



NOVEMBER 19, 2004

FIXED INCOME NON DEAL ROADSHOW



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.

- Fixed Income Non deal road-show - November 19, 2004 -





Introduction

TF1 Group channels

Advertising

Other activities

Strategic issues

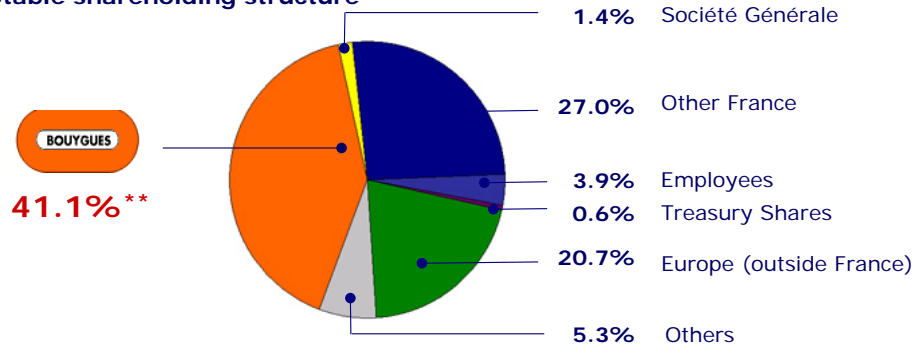
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TF1 key figures

- Total operating revenue 2003 : €2 769 M / Operating profit 2003 : €334 M
- Market Capitalisation* : €5 Bn
- Employees** : 3,759
- Stable shareholding structure



- Rating :  { A long term, stable
A1 short term



* As of September 30th 2004

** As of 30th June 2004

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9 months revenue

Key Figures (€M)	9M 2003	9M 2004	Change %
TF1 net adv. rev.	1,115.9	1,189.3	+ 6.6%
Other activities rev.*	858.3	865.2	+ 0.8%
Total revenue*	1,974.2	2,054.5	+ 4.1%

* Before any changes in accounting presentation linked to the transition to IFRS standards, revenue from other activities would have increased by **7.6%** and TF1 Group consolidated revenue would have increased by **7.0%**.

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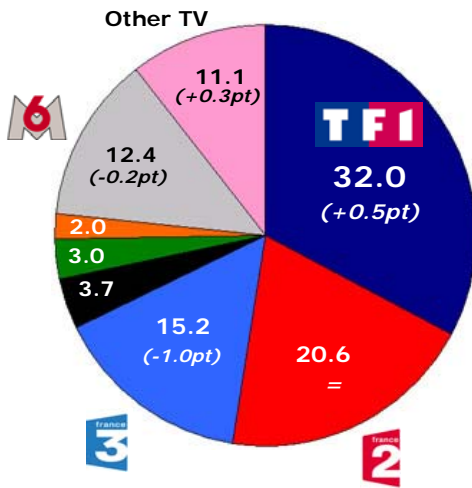


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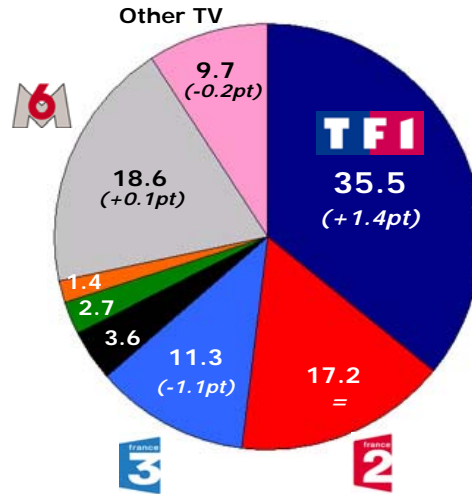
TF1: the favourite channel ...

Jan-Oct: TF1 audience share is up

on Individuals aged 4 and +



... and on Women < 50



Source : Médiamétrie Jan-Oct 2004 vs Jan-Oct 2003

Canal+ France 5 ARTE

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... and the best resistance

Audience share

	Analogue* (100% penetration)	Cable & satellite** (23% penetration)	Degree of resistance
TF1	32.4 %	26.1 %	81%
France 2	20.3 %	14.3 %	70%
France 3	15.2 %	9.5 %	63%
France 5	3.0 %	1.3 %	43%
M6	12.5 %	8.9 %	71%

TF1 : The best resistance to the market fragmentation

The market fragmentation widens the gap between TF1 and its competitors



* Source Mediamétrie : H1 2004, ind. 4+

** Source Mediacabsat : 29 December 2003 – 13 June 2004

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**TF1 Group channels totalled
34.7% of "share of voice"**

