

Boulogne-Billancourt – February 19, 2015

TF1 GROUP 2014 ANNUAL RESULTS

Group audience share of 28.7%
Net profit from continuing operations stable at €103 million
Net profit for the year of €419 million
Net surplus cash of €497 million
Proposed dividend of €1.50 to be submitted to the AGM for approval

The TF1 Board of Directors, chaired by Nonce Paolini, met on February 18, 2015 to adopt the financial statements for the year ended December 31, 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 2013 financial statements.

CONSOLIDATED FIGURES (€m)	Q4 2014	Q4 2013	Chg. €m	Chg. %	FY 2014	FY 2013	Chg. €m	Chg. %
Revenue	629.1	627.1	+2.0	+0.3%	2,091.8	2,075.3	+16.5	+0.8%
TF1 group advertising revenue	482.4	495.1	(12.7)	-2.6%	1,575.5	1,594.3	(18.8)	-1.2%
Revenue from other activities	146.7	132.0	+14.7	+11.1%	516.3*	481.0	+35.3	+7.3%
Current operating profit/(loss)	84.7	94.1	(9.4)	-10.0%	116.5	146.7	(30.2)	-20.6%
Operating profit/(loss)	84.7	94.1	(9.4)	-10.0%	116.5	146.7	(30.2)	-20.6%
Cost of net debt	0.4	0.1	+0.3	ns	1.1	0.4	+0.7	ns
Net profit/(loss) from continuing operations	70.8	65.2	+5.6	+8.6%	103.1	103.2	(0.1)	-0.1%
Net profit/(loss) from discontinued or held-for-sale operations	0.5	14.8	(14.3)	ns	315.9	48.5	+267.4	ns
Net profit/(loss)	71.3	80.0	(8.7)	-10.9%	419.0	151.7	+267.3	ns
Net profit/(loss) attributable to the Group	69.5	75.3	(5.8)	-7.7%	412.7	137.0	+275.7	ns

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

In 2014, the TF1 group generated **consolidated revenue** of €2,091.8 million (+0.8%). This comprised:

- **group advertising revenue** of €1,575.5 million (-1.2%);
- **revenue from other activities** of €516.3 million (+7.3%).

Even though the cost of programmes included €73.7 million for screening the 2014 FIFA World Cup, **current operating profit** fell by only €30.2 million, reaching €116.5 million for the year as a whole.

Net profit attributable to the Group for the year ended December 31, 2014 was €412.7 million, versus €137.0 million for the previous year. This includes the €299.5 million gain on the sale of a controlling interest in Eurosport to Discovery Communications, which took place on May 30, 2014.

Audiences²

The Group's four free-to-air channels achieved audience share of 28.7% of individuals aged 4 and over in 2014, down 0.2 of a point year-on-year. Among "women aged under 50 purchasing decision-makers", the combined audience share was 32.7%, an advance of 0.1 of a point over one year and 0.5 of a point over two years.

The Group's audience figures were driven by the TF1 core channel, which increased its audience share over the year as a whole (22.9% of individuals aged 4 and over, up 0.1 of a point). The channel also achieved 95 of the top 100 audience ratings in 2014.

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

² Source: Médiamétrie.

Revenue by business segment

€m	Q1 2014	Q1 2013	Q2 2014	Q2 2013	Q3 2014	Q3 2013	Q4 2014	Q4 2013	2014	2013	Var. %
Broadcasting and Content	385.3	387.3	480.8	459.0	355.1	347.5	527.6	535.2	1,748.8	1,729.0	+1.1%
<i>of which TV advertising</i>	332.9	331.8	388.1	396.7	305.1	297.4	450.6	462.1	1,476.7	1,488.0	-0.8%
Consumer products	51.1	54.2	40.5	46.4	49.1	47.7	68.9	56.8	209.6	205.1	+2.2%
Pay-TV	30.9	33.5	32.2	34.8	30.4	31.0	31.7	32.7	125.2	132.0	-5.2%
Holding Company & Other	2.4	2.2	2.5	2.3	2.4	2.3	0.9	2.4	8.2	9.2	-10.9%
Consolidated revenue	469.7	477.2	556.0	542.5	437.0	428.5	629.1	627.1	2,091.8	2,075.3	+0.8%

Revenue for the **Broadcasting & Content** segment rose by 1.1% in 2014.

