

Nouvelles Stars

The finale of season 4 attracted a record audience of 5.9 million viewers – up 1.4 million viewers compared to the final show of season 3.

No. of viewers
in million

5.9m



D&CO

The lifestyle magazine hosted by Valérie Damidot scores excellent ratings for M6.

No. of viewers
in million



Desperate Housewives

M6 broadcast the first season of the acclaimed US series in the summer of 2006 and reached an average 4.7 million viewers.

No. of viewers
in million

4.7m



Menu W9

W9 is already one of the most watched new digital terrestrial channels, boosted by programmes such as *Les Simpsons*, *The Unit* and *Menu W9*.

No. of viewers
in million



Vive la cantine

The two episodes of the new reality format about healthier nutrition for children, hosted by TV chef Cyril Lignac, reached an average 4.6 million viewers.

No. of viewers
in million

4.6m



La Coupe du Monde

By broadcasting 31 matches of the football World Cup, M6 achieved new record audiences and changed its image to a truly generalist channel.

No. of World Cup broadcasts

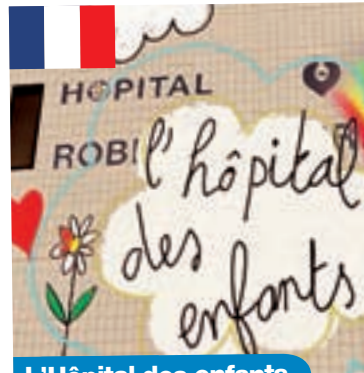
31



Prison Break

The final episode of season 1, followed by the first episode in season 2, made M6 the most watched channel that evening. The first episode of season 2 also drew the fourth highest audience ever for M6.

No. of viewers
in million

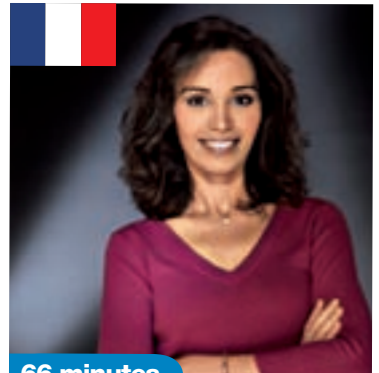


L'Hôpital des enfants

The 20 episodes of this documentary series about a Parisian children's hospital were broadcast in spring 2006, drawing an average audience of 3.1 million viewers.

No. of viewers
in million

3.1m



66 minutes

The information programme, hosted by Aïda Touihri, was successfully launched in 2006 – and continues to grow its audiences.

No. of viewers
in million

Highlights 2006

EBITA improvement despite significant programme investments

M6's advertising market share was stable, at 23.2 per cent, whilst EBITA reached another record level. The deconsolidation of TPS was more than offset by strong revenue growth from diversification activities.

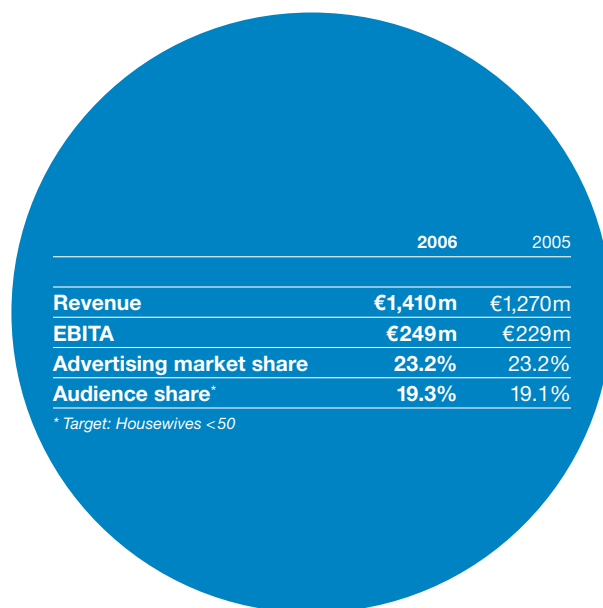
New audience records for M6

M6 has broken a number of audience records in 2006. With 132 evenings of more than 4 million viewers, up nearly 50 per cent on 2005, M6 has clearly demonstrated that its programming strategy is working. The clearest successes were in primetime where US series such as *Prison Break*, *Desperate Housewives* and *NCIS* stand out.

Other notable successes were in French fiction (first summer saga *Laura*) and sport, in particular the World Cup broadcasts including England vs. Portugal which brought an audience share of 43.8 per cent (4+) peaking at 8.0 million viewers.

Leader in diversification

M6 continues to lead in diversification. Its broad offering encompasses home shopping activities (including *Mistergooddeal.com*), M6 Mobile by Orange (more than 767,000 customers at the end of 2006) and web based activities, including video on demand where it received more than 700,000 downloads in 2006. M6's holding in Girondins de Bordeaux improved its result, as the football club finished second in the French championship and so qualified for the European Champions League (and thereafter the UEFA Cup).