Individuals aged 4+

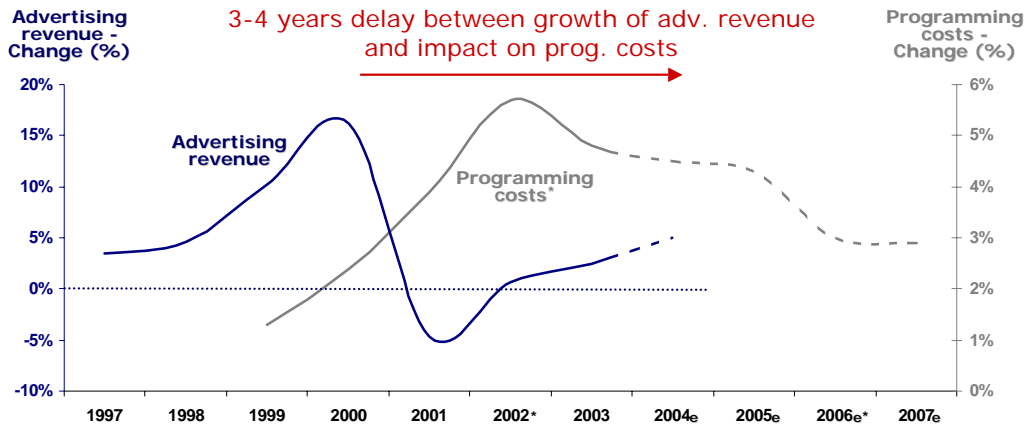


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Source : Médiamétrie / H1 2004
Source : MédiaCabSat 7 Audience share / Whole base

Programming costs driven by regulations

16.0% of adv. revenue in TV drama and 3.2% in movies



2004 & 2005 guidance: +4-5%

2006 guidance: ~ +3% (excl. Football World Cup)



* Excluding the cost of the World Cup

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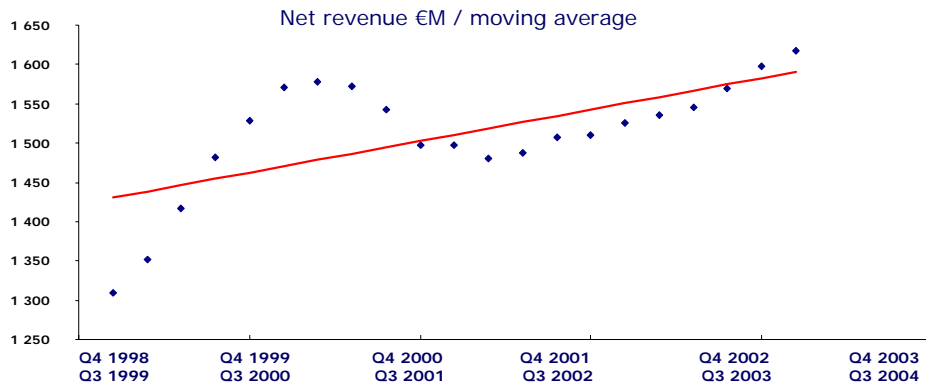
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The ad market is growing again

9 months 2004: the advertising market rebound

- ➔ Advertising market share: **54.7% (+ 0.1%)**
- ➔ TF1 channel adv. turnover: **+ 6.6% (+ €73.4 M)**
- ➔ Theme channels adv. turnover: **€99.0 M (+21.8%)**

