

Boulogne-Billancourt, July 25, 2014

**2014 FIRST-HALF RESULTS**  
**Strong Group audience share at 28.9%**  
**Consolidated revenue stable year-on-year**  
**Profitability affected by major sporting events**  
**Net income attributable to the Group of €323.2m**

The TF1 Board of Directors, chaired by Nonce Paolini, met on July 24, 2014 to adopt the financial statements for the first half of 2014.

In accordance with IFRS 5, the financial statements present separately the net profit of Eurosport International, which was accounted for as a discontinued or held-for-sale operation for the first five months of 2014<sup>1</sup>.

In accordance with IFRS 11, the Group's share of the net profit/loss of TF6 and Serieclub is reported in "Share of profits/losses of joint ventures and associates".

As a result of applying those standards, the 2013 first-half financial statements have been restated.

CONSOLIDATED FIGURES (€m)	Q1 2014	Q1 2013	Q2 2014	Q2 2013	H1 2014	H1 2013	Change €m	Change %
<b>Revenue</b>	<b>469.7</b>	<b>477.2</b>	<b>556.0</b>	<b>542.5</b>	<b>1,025.7</b>	<b>1,019.7</b>	<b>+6.0</b>	<b>+0.6%</b>
TF1 group advertising revenue	354.1	355.7	415.8	426.8	769.9	782.5	(12.6)	-1.6%
Revenue from other activities	115.6	121.5	140.2	115.7	255.8	237.2	+18.6	+7.8%
<b>Current operating profit/(loss)</b>	<b>10.9</b>	<b>(20.7)</b>	<b>13.3</b>	<b>63.3</b>	<b>24.2</b>	<b>42.6</b>	<b>(18.4)</b>	<b>-43.2%</b>
<b>Operating profit/(loss)</b>	<b>10.9</b>	<b>(20.7)</b>	<b>13.3</b>	<b>63.3</b>	<b>24.2</b>	<b>42.6</b>	<b>(18.4)</b>	<b>-43.2%</b>
Cost of net debt	0.3	0.1	0.1	0.1	0.4	0.2	+0.2	x2
<b>Net profit/(loss) from continuing operations</b>	<b>8.0</b>	<b>(8.0)</b>	<b>9.1</b>	<b>39.2</b>	<b>17.1</b>	<b>31.2</b>	<b>(14.1)</b>	<b>-45.2%</b>
Net profit/(loss) from discontinued or held-for-sale operations	8.4	3.5	301.8	13.9	310.2	17.4	+292.8	ns
<b>Net profit/(loss)</b>	<b>16.4</b>	<b>(4.5)</b>	<b>310.9</b>	<b>53.1</b>	<b>327.3</b>	<b>48.6</b>	<b>+278.7</b>	<b>ns</b>
<b>Net profit/(loss) attributable to the Group</b>	<b>14.6</b>	<b>(6.3)</b>	<b>308.6</b>	<b>48.4</b>	<b>323.2</b>	<b>42.1</b>	<b>+281.1</b>	<b>ns</b>

TF1 group **consolidated revenue** for the first half of 2014 was €1,025.7m (+0.6%), in an economic environment that remains tough and unstable.

This figure comprises:

- **Group advertising revenue** of €769.9m, down €12.6m (-1.6%), with no recovery in demand as yet;
- **Revenue from other activities** of €255.8m, up 7.8% year-on-year. Growth was largely due to the resale of 2014 FIFA World Cup rights, which more than offset revenue erosion at TF1 Vidéo and lower interactivity revenue on less attractive programming in the early part of the year than in 2013.

**Operating profit: €24.2m (down €18.4m)**

Current operating profit for the first half of 2014 (after charging the €55.7m cost of programmes associated with the 2014 FIFA World Cup) was €24.2m, compared with €42.6m a year earlier. Second-quarter current operating profit was €13.3m, versus €63.3m for the comparable period of 2013.

<sup>1</sup> The financial statements of Eurosport International are presented in Note 4 to the TF1 consolidated financial statements.

Under Phase II of the optimisation plan launched in 2012, the Group generated €10m of recurring savings during the first half of 2014: €3m on the cost of programmes at TF1. Overall, €66m of recurring savings have now been achieved since mid-2012, out of the €85m we are committed to delivering by the end of 2014.

