €120 m ; 2014 Football World Cup: €130 m
- 2007 Rugby World Cup: €50 m ; 2011 Rugby World Cup: €30 m
- Forecast of evolution of the 2007 total programming costs: ~ -3% (+ 3.0% excluding Football World Cup in 2006 and excluding Rugby World Cup in 2007)

Other activities

- Theme channels: 2008 revenue target: €200m - 2008 operating margin target: ~10%
- Teleshopping: target of aggregated revenue for the next 3 years: ~€460 m

TF1 gross margin - operational breakdown (1/2)

€m	2006	2005	Change	%
TF1 channel advertising revenue	1,707.9	1,647.5	60.4	3.7%
Advertising agency fees	(80.9)	(86.5)	5.5	(6.4%)
Authors	(66.6)	(63.2)	(3.4)	5.4%
CNC	(84.8)	(81.7)	(3.1)	3.8%
TDF / Satellites / Transmissions	(53.5)	(54.9)	1.4	(2.6%)
Net revenue from broadcasting	1,422.0	1,361.2	60.8	4.5%
Programming costs (excl. Football World Cup)	(946.5)	(919.4)	(27.1)	2.9%
Football World Cup cost	(113.6)	-	-	-
Gross margin	361.9	441.8	(79.9)	(18.1%)

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TF1 gross margin - operational breakdown (2/2)

€m	2006	2005	Change	%
Gross margin	361.9	441.8	(79.9)	(18.1%)
Diversification and misc. revenue and other products	938.4	850.2	88.2	10.4%
Other operating charges	(888.0)	(815.2)	(72,8)	8.9%
Net allocation to depreciation, amortisation and prov.	(111.5)	(123.6)	12.1	(9.8%)
Operating profit	300.8	353.2	(52.4)	(14.8%)
Cost of net debt	(11.6)	(12.3)	0.7	(5.7%)
Other financial income and expenses	(4.9)	0.6	(5.5)	ns
Income tax expense	(98.7)	(115.5)	16.8	(14.5%)
<i>Tax rate</i>	34.7%	33.8%		
Share of profits / losses of associates	13.1	(5.5)	18.6	(338.2%)
Net result from continuing operations	198.7	220.5	(21.8)	(9.9%)
Profit of discontinuing operations	253.6	14.2	239.4	ns
Net profit	452.3	234.7	217.6	92.7%
Minority interests	(0.2)	(1.6)	1.4	(87.5%)
Net profit attributable to the Group	452.5	236.3	216.2	91.5%

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TF1 channel programming costs

€m	2006	2005	Change	%
Entertainment	265.3	272.9	(7.6)	(2.8%)
TV dramas and series	279.1	270.6	8.5	3.1%
Sports (<i>excluding Football World Cup</i>)	146.5	117.2	29.3	25.0%
News	114.4	116.6	(2.2)	(1.9%)
Movies	114.7	118.1	(3.4)	(2.9%)
Youth	26.5	24.0	2.5	10.3%
Total programming costs (excl. Football World Cup)	946.5	919.4	27.1	2.9%
Football World Cup	113.6			
Total programming costs (incl. Football World Cup)	1,060.1	919.4	140.7	15.3%

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Consolidated balance sheet

ASSETS (€m)	31/12/06	31/12/05
Intangible fixed assets	158.3	179.8
Goodwill	505.2	481.4
Property, plant and equipment	153.0	151.7
Investments in associates	40.2	39.6
Other financial assets	657.1	21.0
Non current tax assets	56.4	57.1
Non current assets	1,570.2	930.6
Inventories	569.1	523.1
Trade and other debtors	1,278.7	1,252.7
Current tax assets	1.7	9.1
Derivative instruments	3.3	15.1
Cash and cash equivalents	275.2	175.8
Current assets	2,128.0	1,975.8
Assets of held-for-sale operations	0.0	563.6
Total assets	3,698.2	3,470.0

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Consolidated balance sheet

SHAREHOLDERS' EQUITY AND LIABILITIES (€m)	31/12/06	31/12/05
Shareholders' funds (attributable to the Group)	1,358.1	1,051.1
Minority interest	(0.1)	(1.3)
Shareholders' funds	1,358.0	1,049.8
Long term debt	505.6	513.3
Non current provisions	34.7	32.5
Non current tax liabilities	38.1	48.6
Non current liabilities	578.4	594.4
Short term debt	148.7	26.0
Derivative instruments	3.9	0.0
Trade and other creditors	1,554.5	1,403.5
Current tax liabilities	1.6	0.7
Current provisions	53.1	46.0
Current liabilities	1,761.8	1,476.2
Liabilities of held-for-sale operations	0.0	349.6
Total equity and liabilities	3,698.2	3,470.0
Financial net debt TOTAL GROUP	378.5	457.6

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Consolidated cash flow statement

Cash flow statement summary (€m)	2006	2005
Net profit	452.3	234.6
Operating cash flow after cost of net debt and income taxes	393.0	452.2
Income tax paid	(112.0)	(156.4)
Change in operating working capital needs	42.4	(47.0)
Net cash inflow from operating activities	323.4	248.8
<i>Incl. held-for-sale operations</i>		34.1
Net cash inflow from investing activities	(135.4)	(114.4)
<i>Incl. held-for-sale operations</i>		(23.8)
Net cash inflow from financing operations	(33.8)	(159.1)
<i>Incl. held-for-sale operations</i>		(9.5)
Total change in cash position	154.2	(24.7)
<i>Incl. held-for-sale operations</i>		0.8
Cash position at beginning of period	117.6	142.3
Cash position at end of period	271.8	117.6

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Digital Terrestrial Television

17 channels for the free offer

State-owned		arte				News
Generalists						Music
Mini generalists						Youth

MPEG 2

11 channels for the pay offer

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

MPEG 4



TF1 Group channels

* Including the rental of the set top box



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