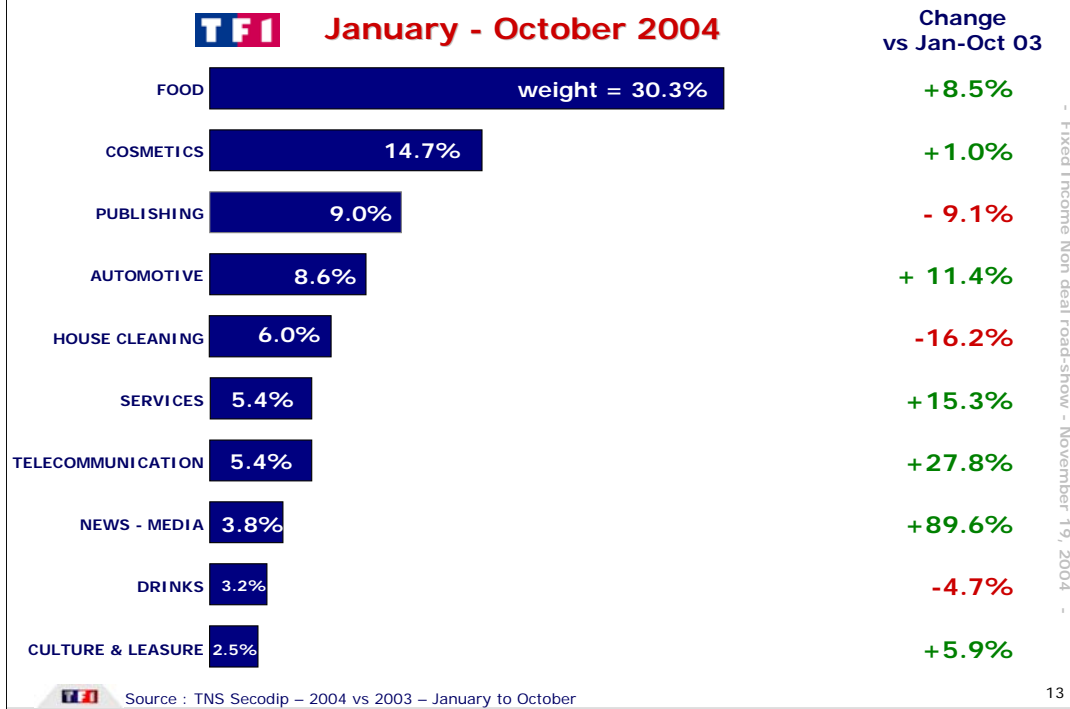
Positive long term trend



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Most sectors up in 2004



A real potential of growth

▪ Encouraging prospects

➔ French adv. market is still under invested

- GRP cost lower than the European average

➔ Access to TV for new sectors

- Retail: 2007
- Cinema : next to come ??

➔ Potential deregulation

- Number of minutes per ad breaks
- A growing competition on many sectors

FY 2004 advertising guidance: +4-6%

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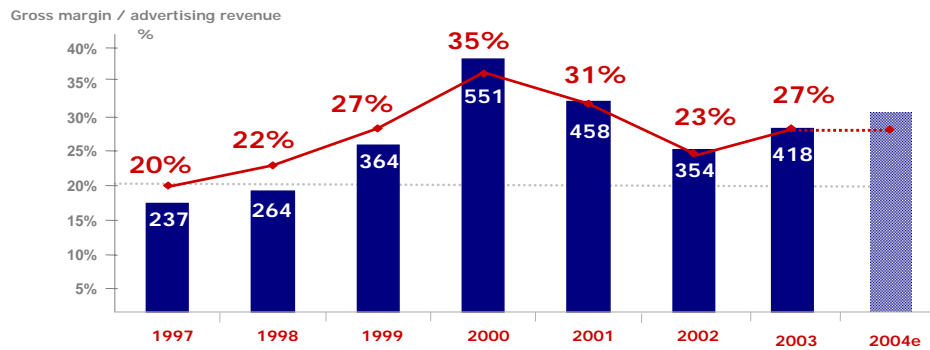


An activity generating free cash flow

	1997	1998	1999	2000	2001	2002	2003	2004e
Advertising revenue	+ 3.6%	+ 4.7%	+10.2%	+16.2%	-4.7%	+0.7%	+2.4%	+4-6%
Programming costs	+0.1%	+2.1%	+1.3%	+2.4%	+3.9%	+14.5%	- 3.4%	+4-5%

TF1 guidance

Change in gross margin (M€)





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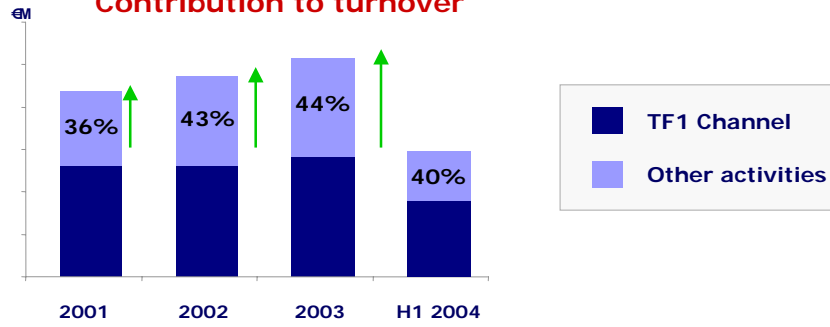
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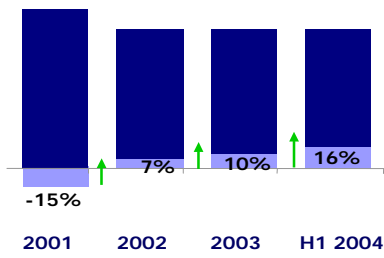
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Increasing contribution of other activities

