

Boulogne-Billancourt – February 19, 2014

**2013 ANNUAL RESULTS**  
**Consolidated revenue of €2,470 million (down 5.7%)**  
**Operating profit of €223.1 million (up 6.0%)**  
**Group audience share of 28.9% for 2013, up 1.8%**

The TF1 Board of Directors, chaired by Nonce Paolini, met on February 18, 2014 to adopt the financial statements for the year ended December 31, 2013. In accordance with IFRS 5, those financial statements present separately the contributions from Eurosport International, which is currently being sold.

To ensure comparability with previous releases and given that the sale of Eurosport International did not take place during the year ended December 31, 2013, this press release presents the full-year results on the basis of financial data before the adjustments required by IFRS 5.<sup>1</sup>

CONSOLIDATED FIGURES (€m)	Q4 2013	Q4 2012	Change €m	Change %	Full year 2013	Full year 2012	Change €m	Change %
<b>Revenue</b>	<b>724.3</b>	<b>767.7 (43.4)</b>	<b>-5.7</b>	<b>%</b>	<b>2,470.3</b>	<b>2,620.6 (150.3)</b>		<b>-5.7%</b>
TF1 group advertising revenue	519.0	527.4	(8.4)	-1.6%	1,679.0	1,775.5	(96.5)	-5.4%
Revenue from other activities	205.3	240.3	(35.0)	-14.6%	791.3	845.1	(53.8)	-6.4%
<b>Current operating profit/(loss)</b>	<b>118.8</b>	<b>103.9 +14.9</b>		<b>+14.3%</b>	<b>223.1</b>	<b>258.1<sup>(1)</sup> (35.0)</b>		<b>-13.6%</b>
<b>Operating profit/(loss)</b>	<b>118.8</b>	<b>81.0<sup>(2)</sup> +37.8</b>		<b>+46.7%</b>	<b>223.1</b>	<b>210.4<sup>(1)(3)</sup> +12.7</b>		<b>+6.0%</b>
Cost of net debt	0.1	-	+0.1	ns	0.4	-	+0.4	ns
<b>Net profit/(loss)</b>	<b>80.0</b>	<b>49.8 +30.2</b>		<b>+60.6%</b>	<b>151.7</b>	<b>139.3 +12.4</b>		<b>+8.9%</b>
<b>Net profit/(loss) attributable to the Group</b>	<b>75.3</b>	<b>48.4 +26.9</b>		<b>+55.6%</b>	<b>137.0</b>	<b>136.0 +1.0</b>		<b>+0.7%</b>

(1) Includes a gain of €27.1m relating to a reimbursement of CNC tax

(2) Includes non-recurring costs of €22.9m relating to phase II of the optimisation plan

(3) Includes non-recurring costs of €47.7m relating to phase II of the optimisation plan and to the TF1 Vidéo job protection plan

TF1 group **consolidated revenue** for the year ended December 31, 2013 came to €2,470.3m (-5.7%).

This comprised:

- **Group advertising revenue** of €1,679.0m, (-5.4%), under tough economic conditions and intense competitive pressure;
- **revenue from other activities** of €791.3m (-6.4%).

2013 fourth-quarter revenue was €724.3m, down 5.7% year-on-year. The decline in Group advertising revenue was limited to 1.6%, while revenue from other activities slipped by 14.6%, largely as a result of weaker activity in the Consumer Products segment and in Content.

### Operating profit of €223.1m

The Group posted a **current operating profit** of €223.1m, down €35.0m year-on-year. Bear in mind that in 2012, TF1 booked a gain of €27.1m on reimbursement of CNC taxes.

Ongoing efforts during 2013 to adapt the business model helped maintain the Group's profitability over the full year despite lower revenues.

Under phase II of the optimisation launched in 2012, the Group generated €41m of recurring savings in 2013: €22m on the cost of programmes at TF1, €10m on overheads, and €9m in productivity gains. These savings, on top of the €15m achieved in 2012, take to €56m the total recurring savings achieved since phase II of the optimisation plan was launched, out of the total commitment of €85m to be met by the end of 2014.

In the fourth quarter of 2013, current operating profit rose by €14.9m even though Group revenues fell by €43.4m. This means that thanks to the efforts made to adapt the business model, the Group was able to improve profitability for the third successive quarter, as current operating margin climbed to 16.4% versus 13.5% a year earlier.

<sup>1</sup> Note 6 to the consolidated financial statements provides a reconciliation between the financial data used in this press release and the financial results published by the Group.

In 2012, the Group booked €47.7m of non-recurring costs associated with phase II of the optimisation plan and the TF1 Vidéo job protection plan. Taking account of this, **operating profit** rose by €12.7m (+6.0%) in 2013 compared with 2012.