National advertising breakdown

Source: TNS Secodip

2006 (%)



M6	23.2
TF1	54.8
France 2	11.8
France 3	7.3
Others	2.9

National audience breakdown

Source: Médiamétrie, Target: Housewives <50

2006 (%)



M6	19.3
TF1	35.3
France 2	15.7
France 3	10.1
Canal+	3.1
France 5	2.7
Arte	1.0
Others	12.8

20 years old – time to raise a family

Since its birth in 1987 as one of five free analogue TV channels, M6 has witnessed an acceleration towards what will soon be a 100 per cent digital and multi-channel landscape.

What should a TV company do in this fast-changing market, and how?

As multi-channel offerings have grown in France, they have traditionally been paid for by subscribers and received through cable or satellite. Now this world is changing. With the advent of digital terrestrial TV and high speed internet, free multi-channel TV is readily available, while the number of channels on pay TV is now in the hundreds. The choice available to French viewers is growing almost by the day. How do you keep them watching your output?

“To defend yourself against fragmentation of your audience you must launch a family of channels,” answers Nicolas de Tavernost, Chairman of the Management Board of M6 Group. “At present 66 per cent of the country still receives only analogue TV but this proportion will shrink rapidly. Almost seven million DTT adaptors have been sold in the last 18 months.”

Naturally, the Group had anticipated these developments, and had in fact started to create new channels for cable and satellite as far back as 1993. But now these individual offerings sit as a family of complementary channels. So, how does the process of creating a family work? “It starts with research,” says Nicolas. “First we look at our own know how. Then we ask where the commercial targets are, markets where we will attract advertising. With these two subjects in mind, we then buy or create channels where we can be a leader in the market.”

How does this work in practice? Nicolas leans back and studies the Paris skyline from his eighth floor window: “Well, to give an example, there are many news channels in France, a lot of competition, so we decided not to create another one. But we have a strong tradition in music, so we created specialist music channels – this is our know how. So is series channels, popular US series, we know this world well.” Nicolas leans forward again and counts the channels on his fingers as he describes each one’s attraction for advertisers: Téva, which is primarily aimed at women and has a growing audience in its target market of housewives under 50; Paris Première, a very important niche delivering advertisers an up-market audience, and now widely available; and W9 gaining high ratings from a young, modern audience.

W9 (or M6 upside down!) is based on the themes of music, action and entertainment. It is positioned as a second generalist channel and is free on TNT, the digital terrestrial service. Nicolas describes it as a very similar business proposition to Vox in Germany: “Vox took time to earn money but now it is very successful.” Is this where exchanges with colleagues from the wider RTL Group can be useful? “Yes”, says Nicolas, “TV is a local business but overall experiences can be the

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*Nicolas de Tavernost,
Chairman of the Management Board
of M6 Group*



same in different countries.” So senior managers from M6 discuss with their foreign counterparts which products work, such as series and movies; they exchange views about distribution such as digital terrestrial; and there is a network for exchanging news and magazine items. Nicolas returns to the theme of Vox: “Just as they organise scheduling and series with the main RTL channel, and cross promote, we do the same between W9 and M6.”

Is there a danger of stealing your own viewers? “We prefer to have small cannibalisation of our own channels than let others eat us.” In fact, M6 and W9 are stronger together, with a 13.6 per cent share of the digital terrestrial audience compared to M6’s 12.5 per cent share of the analogue audience.

And how has M6, the mother channel, changed in the face of increasing competition? “With a wider offer, it has evolved into a truly generalist channel with exclusive events. We now transmit sport – we had 31 matches from the football World Cup and will broadcast Euro 2008.” With an increased focus on news and successful investment in US series, French drama and entertainment, M6 analogue channel is doing

very well. In 2006 it retained its audience share, increased its prime time share of its main target audience of housewives under 50, achieved a record average prime time audience, and was the only national channel to increase its ratings.

This is good news for the future of M6, because with analogue switch off planned within five years, each household will have at least twenty channels to choose from. M6 Group also now has a 5.1 per cent stake in the Canal Plus France satellite network. But there are other growing areas of distribution that require attention, and which will bring major change for TV companies: internet consumption and video on demand (VOD), as well as TV on mobile phones and other devices. Nicolas de Tavernost looks up as if surveying the future: “More so than ever we are in a position to seize new opportunities. We will prepare new products for mobiles and VOD. But probably not too many more channels. There has to be a balance between the number of channels and the content you have. So we will develop and build our brands, like W9, and develop and grow our content to organise it across the different platforms for our customers.” For the main channel, M6, the outlook is very simple, says Nicolas: “M6 will work on all the platforms.”