

Boulogne-Billancourt, October 29, 2014

TF1 GROUP: RESULTS FOR THE FIRST NINE MONTHS OF 2014
Group audience share stable year-on-year at 28.8%
1% growth in consolidated revenue
Operating profit of €32 million

The TF1 Board of Directors, chaired by Nonce Paolini, met on October 29, 2014 to adopt the financial statements for the first nine months 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 2014¹.

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".

Applying those standards has led to the restatement of the financial statements for the first nine months of 2013.

CONSOLIDATED FIGURES (€m)	Q3 2014	Q3 2013	Change €m	Change %	9m 2014	9m 2013	Change €m	Change %
Revenue	437.0	428.5	+8.5	+2.0%	1,462.7	1,448.2	+14.5	+1.0%
o/w TF1 group advertising revenue	323.2	316.7	+6.5	+2.1%	1,093.1	1,099.2	(6.1)	-0.6%
o/w revenue from other activities	113.8	111.8	+2.0	+1.8%	369.6 *	349.0	+20.6	+5.9%
Current operating profit/(loss)	7.6	10.0	(2.4)	-24.0%	31.8	52.6	(20.8)	-39.5%
Operating profit/(loss)	7.6	10.0	(2.4)	-24.0%	31.8	52.6	(20.8)	-39.5%
Cost of net debt	0.3	0.1	+0.2	x3.0	0.7	0.3	+0.4	x2.3
Net profit/(loss) from continuing operations	15.2	6.8	+8.4	x2.2	32.3	38.0	(5.7)	-15.0%
Net profit/(loss) from discontinued or held-for-sale operations	5.2	16.3	(11.1)	N/S	315.4	33.7	+281.7	N/S
Net profit/(loss)	20.4	23.1	(2.7)	-11.7%	347.7	71.7	+276.0	N/S
Net profit/(loss) attributable to the Group	20.0	19.6	+0.4	+2.0%	343.2	61.7	+281.5	N/S

* Includes €30m of revenue from the resale of 2014 FIFA World Cup rights to beIN SPORTS

TF1 group **consolidated revenue** for the third quarter of 2014 was €437.0m (+2%), taking revenue for the first nine months of 2014 to €1,462.7m (+1%). This figure comprises:

- **Group advertising revenue** of €1,093.1m, down 0.6% for the first nine months of the year, and up 2.1% in the third quarter at €323.2m;
- **Revenue from other activities** of €369.6m, up 5.9% for the first nine months of the year, and up 1.8% for the third quarter at €113.8m.

Current operating profit for the first nine months of 2014 was €31.8m (after charging €73.7m of costs of programmes associated with the 2014 FIFA World Cup). Third-quarter current operating profit was €7.6m (after charging €18.0m of costs of programmes associated with the 2014 FIFA World Cup), compared with €10.0m a year earlier.

Net profit attributable to the Group for the first nine months of 2014 was €343.2m, versus €61.7m for the comparable period of 2013. This includes the gain on the sale of a controlling interest in Eurosport to Discovery Communications, which took place on May 30, 2014. Net profit attributable to the Group for the third quarter of 2014 was €20.0m.

Audiences²

The Group's four free-to-air channels achieved audience share of 28.8% of individuals aged 4 and over in the first nine months of 2014, stable year-on-year. For the target audience of "women aged under 50 purchasing decision-makers", the combined audience share improved significantly to 32.6%, advancing 0.3 of a point over 1 year and 0.5 of a point over 2 years.

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

² Source: Médiamétrie.

These audience figures were driven mainly by the TF1 core channel, which achieved 47 of the top 50 audience ratings and was the most-watched channel on 9 out of 10 evenings. In addition, TF1 was the only major channel to increase its audience share in the first nine months of 2014, in a market now expanded to 25 channels.

Revenue by business segment

€m	Q1 2014	Q1 2013	Q2 2014	Q2 2013	Q3 2014	Q3 2013	9m 2014	9m 2013	Chg €m	Chg %
Broadcasting and Content	385.3	387.3	480.8	459.0	355.1	347.5	1,221.2	1,193.8	+27.4	+2.3%
<i>of which TV advertising</i>	332.9	331.8	388.1	396.7	305.1	297.4	1,026.1	1,025.9	+0.2	=
Consumer Products	51.1	54.2	40.5	46.4	49.1	47.7	140.7	148.3	(7.6)	-5.1%
Pay-TV	30.9	33.5	32.2	34.8	30.4	31.0	93.5	99.3	(5.8)	-5.8%
Holding Company & Other	2.4	2.2	2.5	2.3	2.4	2.3	7.3	6.8	+0.5	+7.4%
Consolidated revenue	469.7	477.2	556.0	542.5	437.0	428.5	1,462.7	1,448.2	+14.5	+1.0%

Revenue for the **Broadcasting & Content** segment rose by 2.3% in the first nine months of 2014.