### Net profit attributable to the Group: €323.2m (up €281.1m)

Income tax expense for the first half of 2014 was €9.7m, versus €11.4m for the comparable period of 2013.

**Net profit from continuing operations** was €14.1m lower year-on-year at €17.1m.

Eurosport International, accounted for as a **held-for-sale operation** for the first five months of 2014, contributed **net profit** of €310.2m. The gain on the sale of control of Eurosport to Discovery Communications on May 30, 2014 stands at €293.8m.

**Net profit attributable to the Group** for the six months ended June 30, 2014 amounted to €323.2m.

### Analysis by segment

€m	Q1 2014	Q1 2013	Q2 2014	Q2 2013	H1 2014	H1 2013	Change
Broadcasting and Content	385.3	387.3	480.8	459.0	866.1	846.3	+19.8
<i>of which TV advertising</i>	332.9	331.8	388.1	396.7	721.0	728.5	(7.5)
Consumer Products	51.1	54.2	40.5	46.4	91.6	100.6	(9.0)
Pay-TV	30.9	33.5	32.2	34.8	63.1	68.3	(5.2)
Holding Company & Other	2.4	2.2	2.5	2.3	4.9	4.5	+0.4
<b>Consolidated revenue</b>	<b>469.7</b>	<b>477.2</b>	<b>556.0</b>	<b>542.5</b>	<b>1,025.7</b>	<b>1,019.7</b>	<b>+6.0</b>
Broadcasting and Content	3.6	(25.9)	7.9	54.5	11.5	28.6	(17.1)
<i>of which cost of programmes</i>	(230.4)	(258.2)	(282.2)	(233.3)	(512.6)	(491.5)	(21.1)
Consumer Products	5.3	2.9	1.7	1.9	7.0	4.8	+2.2
Pay-TV	(2.3)	(2.0)	(0.8)	2.9	(3.1)	0.9	(4.0)
Holding Company & Other	4.3	4.3	4.5	4.0	8.8	8.3	+0.5
<b>Current operating profit/(loss)</b>	<b>10.9</b>	<b>(20.7)</b>	<b>13.3</b>	<b>63.3</b>	<b>24.2</b>	<b>42.6</b>	<b>(18.4)</b>

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

The TF1 group's four free-to-air channels turned in a very satisfying performance. The cumulative audience share for the first half of 2014 was 28.9% among individuals aged 4 and over (-0.1 of a point versus the first half of 2013) and 32.2% among "women aged under 50 purchasing decision-makers" (-0.3 of a point).

In the second quarter of 2014, the Group's audience share reached 29.1% among individuals aged 4 and over (+0.7 of a point) and 32.3% among "women aged under 50 purchasing decision-makers" (+0.3 of a point).

TF1 is still by far the most-watched channel in France. Its audience share in the first half of 2014 was 22.9% among individuals aged 4 and over (stable year-on-year) and 24.3% among "women aged under 50 purchasing decision-makers" (-0.9 of a point). In the second quarter of 2014, the channel's audience share reached 23.1% among individuals aged 4 and over (+0.8 of a point), thanks largely to strong audience ratings for the 2014 FIFA World Cup.

Against a backdrop of mounting competitive pressure and increasing take-up of HD DTT channels, TMC and NT1 post audience shares of 3.2% and 1.9% respectively among individuals aged 4 and over. Among "women aged under 50 purchasing decision-makers", the two channels reach audience shares of 3.7% and 2.9% respectively.

HD1 confirmed its status as market leader among the six new HD channels, attracting 0.9% audience share for individuals aged 4 and over and 1.3% for "women aged under 50 purchasing decision-makers".

The Broadcasting & Content sector posted revenue of €866.1m, up 2.3% on the first half of 2014. Advertising revenue for the Group's four free-to-air channels was down slightly at €721.0m (-1.0%).

Against a backdrop of weak demand and broader supply, and with a much less favourable comparative base than in the first quarter, the drop in advertising revenue for the Group's four free-to-air channels in the second quarter was nonetheless held at 2.2%. Advertising revenue associated with the screening of 21 matches from the 2014 FIFA World Cup on the TF1 channel limited the extent of revenue erosion in the quarter, in a market that remains tough.

