

Morgan Stanley TMT Conference

November 2008



Disclaimer



- Statements contained in this document, particularly those concerning forecasts on future M6 Group performances, are forward-looking statements that are potentially subject to various risks and uncertainties.
- Any reference to M6 Group past performances should not be interpreted as an indicator of future performances.
- The content of this document must not be considered as an offer document or a solicitation to buy or sell M6 Group shares.

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1. Introduction



1. Introduction

YTD 2008 highlights



Audiences and advertising market

- ⇒ **Fragmentation is accelerating** to the benefit of DTT channels
- ⇒ This fragmentation is taking place within a **disrupted advertising market**

The Group confirmed its outperformance

- ⇒ **The M6 TV network benefited from its strategy of investing** in programmes and consolidated its prime time and access prime time power
- ⇒ **W9 achieved strong growth** and asserted its position of leader on commercial targets
- ⇒ Diversification and audiovisual rights activities were subject to **new developments**
 - Acquisition of Cyréalis
 - Launch of M6 Replay
 - Stepping up of catalogue operations

Outlook

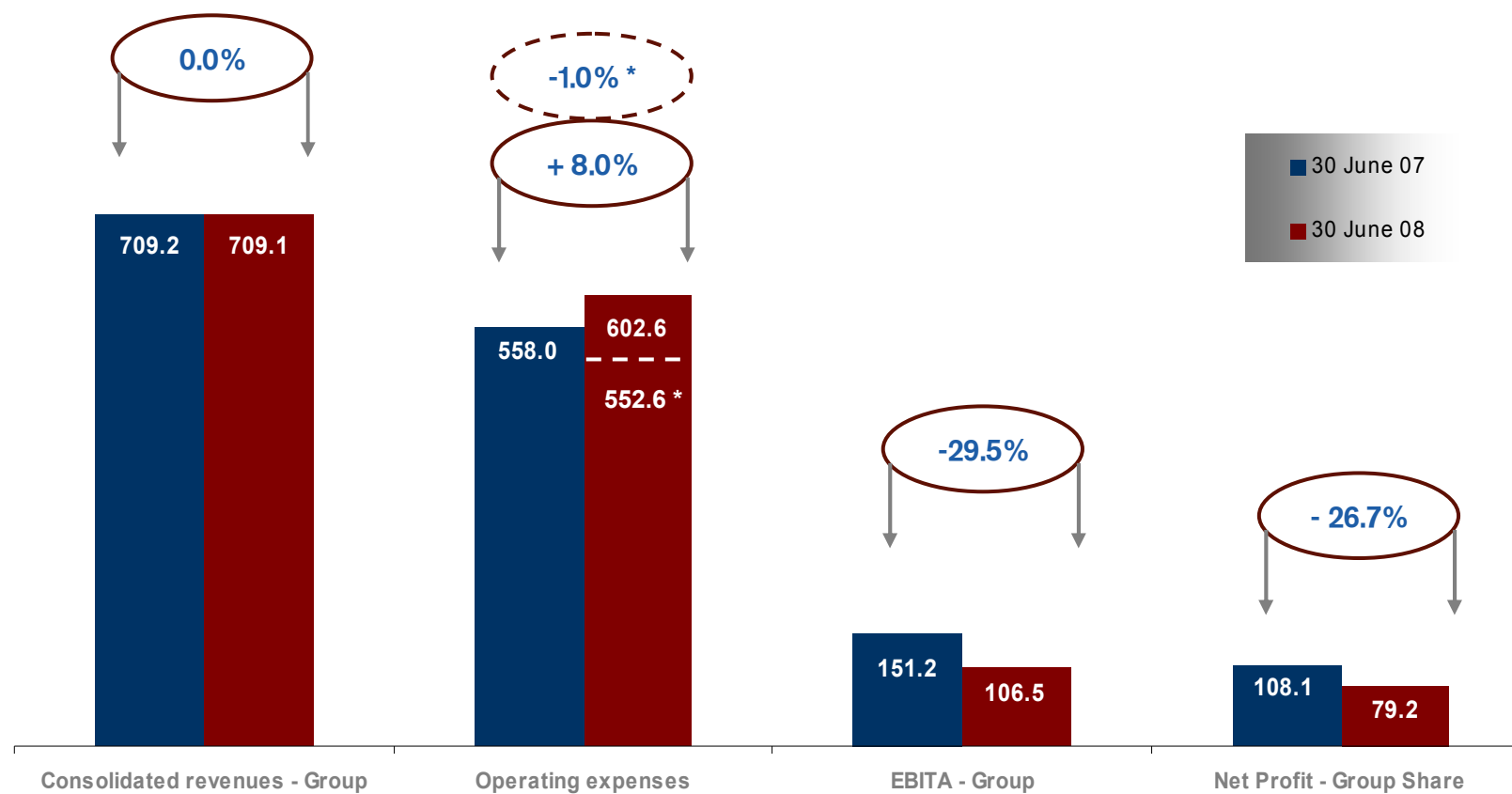
- ⇒ Regulatory and legal **changes**

1. Introduction

Consolidated key figures at 30 June 2008



(in € millions)



* Excluding Euro cost (50 M€)

1. Introduction



Consolidated key figures (revenues) at 30 September 2008

- ⇒ Over the first nine months of the year, consolidated revenues were almost stable at 980.2 M€
- ⇒ Group Multimedia advertising revenues : **+2.9%** at 547.4 M€
- ⇒ Digital channels revenues : **+29.3%** . W9 confirms its status of a major growth driver in DTT.
- ⇒ Diversification and Audiovisual rights revenues : **-4.5%**

in M€

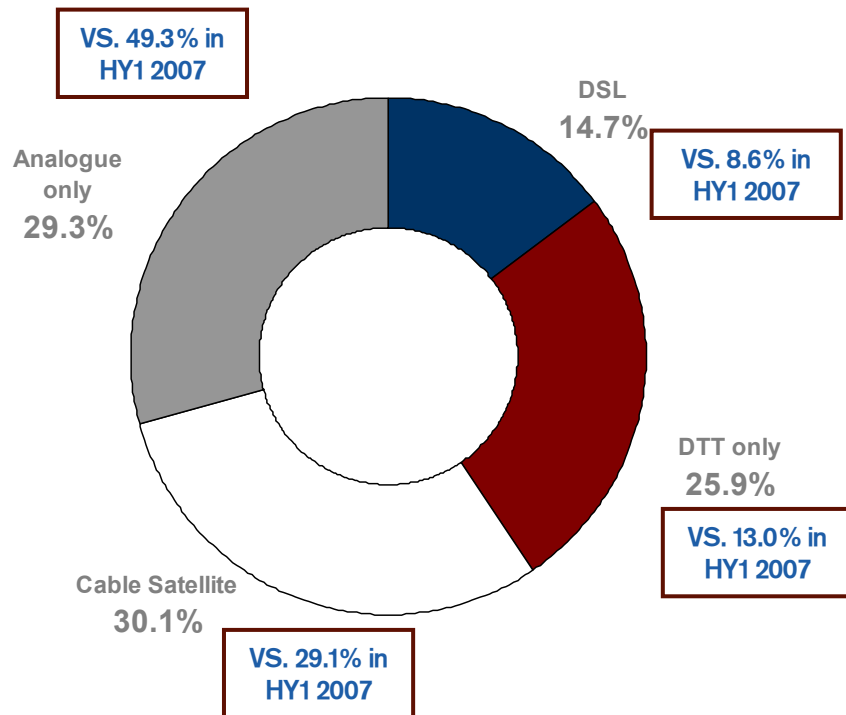
	First Half-Year			3rd Quarter			9 months		
	2007	2008	%	2007	2008	%	2007	2008	%
Group advertising revenues	398.1	414.0	+4.0%	134.1	133.4	-0.5%	532.2	547.4	+2.9%
- of which M6 channel advertising	365.0	367.1	+0.6%	122.0	114.6	-6.1%	487.0	481.7	-1.1%
- of which digital channels and other media advertising	33.1	46.9	+41.7%	12.0	18.8	+56.5%	45.1	65.7	+45.6%
Non advertising revenues	311.1	295.1	-5.1%	139.7	137.7	-1.5%	450.8	432.8	-4.0%
Consolidated revenues	709.2	709.1	0.0%	273.8	271.1	-1.0%	983.0	980.2	-0.3%

