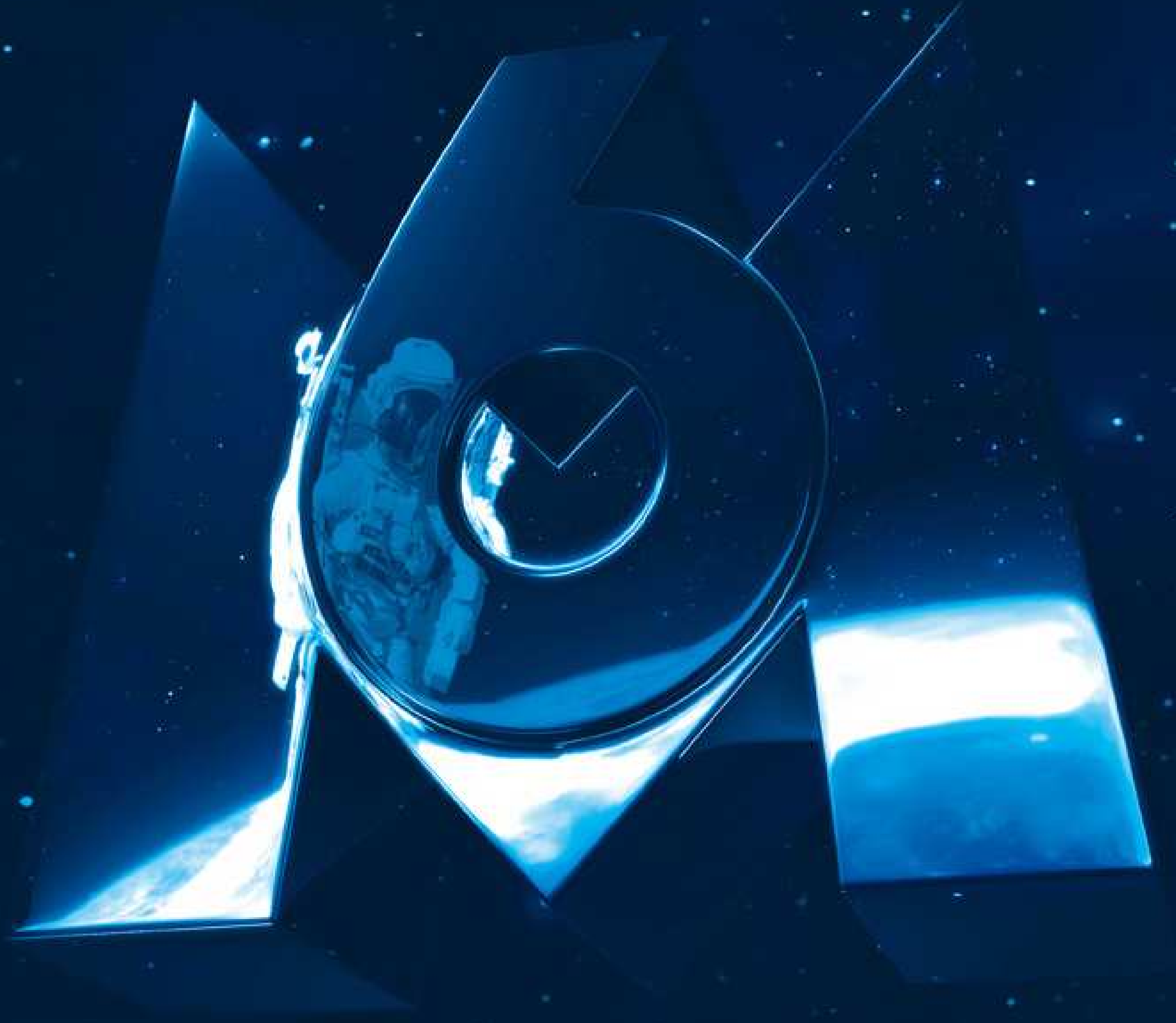
TV Broadcasting CEO Conference 2007



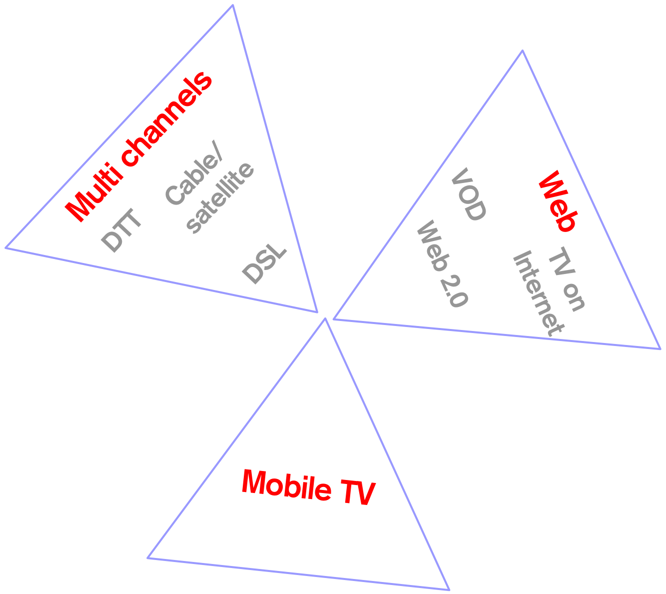
July 11, 2007

JP Morgan

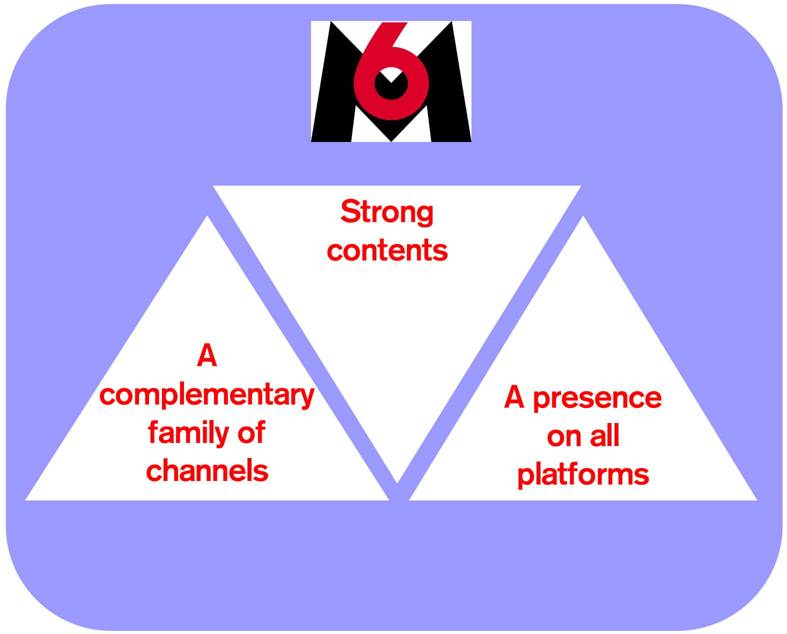
Introduction

To face fragmentation, M6 develops strong contents on all platforms

▶ A fragmenting broadcast market: new channels and new platforms



▶ M6 offers content on a family of channels and all paltforms



The broadcast market « big bang »: Fragmentation of channels and platforms

TV fragmentation

TV fragmentation in Europe

	Multi channels penetration rate in 2007	Planned switch off date
UK	~80%	2012
Germany	~99%	2008
France	~43,5%	End of 2011
Italy	~41%	End of 2008
Spain	~30%	2010