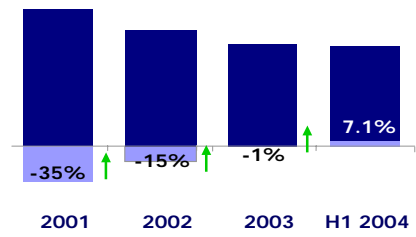
Contribution to turnover



Contribution to EBIT



Contribution to net profit



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Contributions H1 2004

€M	REVENUE		EBIT	Operating Margin
TF1 CHANNEL	898.2	+ 6%	247.2	27.5%
TPS	186.1	+ 8%	10.0	5.4%
PUBLISHING/DISTRIBUTION	143.7	- 10% / + 22% *	20.2	14.1%
<i>Incl.</i> TF1 Vidéo	84.4	- 3% / + 50% *	9.4	11.1%
Téléshopping	45.3	+ 20% / + 22% *	7.7	17.0%
EUROSPORT	143.0	+ 2%	25.6	17.9%
THEME CHANNELS	28.6	+ 19%	(6.4)	ns
INTERNET	26.9	+ 264%	2.7	10.0%
PRODUCTION	25.7	- 33%	(1.9)	ns
AUDIOVISUAL RIGHTS	33.7	+ 24%	(2.2)	ns
OTHERS	4.4	+ 42%	(2.5)	ns
TOTAL	1,490.3	+ 5%	292.9	19.7%

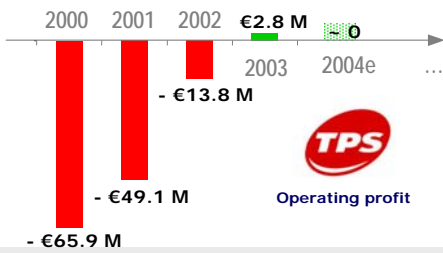
Change vs figures in H1 2003

* Change on a comparable basis, ie before any changes in accounting presentation linked to the transition to IFRS standards

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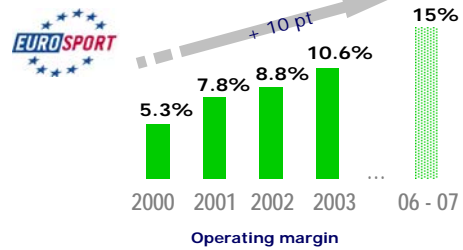
Other activities: increasing contributions

2003: operating breakeven



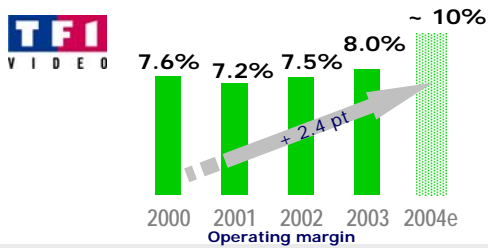
Operating profit: + €70 M in 4 years
2005 : net breakeven
MT operating margin: ~ 10%

Running to a 15% operating margin



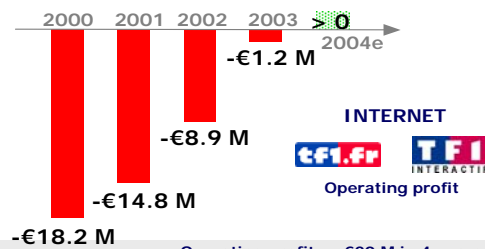
MT operating margin: 15%

A recurrent level of profitability



MT operating margin: 10%

Running to operating breakeven



Operating profit: + €20 M in 4 years
2004: operating breakeven
MT operating margin: 10%

- Fixed Income Non d

- Show - November 19, 2004 -



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Your statements

- ✓ **Strategy on the pay TV market**

- **Football rights**

- ✓ **New technologies**

- **(HDTV vs SDTV, ADSL, DTT...)**

- ✓ **Use of cash**

Stake of football rights

Current allocation of rights

3 matches on exclusivity: 2 for CANAL+, 1 for TPS

Other matches in Pay Per View on Kiosque (C+) and Multivision (TPS)

