

Boulogne-Billancourt - February 17, 2016

TF1 GROUP 2015 ANNUAL RESULTS

Revenue stable on constant structure basis
€42 million improvement in current operating profit to €158 million
Net surplus cash of €700 million at December 31, 2015
Dividend of €0.80 to be submitted to the AGM for approval

The TF1 Board of Directors, chaired by Nonce Paolini, met on February 17, 2016 to adopt the financial statements for the year ended December 31, 2015.

IFRIC 21, "Levies", has been applied with effect from January 1, 2015 and also applied retrospectively to the 2014 comparatives. Applying IFRIC 21 has led to the restatement of the 2014 quarterly financial statements.

CONSOLIDATED FIGURES (€m)	Q4 2015	Q4 2014	Var. €m	Var. %	2015	2014	Var. €m	Var. %
Revenue	604.3	629.1	(24.8)	-3.9%	2,004.3	2,091.8	(87.5)	-4.2%
TF1 group advertising revenue	472.0	482.4	(10.4)	-2.2%	1,554.2	1,575.5	(21.3)	-1.4%
Revenue from other activities	132.3	146.7	(14.4)	-9.8%	450.1	516.3	(66.2)	-12.8%
Current operating profit/(loss)	51.2	85.8**	(34.6)	-40.3%	158.0 *	116.5 **	+41.5	+35.6%
Operating profit/(loss)	49.4	85.8**	(36.4)	-42.4%	141.2 *	116.5 **	+24.7	+21.2%
Cost of net debt	0.3	0.4	(0.1)	-25.0%	1.1	1.1	+0.0	=
Net profit/(loss) from continuing operations	36.0	71.5	(35.5)	-49.7%	103.3	103.1	+0.2	+0.2%
Net profit/(loss) from discontinued or held-for-sale operations	-	0.5	(0.5)	ns	-	315.9	(315.9)	ns
Net profit/(loss)	36.0	72.0	(36.0)	-50.0%	103.3	419.0	(315.7)	ns
Net profit/(loss) from continuing operations attributable to the Group	35.0	69.7	(34.7)	-49.8%	99.9	99.9	+0.0	=

* includes the gain on deconsolidation of Eurosport France

** includes the gain on the sale of OneCast

In 2015, the TF1 group generated **consolidated revenue** of €2,004.3 million, comprising:

- group advertising revenue of €1,554.2 million (stable year-on-year after stripping out Publications Metro France and Eurosport France);
- revenue from other activities of €450.1 million (-€66.2 million). This fall in revenue reflected:
 - o a negative effect of €56.1 million from changes in structure relating to the deconsolidation of Eurosport France, the Stylia channel and OneCast;
 - o lower revenue from the resale of broadcasting rights for the Rugby World Cup in 2015 than for the Football World Cup in 2014.

After stripping out these two items, revenue from other activities increased by €6.9 million or 1.6%.

For the **fourth quarter**, the Group posted revenue of €604.3 million, down €24.8 million (3.9%) on the comparable period of 2014. This was mainly attributable to:

- a negative effect of €18.0 million from changes in structure relating to the deconsolidation of Eurosport France, the Stylia channel and OneCast;
- advertising revenue for the four free-to-air channels, which fell by €6.2 million (1.4%).

During the fourth quarter, advertising revenue for the four free-to-air channels was adversely affected by current events in France, which led to a reduction in advertising spend in late November and early December.

Current operating profit for the year ended December 31, 2015 reached €158.0 million, up €41.5 million year-on-year. Current operating margin advanced by 2.3 points year-on-year to 7.9%.

Fourth-quarter current operating profit was €51.2 million, down €34.6 million year-on-year. The main factors behind this drop were the screening of 15 Rugby World Cup matches in the fourth quarter of 2014 (which accounted for €19 million), and the recognition of a gain on the sale of OneCast in the fourth quarter of 2014.

A charge of €16.8 million (including €1.8 million booked in the fourth quarter) was recognised in “Non-current operating expenses” during 2015 for restructuring costs incurred by the TF1 group’s news operations. Most of this relates to the discontinuation of the print edition of *Metronews*.

Operating profit for the year ended December 31, 2015 came to €141.2 million, up €24.7 million year-on-year.

Net profit from continuing operations was €103.3 million, virtually unchanged from the previous year.