2. A changing environment



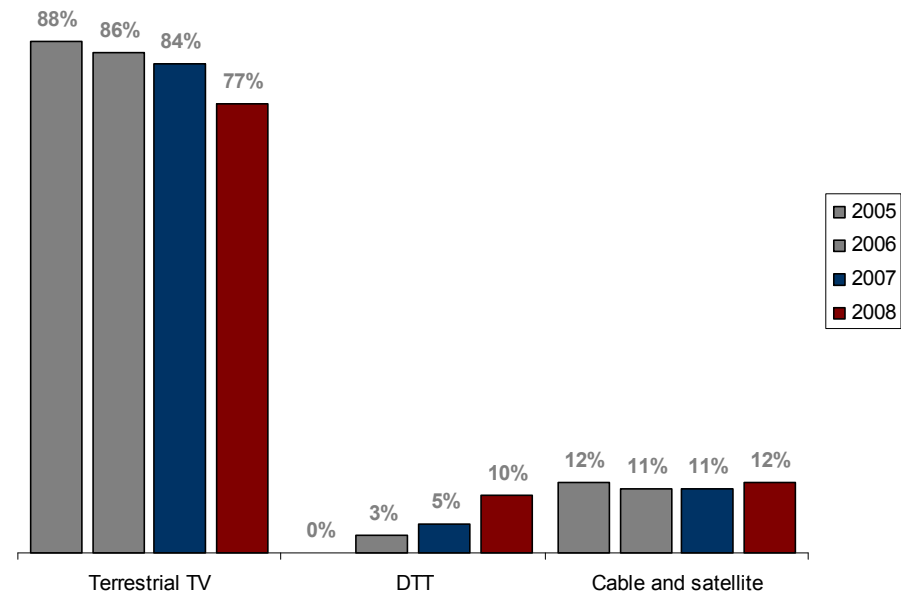
2. A changing environment

2008 : Accelerated fragmentation driven by the growth of multi-channel offers and rapid DTT development



TV equipment and reception mode analysis (HY1 2008)

Source: Médiamétrie – MediaCabSat wave 15 December 2007 – June 2008. Number of 4+ year old individuals living in a household equipped to receive one of these offers. Médiamétrie MediaCabSat wave 13 January – June 2007



Analysis of HY1 4+ years old audience shares

Source: Médiamétrie

2. A changing environment

2008 : Accelerated fragmentation: enhanced attractiveness of DTT channels



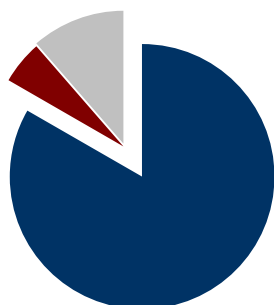
DTT channels' gross advertising expenditure now represent 11.3% of the total TV, having more than doubled compared to the 1st half of 2007

Total TV H1 07 : 3,378.7 M€

Cable and satellite:
386.6M€ (11,4%)

DTT: 173.1 M€
(5.1%)

Terrestrial TV:
2 819 M€ (83.5%)



Terrestrial TV : (191.4) M€

DTT : +203.9 M€

Cable and satellite : (24.2) M€

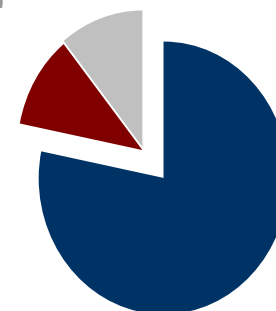


-11.7 M€

Cable and satellite:
362.4M€ (10.7%)

DTT: 377 M€
(11.3%)

Terrestrial TV:
2 627.6 M€
(78%)



Total TV H1 08 : 3,367 M€

Distribution of all TV gross advertising expenditure in
HY1 2007

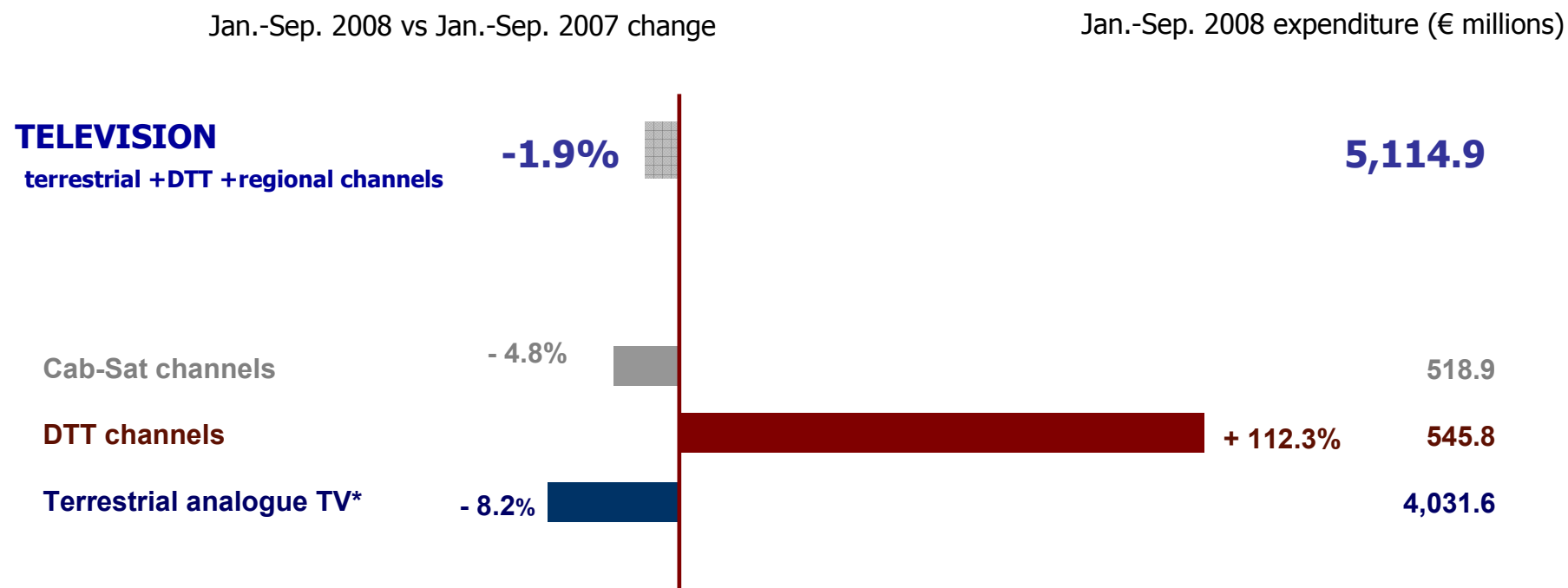
Distribution of all TV gross advertising expenditure in
HY1 2008

Source: TNS MI

2. A changing environment



2008 : Accelerated fragmentation: enhanced attractiveness of DTT channels
Gross figures: Jan.-Sep. 2008 vs Jan.-Sep. 2007



Source: TNS Media Intelligence - Excluding self-promotion and subscription advertising - 2008 vs 2007 on a like-for-like basis - *Terrestrial analogue TV: FTV and TF1 Cristal net sales in 2008, therefore care must be taken in interpreting data and developments of historical analogue TV channels and overall TV. Terrestrial analogue TV includes sponsorship.

