



# Press release

**TF1**

FY 2009 operating profit: €101 million  
FY 2009 net profit: €115 million

Consolidated revenue: 1% growth in Q4 2009  
Operating margin: 9.2% in Q4 2009

Boulogne, February 18, 2010

The TF1 Board of Directors, chaired by Nonce Paolini, met on February 17, 2010 to adopt the financial statements for the year ended December 31, 2009.

Consolidated Figures (€m)	2009 9 months	2008 9 months	Change (%)	Q4 2009	Q4 2008	Change (%)	2009	2008	Change (%)
<b>Revenue</b>	<b>1,628</b>	<b>1,864</b>	<b>-13%</b>	<b>737</b>	<b>731</b>	<b>+1%</b>	<b>2,365</b>	<b>2,595</b>	<b>-9%</b>
Incl. TF1 Channel advertising	967	1,188	-19%	462	460	+1%	1,429	1,647	-13%
Incl. Other activities	661	676	-2%	275	271	+1%	936	948	-1%
Operating profit	33	130	-75%	68	47	+45%	101	177	-43%
Cost of net debt	-15	-20	+25%	-7	-2	ns	-22	-22	0%
<b>Net profit attributable to the Group</b>	<b>51</b>	<b>111</b>	<b>-54%</b>	<b>64</b>	<b>53</b>	<b>+21%</b>	<b>115</b>	<b>164</b>	<b>-30%</b>

Like all European media groups, TF1 was hit by the effects of the economic crisis in 2009, while at the same time coping with profound changes in the French media landscape. For TF1, this was a year marked not only by rigorous management in all areas but also by a host of initiatives, helping the Group adapt to change while continuing to deploy its medium-term strategy.

## Still the clear leader in a changing market

In terms of audience ratings, TF1 confirmed its status as the clear market leader in France during 2009, with audience shares of 26.1% among individuals aged 4 and over and 29.8% among women aged under 50 purchasing decision-makers. TF1 recorded 96 of the top 100 audiences, and was the only French channel to attract more than 9 million viewers – a feat it achieved on 23 occasions. In 2009, TF1 was once again the main channel for major events, with the *Les Enfoirés font leur Cinéma* concert attracting the year's biggest audience (12.3 million viewers) and the France vs. Ireland match watched by 11.7 million.

## 1% growth in consolidated revenue in the fourth quarter

Total revenue generated by the TF1 Group in 2009 amounted to €2,365m, a year-on-year fall of 9%.

TF1 channel advertising revenue for the year was down 13% at €1,429m, reflecting the troubled economic climate and increased competition from DTT channels.

In the fourth quarter of 2009, TF1 channel advertising revenue returned to growth, rising by 1%.

Diversification revenues were €936m, down 1%, with the various businesses experiencing contrasting fortunes.

Revenue by segment (€m)	2009	2008	Change (%)
Broadcasting France	1,893	2,104	-10%
Audiovisual Rights	151	174	-13%
Broadcasting International	319	316	+1%
Other Activities	2	1	ns
<b>Total TF1 Group</b>	<b>2,365</b>	<b>2,595</b>	<b>-9%</b>

Within the **Broadcasting France** segment, the Téléshopping, e-TF1 and pay-TV theme channel businesses were hit by the deteriorating economic environment. However, the top line was sustained by subscription revenue and the performance of TMC. Over the year as a whole, TMC continued to grow, raising its share of the audience among individuals aged 4 and over to 2.9%, versus 2.3% a year earlier. TMC was France's leading DTT channel in 2009, and retained its ranking as the no.7 channel in France overall.

The **Audiovisual Rights** segment reported a 13% drop in full-year revenue to €151m, with TF1 Vidéo coming under heavy price pressure.

The **Broadcasting International** segment saw revenues rise by 1% to €319m. New product launches, technological innovations and the acquisition of new rights helped drive subscription revenues up 9%, offsetting the effect of lower advertising revenues.

#### **€155m of savings in 2009, including €74m under the optimisation plan**

TF1 channel **programming costs** for the year ended December 31, 2009 totalled €927m, compared with €1,032m in the previous year. This reduction of €105m, or 10%, can be explained by the following factors:

- €54m was due to the absence of major sporting events in 2009;
- €51m was due to schedule optimisation and programming cost reductions, and €35m of these savings can be regarded as recurring.