Advertising revenue for the Group's free-to-air channels slipped by 0.8% in 2014, in a French TV advertising market that is expected to have contracted slightly over 2014 as a whole³. All market players ramped up the amount of advertising shown on their channels, which kept prices under pressure.

Advertising revenue from other Broadcasting and Content segment media saw only a modest fall of 0.6% during 2014. A good performance from third party advertising airtime sales and digital advertising offset revenue erosion at Metronews.

Non-advertising revenue for the segment reached €188.5 million, up €31.6 million year-on-year. This increase was due to the Content business, boosted by revenue from the resale of 2014 FIFA World Cup rights (booked in the first half of 2014).

Revenue for the **Consumer Products** segment grew by 2.2% over 2014 as a whole and by 21.3% in the fourth quarter. TF1 Entreprises performed well, as did the Home Shopping business (despite a change in structure following the sale of Place des Tendances in the fourth quarter of 2013); this more than offset a 2.8% full-year drop in revenue at TF1 Vidéo. However, revenue erosion at TF1 Vidéo – linked to the difficulties in the physical video market – was mitigated by the release of a number of successful titles during the year and by growth in video on demand.

Pay-TV segment revenue for 2014 as a whole amounted to €125.2 million, down 5.2% year-on-year. The segment saw a marked drop in advertising revenue, reflecting the impact of competition from an expanded freeview offer.

Revenue for the **Holding Company & Other** segment fell by €1.0 million in 2014, affected by the deconsolidation of OneCast with effect from November 1, 2014 following its sale to the ITAS group.

Current operating profit/(loss) by business segment

€m	Q1 2014	Q1 2013	Q2 2014	Q2 2013	Q3 2014	Q3 2013	Q4 2014	Q4 2013	FY 2014	FY 2013	Chg.
Broadcasting and Content	3.6	(25.9)	7.9	54.5	(1.8)	2.7	42.0	70.3	51.7	101.6	(49.9)
<i>of which cost of programmes</i>	(230.4)	(258.2)	(282.2)	(233.3)	(208.9)	(199.7)	(272.5)	(255.5)	(994.0)	(946.7)	(47.3)
Consumer Products	5.3	2.9	1.7	1.9	3.4	1.9	4.4	18.6*	14.8	25.3*	(10.5)
Pay-TV	(2.3)	(2.0)	(0.8)	2.9	1.5	1.2	3.1	1.0	1.5	3.1	(1.6)
Holding Company & Other	4.3	4.3	4.5	4.0	4.5	4.2	35.2**	4.2	48.5**	16.7	+31.8
Current operating profit/(loss)	10.9	(20.7)	13.3	63.3	7.6	10.0	84.7	94.1	116.5	146.7	(30.2)

* includes the gain on the sale of Place des Tendances

** includes the gain on the sale of OneCast

³ Source: IREP, 2014 estimates as of January 30, 2015

CONTACTS

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Cost of programmes

The **cost of programmes** for the TF1 group's four free-to-air channels for 2014 as a whole was €994.0 million, an increase of €47.3 million relative to 2013. This increase includes €73.7 million 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 €26.4 million saving over the year as whole, reflecting the Group's optimisation initiatives and flexible approach to scheduling in response to the competitive environment.

Operating profit

The group made an **operating profit** of €116.5 million in 2014. The contribution from the **Broadcasting & Content** segment was affected by the costs associated with the 2014 FIFA World Cup. Excluding the effect of the change in structure caused by the sale of Place des Tendances, the **Consumer Products** segment recorded growth in operating profit, to €14.8 million. Profitability at the **Pay-TV** segment slipped during the year, with operating profit standing at €1.5 million as a result of lower advertising revenue for the Group's pay-to-view channels.