2. A changing environment

2008 : A complex advertising market



- Reform of the sales method: advertising slots selling system at net vs. gross prices
=> Come back to gross prices from 2009



- New sales system in net prices for some slots, TF1 Cristal
=> Progressive withdrawal since May 2008



- A difficult economic environment

2. A changing environment



2009 : Announced regulatory and legal changes

Production quotas– investment obligations

- Modification of the Tasca decrees (French programs financing obligations)

Previous situation 16% of advertising revenues invested in French production

TF1

80 % in “œuvres patrimoniales”

20% in other French production

M6

56 % in “œuvres patrimoniales”

44% in other French production

- 5th of March 2007 law impose to set for every channel a « significant contribution to ‘œuvres patrimoniales’ » vs. global French & French speaking works investment quotas

‘Œuvres patrimoniales’ : drama & fiction, cartoons, live shows, creative documentaries, ...

- 2008 : Deal or Negotiations

TF1 : Deal

≈ 90% in « œuvres patrimoniales »

M6 : Negotiations

% tbc in « œuvres patrimoniales »

Application date (to be confirmed): H1 2009

Estimated impact on programming cost from 2010 : a reduced flexibility

2. A changing environment



2009 : Announced regulatory and legal changes

Reform of advertising on France Télévisions

- Bill will be examined by the Parliament at the **end of November – beginning of December**
- Planned gradual cessation of advertising
 - ❖ **Ban of advertising on FTV (excluding sponsorship) from 8pm to 6am from 5 Jan. 2009**
 - ❖ Total ban (all day) from December 2011
- Scope retained by France Télévisions: Sponsorship, F3 Régions, RFO, Government services
- Potential transfer of FTV advertising on private channels
 - ❖ Estimate of 215 M€ (AT Kearney figures), to be shared by TV channels (analogue, DTT, Cable & Satellite) and other media
 - ❖ Impact dependent on underlying advertising market in 2009

Additional tax of 3% on all ad revenues

Estimated EBITA Impact :

-20 M€

2. A changing environment



2009 : Announced regulatory and legal changes

Transposition of AMS European Directive

- **Switch from moving time to clock time**
⇒ More flexibility in advertising minuteage in peak-time
- **Unlocking of daily max average from 6 min to 9 min**
⇒ Potential advertising time per day : 3h36 vs 2h24 (+50%)
- **Second ad break in “oeuvres” (drama, movies, ...)**

Volume driver in Peak-Time

3. M6 Group confirmed its out-performance



3.1 M6 TV Network Audiences

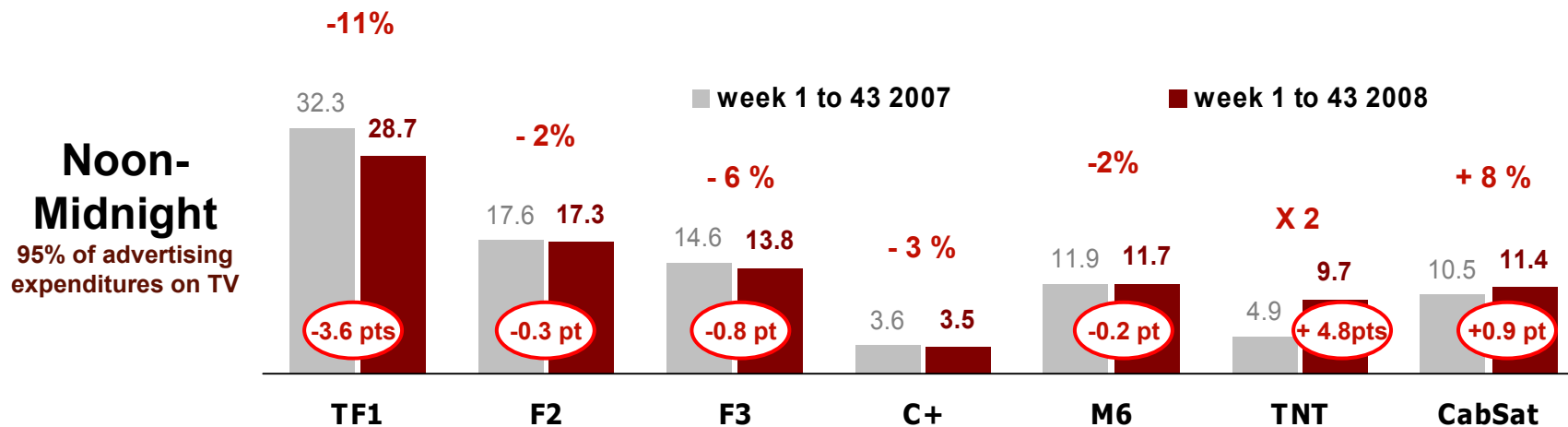
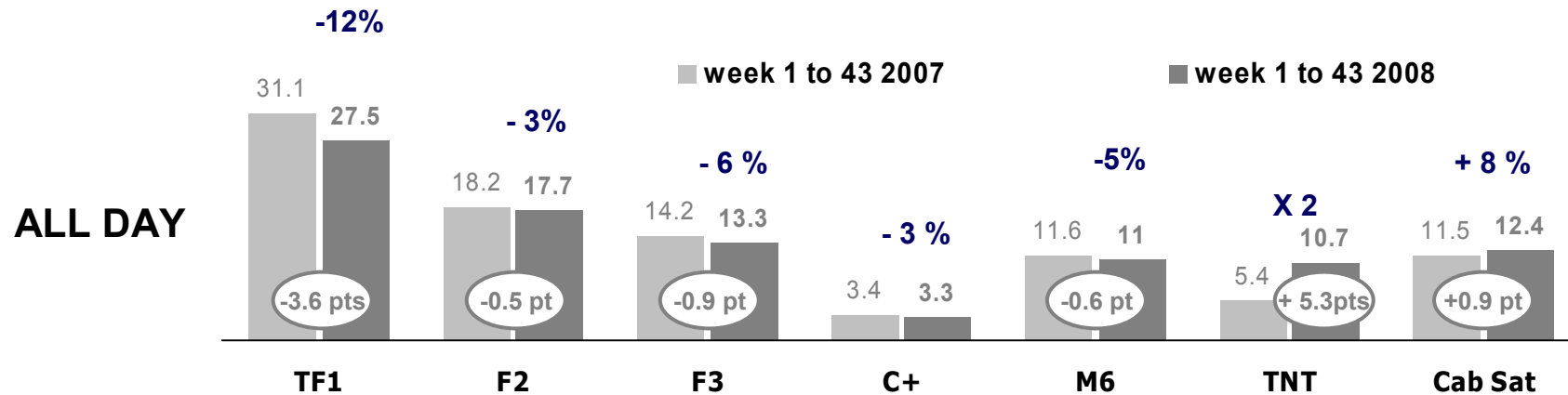


3. M6 Group confirmed its out-performance

1. M6 TV Network: Powerful Prime-Time audiences, strong resilience to fragmentation



Audience share 4+ years old (January to October)

