

Roadshow UK

March 2008



JPMorgan 

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.

2007 Overview

TF1 is moving in a changing environment

- **Stronger position of DTT channels**
- **Growth of Internet consumption**
- **New ways to consume TV content**
- **New players on the market**

TF1 is on the front line

- **A leadership position on main canals**
- **Advertising revenue growth on TV, Internet and thematic channels**
- **A significant growth from Diversified activities**
- **Some promising partnerships**

2007 : the first move

- **A new corporate governance**
- **A changing organisation**
- **Management based on synergy and cross-fertilisation**

Revenue evolution (1/2)

€M	2007	2006	Change	%
Consolidated revenue	2,763	2,654	109	+ 4.1%
TF1 core channel advertising revenue	1,718	1,708	10	+ 0.6%
Diversification revenue	1,045	946	99	+ 10.5%
<i>Breakdown of the consolidated advertising revenue</i>				
TF1 core channel	1,718	1,708	10	+ 0.6%
Theme Channels in France	92	74	18	+ 24.3%
Internet France	18	10	8	+ 80%
Eurosport International	72	79	(7)	- 8.9%
Total advertising revenue	1,900	1,871	29	+ 1.6%

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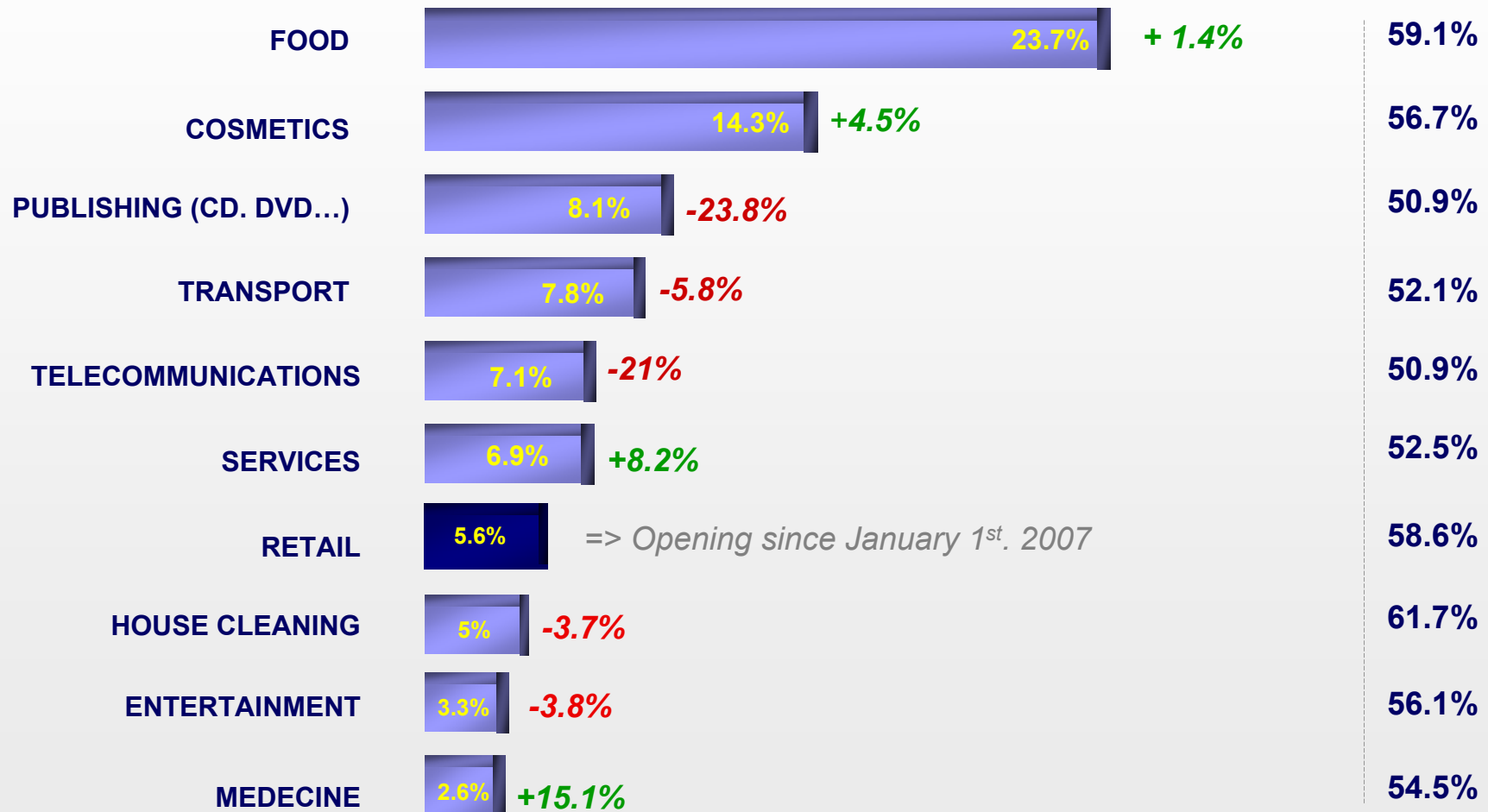
Advertising revenues broken down by sectors (Jan-Dec 07)

 Weight

 Investments' change

Gross investments on TF1

TF1 Market Share



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Revenue evolution (2/2)

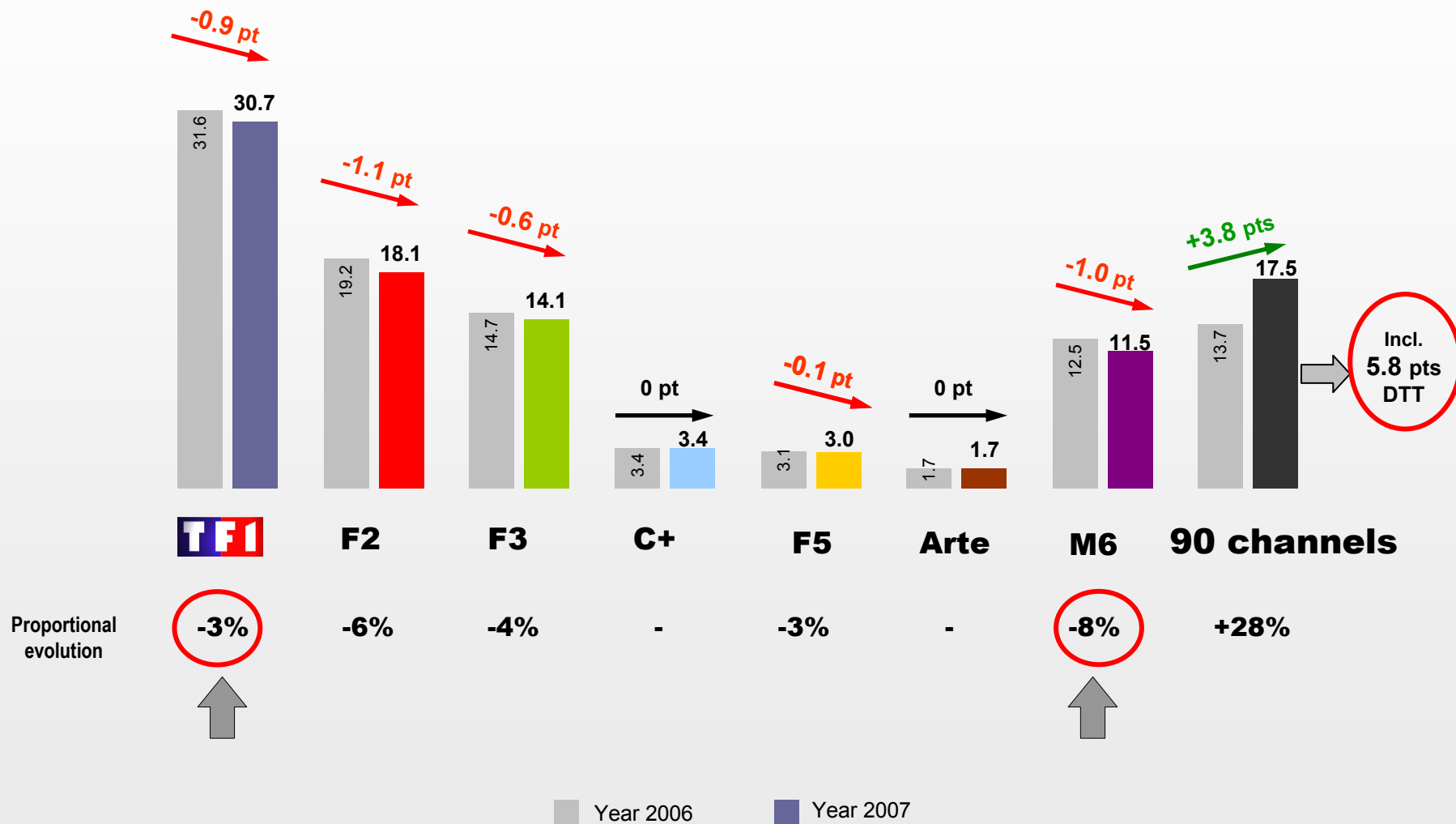
M€	2007	2006	Var	Var %
Broadcasting France	2,220.5	2,153.6	66.9	3.1%
<i>TF1 SA</i>	1,729.3	1,724.3	5.0	0.3%
<i>Theme channels in France</i>	188.6	153.9	34.7	22.5%
<i>Teleshopping Group</i>	153.1	110.3	42.8	38.8%
<i>TF1 Entreprises</i>	40.5	38.3	2.2	5.7%
<i>e-tf1</i>	57.1	71.3	(14.2)	(19.9%)
<i>In-house production companies</i>	28.1	31.1	(3.0)	(9.6%)
<i>Others*</i>	23.8	24.4	(0.6)	NS
Audiovisual Rights	268.1	240.9	27.2	11.3%
<i>TF1 Vidéo</i>	166.7	157.9	8.8	5.6%
<i>Catalogue</i>	101.4	83.0	18.4	22.2%
International Broadcasting	274.8	259.2	15.6	6.0%
Other activities	0.2	-	0.2	-
Total consolidated revenue	2,763.6	2,653.7	109.9	4.1%

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* Mainly TF1 Publicité, SNC Aphélie, WAT and TJM.