Source : Ofcom/ EPRA/AGCOM

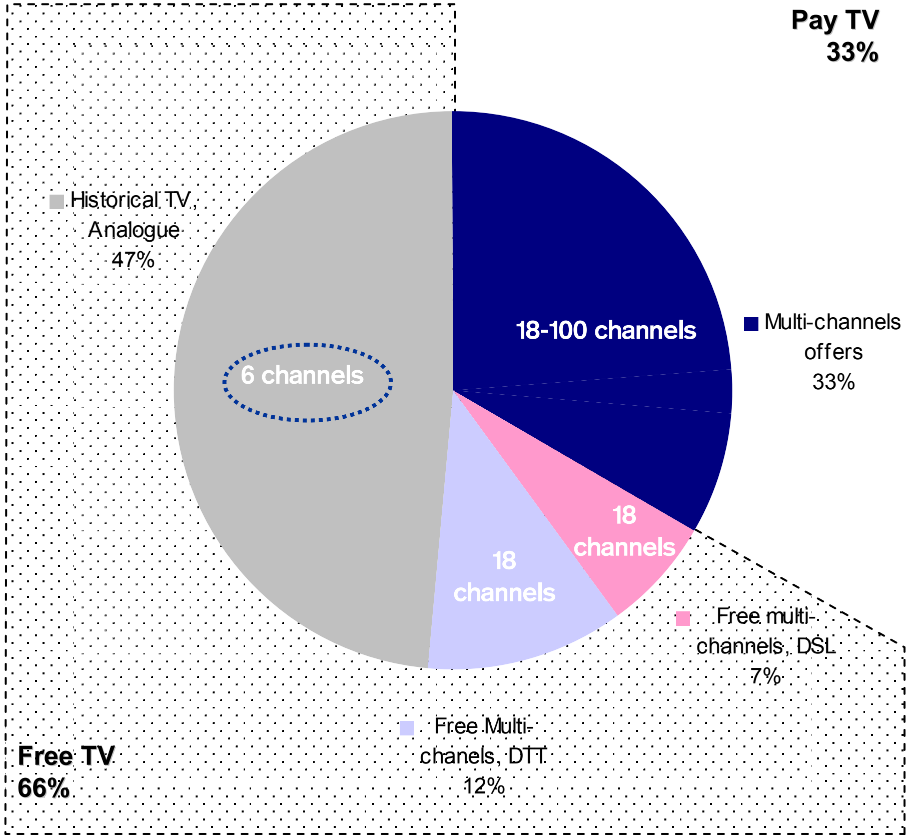
The core business : Free-to-Air

Focus on the French TV market : expected changes from 2007 to 2011

► Multiplication and digitization of the French audiovisual offer

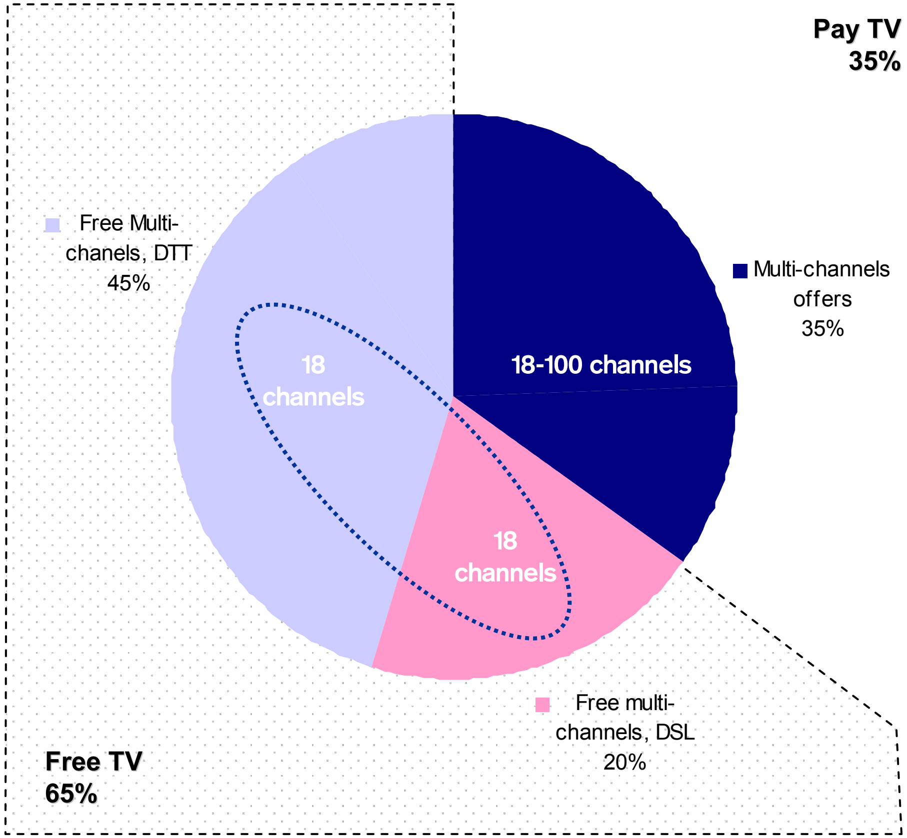
2006 : proportion of Free/Pay TV households equipped

