LE GROUPE

PRESS RELEASE

Boulogne – 30 October 2017

RESULTS FOR THE FIRST NINE MONTHS OF 2017

Group share of key target audience[1] up to 32% (+ 0.6 of a point)
Revenue growth of 2.8%
Current operating profit of €115.5 million, up €68.9 million

The TF1 Board of Directors, chaired by Gilles Pélisson, met on 30 October 2017 to close off the financial statements for the first nine months of 2017.
The results shown below (presented using the segmental reporting structure adopted by the TF1 group), and historical revenue and operating profit data, are available on the corporate website: www.groupe-tf1.fr/en.

CONSOLIDATED FIGURES (€m)	Q3 2017	Q3 2016	Chg. €m	Chg.%	9m 2017	9m 2016	Chg. €m	Chg.%
Revenue	**429.9**	**401.5**	**28.4**	**7.1%**	**1,466.6**	**1,426.7**	**39.9**	**2.8%**
TF1 group advertising revenue	*300.0*	*294.5*	*5.5*	*1.9%*	*1,082.1*	*1,064.6*	*17.5*	*1.6%*
Revenue from other activities	*129.9*	*107.0*	*22.9*	*21.4%*	*384.5*	*362.1*	*22.4*	*6.2%*
Current operating profit/(loss)	**7.9**	**(10.9)**	**18.8**	**ns**	**115.5**	**46.6**	**68.9**	**x2.5**
Current operating margin	*1.8%*	*(2.7)%*	*-*	*+4.5pts*	*7.9%*	*3.3%*	*-*	*+4.6pts*
Operating profit/(loss)	**2.0**	**(24.9)**	**26.9**	**ns**	**98.0**	**(22.1)**	**120.1**	**ns**
Cost of net debt	(0.1)	(0.4)	0.3	ns	(1.2)	(1.0)	(0.2)	ns
Net profit/(loss) attributable to the Group	**10.1**	**(13.2)**	**23.3**	**ns**	**84.7**	**(13.8)**	**98.5**	**ns**

Consolidated revenue for the first nine months of 2017 amounted to €1,466.6 million (up 2.8%), and comprised:
- group advertising revenue of €1,082.1 million (+1.6%), driven mainly by stronger revenue from the DTT channels and a very good performance in sponsorship;
- revenue from other activities of €384.5 million, up €22.4 million (+6.2%), thanks to fine performances from digital activities and the Studios & Entertainment segment.

Current operating profit for the first nine months of 2017 was €115.5 million, up €68.9 million year-on-year, mainly as a result of:
- the effects of the multi-channel strategy and the transformation of the Group;
- the differential in the cost of major sporting events (savings of €36.9 million, net of replacement programmes);
- recurring savings of €21 million under the "Recover" plan.

The Group posted an operating profit of €98.0 million for the first nine months of 2017, after charging €17.5 million of non-current expenses related to the amortisation of intangible assets identified in connection with the Newen Studios acquisition.

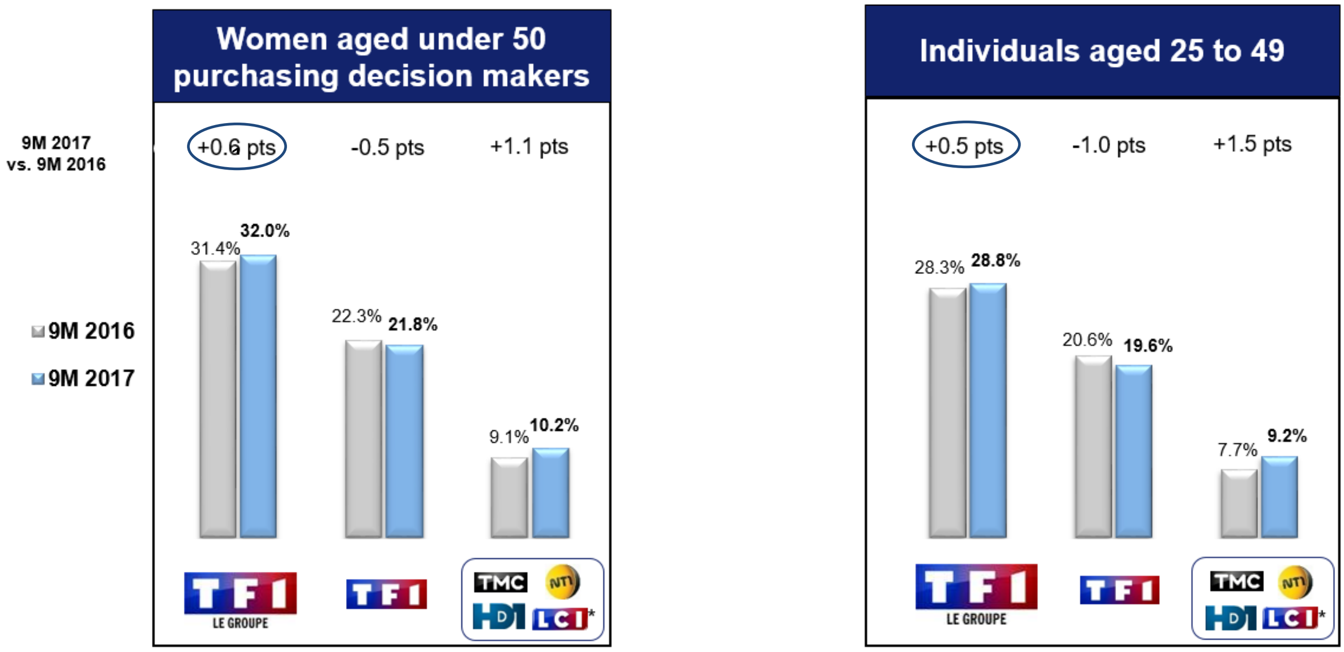
Net profit attributable to the Group amounted to €84.7 million. This figure includes the gain arising on the divestment of the equity interest in Groupe AB.