TF1 : a competitive position in a more and more fragmented landscape

Audience share – Ind 4 years or +

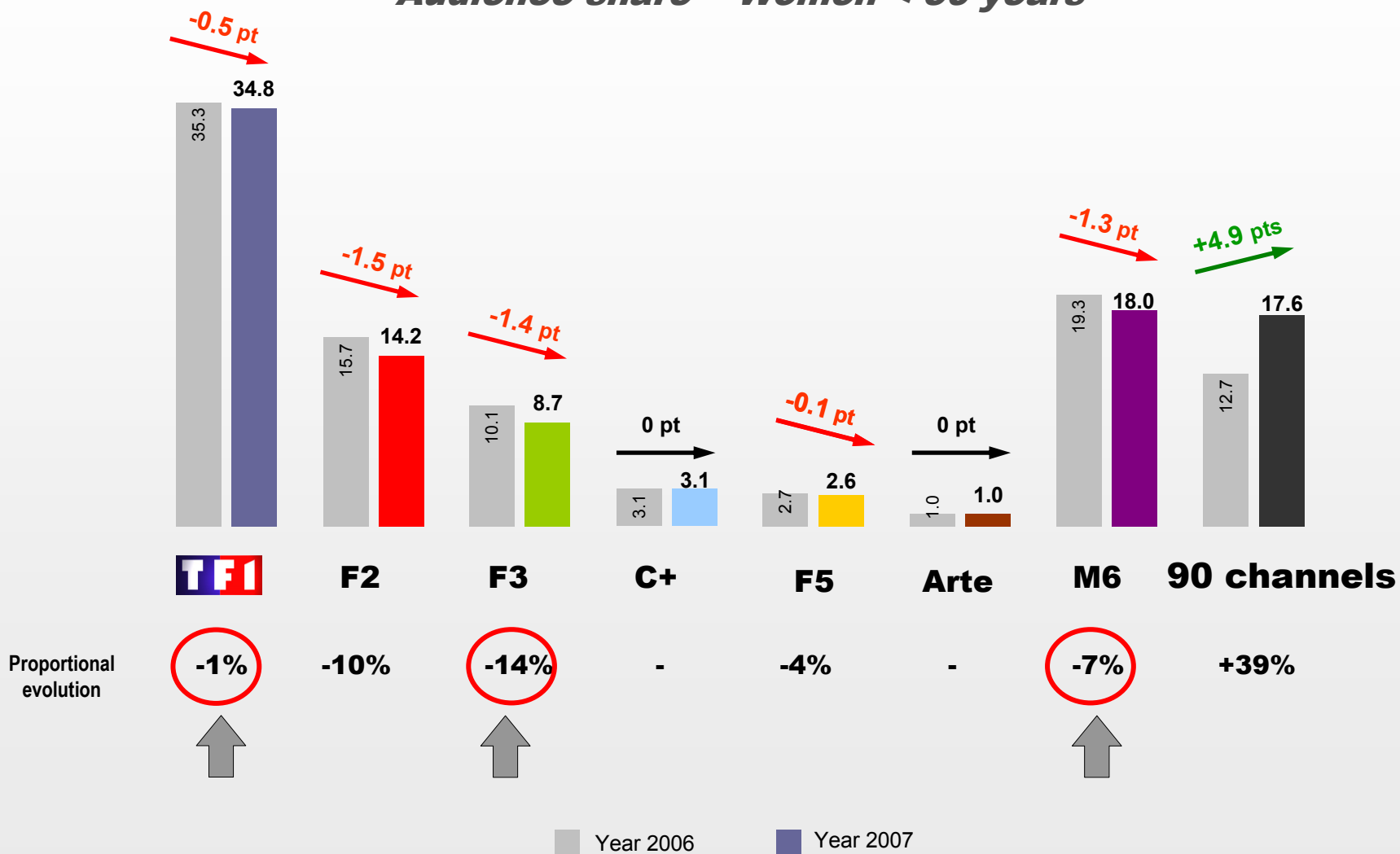


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TF1 confirms its leadership on the commercial target

Audience share - Women < 50 years



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TF1, the most attractive channel in a fragmented market

Audience share

From January 1st to December 31st, 2007

	Mediamat environment* (i.e. ~30% pay TV penetration)			DTT environment* (100% TNT)			Cabsat environment**		
					Degree of résistance			Degree of résistance	
TF1	30.7%	→	29.7%	97%	→	25.3%	82%		
France 2	18.1%	→	16.7%	92%	→	13.5%	75%		
France 3	14.1%	→	11.7%	83%	→	9.6%	68%		
M6	11.5%	→	10.5%	91%	→	8.5%	74%		

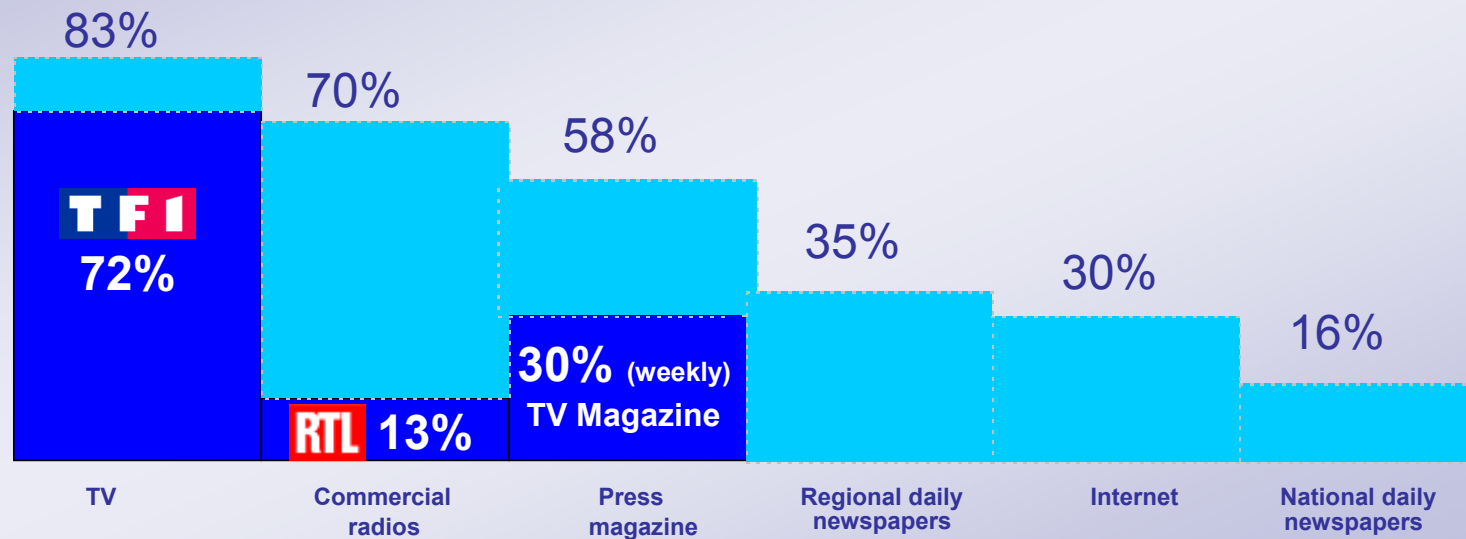
TF1 : the best resistance to the market fragmentation

The market fragmentation widens the gap between TF1 and its competitors

* Source: Médiamétrie - Mediamat - Ind. 4 years or + - From January 1st to December 31st, 2007 / Mediacabsat V13 from January to June 2007

TF1 a unique mass media position

(Individuals aged 15 years +)