### Net profit attributable to the Group stable at €137.0m

Income tax expense for the year ended December 31, 2013 amounted to €73.4m, versus €70.5m a year earlier.

Overall, **net profit attributable to the Group** for 2013 **was unchanged year-on-year** at €137.0m.

### Analysis by segment

€m	Q1 2013	Q1 2012	Q2 2013	Q2 2012	Q3 2013	Q3 2012	Q4 2013	Q4 2012	FY 2013	FY 2012	Chg.
Broadcasting & Content	386.1	435.8	458.1	471.9	346.7	346.0	534.7	555.6	1,725.6	1,809.3	(83.7)
<i>of which TV advertising</i>	331.8	381.2	396.6	417.2	297.5	297.4	461.7	470.2	1,487.6	1,566.0	(78.4)
Consumer Products	54.2	67.2	46.4	52.7	47.7	47.4	56.8	73.0	205.1	240.3	(35.2)
Pay-TV	123.1	123.5	135.7	145.8	141.4	156.1	130.5	137.3	530.7	562.7	(32.0)
Holding Company & Other	2.2	2.1	2.2	2.2	2.2	2.2	2.3	1.8	8.9	8.3	+0.6
<b>Consolidated revenue</b>	<b>565.6</b>	<b>628.6</b>	<b>642.4</b>	<b>672.6</b>	<b>538.0</b>	<b>551.7</b>	<b>724.3</b>	<b>767.7</b>	<b>2,470.3</b>	<b>2,620.6</b>	<b>(150.3)</b>
Broadcasting & Content	(25.9)	38.3 <sup>(1)</sup>	54.5	52.0	2.7	(7.6)	70.3	77.4	101.6	160.1 <sup>(1)</sup>	(58.5)
<i>of which cost of programmes</i>	(258.2)	(259.0)	(233.3)	(252.3)	(199.7)	(228.3)	(255.5)	(264.8)	(946.7)	(1,004.4)	+57.7
Consumer Products	2.9	10.4	1.9	(0.5)	1.9	3.6	18.6	4.5	25.3	18.0	+7.3
Pay-TV	3.0	3.5	26.1	22.2	24.7	21.0	25.7	17.6	79.5	64.3	+15.2
Holding Company & Other	4.3	3.8	4.0	4.2	4.2	3.3	4.2	4.4	16.7	15.7	+1.0
<b>Current operating profit</b>	<b>(15.7)</b>	<b>56.0<sup>(1)</sup></b>	<b>86.5</b>	<b>77.9</b>	<b>33.5</b>	<b>20.3</b>	<b>118.8</b>	<b>103.9</b>	<b>223.1</b>	<b>258.1<sup>(1)</sup></b>	<b>(35.0)</b>

(1) Includes a gain of €27.1m relating to a reimbursement of CNC taxes

### *Broadcasting and Content* (Source : Médiamétrie)

In a broader competitive environment, the TF1 group, now France's leading broadcaster, managed to increase its audience share by 0.5 of a point (+1.8%), reaching 28.9% among individuals aged 4 and over.

The TF1 channel was the only mainstream channel to grow its audience share in 2013, to 22.8% among individuals aged 4 and over (+0.1 of a point). The channel also attracted a 25.2% audience share among "women aged under 50 purchasing decision-makers", widening the gap over its nearest rival in this target market by 0.5 of a point, to 9.0 points (versus 8.5 in 2012). TF1 ranked first across all genres and attracted 99 of the top 100 audience ratings in 2013, the third time the channel has achieved this feat since audience ratings began in 1989.

In an intensively competitive market, TMC remained the 5<sup>th</sup> most-watched channel in France and retained its historical position as market leader in DTT, with a 3.4% audience share among individuals aged 4 and over.

NT1 held its audience share steady at 2.1%, but made further progress among "women aged under 50 purchasing decision-makers", reaching 2.9% for this target market in 2013 (+7.4%).

HD1 ranked no.1 to end 2013 among the 6 new HD channels launched at end 2012, attracting audience share of 0.6% among individuals aged 4 and over and 0.8% among "women aged under 50 purchasing decision-makers".

Revenue for the **Broadcasting and Content** segment was down 4.6% at €1,725.6m.

Advertising revenue for the Group's four free-to-air channels slipped by 5.0% to €1,487.6m, as increased supply combined with contracting demand put strong pressure on prices through the year. After an 8.8% fall in the first half, advertising revenue for the Group's 4 free-to-air channels nonetheless stabilised in the third quarter and fell by only 1.8% in the fourth.

