



LE GROUPE

Financial Report
2017

Financial Report - 2017

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1. 2017 Financial Information

1.1. Consolidated results

Financial indicators

These key figures are extracted from TF1 Group consolidated financial data.

<i>(€ million)</i>	2017	2016
Revenue	2,124.9	2,062.7
<i>Group advertising revenue</i>	<i>1,561.7</i>	<i>1,530.1</i>
<i>Revenue from other activities</i>	<i>563.2</i>	<i>532.6</i>
Current operating profit/(loss)	185.3	129.4
Operating profit/(loss)	162.0	45.7
Net profit/(loss) attributable to the Group from continuing operations	136.1	41.7
Operating cash flow before cost of net debt and income taxes	372.3	267.5
Basic earnings per share from continuing operations (€)	0.65	0.20
Diluted earnings per share from continuing operations (€)	0.65	0.20
Shareholders' equity attributable to the Group	1,581.9	1,493.4
Net surplus cash of continuing operations	256.7	186.7
	2017	2016
Weighted average number of ordinary shares outstanding (in '000)	209,664	209,444
Closing share price at end of year (€)	12.29	9.45
Market capitalisation at end of year (€bn)	2.58	1.98

Income statement contributions – continuing operations

The results shown below are presented using the segmental reporting structure adopted by the TF1 group. For definitions of those segments, see Note 4 (“Operating segments”) to the condensed consolidated financial statements.

€m	Q1 2017	Q1 2016	Q2 2017	Q2 2016	Q3 2017	Q3 2016	Q4 2017	Q4 2016	2017	2016	Chg.	Chg.%
Broadcasting	404.1	389.4	451.3	448.7	330.7	323.3	527.5	508.5	1,713.6	1,669.9	43.7	2.6%
<i>TV advertising on unencrypted channels</i>	<i>348.0</i>	<i>341.3</i>	<i>397.2</i>	<i>394.9</i>	<i>284.4</i>	<i>279.7</i>	<i>450.9</i>	<i>439.4</i>	<i>1,480.5</i>	<i>1,455.3</i>	<i>25.2</i>	<i>1.7%</i>
<i>Other revenues</i>	<i>56.1</i>	<i>48.1</i>	<i>54.1</i>	<i>53.8</i>	<i>46.3</i>	<i>43.6</i>	<i>76.6</i>	<i>69.1</i>	<i>233.1</i>	<i>214.6</i>	<i>18.5</i>	<i>8.6%</i>
Studios & Entertainment	94.8	92.5	86.5	94.6	99.2	78.2	130.8	127.5	411.3	392.8	18.5	4.7%
Consolidated revenue	498.9	481.9	537.8	543.3	429.9	401.5	658.3	636.0	2,124.9	2,062.7	62.2	3.0%
Cost of programmes	(233.5)	(232.4)	(248.7)	(265.4)	(211.7)	(218.7)	(290.0)	(290.1)	(983.9)	(1,006.6) *1	22.7	-2.3%
Broadcasting	26.6	4.9	64.9	33.1	(8.0)	(16.5)	59.8	66.0	143.3	87.5	55.8	63.8%
<i>of which Free platforms</i>	<i>13.9</i>	<i>(3.5)</i>	<i>51.9</i>	<i>21.6</i>	<i>(17.7)</i>	<i>(25.6)</i>	<i>47.6</i>	<i>52.7</i>	<i>95.7</i>	<i>45.2</i>	<i>50.5</i>	<i>x2.1</i>
Studios & Entertainment	9.7	9.9	6.4	9.6	15.9	5.6	10.0	16.8	42.0	41.9	0.1	0.2%
Current operating profit/(loss)	36.3	14.8	71.3	42.7	7.9	(10.9)	69.8	82.8	185.3	129.4	55.9	43.2%

* The cost of programmes published for 2016 was €1,032 million, including €25.4 million of non-recurring expenses. Excluding non-recurring expenses, the cost of programmes was €1,006.6 million.