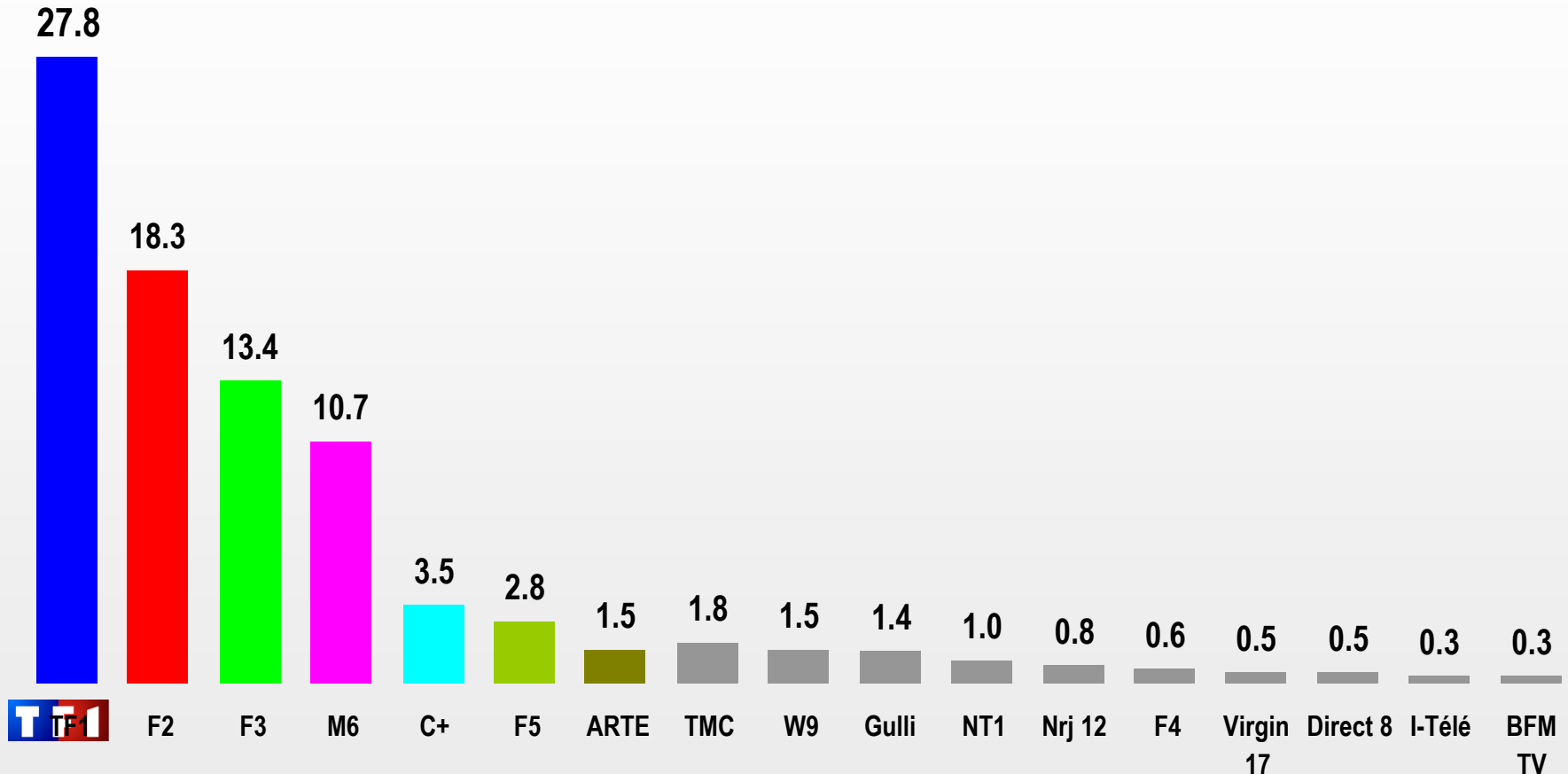
TF1 : the single mass media on the advertising market

Above 35 M Individuals 15+ watch **TF1** everyday

Source Médiamétrie 2006 - Radio 126 000 April to June 2007 - AEPM 2006 - EPIQ 2006 - Internet médiamétrie Q2 2007 - commercial radio= all radio stations programming to air advertisements

TF1 confirms its leadership on a fragmented market

National audience share on Individuals 4 years or +
January – February 2008*



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* Estimated audience share for the DTT channels

A performing thematic channel portfolio



The **leading channel** on DTT
N°7 general-interest channel in 2007
Target : becoming N°5



4 channels in the Top 10 most watched channels on cable, satellite and ADSL



Breakeven for the discovery channels in 2007
Strong coverage growth (through the Canalsat distribution)

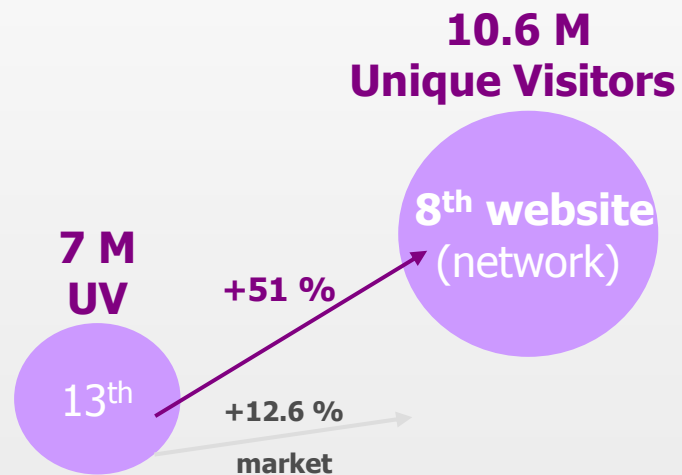
In 2007, TF1 network is established in the top 10 French websites