Cost for the season 2003/2004: ~ €70 M for TPS

~ €300 M for CANAL+

A new tender offer for the French Premier League rights

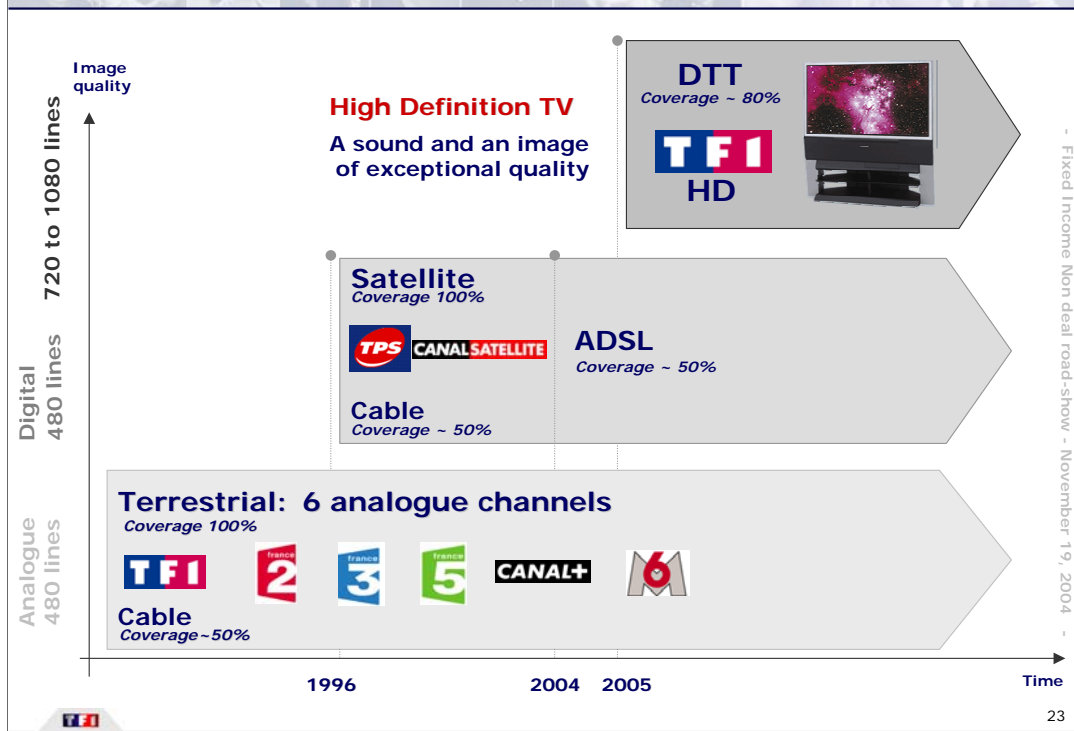
November 5th ● Structure of the tender offer

December 2nd ● Qualitative offer

December 10th ● Financial offer and answer from the French League



Evolution of the French audiovisual landscape



HDTV : a new opportunity for TF1

The High Definition Television is ...

- **Very high** sound and image **quality** (16/9, from 720 to 1 080 lines)
- A new quality for a **new audience**
- **The entire industry** is committed to this new technology (manufacturers, producers, retailers ...)

An opportunity for TF1

- **TF1 leader** in digital technologies
- After TPS and TPSL, the **digital high definition**



Calendar

2004 : Experimental step

2005 (T3-T4) : Commercial step : launch of a new service on TPS

2006: World Cup broadcast in HDTV

HDTV and DTT

Only the HDTV justifies the DTT launch

DTT + HDTV = a added value TV



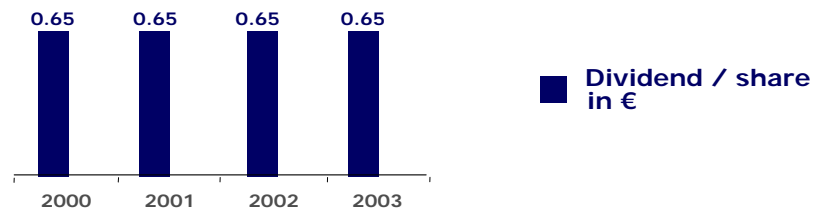
Uses of cash

2001 : **Eurosport** (€375 M) + **Série Club** (€23 M)

2002 : **TPS** (€297 M)

2003 : Publication **Métro** France (€12 M)

2004 : **Sportitalia** + **Prima TV** (€35 M) + **Histoire** (€4 M)



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A Solid financial structure

▪ S&P ratio

€M	2002	2003	H1 2003	H1 2004
Shareholders' funds	806	866	810	892
Net debt	493	443	519	603
Gearing <= 1*	61%	51%	64%	68%

Management objective : **max 70%**
target **50 %– 60%**

	2002	2003	H1 2003	H1 2004
EBITDA / net interest => 10*	28	31	20	35
FFO / net debt => 0,5*	0,55	0,72	0,58	0,72