Contribution to advertising revenue

(€ million)	2017	2016
Broadcasting	1,550.9	1,521.0
- Unencrypted channels	1,500.3	1,477.8
Studios & Entertainment	10.8	9.1
ADVERTISING REVENUE	1,561.7	1,530.1

Analysis of cost of programmes

(€ million)	2017	2016*
Total cost of programmes	983.9	1,006.6
<i>Major sporting events</i>	0.0	46.1
Total excluding major sporting events	983.9	960.5
Variety/Gameshows/Magazines	273.9	269.5
Drama/TV movies/Series/Plays	325.2	312.1
Sports (excluding major sporting events)	59.2	49.0
News	142.5	140.7
Films	169.0	174.1
Children's programmes	14.2	15.1

* The cost of programmes published for 2016 was €1,032 million, including €25.4 million of non-recurring expenses. Excluding non-recurring expenses, the cost of programmes was €1,006.6 million.

The cost of programmes includes the cost of LCI programmes with effect from that channel's switchover to freeview in April 2016.

Cost of programmes – analysis by type from the income statement

(€ million)	2017	2016
Purchases consumed and changes in inventory	(787.8)	(819.9)
Staff costs	(81.1)	(78.3)
External expenses	(23.2)	(21.7)
Depreciation, amortisation, impairment and provisions, net	(89.6)	(90.0)
Others IFRS income statement line items	(2.2)	3.3
Amount recognised in current operating profit	(983.9)	(1,006.6)

1.2. Significant events of 2017

January

12 January 2017

The TF1 group announces that it is taking a 6.1% equity stake in Studio71, a subsidiary of the major German media group ProSiebenSat.1. Studio71 is the no.3 MCN worldwide with over 6 billion video views per month. This partnership forms part of a pan-European alliance, with ProSiebenSat.1 simultaneously entering into a similar arrangement with Mediaset, the leading private-sector media group in Italy. For the launch of Studio71 in France the TF1 group will use Finder Studios, of which it is a shareholder.

23 January 2017

The TF1 group and the shareholders of MinuteBuzz complete the acquisition by TF1 of a majority equity interest in MinuteBuzz.

30 January 2017

TF1 confirms that it has accepted a conditional offer from Mediawan SA to buy the TF1 group's 33.5% equity interest in Groupe AB.

February

1 February 2017

Agnès Rosoor is appointed Chief Executive Officer of Téléshopping and Chairwoman of Top Shopping.

6 February 2017

The Newen group acquires a majority equity interest in Tuvalu Media Group, the leading independent producer in the Netherlands.

18 February 2017

Tatiana Silva is to present weather forecasts on TF1 and LCI, starting in March.

21 February 2017

The TF1 group takes a minority equity stake in Play Two, a new independent producer of music, concerts, live shows and records, founded in October 2016.

22 February 2017

The TF1 group is partnering with Viva Technology again, and will represent the Media industry at this year's show. With more than 45,000 visitors, 5,000 start-ups and 106 countries represented, this event has become the global rendezvous for game changers.

March

31 March 2017

TF1 completes the sale of its 33.5% equity interest in Groupe AB to Mediawan SA.

April

10 April 2017

The TF1 Group launches the second season of its start-up incubation programme in association with Numa. This second intake, selected on the basis of the opportunities for synergies between their products and services and the group's various businesses, will be supported and mentored by the incubator Numa for more than a year.

May

12 May 2017

The TF1 channel signs an agreement with the media sales agency Transfer, under which Transfer will sell airtime on the channel in Belgium from September 2017.

June

9 June 2017

Alongside Mediaset (Spain and Italy) and ProSiebenSat.1, the TF1 group announces the creation of European Broadcaster Exchange (EBX), an airtime sales agency offering pan-European video campaigns on digital in a 100% brand safe, premium environment. The three groups will have equal shares in the new venture. The agreement is subject to clearance from the relevant European competition authorities.