TF1 Network
8th French Website

All Thematics TF1
In the top 3

Jan. 2007

Jan. 2008



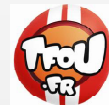
Ranking jan. 2008



3rd News website



2nd Sports website



3rd Youth website



3rd Women website

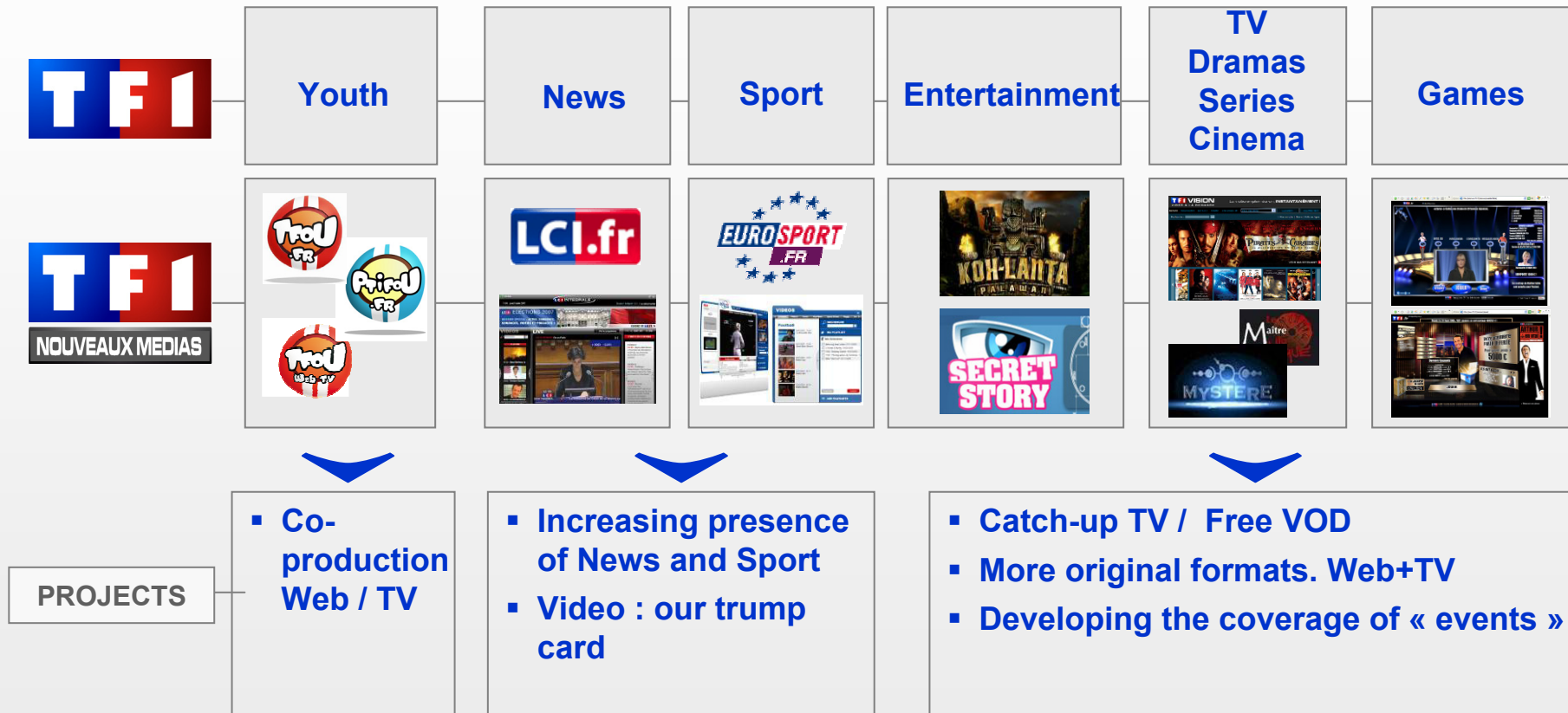


3rd Video platform



2nd Community platform

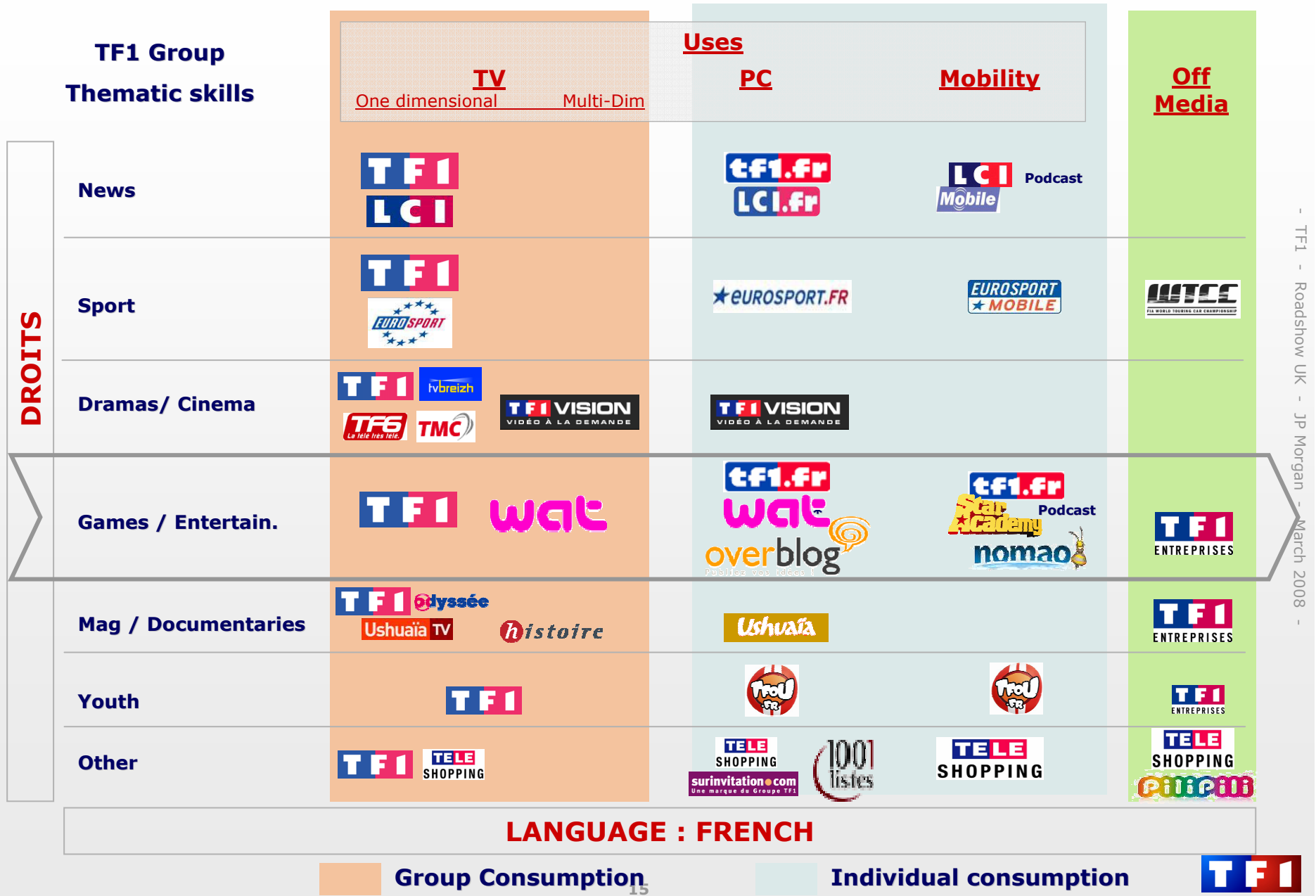
Back and forth from TV to the Web : already a reality



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A full integrated process from scratch : script, production, acquisition

From Television to « Global Media »



FINANCIAL PERFORMANCES

Consolidated profit and loss account

€M	2007	2006	Change	%
Consolidated revenue	2,763.6	2,653.7	109.9	4.1%
Total programming costs	(1,024.2)	(1,060.1)	35.9	(3.4%)
Total other operating income and charges	(1,304.9)	(1,181.3)	(123.6)	10.5%
EBITDA <i>EBITDA margin</i>	434.5 15.7%	412.3 15.5%	22.3	5.4%
Amortisation and depreciation	(129.3)	(111.5)	(17.8)	16.0%
Operating profit <i>Operating margin</i>	305.2 11.0%	300.8 11.3%	4.4	1.5%
Cost of net debt	(21.4)	(11.6)	(9.8)	84.5%
Other financial income and expenses	28.7	(4.9)	33.6	ns
Income tax expense	(93.0)	(98.7)	5.7	(5.8%)
Share of profits/ losses of associates	8.3	13.1	(4.8)	(36.6%)
Net profit from continuing operations	227.8	198.7	29.1	14.6%

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TF1 channel programming costs

€M	2007	2006	Change	%
Total programming costs *	1,024.2	1,060.1	(35.9)	(3.4%)
Sports events	49.9	113.6	(63.7)	(56.1%)
Total programming costs (exl. sports events)	974.3	946.5	27.8	2.9%
Entertainment	254.5	265.3	(10.8)	(4.1%)
TV Dramas / TV movies / Series / Theatre	290.1	279.1	11.0	3.9%
Sports (<i>exl. World Cup</i>)	146.2	146.5	(0.3)	(0.2%)
News	119.2	114.4	4.8	4.2%
Movies	138.8	114.7	24.1	21.0%
Youth	25.5	26.5	(1.0)	(3.8%)

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* Including retired or abandoned rights

Operating profit by sector

€M	2007	2006	Var	Var %
Broadcasting France	252.0	245.9	6.1	2.5%
<i>TF1 SA</i>	221.1	224.5	(3.4)	(1.5%)
<i>Theme channels in France</i>	2.0	(13.4)	15.4	ns
<i>Teleshopping Group</i>	7.9	8.7	(0.8)	(9.2%)
<i>TF1 Entreprises</i>	1.6	5.9	(4.3)	(72.9%)
<i>e-tf1</i>	2.0	3.8	(1.8)	(47.4%)
<i>In-house production companies</i>	2.1	(1.2)	3.3	ns
<i>Others*</i>	15.3	17.2	(1.9)	(10.5%)
Audiovisual Rights	17.2	24.9	(7.7)	(30.9%)
<i>TF1 Vidéo</i>	11.1	15.6	(4.5)	(28.8%)
<i>Catalogue</i>	6.0	9.2	(3.2)	(34.8%)
International Broadacasting	38.2	30.1	8.1	27.3%
Other activities	(2.2)	ns	(2.2)	ns
Current operating profit	305.2	300.8	4.4	1.5%

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* Mainly TF1 Publicité, SNC Aphélie, WAT and TJM.

Improving our performances

€M	2007	
Consolidated revenue	2,763	<p>62% : TF1 channel advertising revenue</p> <p>38% : Diversifications</p>
		<p>Better monetizing our audiences</p> <p>Extending advertising agency competences</p> <p>External and organic growth</p> <p>Developing our free-to-air offer</p> <p>Reinforcing our pay-TV offer</p> <p>No more advertising on state-owned TV channels</p> <p>Putting into force the European Directive</p> <p>Changing the anti-concentration regulation</p> <p>Earlier launch of the “bonus channel”</p> <p>Acquisition of an other DTT channel ?</p>

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Improving our performances

€M	2007	
TF1 channel operating expenses	(1,508)	<p>30% : production investment / broadcasting and levies (~ € 460 M) = linked to regulation</p> <p>40% : non regulated programmes (~ € 650 M) = target of stabilization</p> <p>30% charges (~ € 400 M) = optimization</p>
Diversifications expenses	(950)	<p>Stabilization of programming costs</p> <p>Renegotiation of content agreements (entertainment and sport)</p> <p>Implementation of synergies for right acquisitions</p> <p>Setting up a Purchase Department</p> <p>Day-to-day cost control</p> <p>Limiting production constraints</p> <p>Flexibility in broadcasting obligations</p> <p>Transmission costs reduction with the switch off</p> <p>Purchase Department</p> <p>Day-to-day cost control</p> <p>Closing non-profitable activities</p>

Improving our performances

Main financial targets

- **2008 consolidated revenue : +2.4% (€ 2,830M)**
- **Diversified activities : 50% of consolidated revenue in 2011/2012**
- **Consolidated EBITDA margin in 2011/2012 : ~ 20%**
- **Programming costs stabilization**

Appendix



Specific datas

TF1 channel advertising

- Retail investment in 2007 : 5.6% of TF1 channel advertising revenue
- Q1 08 advertising revenue : though basis of comparison + 6% (Q1 2007)