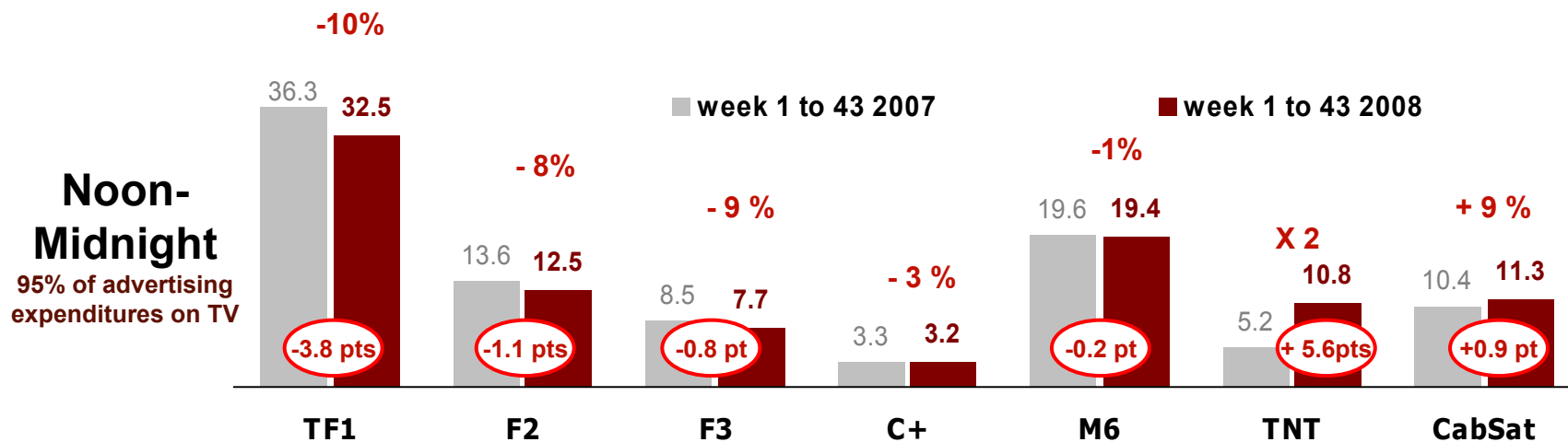
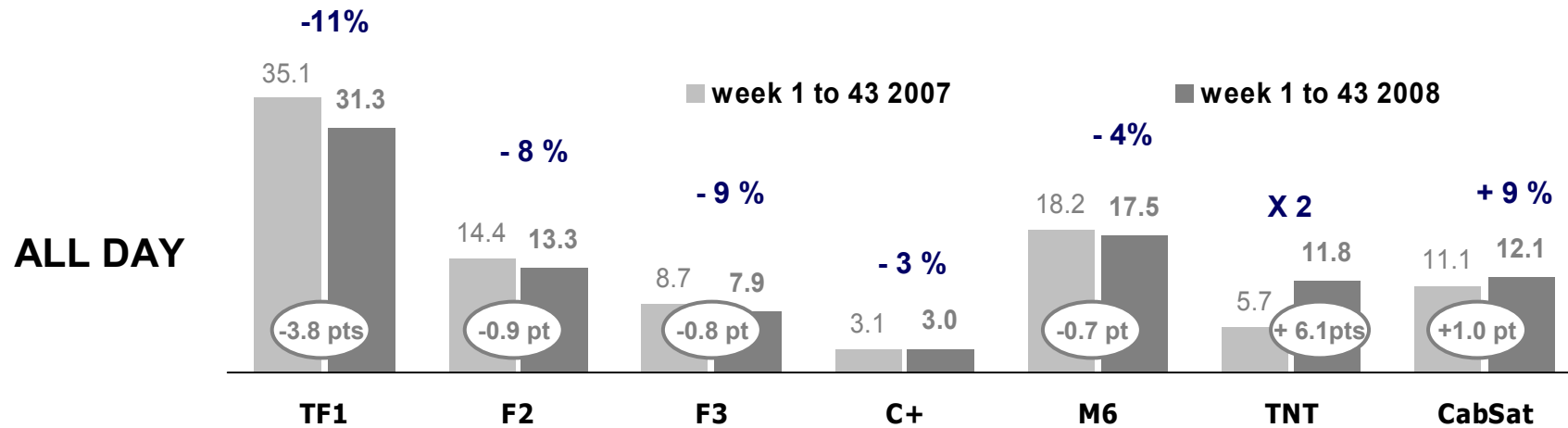


3. M6 Group confirmed its out-performance

1. M6 TV Network: Powerful Prime-Time audiences, strong resilience to fragmentation



Audience share < 50 y.o. housewives (January to October)

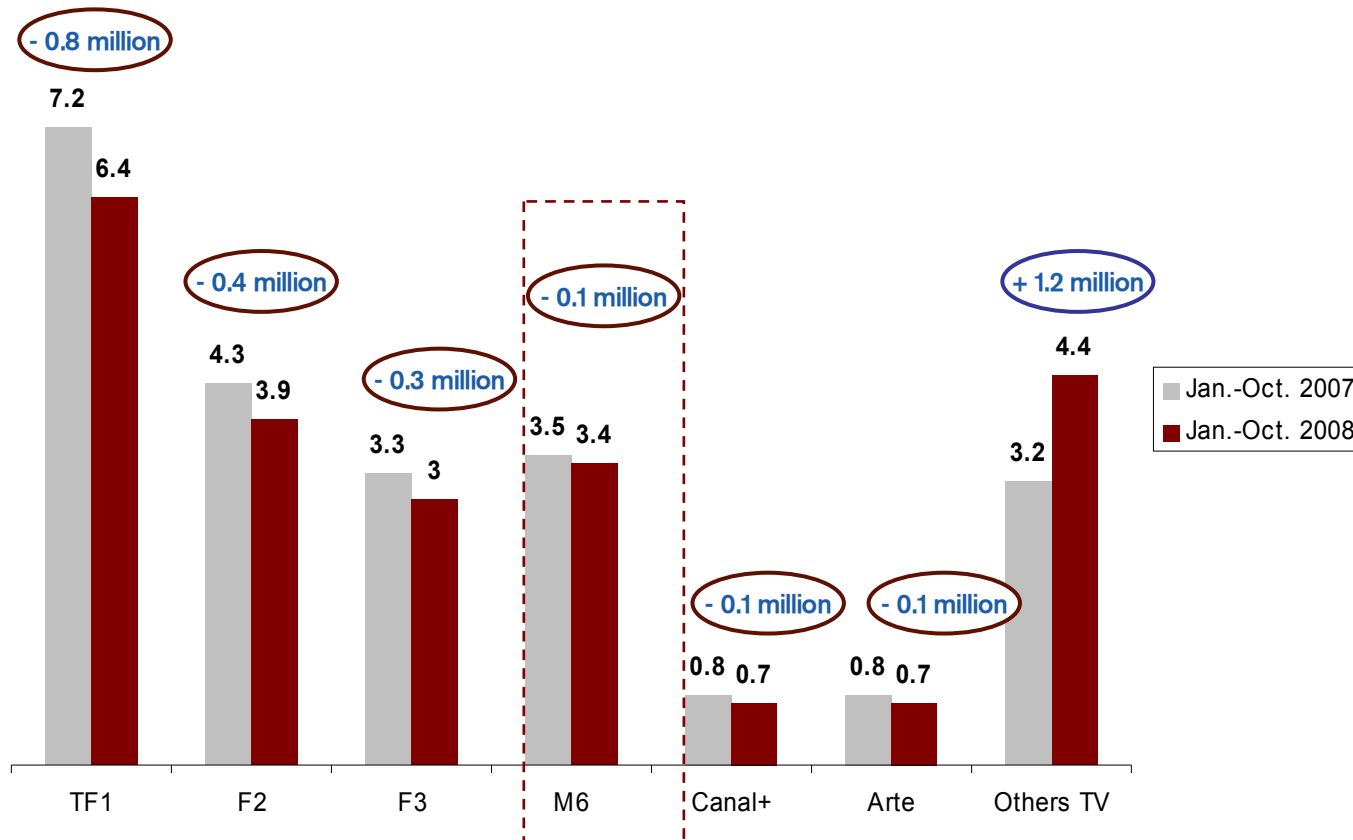


3. M6 Group confirmed its out-performance

1. M6 TV Network: Confirmed Prime-Time power



The M6 TV network was the only major historic channel to maintain its Prime-Time power. With 3.4 million viewers, M6 stabilised its historic audience level



Audience levels in millions over the 8.55pm-10.40pm time slot (2008 vs 2007)