During the fourth quarter of 2014, the Group generated the **€10 million of recurring savings** needed to complete the second phase of its optimisation plan:

- €3 million on the cost of programmes for TF1;
- €7 million in productivity gains.

With those savings, the Group delivered on the target of €85 million of recurring savings set in Phase II of the optimisation plan, launched in the second half of 2012.

Between 2008 and 2014, the two phases of the optimisation plan have enabled the Group to achieve €240 million of recurring savings.

Financial position

Shareholders' equity attributable to the Group stood at €2,003.4 million as of December 31, 2014, out of a balance sheet total of €3,724.0 million.

Net cash of continuing operations at year-end was €497.0 million, versus €188.9 million a year earlier.

To reward investors, the Board of Directors will ask the Annual General Meeting, scheduled for April 16, 2015, to approve:

- Firstly, the payment of a **dividend of €1.50 per share**, consisting of:
 - ✓ an **ordinary part of €0.28 per share**;
 - ✓ an **exceptional part of €1.22 per share**, following the TF1 group's sale of a controlling interest in its Eurosport International subsidiary.

The ex-date is April 24, 2015, the date of record is April 27, 2015, and the payment date is April 28, 2015.

- Secondly, the implementation of a €60 million **share buyback programme**, on the basis of the resolution to be submitted to the Annual General Meeting on April 16⁴.

Once these transactions have been completed, the Group will still have substantial net cash and hence will be able to finance the **investments needed for further development**.

⁴ This resolution, to be submitted for approval at the AGM on April 16, 2015, is on the same terms as the 9th resolution adopted by the AGM of April 17, 2014.

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Outlook

Although visibility remains poor, a combination of more favourable factors appears to be shaping up for the French economy in 2015, which could lead to a stabilisation of net revenue in the television advertising market.

In 2015, the TF1 group will continue to adapt its business model as it has done over the last few years, with the aim of improving profitability on two fronts:

- in revenue terms, by continuing to use its four free-to-air channels as the platform for an innovative offering built on strong brands and programmes, while taking advantage of all the opportunities provided by technology and digital;
- in cost terms, by optimising multi-channel exploitation of the Group's content while paying particularly close attention to the level of overheads.

This year, TF1 will once again draw on its many strengths to remain alert for new opportunities, accelerate the development of the Group, and participate in the debate on possible regulatory changes.

Executive remuneration

In accordance with the AFEP-MEDEF recommendations, information about executive remuneration is being published today on our corporate website www.groupe-tf1.fr: go to Investors / Governance / Report on Remuneration.

Corporate governance

On the advice of the Director Selection Committee, the Board of Directors will ask the shareholders at the Annual General Meeting of April 16, 2015 to reappoint those Directors whose terms of office expire at that meeting. It is proposed that their new terms of office be staggered, in line with AFEP-MEDEF recommendations.

It is proposed that Claude Berda, Gilles Pélisson and Olivier Roussat be reappointed for a 1-year term of office (until the 2016 Annual General Meeting); that Olivier Bouygues, Catherine Dussart and Nonce Paolini be reappointed for a 2-year term of office (until the 2017 Annual General Meeting); and that Martin Bouygues, Laurence Danon and Bouygues SA be reappointed for a 3-year term of office (until the 2018 Annual General Meeting).

The Board of Directors would continue to have four independent directors and three women among those Board members who are not employee representatives, in addition to the two female directors who sit on the Board as employee representatives.

In addition, the Board of Directors has decided to maintain the principle of "one share, one vote". To this end, the shareholders will be asked to approve an amendment to the TF1 Memorandum and Articles of Association at the Annual General Meeting on April 16, 2015.

Finally, TF1 is subject to specific regulations in its capacity as a broadcasting service that requires a licence in order to operate. Consequently, in the case of TF1 the issues of Board neutrality during the period of a public tender offer and anti-takeover provisions do not arise.

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.

The analyst meeting presenting our results will be streamed on the internet on February 19, 2015
from 11.00 hours Paris time, at www.groupe-tf1.fr.

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