All Group entities made major efforts to optimise their structures and costs, generating a further €50m of savings, of which €39m can be regarded as recurring.

This means that overall, **the TF1 Group achieved €74m of recurring savings under the 2009 optimisation plan**, beating its initial full-year target of €60m, announced in February 2009.

#### **Operating profit of €101m**

Operating profit for the year ended December 31, 2009 was down €75m at €101m, with the cost savings of €155m absorbing some of the €230m erosion in revenues.

**Broadcasting France** reported an operating profit of €88m, down 47% year-on-year.

**Audiovisual Rights** posted a €23m loss, due mainly to the commercial squeeze on margins in the video business. The audiovisual rights strategy adopted by TF1 in 2009 involved strengthening its position in the video and cinema markets through partnerships with Sony Pictures Home Entertainment and UGC Images.

**Broadcasting International** made an operating profit of €41m, up 52%, thanks to a fine performance by Eurosport International.

Operating profit by segment (€m)	2009	2008	Change (%)
Broadcasting France	88	165	-47%
Audiovisual Rights	- 23	- 11	ns
Broadcasting International	41	27	+52%
Other Activities	- 5	- 4	ns
<b>Total TF1 Group</b>	<b>101</b>	<b>177</b>	<b>-43%</b>

Overall, the TF1 Group generated **operating margin of 4.3%** over the full year, against 6.8% in 2008.

In the **fourth quarter of 2009**, the TF1 Group achieved **operating margin of 9.2%**, against 6.4% for the comparable period of 2008, on a flat revenue figure.

#### **Net profit of €115m**

The **cost of net debt** was virtually unchanged year-on-year at €22m.

**Other financial income and expenses** showed a net gain of €36m for the year ended December 31, 2009, arising mainly from the remeasurement at fair value of the put option over the 9.9% interest in Canal+ France held by the TF1 Group until December 28, 2009.

**Net profit attributable to the Group** was €49 million lower than for the previous year at €115m.

#### **Sound balance sheet**

As of December 31, 2009, **shareholders' equity stood at €1,396m**.

The Group has a **positive net cash position of €73m**.

The Board will ask the Shareholders' Annual General Meeting, scheduled for April 15, 2010, to approve a **dividend of €0.43 per share**, giving a payout ratio of 80%. The ex-date, record date and payment date will be April 28, April 30 and May 3, respectively.

## **2010 Guidance**

In a market where visibility remains poor, TF1 expects 2010 to be another year of economic uncertainty. Against this background, the Group has set a target of 2% revenue growth.

During 2010, the TF1 Group will continue to adapt its business model and develop new activities by:

- integrating TMC and NT1 into the Group once CSA clearance has been obtained;
- building the Group's presence in new media, with a particular focus on relationships with its viewers;
- continuing the partnership policy, in particular with Française des Jeux, UGC, Sony and Samsung.

## **Corporate Governance**

Following the resignation of Patrick Le Lay as a Director, the Board of Directors – acting on a proposal from the Director Selection Committee – has co-opted Claude Berda (Director, Chairman and Chief Executive Officer of the AB Group) to serve as a Director.

On behalf of all the Directors, Nonce Paolini thanked Patrick Le Lay for his work as a Director and for all that he has accomplished in over 20 years as a member of the TF1 executive management team.

## **Compensation of Corporate Officers**

In accordance with the AFEP-MEDEF recommendations, information about the compensation of corporate officers and the granting of stock options is being published today on the [www.TF1finance.com](http://www.TF1finance.com) website, in the Corporate Governance / Compensation of Corporate Officers section.

**The financial statements have been audited, and the statutory auditors are in the process of issuing an unqualified audit opinion.**

For a full set of provisional financial statements including notes, go to the [www.TF1finance.com](http://www.TF1finance.com) website.

You can follow a live webcast of the presentation of 2009 full-year results to analysts, starting at 11 a.m. Paris time on February 18, 2010, on the [www.TF1finance.com](http://www.TF1finance.com) website.

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