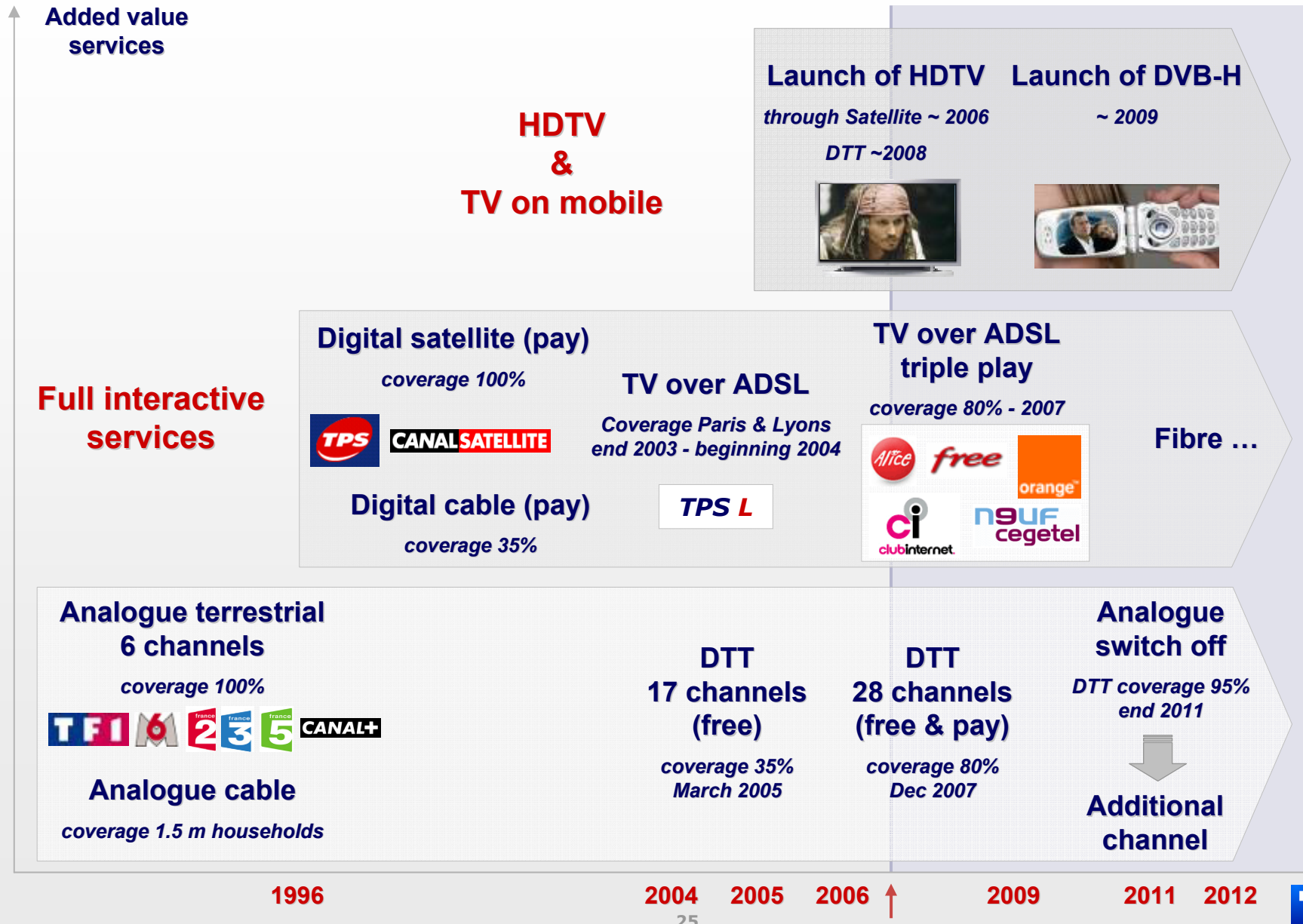
TF1 channel programming costs

- 2008 Euro : around €50 m
- 2010 Football World Cup: €120 m ; 2014 Football World Cup: €130 m
- 2011 Rugby World Cup: ~ €50 m ;
- Stabilization target in 2011/2012

Targets


- Consolidated Revenue FY 2008 : €2,830 M (+ 2.4%)
- 50% of total revenue from diversification in 2011/2012
- Consolidated EBITDA margin : ~ 20% in 4 to 5 years from now

A more and more competitive environment




Digital Terrestrial Television

17 free-to-air channels + canal bonus en 2011

State-owned	     	 	News
Generalists	 		Music
Mini generalists	    		Youth

MPEG 2

11 paying channels

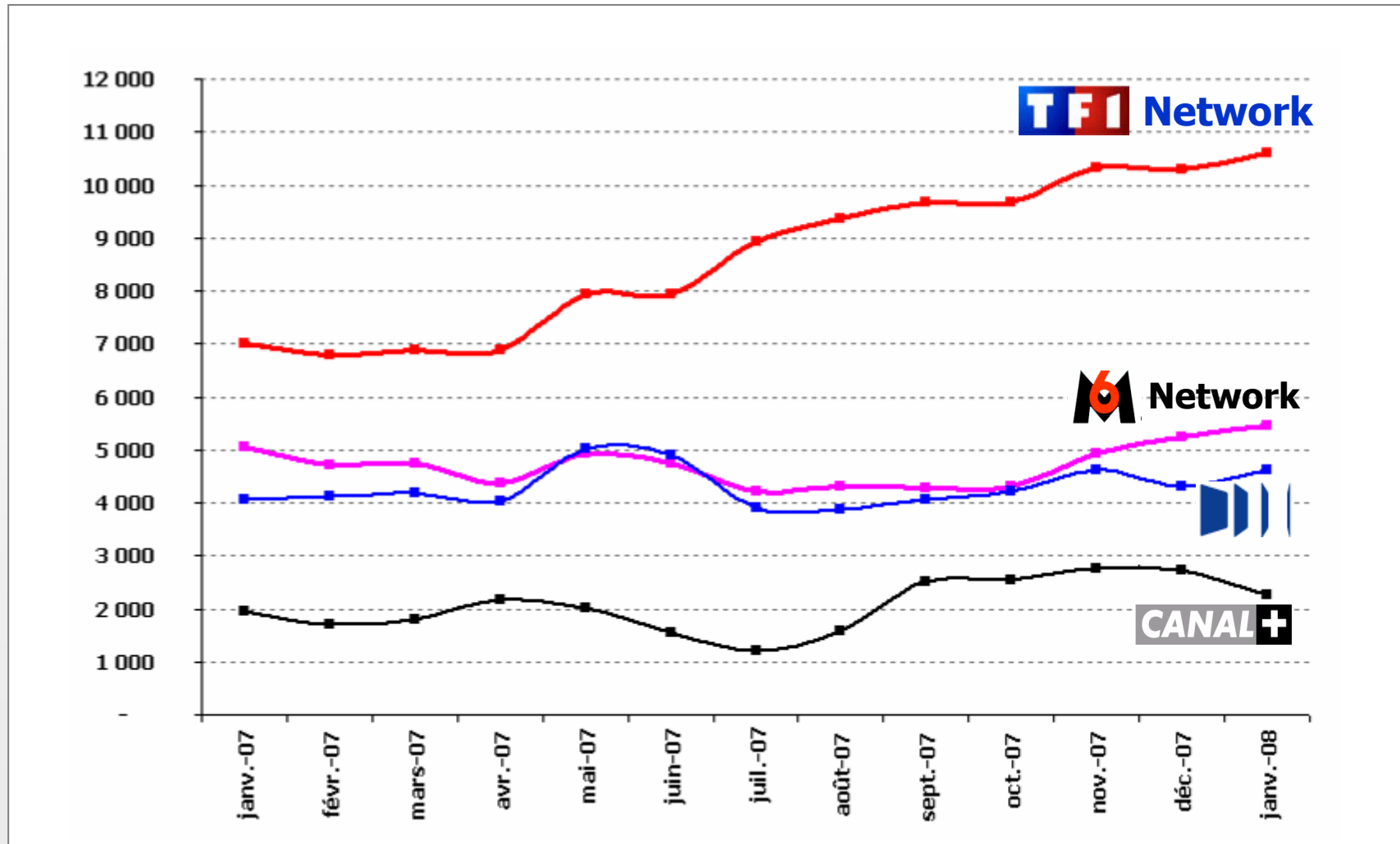
Premium	 	 	Sport
Mini generalists	 		Cinema
News			15-35 years old
Youth			Documentaries