After slipping by 1.0% in the first half, advertising revenue for the Group's free-to-air channels rallied by 2.6% in the third quarter of 2014. The volume of advertising screened on the Group's channels increased, but to a lesser extent than for other market players. With supply still outstripping demand, price pressure remained strong.

Revenue from other activities within the segment advanced by €27.2m over the first nine months of the year. A fine performance by the Content business (including the resale of 2014 FIFA World Cup rights) helped to offset lower advertising revenue at Metronews.

The **Consumer Products** segment reported a 5.1% fall in revenue for the first nine months of 2014, reflecting the sale of Place des Tendances at the end of 2013. On a like-for-like basis revenue held steady, with strong trading for Home Shopping and TF1 Entreprises offsetting slippage in physical video.

Revenue for the **Pay-TV** segment for the first nine months of 2014 fell by 5.8% to €93.5m, with advertising revenue dented by competition from the expanded freeview offer.

Current operating profit/(loss) by business segment

€m	Q1 2014	Q1 2013	Q2 2014	Q2 2013	Q3 2014	Q3 2013	9m 2014	9m 2013	Chg €m
Broadcasting and Content	3.6	(25.9)	7.9	54.5	(1.8)	2.7	9.7	31.3	(21.6)
<i>of which cost of programmes</i>	(230.4)	(258.2)	(282.2)	(233.3)	(208.9)	(199.7)	(721.5)	(691.2)	(30.3)
Consumer Products	5.3	2.9	1.7	1.9	3.4	1.9	10.4	6.7	+3.7
Pay-TV	(2.3)	(2.0)	(0.8)	2.9	1.5	1.2	(1.6)	2.1	(3.7)
Holding Company & Other	4.3	4.3	4.5	4.0	4.5	4.2	13.3	12.5	+0.8
Current operating profit/(loss)	10.9	(20.7)	13.3	63.3	7.6	10.0	31.8	52.6	(20.8)

Cost of programmes

In the first nine months of 2014, the **cost of programmes** for the TF1 group's 4 free-to-air channels was €721.5m, compared with €691.2m a year earlier, a rise of €30.3m. This increase includes €73.7m of costs associated with screening the 28 matches from the 2014 FIFA World Cup shown on TF1 during the second and third quarters. This means that if major sporting events are excluded, the cost of programmes shows a substantial €43.4m saving over the first nine months of the year, partly reflecting the Group's optimisation initiatives.

The cost of programmes for the TF1 group's 4 free-to-air channels in the third quarter of 2014 was €208.9m, a rise of €9.2m. This includes €18.0m of costs associated with screening the 2014 FIFA World Cup. Excluding major sporting events, the cost of programmes for the third quarter therefore shows a saving of €8.8m.

Operating profit

The Group made an **operating profit** of €31.8m in the first nine months of 2014. Profitability for the **Broadcasting & Content** segment reflected the costs associated with the 2014 FIFA World Cup. The **Consumer Products** segment raised its operating profit by €3.7m to €10.4m, offsetting a poorer performance by the **Pay-TV** segment.

During the third quarter of 2014, the TF1 group made **€9m of recurring savings** under Phase II of the optimisation plan:

- €4m on the cost of programmes for TF1;
- €5m in productivity gains.

This takes the recurring savings made by the Group since June 30, 2012 to a total of €75m out of the €85m targeted by the end of 2014 under Phase II of the optimisation plan.

Financial position

Shareholders' equity attributable to the Group stands at €1,934.7m, out of a balance sheet total of €3,676.1m.

As of September 30, 2014, net cash of continuing operations was €436.3m, compared with €425.1m as of June 30, 2014.

Outlook

The TF1 group does not expect any change in the advertising market trends by the end of 2014, in terms of either visibility (which remains poor) or intensity of competition in the market.

Against this backdrop, the Group is continuing the implementation of Phase II of the optimisation plan, which will be completed in the fourth quarter of 2014.

The statutory auditors have conducted a review of the financial statements, on which they have issued an unqualified report. The financial information report for the first nine months of 2014 is available on the Group's corporate website: <http://www.groupe-tf1.fr/>.

A conference call will take place on October 29 at 18.45 hours (Paris time).
Details of how to connect to the conference call are on the Group's corporate website: <http://www.groupe-tf1.fr/en/>.

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