25.1 million of households



2011e : proportion of Free/Pay TV households equipped

26 million of households

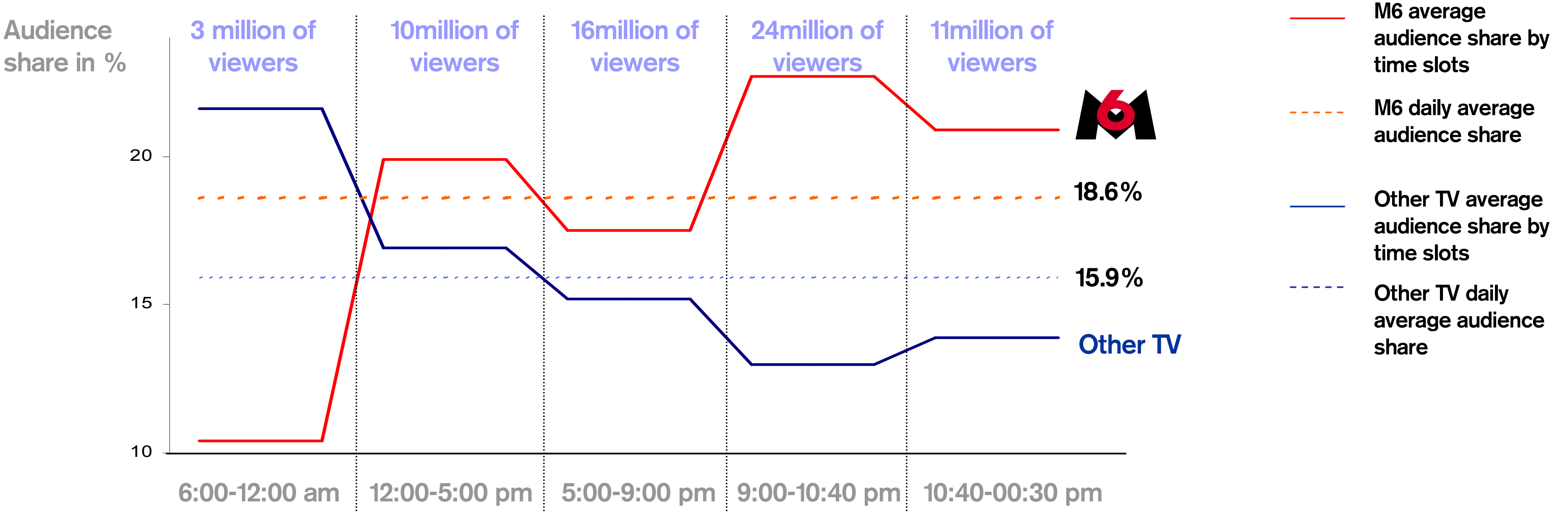


► The growth in multi-channel access is driven by Free DTT

Source : internal sources

Impacts of fragmentation

Daily average audience share on Hwives <50 years old in H1 2007



Audience fragmentation

Weak resiliency

- Despite the increase in channels (offer), TV consumption remains stable

- Historical channels are federative, powerful and dedicated to mass audiences
- High audiences have a real value

- Niche channels dedicated to specific targets
- Attractiveness depends on time slots

Advertising market changes to be mitigated

Source : Médiamétrie - Mediamat

Platforms fragmentation

New technologies bring about a fragmentation of platforms …

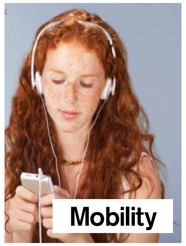
Broadband

Web 2.0

New platforms and technologies

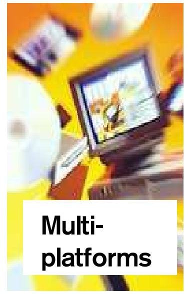
VOD/TV on Internet

Digital TV



Mobile TV : 3G/DVB-H

HD



Platforms fragmentation

…and new consumption

Broadband

Individual personal media culture

Web 2.0

Consumers become producers and creators

Increasing popularity of life-style media

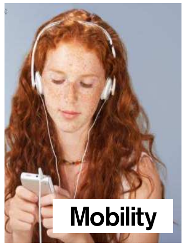
VOD/TV on Internet

New platforms and technologies

lead to

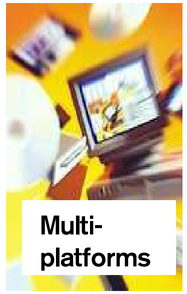
New consumption

Digital TV



On demand culture (anytime, anywhere)