[1] W<50PDM: Women aged under 50 purchasing decision-makers.

Group Audiences[2]

In the first nine months of 2017, the multi-channel strategy helped the TF1 group's five free-to-air channels[3] reach an audience share of 32.0% (+0.6 of a point year-on-year) among W<50PDM. Among the same target market, the Group's DTT channels[4] increased their audience share to 10.2% (+1.1 points year-on-year), more than offsetting a drop in audience share for the TF1 core channel to 21.8% (-0.5 of a point year-on-year).

The performance of these channels over the first nine months of the year consolidated the Group's leadership among target audiences, and enabled TF1 to widen the lead over its nearest rivals in the key target of W<50PDM to at least 9.6 points.



*LCI not included prior to the freeview switchover on 5 April 2016

The **TF1 core channel** was the most watched in France among W<50PDM in every day-part, with refreshed schedules delivering a particularly fine performance in the access prime time slot[5], with *The Wall* in the first half of the year and, from 17 July, the daily soap *Demain nous appartient*. This soap, produced by Newen Studios, drew an average of 3.2 million viewers; the momentum is continuing, with an average audience of 3.3 million in the first two weeks of October, including around 20% catch-up viewers.
In September 2017, the channel attracted a 22.2% audience share among W<50PDM, 0.3 of a point more than in the first half of the year. Key factors were the return of powerful prime-time entertainment brands (*Koh-Lanta*, up to 6.2 million viewers and 43% of W<50PDM), successful new French drama (*La Mante* with an average audience of 5.6 million and 23% share of W<50PDM, and major sporting events (record audience of 8.1 million for the France-Luxembourg World Cup qualifier).

The Group's DTT channels[3], which are the market leader for DTT target averaged audiences, raised their audience share year-on-year by 1.1 points among W<50PDM and by 1.5 points for 25-49 year-olds. This reflects the successful repositioning of TMC, which grew its audience share by a substantial 0.9 of a point among the key target market of 25-49 year-olds and by 1.2 points among ABC1s[6]. *Quotidien* was the most-watched access prime time programme on DTT in September, averaging 1.3 million viewers.

News programmes performed very well. The weekday and weekend TV news bulletins confirmed their market leadership among individuals aged 4+. Over the first nine months of the year LCI took a 0.7% share of individuals aged 4+ and a 0.6% share of ABC1s[6], consolidating its position as France's no.2 news channel.

MYTF1 also turned in a fine performance over the first nine months of the year as the number of video views rose by 10% to more than 930 million, boosted by flagship programmes like *The Voice* (72 million), *Quotidien* (53 million) and *Demain nous appartient* (52 million).

Since 24 April 2017, viewers have been required to log in to watch entire programmes across the three digital screens[7]. As a result, the number of identified internet users has increased to 16 million at end September, including a rise of 3 million in the third quarter of 2017.

[2] Source: Médiamétrie.
[3] TF1, TMC, NT1, HD1 and LCI.
[4] TMC, NT1, HD1 and LCI.
[5] 6pm-8pm.
[6] High Socio Professional Categories
[7] Mobile, tablet and PC.

Analysis by segment for the first nine months of 2017

€m	Q1 2017	Q1 2016	Q2 2017	Q2 2016	Q3 2017	Q3 2016	9m 2017	9m 2016	Chg.	Chg.%
Broadcasting	**404.1**	**389.4**	**451.3**	**448.7**	**330.7**	**323.3**	**1,186.1**	**1,161.4**	**24.7**	**2.1%**
TV advertising on free-to-air channels	*348.0*	*341.3*	*397.2*	*394.9*	*284.4*	*279.7*	**1,029.6**	*1,015.9*	*13.7*	*1.3%*
Other revenues	*56.1*	*48.1*	*54.1*	*53.8*	*46.3*	*43.6*	*156.5*	*145.5*	*11.0*	*7.6%*
Studios & Entertainment	**94.8**	**92.5**	**86.5**	**94.6**	**99.2**	**78.2**	**280.5**	**265.3**	**15.2**	**5.7%**
Consolidated revenue	**498.9**	**481.9**	**537.8**	**543.3**	**429.9**	**401.5**	**1,466.6**	**1,426.7**	**39.9**	**2.8%**
Cost of programmes	(233.5)	(232.4)	(248.7)	(265.4)	(211.7)	(218.7)	**(693.9)**	**(716.5) ***	**22.6**	**-3.2%**
Broadcasting	**26.6**	**4.9**	**64.9**	**33.1**	**-8.0**	**-16.5**	**83.5**	**21.5**	**62.0**	**x3.9**
of which Free platforms	13.9	-3.5	51.9	21.6	-17.7	-25.6	48.1	(7.5)	55.6	ns
Studios & Entertainment	**9.7**	**9.9**	**6.4**	**9.6**	**15.9**	**5.6**	**32.0**	**25.1**	**6.9**	**27.5%**
Current operating profit/(loss)	**36.3**	**14.8**	**71.3**	**42.7**	**7.9**	**-10.9**	**115.5**	**46.6**	**68.9**	**x2.5**