Every Friday since
October : M6 leader on
Prime-Time with NCIS



3. M6 Group confirmed its out-performance

1. M6 TV Network: A record on the new Access Prime-Time (6:00 – 8:00 pm)



17:50 UN DÎNER
PRESQUE
PARFAIT
18:50 100% MAG

Un dîner
PRESQUE
parfait

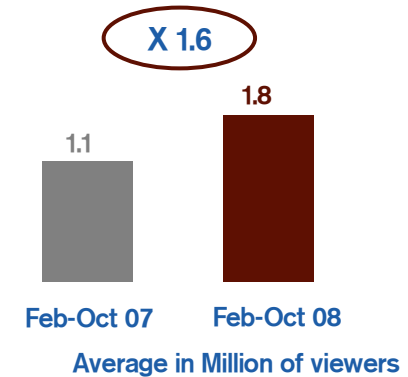


- M6, new leader channel at 6:00 pm in October
- Average numbers of viewers in October : 2.3m
- New record in November : 3.1 million viewers



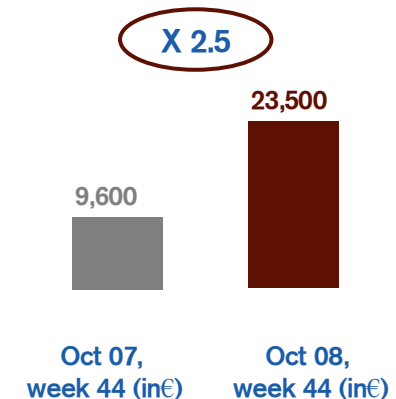
- Average numbers of viewers in October: 1.9m
- Best ever performance since its launch (Feb'2008)

Audiences :



17:50 UN DÎNER
PRESQUE
PARFAIT
18:50 100% MAG

Gross Ad. Prices (30s') 6:30 & 7:00 pm ad break :