Popularity of video-sharing sites



Mobile TV :
3G/DVB-H

HD

Community webs

Interactivity

Extended programmes life

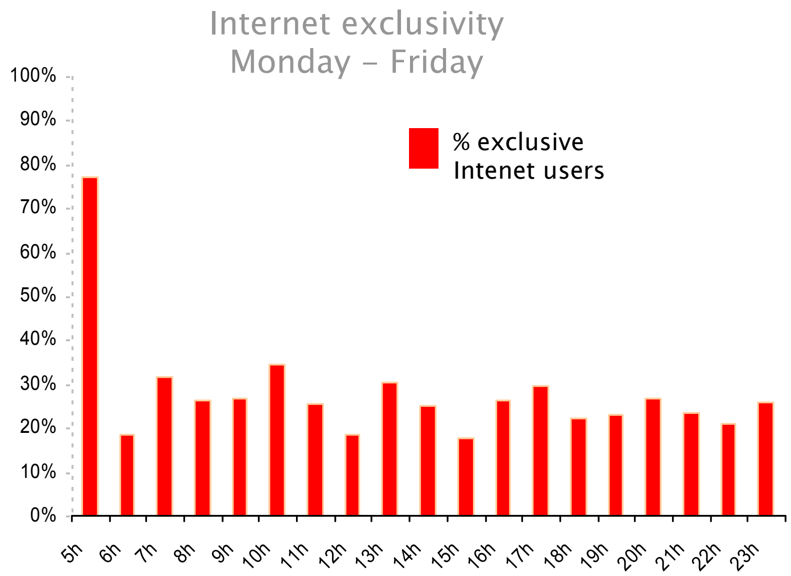
New business models

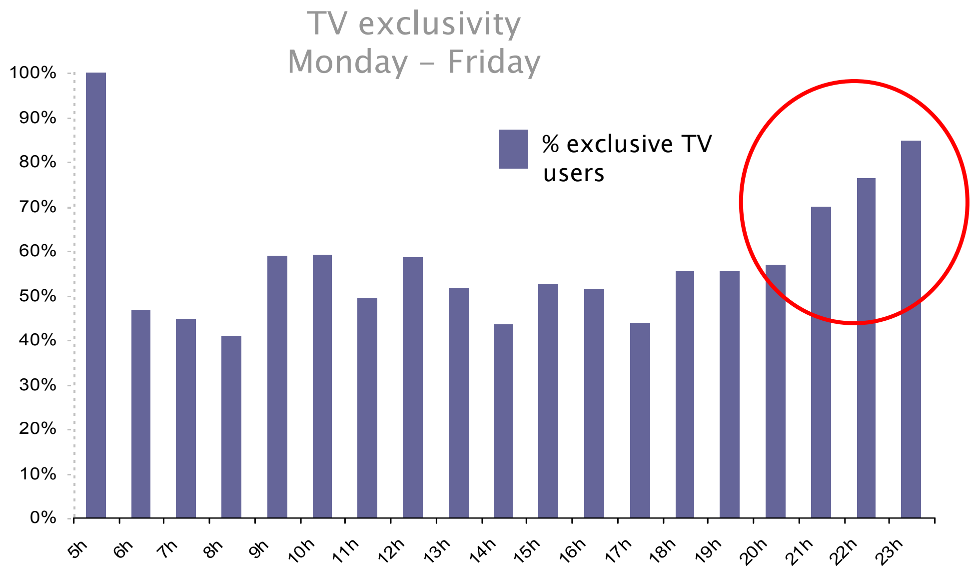
Consumers are mainly looking for professional videos

One media, one type of consumption

Exclusivity of media – 15 to 24 y.o

- TV remains the most exclusive media – TV consumption does not decline far
- Among new media, Internet is the most used – But it is the less exclusive media