MPEG 4



TF1 Group channels

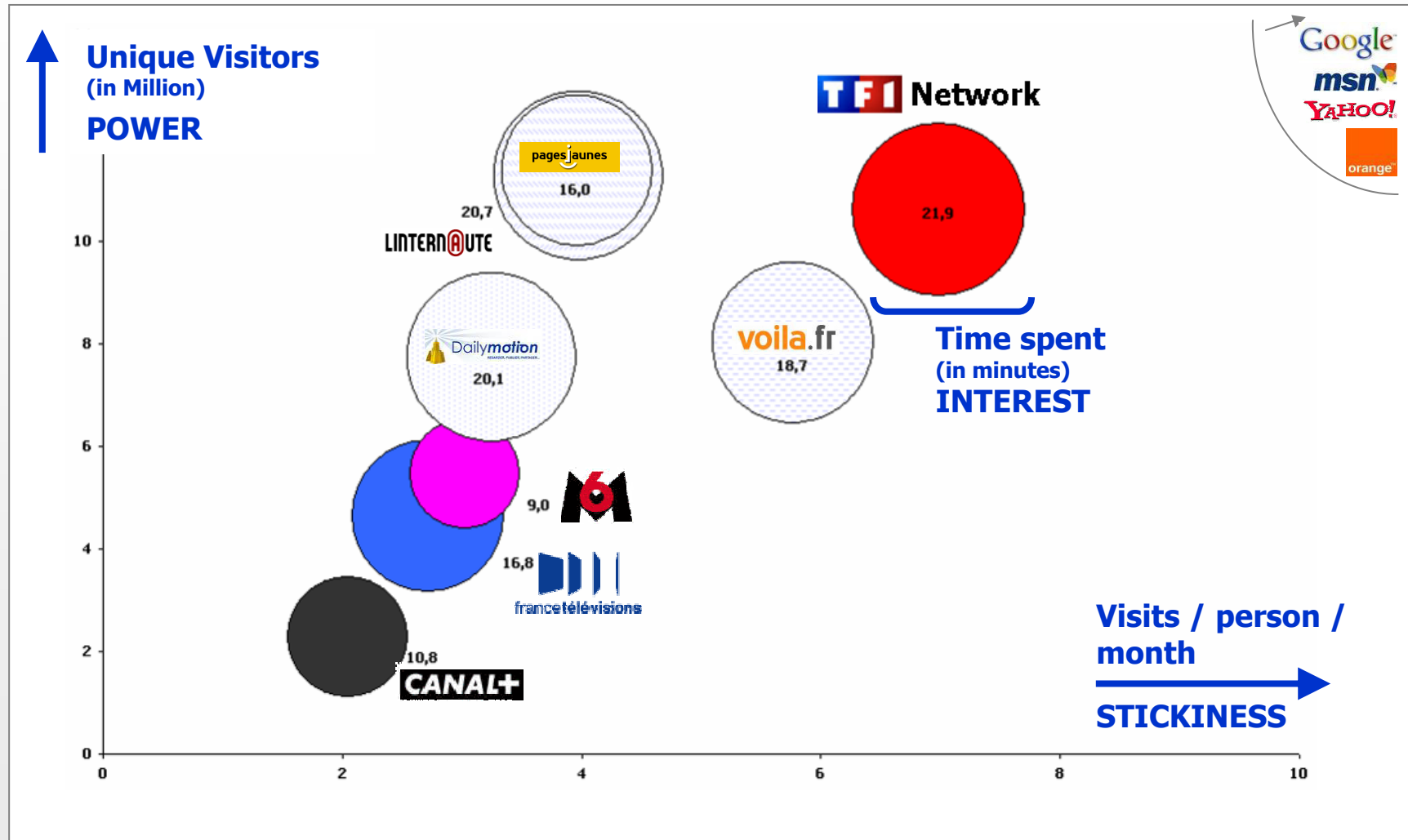
In 2007, TF1 increased its audience faster than its competitors



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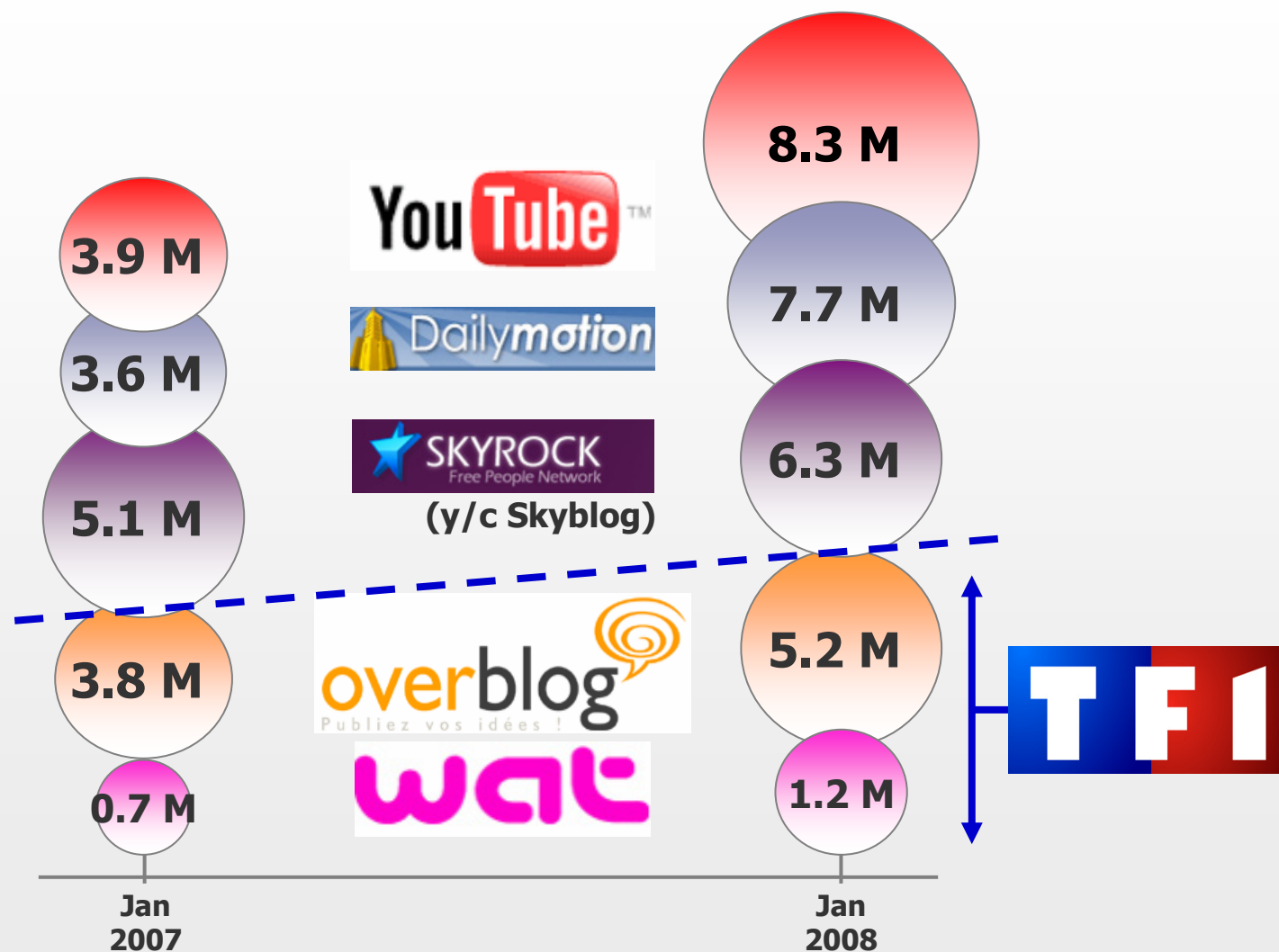
In 2007. TF1 increased its audience faster than its competitors