Other revenues for the Broadcasting & Content segment were up 23.2% year-on-year at €145.1m. This figure includes €30m of revenue from the sale of 2014 FIFA World Cup rights, and was also boosted by the runaway success of the film *Qu'est-ce qu'on a fait au Bon Dieu?*; released during the first half of the year, this film had topped 10 million box-office entries by early July.

The cost of programmes for the TF1 group's 4 free-to-air channels amounted to €512.6m for the first half of 2014, compared with €491.5m a year earlier, a rise of €21.1m. This increase includes the effect of the €55.7m cost of screening 21 matches from the 2014 FIFA World Cup on the TF1 channel during the second quarter. After stripping out major sporting events, the cost of programmes for the first half of 2014 therefore showed a substantial saving of €34.6m.

The Broadcasting & Content segment made a current operating profit of €11.5m.

### **Consumer Products**

Revenue for the Consumer Products sector slipped by 8.9% to €91.6m, on persistently tough market conditions for the Video business. TF1 Entreprises posted 4.9% revenue growth, with all of its businesses enjoying positive momentum. On a constant structure basis, the Home Shopping business saw an increase in first-half revenue (bear in mind that Place des Tendances was sold in November 2013).

The segment's current operating profit advanced by €2.2m to €7.0m in the first half of 2014, thanks to very tight cost control.

### **Pay-TV**

Revenue for the Pay-TV sector fell by 7.6% in the first half of 2014 to €63.1m. Competition from an expanded freeview offer and a sluggish environment for advertising are hitting the segment's advertising revenue hard.

The result at current operating level deteriorated by €4.0m to a loss of €3.1m, largely as a result of slippage in Eurosport France operating profits.

### **Financial position**

Shareholders' equity attributable to the Group was €1,912.8m, out of a balance sheet total of €3,745.6m. Net cash of continuing operations as of June 30, 2014 was €425.1m, compared with €188.9m as of December 31, 2013, an improvement of €236.2m. This uptick in the cash position includes the proceeds from the sale of a 31% interest in Eurosport International to Discovery Communications.

### **Outlook**

In the absence of any clear signs of economic recovery in France, advertisers remain wary and visibility on future advertising spend is still very limited. Market fragmentation and the growing volumes of advertising shown on DTT are also ratcheting up the competitive pressure.

In the second half of the year we will offer programming anchored on major brands, offering advertisers unrivalled exposure. At the same time, we are driving ahead with our policy of innovation in all areas, while maintaining control over our cost base. Under Phase II of our optimisation plan, which calls for total recurring savings of €85m, we are reiterating our target of achieving the €19m of recurring savings scheduled for the second half of 2014.

Building on our solid market position and rigorous management approach, we will remain alert during the months ahead so that we can continue to adapt our business model to changing market conditions, help to drive regulatory change while keeping focused on growth opportunities.

## Governance

The Board of Directors has decided to set up an Ethics and CSR Committee to advise on ethical issues and on corporate social responsibility issues relating to employment, society and the environment. This new committee will be chaired by Janine LANGLOIS-GLANDIER and will also include Catherine DUSSART and Sophie LEVEAUX, the first two being independent directors and the third an employee representative. The Board's internal procedures have been updated to include procedures specific to the new Committee, setting out its role and competencies and how it operates.

The statutory auditors have conducted a review of the financial statements, on which they have issued an unqualified report.  
Our financial information report for the first half of 2014 is available on our corporate website: <http://www.groupe-tf1.fr/>.  
A conference call will take place at 9.30 hours (Paris time).  
Details of how to connect to the conference call are on our corporate website: <http://www.groupe-tf1.fr/>.

### **CONTACTS**

<http://www.groupe-tf1.fr/>

TF1 - Direction des Relations Investisseurs / Investor Relations – Courriel / email : [comfi@tf1.fr](mailto:comfi@tf1.fr)  
TF1 - Direction de la Communication / Corporate Communication – Courriel / email : [vduval@tf1.fr](mailto:vduval@tf1.fr)