Other revenue for the Broadcasting and Content segment fell year-on-year, with the dynamism of digital and radio partially offsetting declining revenue at Metro France and in Content activities.

The **cost of programmes** for the Group's channels during 2013 (including the launch of HD1) amounted to €946.7m, compared with €1,004.4m a year earlier, a substantial saving of €57.7m.

Bear in mind that TF1 screened 9 matches in the UEFA Euro 2012 football tournament, at a cost of €24.2m. So even excluding major sporting events, the cost of programmes in 2013 still showed a major saving of €33.5m, of which €22.0m can be regarded as recurring. The savings made on the TF1 channel more than cancelled out the cost of strengthening the schedules at TMC and NT1, and the launch of HD1.

Current operating profit for the Broadcasting & Content segment for the year ended December 31, 2013 came to €101.6m, compared with €160.1m a year earlier, a fall of €58.5m.

### **Consumer Products**

2013 revenue for the **Consumer Products** segment was €205.1m, 14.6% lower than in 2012.

This fall was largely due to the Video business (boosted in 2012 by the successful release of the movie *Intouchables*) and to the Home Shopping business, where orders were down in 2013 and the Place des Tendances business was sold at end 2013. TF1 Entreprises posted 8.3% revenue growth driven by buoyant trading, especially in music publishing and licences.

The segment's current operating profit rose by €7.3m to €25.3m in 2013. The 2013 figure includes a non-recurring gain on the sale of Place des Tendances.

### **Pay-TV**

Revenue for the **Pay-TV segment** for the year ended December 31, 2013 was down 5.7% at €530.7m.

In 2013, Eurosport group revenue for the year fell by €22.2m (-4.7%) to €452.9m. This was due to a year-on-year drop in non-advertising revenue reflecting difficulties in the Spanish and Scandinavian markets, partly offset by the channel's success in Eastern and Central Europe and by the expansion of Eurosport Asia-Pacific. Advertising revenue at Eurosport fell year-on-year, on tough comparatives due to a strong sporting calendar in 2012 (the UEFA Euro 2012 football tournament and the London Olympics).

Nevertheless, Eurosport recorded improved profitability, with current operating profit €18.2m higher than in 2012 at €81.8m. Operating margin climbed to 18.1% in 2013 (up 4.7 points year-on-year).

The French pay-TV theme channels saw revenue fall by 11.2% in 2013, to €77.8m. These channels faced challenging conditions in 2013, with a broader range of competing offers and a sluggish economy that weighed on the advertising market.

The business made a current operating loss of €2.3m in 2013, versus a profit of €0.7m in 2012. Efforts to improve the cost base helped offset part of the decline in revenues during 2013.

### **Very robust financial position maintained**

The TF1 group strengthened its financial position in 2013. As of December 31, 2013, shareholders' equity attributable to the TF1 group stood at €1,711.4m, out of a balance sheet total of €3,529.8m. The Group had net surplus cash of €255.5m at the end of December 2013, €19.2m more than at the end of the previous year.

### Dividend of €0.55 per share

The Board will ask the Annual General Meeting, called for April 17, 2014, to approve a dividend of €0.55 per share. The ex-date is April 24, 2014, the date of record is April 28, 2014, and the payment date is April 29, 2014.

### Outlook

In a gloomy economic climate, with no signs of recovery and visibility still poor, the net television advertising market could see a contraction in 2014.

For the TF1 group, 2014 will also be marked by two exceptional events:

- the Football World Cup, which will be a must-see event, but the rights for which (acquired in 2005 for €130m) will be a drag on profitability;
- the probable sale of a 31% stake of Eurosport International to Discovery Communications, after the sale of a first stake of 20 % which took place in 2012.

Building on a robust financial position, the TF1 group remains fully committed to continuing its transformation by:

- continuing to adapt its core business;
- completing phase II of the optimisation plan, with a target of €29m of recurring savings still to be achieved by end 2014;
- prioritising growth, allied with prudence and determination.

### Executive compensation

In accordance with the AFEP-MEDEF recommendations, information about executive compensation is being published today on our corporate website [www.groupe-tf1.fr](http://www.groupe-tf1.fr), go to Finance / Governance / Compensation corporate officers.

The financial statements have been audited, and an unqualified audit report has been issued by the auditors.  
Find the full financial statements and notes at [www.groupe-tf1.fr](http://www.groupe-tf1.fr).

The analyst meeting presenting our results will be streamed on the internet on February 19, 2014 from 11.00 am Paris time at [www.groupe-tf1.fr](http://www.groupe-tf1.fr).

During 2013, TF1 group changed the way it presents segment information.  
Find out more about these changes at <http://www.groupe-tf1.fr/>.