▪ **Healthy financial situation: A / A-1 Stable**
Rating confirmed by S&P on July 16, 2004



* S&P targets

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Liquidity and debt 30th June 2004

- **Total committed lines: €1,487 M**

	Origin	
Used financing lines: €580 M	Bond Issue (maturity 10) :	€500 M
Unused financing lines: €907 M	Syndicated loan (maturity 07)* :	€373 M
	Bilateral credit lines (maturity 05-09) :	€600 M
	Leasing (maturity 07) :	€14 M

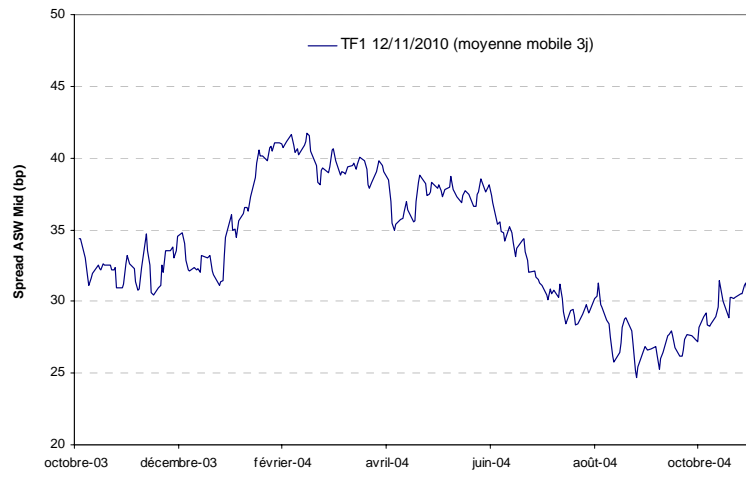
* The € 350 M syndicated loan has been cancelled on August 31st 04.

No rating triggers
No financial covenant

- **Transition to IFRS standards: low impact**



TF1 : credit spread evolution



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Key factors for credit

A permanent disclosure of TF1's main indicators

- Audience and advertising

A pragmatic and sustainable development strategy

- Close to our core business and our know-how
- An operational role
- A limited financial risk
- Gradual stake increase
Ex : Eurosport, TPS

High transparency on financial performances

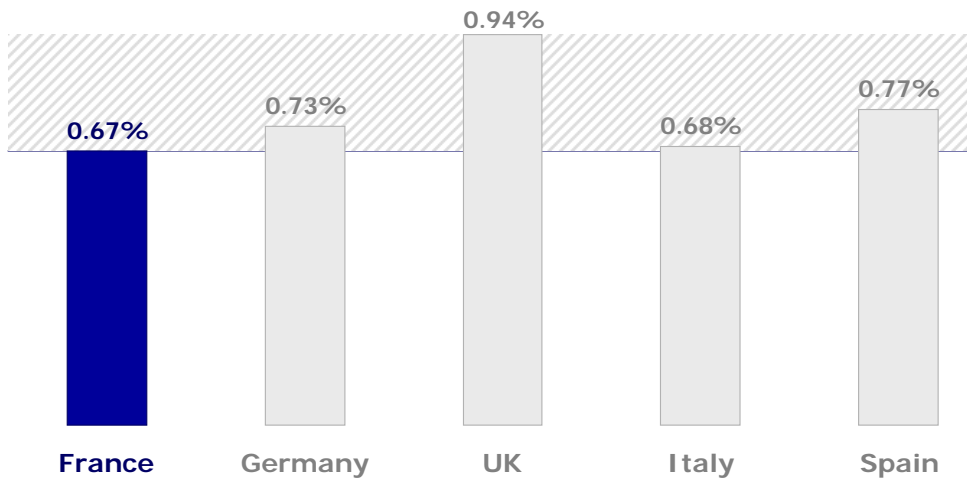
- Quarterly consolidated accounts fully disclosed
- "Transparency rating" granted to TF1 by Banque de France in 2003
- Regular financial communication

Strong commitment to maintain the S&P rating



Advertising : a real potential for the French market

Media ad spends to GDP in European countries



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Source: BIPE – Ad Barometer - 2003

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Demystify the « PVR »

Less than 0.5% of households equipped in France.