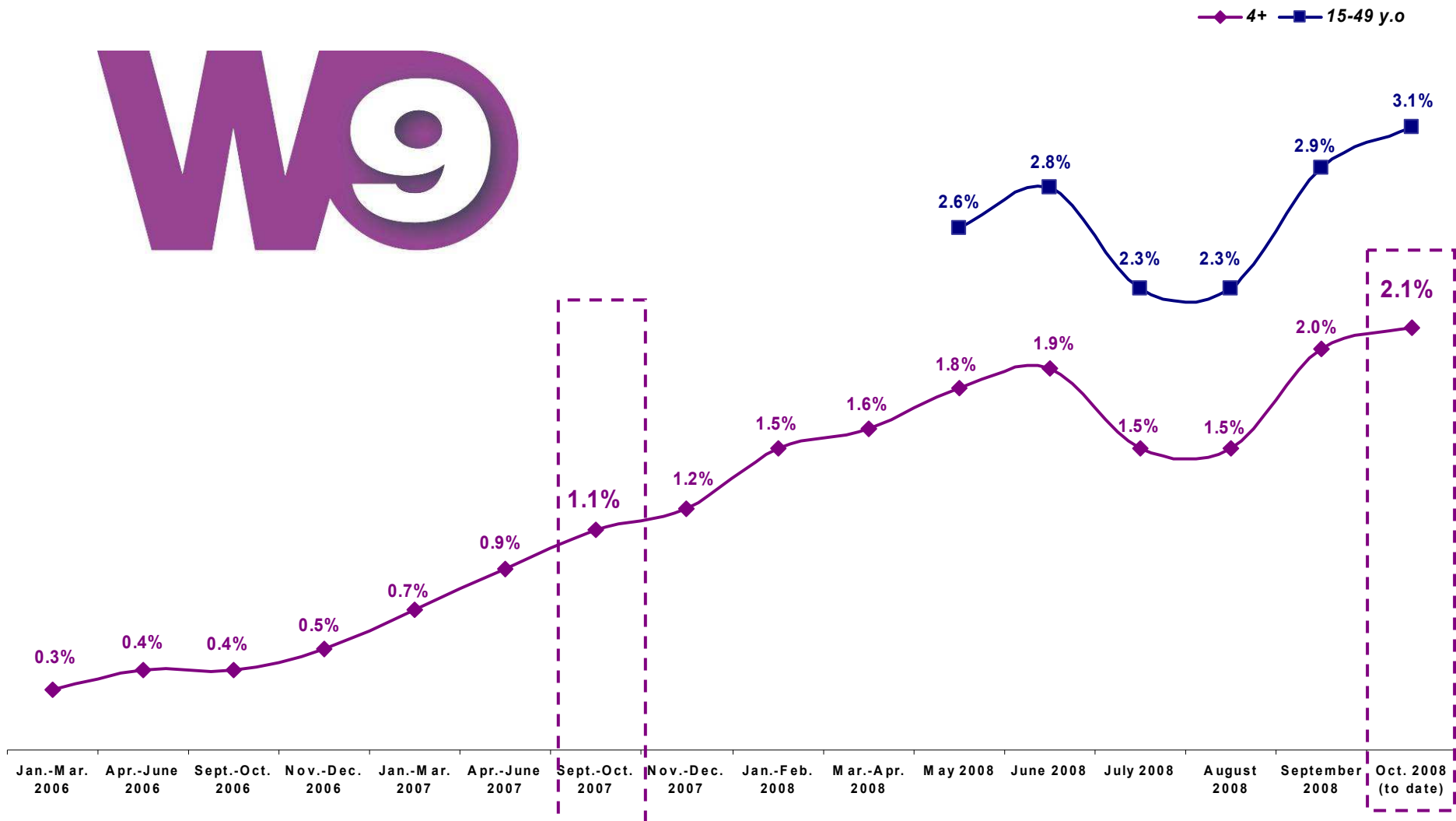


3.2 W9 and digital channels



3. M6 Group confirmed its out-performance

2. W9: National audience share now exceeds 2% (4+ y.o.)

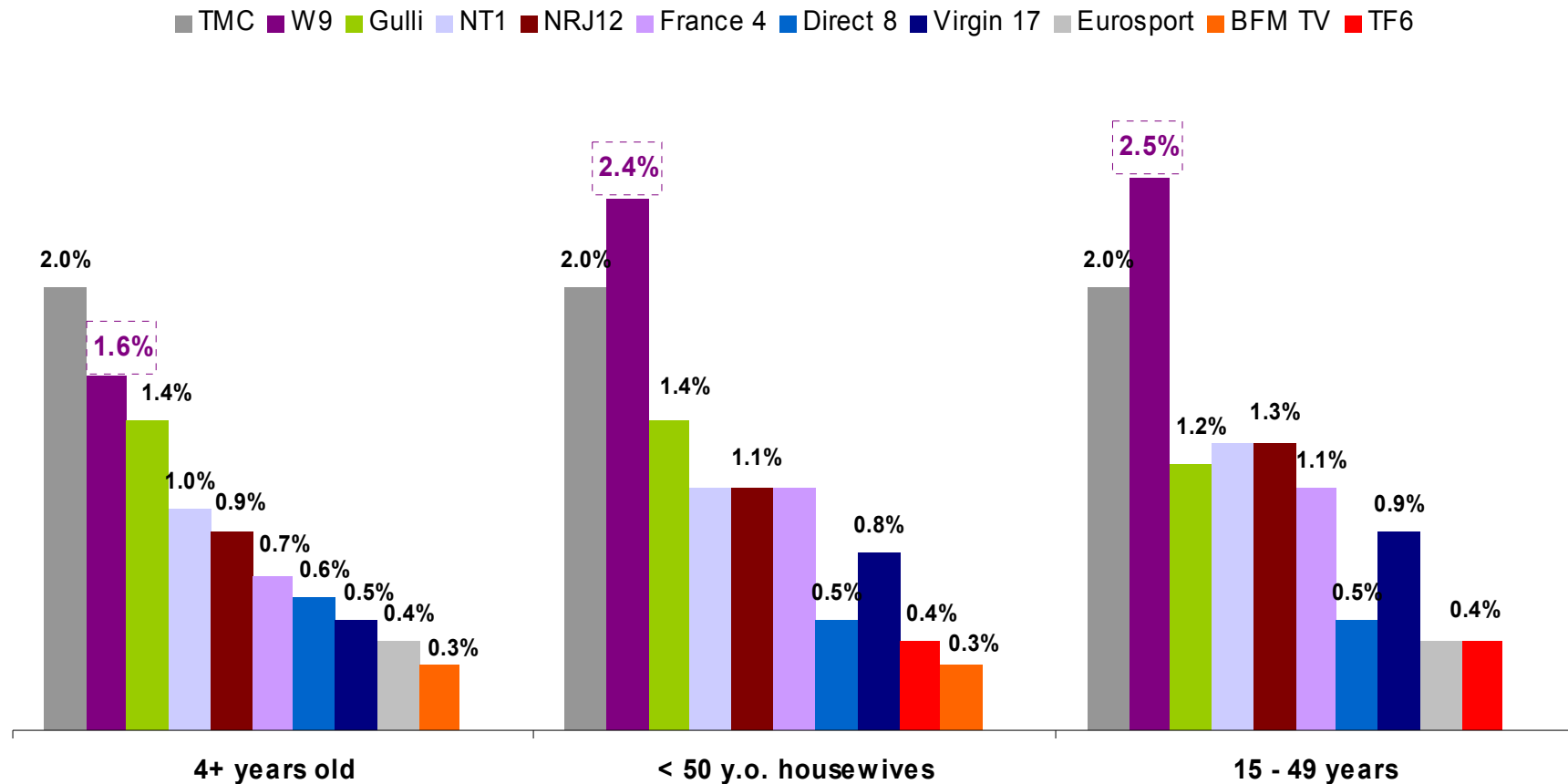


3. M6 Group confirmed its out-performance

2. W9: First DTT channel on main commercial targets



National Audience Share – Top 10 by target – January - June 2008



3. M6 Group confirmed its out-performance

2. W9 : The 3rd advertising offer on most important commercial targets after 8:00 pm



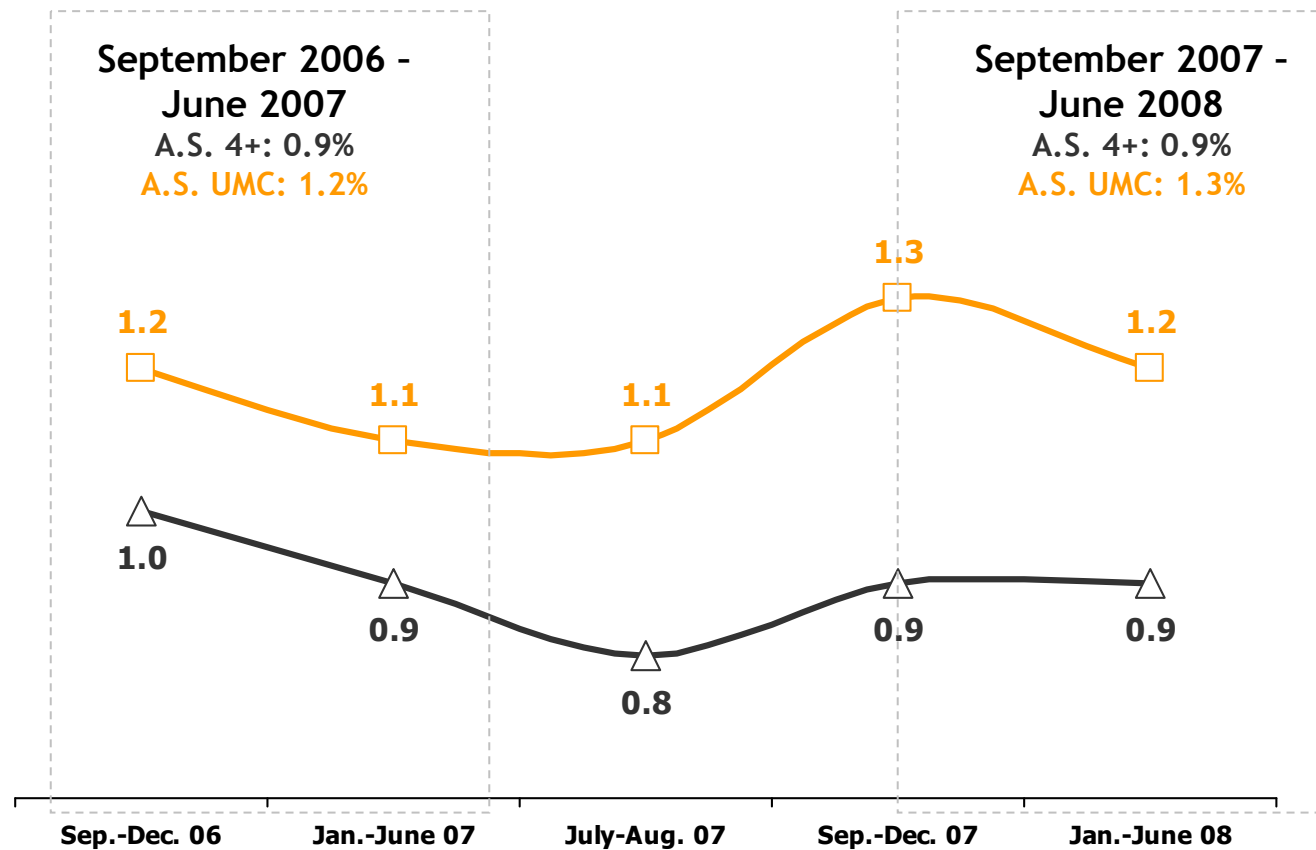
	15-49 y.o	15-34 y.o	Hswives 15-49 y.o	Men 15-49 y.o
	TF1 32.0%	TF1 32.3%	TF1 32.8%	TF1 31.3%
	18.7%	20.5%	19.1%	18.4%
⇒ Ban on advertising on F2+F3 after 8pm	France 2 12.7%	France 2 11.2%	France 2 13.8%	France 2 11.5%
⇒ No advertising on C+ after 8.30pm (crypted time)	France 3 8.4%	France 3 7.6%	France 3 8.8%	France 3 7.7%
	Canal+ 3.5%	Canal+ 3.6%	Canal+ 3.1%	Canal+ 4.0%
⇒ 3rd rank for W9 from the 05 January 2009	2.6%	3.4%	2.4%	2.9%
	TMC 1.9%	TMC 1.7%	TMC 1.9%	TMC 1.9%
	Arte 1.9%	France 4 1.6%	Arte 1.9%	Arte 1.9%
	France 4 1.3%	Arte 1.5%	France 4 1.3%	NT1 1.6%
	NT1 1.3%	NRJ 12 1.2%	NT1 1.0%	NRJ 12 1.4%
	NRJ 12 1.2%	NT1 1.1%	NRJ 12 1.0%	France 4 1.3%
	Direct 8 0.7%	Virgin 17 0.8%	Gulli 0.8%	Direct 8 0.8%
	France 5 0.6%	Gulli 0.6%	France 5 0.6%	France 5 0.7%

3. M6 Group confirmed its out-performance

2. Digital channels: The family of channels confirmed its performances on commercial targets



Free channels excluded, Paris Première is still **the most-watched channel by upper middle class individuals**, its core target.