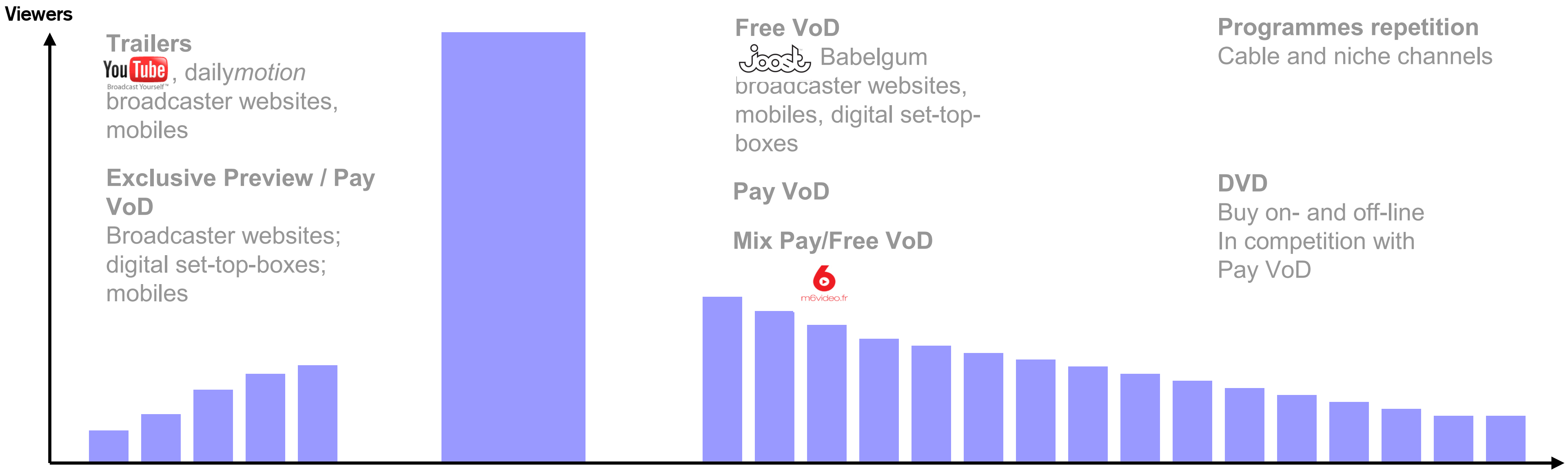
Media are complementary

Source : Media In Life - Médiamétrie

Platforms fragmentation

A new lifecycle still dominated by original FTV

Before original broadcast	Original Free-TV broadcast	After original broadcast



Original Free TV broadcast is the core step of the business cycle

New revenues cycles

M6’s strategy :
Strong content for a powerful multimedia group

Contents

Strong contents for strong brands

All rights and librairies ▶ To be used in M6 Group ▶ To be sold to other players

M6 Group broadcasting rights

- Output deals
- Inhouse production
- External sourcing

US series	Entertainment	Information magazines	Movies

Mandarin Films

▶ Strong contents to build powerful brands

▶ Broadcast on a family of channels and different platforms

▶ Diversify revenues (rights, librairies)

A comprehensive family of channels

M6 Family of Channels

1

2

3

4

- A leading FTA channel on the main commercial targets :
  - ✓ housewives under 50 years old,
  - ✓ 15-34 years old,
  - ✓ and 15- 49 years old
- Premium content, innovation and know-how
- Creation of the content and the brand value
- Sharing of content with the other channels to build a strong family

A family of channels

A comprehensive family of channels

M6 Family of Channels

1 M6

2 W9

3 PARIS PREMIERE téva

4 serieclub TF6 MUSIC BLACK MUSIC hits MUSIC ROCK FUN TV

- Leader of DTT channels for 15-49 years old
- A mix of dedicated content and M6 successful brands extension
- A different offer
- Sharing of content and know-how with M6

EURO2008 Nouvelle Star

A comprehensive family of channels

M6 Family of Channels

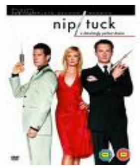
1

2

3

4

- Thematic channels dedicated to specific targets: women and upper-middle classes
- Complementarity of Time slots and targets with M6
- A strong identity
- Sharing of content and know-how with M6



A family of channels

A comprehensive family of channels

M6 Family of Channels

1 M6

2 W9

3 Paris Première, Téva

4 Serieclub, TF6, Music Black, Music Hits, Music Rock, Fun TV

- Young targets
- Morning and daytime consumption
- Niche channels
- Sharing of content and know-how with M6