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Acting as a global media

TF1 has built a complete 2.0 offer - blogs, video and community website

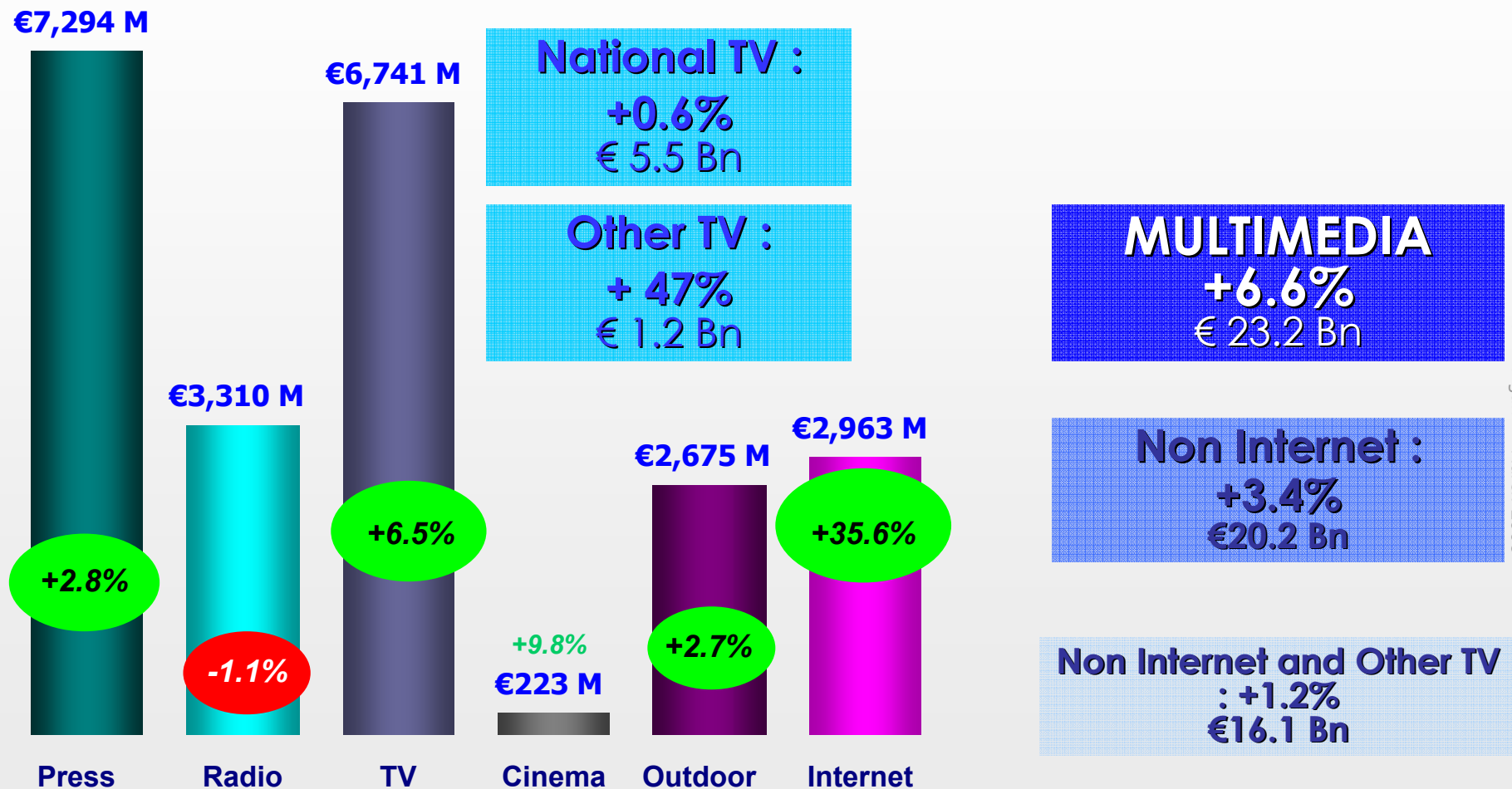


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Sources : Panel NNR Médiamétrie. January 2008
Home & Work. internet application excluded
- Number of Individual Visits



Internet and Other TV lead the growth of multimedia gross investments



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Acting as a global media

Back and Forth from TV to the Web : already a reality

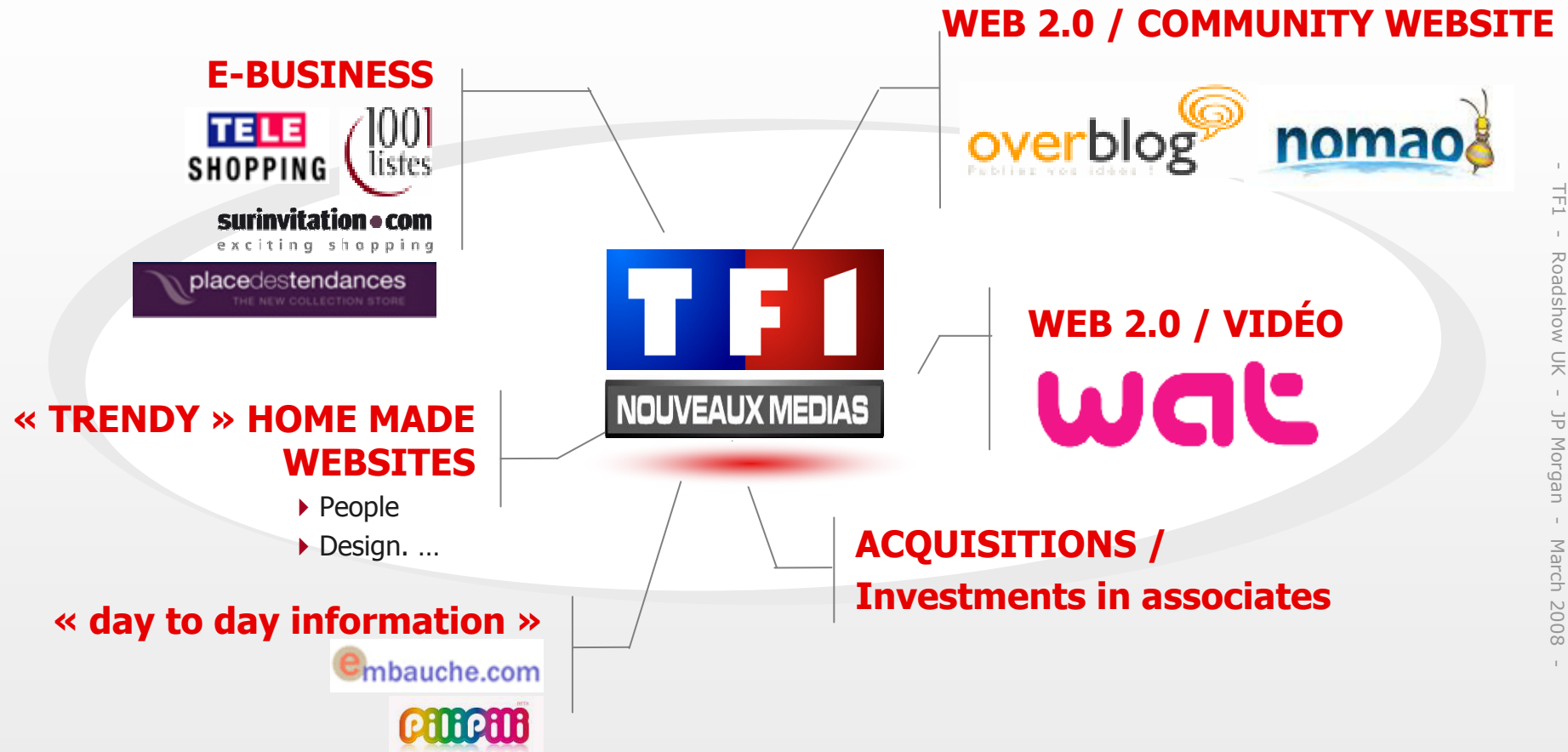


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Developing stickiness and proximity between media and targets
 Developing relationship with "participative" viewers

Acting as a global media

Developing our pure-player offer



- TFI - Roadshow UK - JP Morgan - March 2008 -

Answering websurfers' and advertisers' expectations



The 1st French games publisher

TF1 Entreprises Revenue* : €40.5 M (+ 5.7%)



- ▶ Developing revenues from broadcast or generated programmes by the Group channels
- ▶ Trading of high potential brands with strong awareness and multi-positioning
- ▶ Editing music from TF1 channel programmes





Acquisition of Dujardin Games
 > 200 games in the library



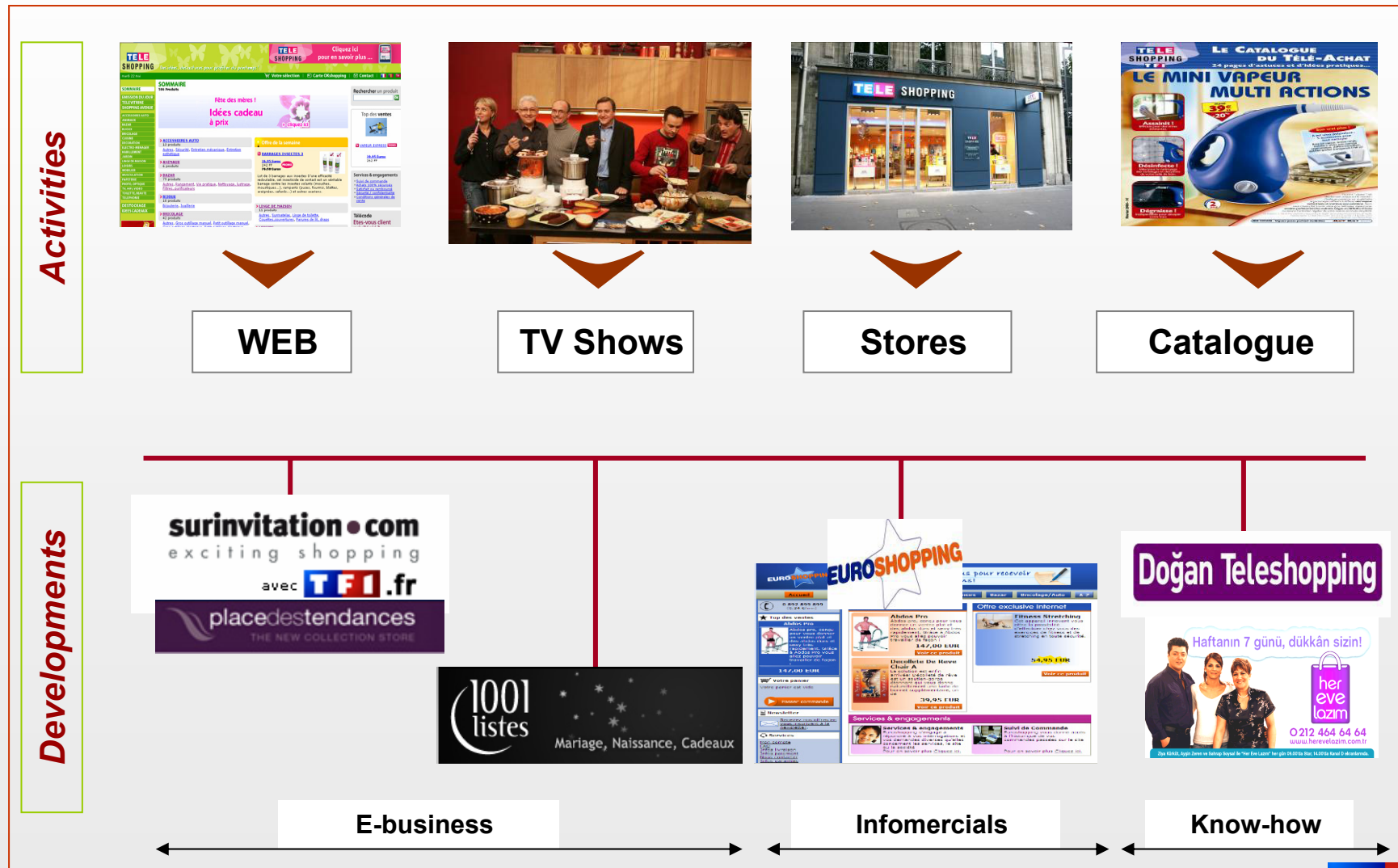
- TF1 - Roadshow UK - JP Morgan - March 2008 -