** The cost of programmes published for 9M 2016 was €737.4 million, including €20.9 million of non-recurring expenses. Excluding non-recurring expenses, the cost of programmes was €716.5 million.*

Broadcasting

Advertising revenue for the Group's five free-to-air TV channels increased by 1.3% over the first nine months of the year and by 1.7% in the third quarter; quarter after quarter, the performances of the DTT channels more than offset lower revenue for the TF1 core channel.
Other revenue for the Broadcasting segment increased by €11.0 million (+7.6%), fuelled by strong year-on-year growth for interactivity, digital advertising and theme channels.

The cost of programmes was €693.9 million, a reduction of €22.6 million relative to the first nine months of 2016, reflecting:

- an impact of €36.9 million due to the screening of matches from the Euro 2016 football tournament (net of the cost of replacement programmes);
- the exclusion of LCI's cost of programmes in the first quarter of 2016, prior to the channel's freeview switchover;
- reinvestment in programmes: *Quotidien* (broadcasted on TMC since September 2016), coverage of the football Confederations Cup and World Handball Championship (in the first half of 2017), and the daily soap *Demain nous appartient* (broadcasted from 17 July 2017).

Current operating profit for the Broadcasting segment reached €83.5 million, up €62.0 million year-on-year.

Studios & Entertainment

Revenue for the Studios & Entertainment segment was up €15.2 million (+5.7%) year-on-year, reflecting:

- the first-time consolidation of Tuvalu Media Group and Blue Spirit;
- stronger production revenue at Newen Studios due to a more favourable delivery cycle in the third quarter, more than offsetting the non-recognition in revenue of disposals of co-production shares to certain broadcasters since the start of the year;
- revenue growth at TF1 Studio (physical and digital video releases, and TV sales).

The segment posted an operating profit of €32.0 million, up €6.9 million, and generated an operating margin of 11.4% over the first nine months of the year.

Financial position

Shareholders' equity attributable to the Group stood at €1,514 million as of 30 September 2017, out of a balance sheet total of €3,283 million.

Net cash as of 30 September 2017 was €297 million, versus €187 million as of 31 December 2016, mainly as a result of cash generated by operations.

Outlook

During the first nine months of 2017, the TF1 group's five free-to-air channels increased their share of the key target audience (by 0.6 of a point) and their share of the gross advertising market, generating 1.3% growth in their advertising revenue. This confirms the positive trend that began in the autumn of 2016 and the relevance of the multi-channel strategy.
Meanwhile, the Group is implementing its multi-business strategy, as demonstrated by the growing contribution of Studios & Entertainment to operating profit (up €6.9 million year-on-year).

At a time of fierce competition in terms of scheduling, the fourth quarter will see all TF1 group channels delivering high-impact programmes: renewed shows like the daily soap *Demain nous appartient*, new French drama (*Le Tueur du lac, Les Chamois, Les Bracelets rouges*), and iconic shows (*Koh-Lanta*, *Danse avec les stars*, *Miss France, NRJ Music Awards* and the new *Les Enfoirés Kids)*.

During the fourth quarter of 2017, the Group will continue its content monetisation strategy with:

- the launch of Studio 71 France in the context of the European alliance around the Studio 71 MCN[8] ;
- the launch of territory-specific advertising in Belgium enabling advertisers to target francophone Belgian audiences;
- the implementation of the EBX[9] airtime sales alliance to sell advertising space on digital content.

The Group is therefore reiterating its guidance:

- For 2017, maintain its share of the advertising market by extracting maximum value from premium inventories and growing DTT channels and digital content, while achieving €25 million to €30 million of recurring savings (excluding cost of programmes) under the "Recover" plan.
- Over the 2017-2019 period, continue to limit the cost of programmes by optimising investment in content, so as to hold the average annual cost of programmes (excluding major sporting events) for the five free-to-air channels at €980 million.
- Improve profitability: the target is for double-digit current operating margin in 2019, combined with growth in revenue from activities other than advertising on the five free-to-air channels; the Group expects those other activities to account for at least one-third of consolidated revenue in 2019.

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 2017 is available on the corporate website: http://www.groupe-tf1.fr/en/.
A conference call is scheduled for 30 October 2017 at 6.30pm (Paris time).
For details of how to connect to the conference call go to http://www.groupe-tf1.fr/en/investisseurs.

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[8] Multi Channel Network.
[9] European Broadcaster Exchange.