Contents on all platforms

A multimedia presence

Launch of the programme

- It acquires power
- It attracts the largest audience

Mobile TV

Free-to-Air TV

Nouvelle Star

- An average audience of 4.5 million viewers

Mobile

- Videos of candidates, contents, games
- Community

Web platforms

- Castings
- Clips, trailers, parts of the prime
- Entire shows

nouvellestar.fr

- 141 million viewed pages (+74% vs. 2006)
- 6 million visitors (+6% vs 2006)

DTT channels

W9, Nouvelle Star…ça continue

- An average audience share of 6.2% on +4 years old DTT equipped

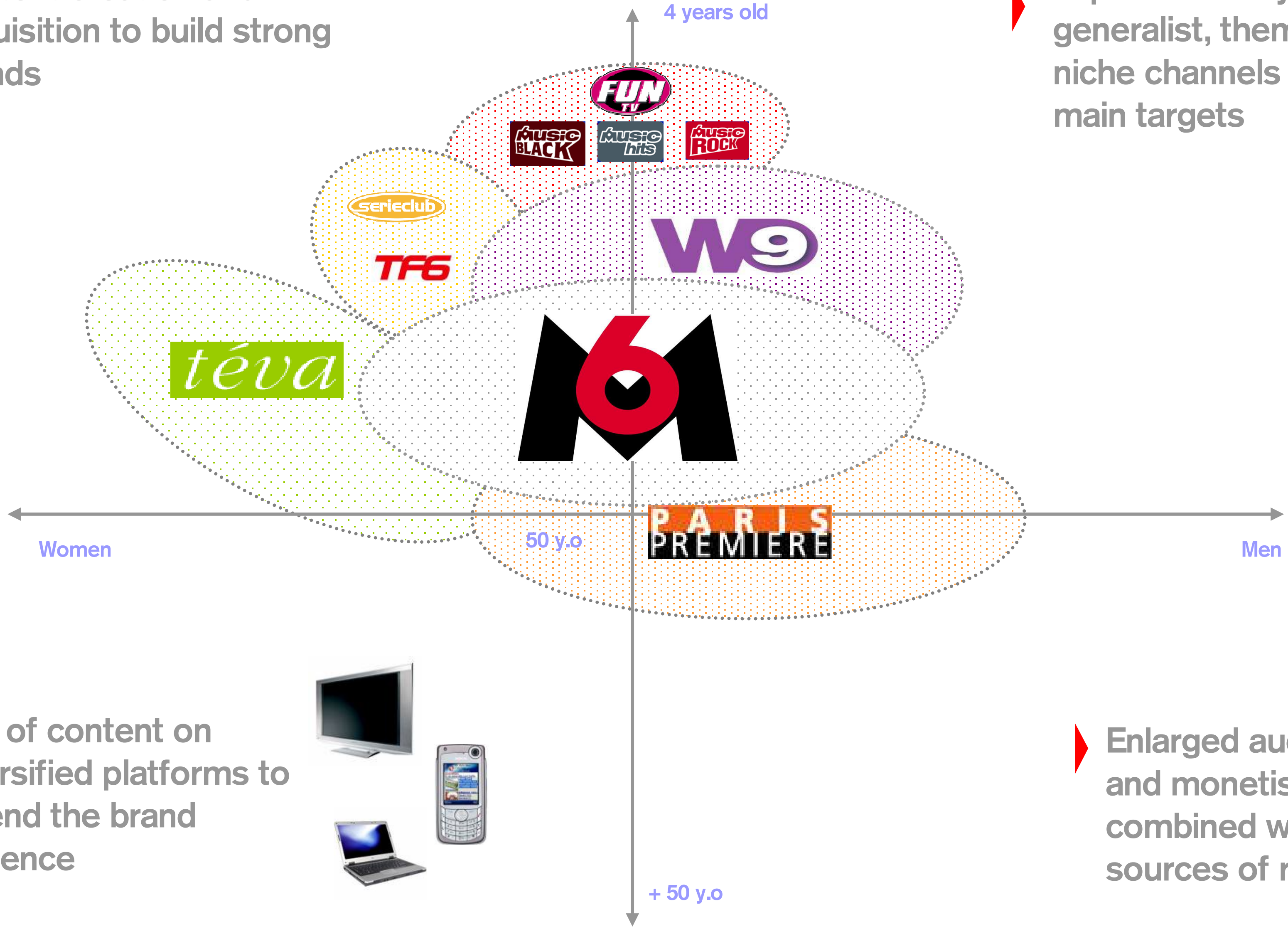
Digital channel

Nouvelle Star … ça continue

A powerful multimedia group

Conclusion

- Content creation and acquisition to build strong brands
- Expand a family of generalist, thematic and niche channels covering all main targets