Audience share among subscribers to an extended offering (%)
Monday-Sunday / 3am-3am

3. M6 Group confirmed its over-performance

2. Digital channels: The family of channels confirmed its performances on commercial targets



N°1 for under 50 years old housewives

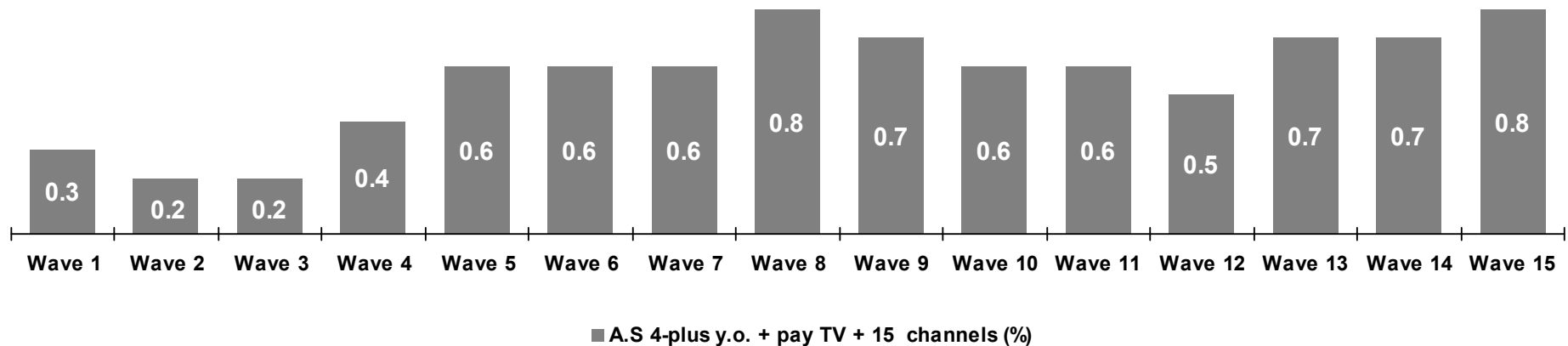
With 1.3% audience share (+0.2 basis point in one year), Téva has become the leader for this target

N°1 for the first time for housewives who have children

With 1.4% audience share (+ 0.3 basis point in one year).

Sharp increase for 4+ year olds

With 0.8% audience share (+0.1 basis point in one year), Téva has become one of the top three channels for 4+ years old for the first time.










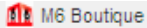
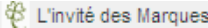

3.3 Diversification and audiovisual rights



3. M6 Group confirmed its out-performance



3. Diversification and audiovisual rights: Highlights

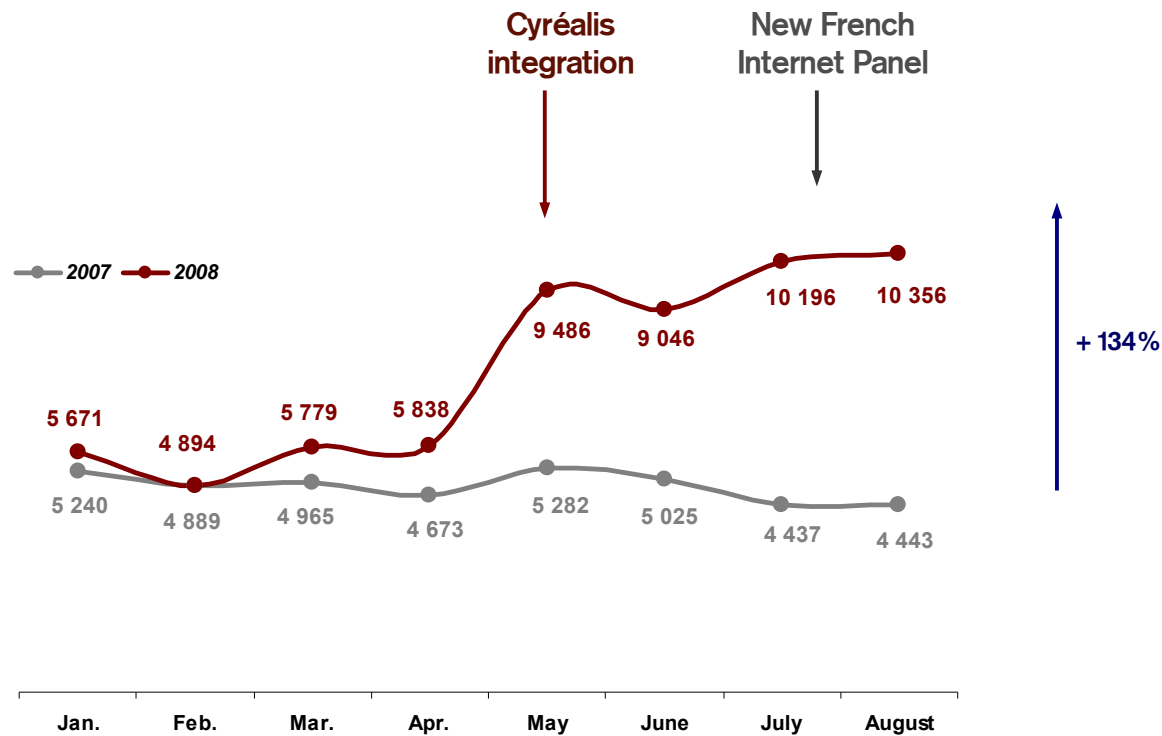
Interactivity	Audiovisual Rights	Distance-Selling	F.C.G.B
<ul style="list-style-type: none"> Acquisition of Cyréalís  <ul style="list-style-type: none"> Launch of M6 Replay (catch-up TV)  <ul style="list-style-type: none"> 1.5 million clients for the MVNO licence 	<ul style="list-style-type: none"> Acquisition of Hugo Films (catalogue)   <ul style="list-style-type: none"> In-house merger of NewsStand video distribution businesses 	<ul style="list-style-type: none"> Staff moved to common premises Staff merger Slowdown in growth due to economic environment    	<ul style="list-style-type: none"> N°2 in Ligue 1 for the 2007-2008 season Interim ranking for the season 2008-2009 : n°6 Qualified for the Champions' League 

3. M6 Group confirmed its over-performance

3. Interactivity: New developments, over 10 million unique visitors



M6 Group's audience, in thousands of unduplicated Unique Visitors
(2008 vs 2007)



August 2008

 UV: 34.4 M
PV: 78 K
Excl. Cyréalis

 UV: 5.4 M
PV: 97 K

 UV: 1.3 M
PV: 20 K

UV: Unique Visitors

PV: Pages Viewed

3. M6 Group confirmed its out-performance

3. Interactivity: New developments



- March 2008: Launch of M6 Replay
 - ✓ An innovative catch-up TV offering to adapt to new TV media consumption habits
- Planned roll-out to DSL and mobile phone TV networks
- Key figures
 - ➔ Average viewing time of 30mn per UV per month
 - ➔ 5 to 8 million programmes viewed each month
 - ➔ Catch-up consumption primarily occurs the day after broadcast
 - ➔ 40 million programmes watched since March 2008



4. Financial statements



4. Financial statements

Condensed consolidated balance sheet at 30 June



	31 December 2007	30 June 2008	Change (M€)
Goodwill	53.5	76.1	22.6
Non-current assets	625.4	641.5	16.1
Current assets	659.1 *	684.6	25.5
Cash and cash equivalents	89.1	26.2	-62.9
TOTAL ASSETS	1,427.1	1,428.4	1.3
Equity	788	728.4	-59.6
Minority interests	-	-	-0.9
Non current liabilities	33.1	34.2	1.1
Current liabilities	606.0 *	665.9	59.9
TOTAL EQUITY AND LIABILITIES	1,427.1	1,428.4	1.3

* Net amount between accounts receivable and payable related to VAT and current tax