* Group consolidated figures



TELE SHOPPING The success of the multi-support development

Total turnover* : €153.1 M (+ 38.7%)



- TFI - Roadshow UK - JP Morgan - March 2008 -



outperforms a decreasing market

TF1 Video turnover* : €166.7 M (+ 5.6%)
23 million DVD sold in 2007

Video market : - 10.7% (in value)**

Strong growth of the « Movie » activity : +20% (vs. 2006)



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The most innovating and distributed VOD platform of the market

A triple digit growth rate of the 2007 turnover



400,000 customers / 4,000 programmes



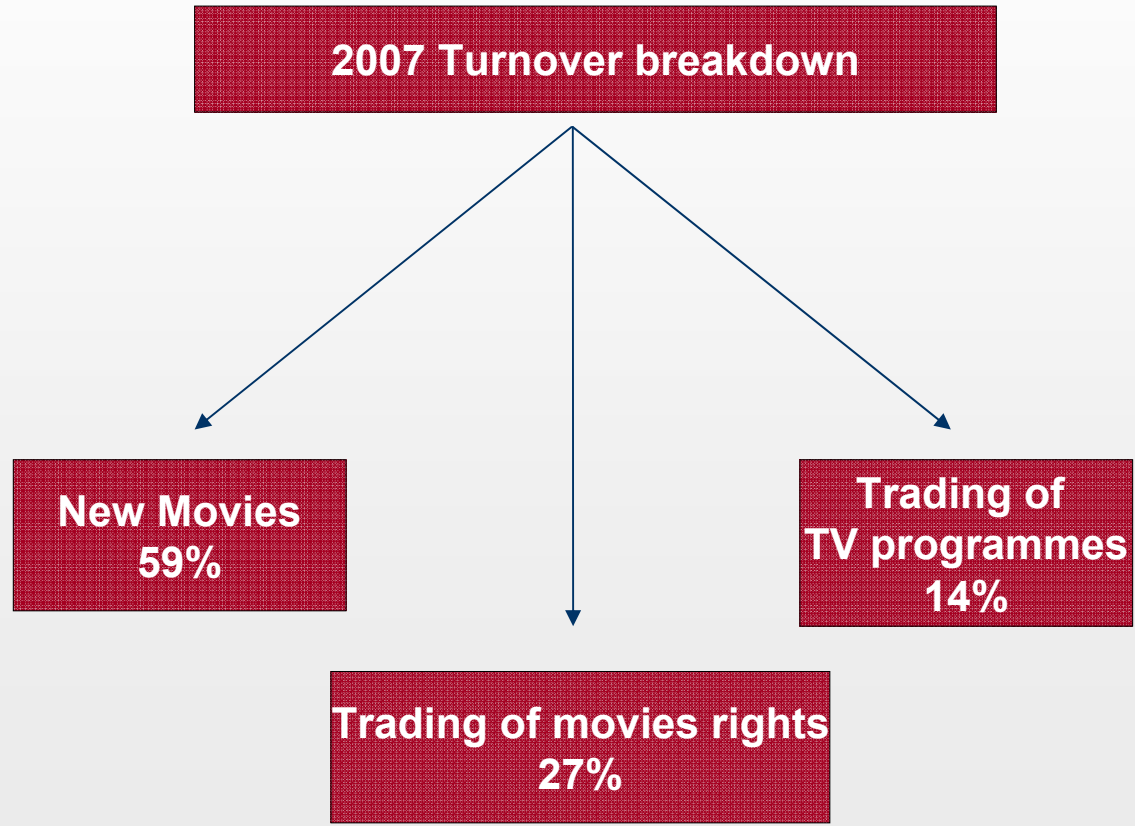
* Group consolidated figures

**End Decembre 2007 – Source GFK





TF1 International turnover* in 2007 : €87.7 M (+ 33.4 %)



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Eurosport : an ongoing international expansion

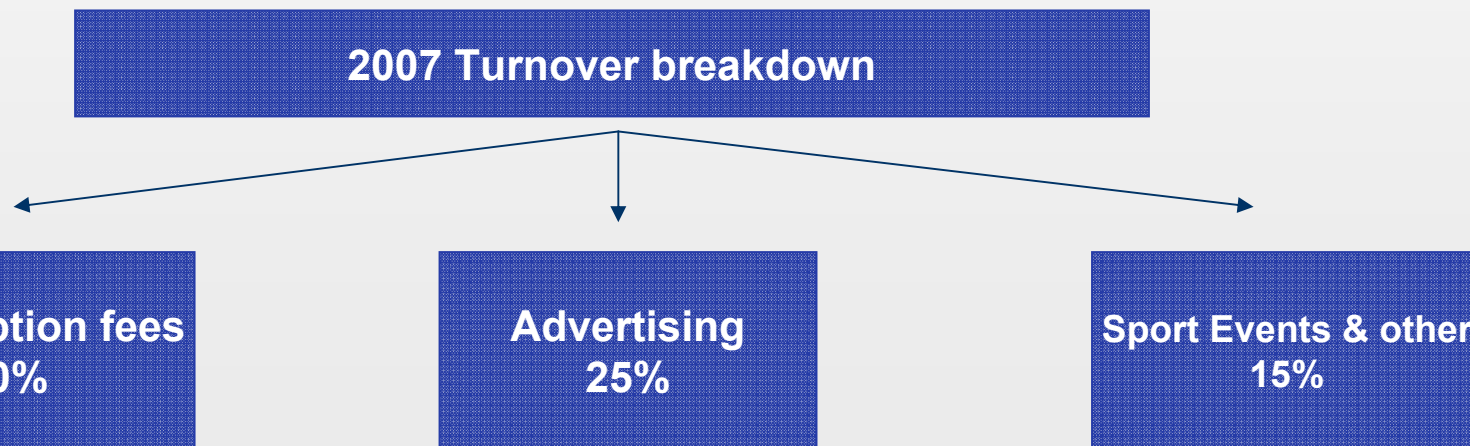
THE most well-known and distributed channel in Europe



Eurosport International Turnover*: €272.5 M (+5.2%)
Eurosport Group turnover* : €339,3 M (+5.8%)

Eurosport International operating profit*: €32.3 M (+8.4%)
Eurosport Group operating profit*: €34.8 M (+16.6%)

112 million households
68 million subscribers
59 countries / 20 languages



* Group consolidated figures

France: The most regulated market in Europe

TF1: legal environment

ADVERTISING

- Duration: daily average: 6 ' / hour
max: 12 ' / hour
- Sector non authorized to advertise on TV: cinema...
- Sliding hour measurement vs. o'clock hour in Europe
- Interruption of programmes: 1 ad break max /movie

PROGRAMMING

- Investment obligations in French and EU programmes (16% of ad. revenue in TV dramas. 3.2% in Movies ...)
- Broadcast: max. 192 movies / year
min. 1.000 hours of children's programmes
min. 800 hours of news programmes

SHAREHOLDING

- 49% ownership law

Deregulation could come in Europe & France

Agenda

- **April 17** **Annual General Meeting**
- **April 30** **Payment of the dividend**
- **May 14** **Q1 2008 Revenue & Accounts**
- **July 31** **H1 2008 Revenue & Accounts**
- **August 1** **Analysts Meeting**
- **November 13** **Q3 Revenue & Accounts**

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