- Use of content on diversified platforms to extend the brand audience

- Enlarged audiences and monetisation, combined with new sources of revenues

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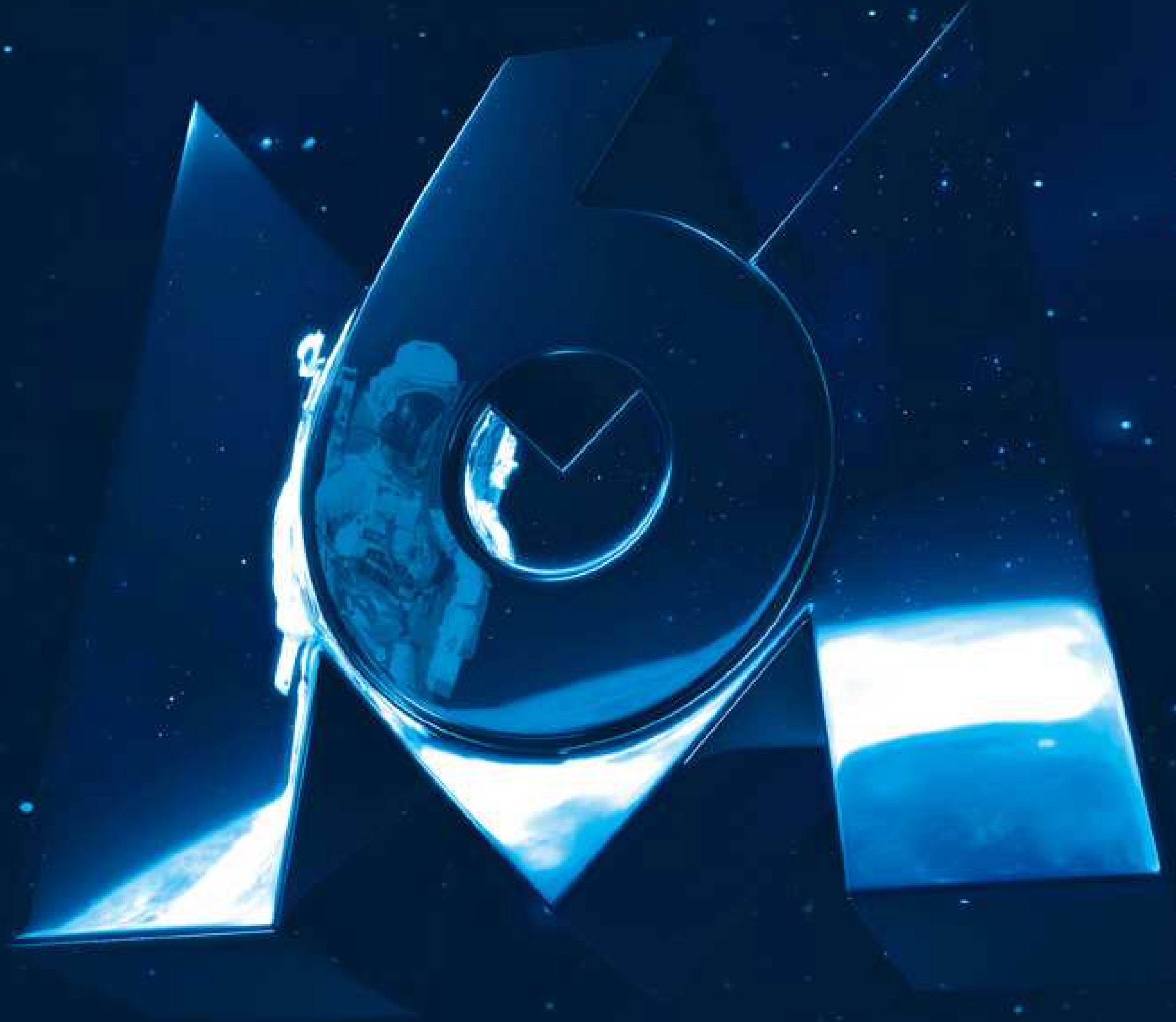

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