**The French market is very different from the US market:
Advertising is not as intrusive as in the US or the UK**

Some figures (US market)

	Before PVR use	After PVR use	Change
Weekly consumption of TV (hours)	19.2	23.9	+ 24%
Share of viewers who zap/fast forward the advertising	49%	51%	+ 2 pt
Share of PVR users who have already rewind or stopped an advert to better understand the product	54%		
Share of PVR users who wish to get more information on a product promoted by an interesting advert	37%		

Source : InsightExpress / Mediapost – May 2004



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H1 rev: €186.1 M (+ 7.8%)

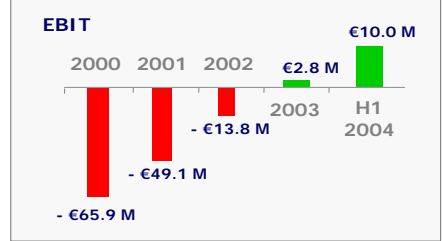
H1 EBIT: €10.0 M (+ 13.6%)

Key figures

- 1,560,000 subscribers incl.
1,270,000 DTH and ADSL subs
- Churn: ~ 10 %
- Market share on new subs: ~ 40 %

2004 main events

- English Premier League: the next 3 seasons on exclusivity
- *TPS L*:
 - Available for 5 M households
 - Launch of a "double play" offer: TV + Internet access



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ORIX CLU Vlaanderen Kout Vlaanderen TPS

Eurosport



H1 rev: €143.0 M (+ 1.7%)

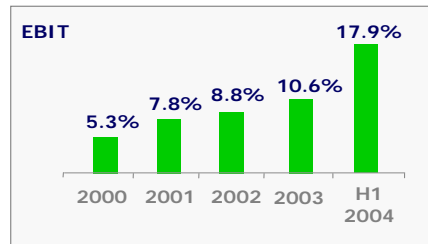
H1 EBIT: €25.6 M (+ 52.4%)

Key figures

- 54 countries, 19 languages
- 98 M households
- + 3.1 M paying households vs June 03

H1 main events

- An increasing pan-european advertising market
- Audience*: a strengthened leadership
→ 22.8 M viewers per day (+8.7%)
- A fast growing profitability
EBIT margin: 17.9% (+6 pts)



* Millions viewers in average per day

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Stake of football rights

Structure of the tender offer for the seasons 2005-2008

Package 1	Package 2	Package 3	Package 4
1st choice	2nd and 3rd choice	Highlights magazine	Pay Per View
Sunday at 8:45 pm (or Friday at 8:45)	2 nd choice Saturday at 5:15 pm and 3 rd choice Sunday at 6:00 pm	Saturday at 10:15 pm	Saturday at 8:00 pm

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TF1 ready for DTT !

5 channels for TF1 group



Estimated cost per channel €1 M /annum*

DTT schedule: launch in 2005

Coverage Offer	35%	50%	65%	80-85%
	Free to air	Pay TV		
	March 05	Sept 05 ?	June 06	2007

Pending issues

- ✓ Limited number of channels, tight schedule, no distributor, no agreement on standard for paying channels (Mpeg2 vs Mpeg4...)
- ✓ TF1 reconfirms its position in favour of **HDTV on DTT**
- ✓ TF1 is already operating a DTT multiplex in Italy

 * For a starting coverage of 35%, on MPEG 2 SD

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**PROJECT OF OPENING BALANCE SHEET AS OF
01/01/2004 UNDER IFRS STANDARDS**

**The following document is a draft version
some figures might change**

ADOPTION OF IFRS STANDARDS BY TF1

PROGRESS OF THE PROJECT

A draft version of the IFRS consolidated opening balance sheet as of 01/01/2004 has been prepared; it is currently under review by the statutory auditors

IFRS consolidated financial statements as of 03/31/2004 and 06/30/2004 are being prepared

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DRAFT IFRS OPENING BALANCE SHEET

€M – Main assets

ASSETS	12/31/2003 French GAAP	01/01/2004 IFRS Standards	Change	Main impacts
Intangible fixed assets	894.9	131.1	(763.8)	A
Goodwill	114.9	876.5	761.6	A
Tangible fixed assets	197.5	229.5	32.0	
Financial assets	13.3	24.3	11.0	
Other non current assets		48.2	48.2	
Programmes and film rights	693.4	501.0	(192.4)	B *
Trade debtors	621.6	847.8	226.2	B *
Other current assets	492.3	316.8	(175.5)	B* and C
Marketable securities and cash	185.1	185.1	0.0	
Total assets	3,213.0	3,160.3	(52.7)	

A : Transfer of intangible assets (market shares) in goodwill (IAS 38)

B : Transfer of programmes whose technical acceptance as not occurred (IAS 38)

C : Balance sheet presentation according to the current / non current model (IAS 1)