4. Financial statements



Condensed cash flow statement at 30 June

Cash Flow Statement	30 June 2007	30 June 2008	Change (M€)
Cash Flow from operations (self-financing capability)	197.6	144.0	-53.6
WCR movements	-59.2	-8.4	50.8
Taxes	-43.1	-39.3	3.8
Cash flow from operating activities	95.4	96.3	0.9
Cash flow from investing activities	-94.5	-68.8	25.7
Cash flow from financing activities	-136.3	-90.4	45.9
<i>of which cash flow from discontinuing activities</i>	<i>-52.5</i>	<i>0.0</i>	<i>52.5</i>
Net change in cash and cash equivalents	-187.9	-62.9	
Cash and cash equivalents - opening balance	250.7	89.1	-161.6
Cash and cash equivalents - closing balance	62.8	26.2	-36.6
<i>Net cash position at closing</i>	<i>63.0</i>	<i>-41.2</i>	

5. Appendices



5. Appendices

Consolidated analytical income statement



(€ millions)	30/06/2008	30/06/2007	2008 / 2007 change	
			(€ millions)	(%)
M6 TV Network				
Turnover - Advertising	367.1	365.0	2.1	0.6%
Turnover - other	3.1	2.6	0.5	18.9%
EBITA	79.7	125.1	(45.5)	-36.3%
Digital Channels				
Turnover - Advertising	43.4	29.8	13.6	45.6%
Turnover - other	19.6	19.4	0.2	0.9%
EBITA	7.7	4.4	3.4	77.4%
Diversification & Audiovisual rights				
Turnover - Advertising	3.5	3.3	0.2	6.2%
Turnover - other	272.3	289.0	(16.7)	-5.8%
EBITA	21.5	25.1	(3.6)	-14.2%
Other turnover	0.1	0.1	0.0	2.6%
Eliminations and unallocated items	(2.4)	(3.4)	1.0	-29.1%
Revenues from continuing operations	709.1	709.2	(0.1)	0.0%
EBITA from continuing operations	106.5	151.2	(44.7)	-29.5%
Brand amortisation charges	(0.5)	(0.5)	-	
Impairment of non-amortisable assets	-	(0.9)	0.9	
Capital gains on the disposal of subsidiaries and investments	1.8	-	1.8	
Operating profit (EBIT) from continuing operations	107.9	149.8	(42.0)	-28.0%
Net financial income/(expenses)	1.5	3.0	(1.5)	
Fair value movement of the Canal + France asset	9.9	9.3	0.5	
Share of associates' net profit	(1.3)	-	(1.3)	
Profit before tax from continuing operations	118.0	162.2	(44.2)	-27.3%
Income tax on continuing operations	(38.8)	(54.0)	15.2	
Net profit from continuing operations	79.2	108.2	(29.0)	-26.8%
Net profit (loss) from discontinued operations	-	-	-	N/S
Net profit	79.2	108.2	(29.0)	-26.8%
Minority interests	0.0	(0.1)	0.1	
Net profit – Group share	79.2	108.1	(28.8)	-26.7%

5. Appendices

M6 TV network contribution



(€ millions)	30/06/2008			30/06/2007			2008/2007 change		
	Business segment total turnover	External turnover	EBITA	Business segment total turnover	External turnover	EBITA	Business segment total turnover	External turnover	EBITA
M6 Free-to-Air	372.2	367.7	54.9	372.7	365.0	101.3	358.2	2.7	(46.4)
M6 Publicité (Advertising)	38.1	0.5	24.8	36.5	0.5	23.5	34.3	0.1	1.3
M6 Films	0.6	0.5	(0.6)	0.5	0.4	0.1	0.7	0.1	(0.7)
Production companies	51.3	1.4	0.6	44.8	1.8	0.2	6.5	(0.3)	0.4
Intra-Group eliminations	(75.5)	-	-	(69.7)	-	-	(5.8)	-	-
Total M6 TV Network	386.7	370.2	79.7	384.8	367.6	125.1	393.8	2.6	(45.5)

5. Appendices

Analytical M6 TV network contribution



(€ millions)	30/06/2008	30/06/2007	2008 / 2007 change	
			(€ millions)	(%)
Turnover - external advertising revenues	367.1	365.0	2.1	0.6%
Turnover - intra-Group advertising revenues	3.4	6.5	(3.1)	(47.8%)
Total advertising agency + royalties + broadcasting costs	(65.6)	(66.0)	0.4	(0.6%)
Net broadcasting revenue	304.9	305.5	(0.6)	(0.2%)
Programming costs	(194.5)	(146.5)	(48.0)	32.8%
Gross profit on programming	110.4	159.0	(48.6)	(30.6%)
(%)	36.2%	52.0%		
Net other operating revenue/(expenses)	(36.0)	(38.2)	2.1	(5.6%)
Ex-segment commissions net advertising agency costs not allocated to M6	5.3	3.9	1.4	36.6%
M6 Free-to-Air other subsidiaries' EBITA	(0.0)	0.3	(0.4)	
M6 Free-to-Air EBITA	79.7	125.1	(45.4)	(36.3%)

5. Appendices

Digital Channel contribution



(€ millions)	30/06/2008			30/06/2007			2008/2007 change		
	Business segment total turnover	External turnover	EBITA	Business segment total turnover	External turnover	EBITA	Business segment total turnover	External turnover	EBITA
Paris Première	17.0	16.8	2.0	17.0	16.8	2.3	0.0	0.1	(0.3)
W9	25.7	25.4	3.0	11.0	10.9	(1.9)	14.7	14.5	4.9
Teva	9.7	9.6	1.1	9.5	9.4	2.3	0.2	0.2	(1.2)
M6 Music	3.0	3.0	1.3	3.1	3.0	1.2	(0.1)	(0.1)	0.1
Fun TV	1.2	1.1	0.4	1.4	1.3	0.0	(0.2)	(0.2)	0.4
TF6	4.7	4.7	0.0	5.6	5.6	0.5	(0.9)	(0.9)	(0.4)
Série Club	2.2	2.2	0.1	2.1	2.1	0.2	0.1	0.1	(0.1)
M6 Thématique	2.1	0.1	(0.1)	2.2	0.1	(0.1)	(0.1)	0.0	0.0
Elimination of intra-group transactions	(1.9)		-	(2.0)	-	-	0.1	-	-
Total Digital channels	63.8	63.0	7.7	49.9	49.2	4.4	14.0	13.7	3.4

5. Appendices

Diversification and Audiovisual Rights contribution



(€ millions)	30/06/2008			30/06/2007			2008/2007 change		
	Business segment total turnover	External turnover	EBITA	Business segment total turnover	External turnover	EBITA	Business segment total turnover	External turnover	EBITA
Audiovisual Rights	44.7	37.8	(1.2)	54.1	49.9	1.9	(9.4)	(12.2)	(3.1)
Interactions	21.0	18.4	1.0	40.5	35.7	0.4	(19.5)	(17.2)	0.6
Distance-selling	142.3	137.4	3.9	136.4	133.0	5.2	5.9	4.4	(1.4)
Interactivity	48.5	41.4	11.6	41.8	34.5	7.6	6.7	6.9	4.0
FCGB	41.0	40.9	6.2	39.4	39.3	9.9	1.6	1.6	(3.8)
Elimination of intra-group transactions	(8.6)	-	-	(6.7)	-	-	(1.9)	-	-
Total Diversification & Audiovisual Rights	288.9	275.9	21.5	305.5	292.3	25.1	(16.6)	(16.5)	(3.6)

Note:

The Newsstand DVD distribution business, previously included in the scope of M6 Interactions, was retroactively transferred to SND on 1 January (Audiovisual rights business). The intra-group reclassification concerned turnover of € 5.1 million at 30 June 2008 (compared to € 11.5 million at 30 June 2007) and EBITA of € -0.6 million (compared to € 0.1 million).

Cyréal Group, consolidated from 1 May 2008, contributed turnover of € 1.2 million and EBITA € 0.4 million