Analysis by segment

€m	Q1 2015	Q1 2014	Q2 2015	Q2 2014	Q3 2015	Q3 2014	Q4 2015	Q4 2014	2015	2014	Var. (€m)
Broadcasting and Content	395.1	385.3	444.3	480.8	356.1	355.1	522.3	527.6	1,717.8	1,748.8	(31.0)
<i>of which TV advertising</i>	343.6	332.9	389.7	388.1	292.2	305.1	444.4	450.6	1,469.9	1,476.7	(6.8)
Consumer products	48.4	51.1	47.2	40.5	50.1	49.1	68.2	68.9	213.9	209.6	+4.3
Pay-TV	31.6	30.9	14.1	32.2	13.1	30.4	13.8	31.7	72.6	125.2	(52.6)
Holding Company & Other	-	2.4	-	2.5	-	2.4	-	0.9	-	8.2	(8.2)
Consolidated revenue	475.1	469.7	505.6	556.0	419.3	437.0	604.3	629.1	2,004.3	2,091.8	(87.5)
Broadcasting and Content	(12.0)	1.1	62.7	9.0	2.0	(0.9)	41.2	42.5	93.9	51.7	+42.2
<i>of which cost of programmes</i>	(243.5)	(230.4)	(216.7)	(282.2)	(212.9)	(208.9)	(283.1)	(272.5)	(956.2)	(994.0)	+37.8
Consumer products	3.6	5.1	2.4	1.7	4.5	3.5	5.2	4.5	15.7	14.8	+0.9
Pay-TV	33.7*	(2.4)	0.2	(0.8)	(1.1)	1.6	0.9	3.1	33.7*	1.5	+32.2
Holding Company & Other	2.8	3.1	3.9	4.9	4.1	4.8	3.9	35.7**	14.7	48.5**	(33.8)
Current operating profit/(loss)	28.1*	6.9	69.2	14.8	9.5	9.0	51.2	85.8**	158.0*	116.5**	+41.5

* includes the gain on deconsolidation of Eurosport France

** includes the gain on the sale of OneCast

Broadcasting and Content

Audiences¹

The TF1 group’s four free-to-air channels enjoyed a combined audience share of 27.7% among individuals aged 4 and over in 2015 (-1.0 point). Among “women aged under 50 purchasing decision-makers”, the audience share was 32.0% (-0.7 of a point).

These figures should be seen in light of the specific market context, with the HD DTT channels continuing to gain ground, competitive pressure on programming and non-linear consumption on the increase.

The Group is pressing ahead with its multi-channel strategy, optimising schedules across its four channels while taking account of seasonal factors, and maintaining its focus on:

- **strategic slots:** in particular the prime-time pulling power of TF1, which was the only channel to attract more than 8 million viewers during 2015 and achieved 98 of the top 100 audience ratings;
- **target audiences:** TF1 is by far the most-watched channel among “women aged under 50 purchasing decision-makers” (23.4% audience share), while the Group’s DTT channels (TMC, NT1 and HD1) expanded their share of this target audience group by 12% year-on-year.

Financial performance

Advertising revenue for the four free-to-air channels fell slightly year-on-year, by 0.5%. The Group’s DTT channels increased their revenue during 2015, while TF1 maintained its strategy of preserving the value of its advertising slots.

Revenue from the Broadcasting & Content segment’s other activities fell by €24.2 million year-on-year, reflecting the shutdown of the print edition of *Metronews* and the difference between the amounts generated by the resale of rights to the Football World Cup in 2014 and the Rugby World Cup in 2015.

¹ Source: Médiamétrie.

The innovation strategy at e-TF1 reached its next phase with a new version of the MYTF1 platform, providing exclusive digital content alongside the offerings of the four free-to-air channels.

The cost of programmes for the Group's four free-to-air channels fell by €37.8 million year-on-year. After stripping out major sporting events and replacement programmes, the cost of programmes was very slightly higher year-on-year as the Group bolstered the schedules on its DTT channels.

Overall, the Broadcasting and Content segment showed a €42.2 million improvement in current operating profit.

Consumer Products

Revenue for the Consumer Products segment was €4.3 million higher than a year earlier thanks to TF1 Vidéo and to the music and board games operations of TF1 Entreprises.

The segment posted a current operating profit of €15.7 million, an increase of €0.9 million on the previous year. TF1 Entreprises reported good results thanks largely to TF1 Games, where revenue was boosted by sales of *Chrono Bomb*, both in France and internationally, and by new releases (*Tresor Detector* and *Saut' Qui Peut*).

Pay-TV

Pay-TV segment revenue was down €52.6 million year-on-year, reflecting the sale of Eurosport France and the shutdown of the Styfia channel.

Current operating profit for the Pay-TV segment reached €33.7 million. This figure reflects the gain arising on the deconsolidation of Eurosport France (recognised in the first quarter of 2015) and improved profitability for the theme channels in France, which helped offset the losses incurred by the LCI channel.

Holding company and other

The sale of OneCast in 2014 explains the lack of any revenue for the "Holding company & other" segment in 2015 and the substantial fall of €33.8 million the segment's current operating profit (due to the non-recurrence of the gain on disposal booked in the fourth quarter of 2014).

Financial position

Shareholders' equity attributable to the Group stood at €1,741.7 million as of December 31, 2014, out of a balance sheet total of €3,213.7 million.

The **net cash position** was €700.8 million as of December 31, 2015, after the dividend payout of €317.3 million in April 2015 and repurchases of the company's own shares in the market for €40.0 million.