* This change has also been made in 2004 French GAAP financial statements

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DRAFT IFRS OPENING BALANCE SHEET

€M - Main shareholders' equity and liabilities

SHAREHOLDERS' EQUITY AND LIABILITIES	12/31/2003 French GAAP	01/01/2004 IFRS Standards	Change	Main impacts
Shareholders' funds attributable to the group	866.2	884.1	17.9	
Minority interest	(0.1)	1.4	1.5	
Total shareholders' funds	866.1	885.5	19.4	
Non current provisions	102.9	22.7	(80.2)	C
Financial creditors	628.3	627.1	(1.2)	
Deferred tax	62.1	72.7	10.6	
Trade creditors	919.1	843.6	(75.5)	B *
Current provisions		69.2	69.2	
Other current liabilities	634.5	639.5	5.0	
Total shareholders' funds and liabilities	3,213.0	3,160.3	(52.7)	

B : Transfer of programmes whose technical acceptance as not occurred (IAS 38)

C : Balance sheet presentation according to the current / non current model (IAS 1)



* This change has also been made in 2004 French GAAP financial statements

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DRAFT IFRS OPENING BALANCE SHEET

MAIN IMPACTS ON SHAREHOLDERS' FUNDS

The €19.4 M increase in consolidated shareholders' funds is mainly due to the following :

Cost recognition of the head office property in accordance with IAS 16 (net from deferred tax)	+ 20.7
	(1.1)
Financial instruments (IAS 39)	
	(0.2)
Miscellaneous	

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Consolidated revenue 9 months 2004: + 4.1%

Boulogne, October 27, 2004

TF1 Group's consolidated revenue for Q3 2004 will be published in the BALO on November 5, 2004. Figures are as follow:

Revenue 9 months 2004 (€M)	2004	2003	Change 04 / 03
• TF1 channel advertising	1,189.3	1,115.9	+ 6.6%
• Other activities*	865.2	858.3	+ 0.8%
TF1 Group consolidated revenue*	2,054.5	1,974.2	+ 4.1%

* Before any changes in accounting presentation linked to the transition to IFRS standards, revenue from other activities would have increased by 7.6% and TF1 Group consolidated revenue would have increased by 7.0%.

Changes in the accounting presentation of revenue from other activities of the 9 months 2004 have a €(57.9) M impact. They only concern the presentation of revenue and charges and do not have any impact on the operating profit.

Revenue Q3 2004 (€M)	2004	2003	Change 04 / 03
• TF1 channel advertising	299.8	280.7	+ 6.8%
• Other activities*	274.0	284.5	- 3.7%
TF1 Group consolidated revenue*	573.8	565.2	+ 1.5%

* Before any changes in accounting presentation linked to the transition to IFRS standards, revenue from other activities would have decreased by 1.5% and TF1 Group consolidated revenue would have increased by 2.7%.

Over the first 9 months 2004, TF1 captured an average audience share of 35.4%¹ on women below 50 and 32.0%¹ on individuals aged 4 and above, respectively up 1.5 and 0.6 point. TF1 recorded the highest growth among terrestrial channels, confirming its leadership on these two main targets.

TF1 channel net advertising revenue was up 6.8% in Q3 2004. Over the first 9 months of 2004, net advertising revenue rose by 6.6%. The growth of advertising investment was dynamic in July and August, and slowed down in September. Advertising revenue records a strong increase in October 2004. Taking into account the short-term approach of the market, TF1 Group decided to upgrade its advertising growth guidance from 3% to 5%, to 4% to 6% for the full year 2004.

At the end of September, 9 months revenue from other activities was up 7.6% before any changes linked to the transition to IFRS, and up 0.8% after the change of method, as a result of:

- TPS (+7.9%), which consolidated contribution was €280.5 M;
- Téléshopping (+20.8% before any changes linked to the transition to IFRS, and +19.8% after the change of method) thanks to the strong growth of sales on all media (TV shows, catalogue and Internet);
- All theme channels, which recorded a strong growth of advertising revenue (+21.8%) thanks to good audiences and the broadcast of the Olympics on Eurosport;
- TF1 International (+108.5% before any changes linked to the transition to IFRS, and +67.5% after the change of method) thanks to the trading revenue of *Agents Secrets* and *Arsène Lupin* movies.

Q3 financial accounts will be approved by the Board of Directors meeting, scheduled on November 30, 2004 and released after the market closing.

NB: Forecasts included in this press release reflect elements currently known by TF1. They depend on economics fluctuations of the coming months.

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(1) Source: Médiamétrie – 9 months 2004

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