The TF1 group received a cash inflow of €474.0 million on October 1, 2015 following completion of the transactions agreed with Discovery Communications in July.

The acquisition of 70% of Newen Studios, an audiovisual content producer and distributor, has no impact on the 2015 financial position. This acquisition, which took place on January 26, 2016, should have an impact of approximately €300 million on the Group's debt as of March 31, 2016.

To reward investors, the Board of Directors will ask the Annual General Meeting, scheduled for April 14, 2016, to approve:

- firstly, the payment of a **dividend of €0.80 per share**, consisting of:
 - ✓ an **ordinary part of €0.28 per share**;
 - ✓ an **exceptional part of €0.52 per share**, following the TF1 group's sale of its remaining interest in its Eurosport International subsidiary.

The ex-date is April 22, 2016, the date of record is April 25, 2016, and the payment date is April 26, 2016.

- secondly, the implementation of a **share buyback programme of €30 million**, on the basis of the resolution to be submitted to the Annual General Meeting on April 14, 2016.¹

¹This resolution, which will be submitted for approval by the Annual General Meeting on April 14, 2016, will be on the same terms as the 16th resolution adopted by the Annual General Meeting held on April 16, 2015.

Outlook

Given the poor visibility for 2016 and the absence of any lasting improvement in the French economy, the net television advertising market is likely to remain flat.

The Group will continue to keep close control over the cost of programmes for its five free-to-air channels (including LCI), with the overall cost for 2016 expected to be in the region of €980 million excluding major sporting events.

In 2016, the Group estimates that the amount of non-current expenses could be in the region of €50 million in its news operations (launch of LCI as a freeview channel) and in production (integration of Newen Studios).

During 2016, the TF1 group will continue to evolve the business model of its channels, accelerate digital transformation across all its business areas, and implement the switchover of the LCI news channel to freeview. The acquisition of Newen Studios will boost the Group's efforts to explore new opportunities for development in production and content.

Executive remuneration

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

Corporate governance

During the Board meeting on February 17, 2016, Martin Bouygues paid tribute to the achievements of the TF1 group during Nonce Paolini's term of office; between 2007 and 2015, the TF1 group brought new free-to-air channels into its portfolio and expanded its news operations with the LCI channel, while adapting to new trends in viewing behaviour by becoming the leading player in non-linear consumption of TV content. The Group rationalised its diversifications and acquired a foothold in independent production with the acquisition of Newen. The Group also showed strong commitment to corporate social responsibility through the creation of the TF1 Corporate Foundation. It became the first media group to be awarded the Diversity Label, and received accreditation for its CSR policies from officially-recognised bodies. Nonce Paolini's strong values and personal commitment have been key factors in the success of these major initiatives, which leave the TF1 group well placed to face the challenges of the future under the leadership of Gilles Pélisson.

On the advice of the Selection Committee, and having concluded that it was in the interests of the Group not to separate the role of Chairman from that of Chief Executive Officer, the Board of Directors has chosen Gilles Pélisson to serve as Chairman and Chief Executive Officer.

A 58-year-old graduate of ESSEC and Harvard business schools, Gilles Pélisson has run Eurodisney and Accor, both of which are major listed companies providing services to consumers. He has also run Noos and Bouygues Telecom, both of which operate in a regulated sector undergoing significant technological changes. Gilles Pélisson has extensive international experience, and a track record for good staff relations. He knows TF1 well, having served on its Board of Directors since 2009. Gilles Pélisson was appointed as Chairman and Chief Executive Officer at the Board meeting of February 17, 2016 and will take office on February 19, 2016, the day after the presentation of the financial statements for the 2015 financial year.

The decision on who should succeed Nonce Paolini, whose term of office as Chairman and Chief Executive Officer expired in the first quarter of 2016, was taken at the Board meeting of October 28, 2015.

Since November 2015, Gilles Pélisson has been preparing for his new role, with support from Nonce Paolini.

Appointment of a new Director

On the advice of the Selection Committee, the Board of Directors is seeking shareholder approval for the appointment of Pascaline de Dreuzy as a Director to serve for a term of three years, until the end of the Annual General Meeting held in 2019 to approve the financial statements for the year ended December 31, 2018.

The Board believes that Pascaline de Dreuzy's professionalism and commitment to ethical, social and human values would complement the industry expertise of the current Directors, thereby enhancing the overall effectiveness of the Board. Her broad experience of the world of business, along with her past role as a Director of the family holding company of the PSA group and her current role as a board member of the French Institute of Directors, will also contribute to constructive debate in the TF1 boardroom.

The Board of Directors has performed an assessment to ascertain whether Pascaline de Dreuzy fulfils the independence criteria set out in the AFEP/MEDEF corporate governance code. They concluded that she has no business relationship with the TF1 group, and qualifies as an independent Director.

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 18, 2016 from 11.00 hours Paris time, at www.groupe-tf1.fr.

CONTACTS

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

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