EBX gives the three media groups a framework for competing more effectively against major multinational players by using technology, innovation and premium content to offer advertisers new ways of reaching customers.

It is structured as an open partnership, giving scope for bringing other European media groups on board in future.

23 June 2017

Studio71 France is to launch in September as part of the pan-European digital alliance between the TF1 group and the ProSiebenSat.1 group around Studio71, the no.3 MCN worldwide.

The launch of Studio71 France, which will draw substantially on the content of Finder Studios, marks a step change in the TF1 group's drive to enhance its premium content offering on digital platforms.

Meanwhile, the "Lollywood" collective, which has achieved a very high profile in France, will join the Studio71 comedy/humour talent roster in September.

Founded by Ugo Marchand, Manu and Choopa, Lollywood ranks no.4 in monthly comedy audience ratings on YouTube with 226 million video views and 1.6 million subscribers.

July**29 July 2017**

Sixteen months ago, the TF1 group entered into commercial discussions with Numericable-SFR which led, in July 2016, to the creation of a new offering called "TF1 Premium". This package entitled Numericable-SFR to distribute the TF1 group's freeview channels, the MYTF1 catch-up service and new associated services.

The TF1 group is disappointed that Numericable-SFR terminated those discussions in April 2017.

From 29 July 2017, the expiry date of the contracts, in the absence of any agreement with the TF1 group, Numericable-SFR is no longer authorised to exploit commercially MYTF1 or the TF1 group's freeview channels.

As a result, the TF1 group is no longer in a position to supply the MYTF1 catch-up service to Numericable-SFR, and has required Numericable-SFR to cease commercial exploitation of the TF1, TMC, NT1, HD1 and LCI channels.

August**4 August 2017**

TF1 announces that it has acquired seasons 1 and 2 of *Molang* (a cartoon series for 3-to-6-year-olds produced by Millimages) for its "TFOU" kids offering, and will also contribute to the pre-financing of season 3.

September**13 September 2017**

Formula 1® enters into a multi-year agreement with TF1 for the exclusive rights to show full free-to-air coverage of four Grands Prix including the French Grand Prix, the Monaco Grand Prix and two other selected races.

The agreement will take effect at the start of the 2018 championship.

14 September 2017

The TF1 group's Internal Communications division wins Bronze in the Corporate Communications/Internal Communications category at the "2017 Grands Prix Stratégies" awards.

25 September 2017

The TF1 group distinguishes itself at the 8th annual "Grands Prix de la Transparence" awards, taking the "Grand Prix CAC MID 60"* award for the fourth consecutive year.

** The CAC MID 60 comprises sixty French companies of national or European importance. It ranks immediately after the CAC 40 and the CAC Next 20, with which it forms the SBF 120.*

28 September 2017

Thierry Thuillier is appointed as the TF1 group's Executive Vice President News, succeeding Catherine Nayl. He also joins the TF1 group's Executive Committee.

October**12 October 2017**

Discovery Communications chooses TF1 Publicité to sell and promote advertising space on its theme channels (Eurosport and Discovery) and digital platforms in France. The agreement takes effect on 1 January 2018.

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November

6 November 2017

The TF1 and Altice-SFR groups announce the signature of the first all-in distribution agreement to include the TF1 Premium offer alongside add-on services.

14 November 2017

The TF1 group announces the arrival of Channel 4 as the fourth partner in the European Broadcaster Exchange (EBX) digital media sales agency, and the appointment of Chris Le May as CEO. The UK channel is the latest to join the pan-European alliance launched in June 2017 by the TF1 group, ProSiebenSat.1 and Mediaset Spain & Italy.

16 November 2017

The Canal+ group acquires pay-tv rights to the entire 2019 FIFA Women's World Cup from the TF1 Group. The TF1 group will offer exclusive unencrypted coverage of the tournament's 25 headline fixtures, including all matches involving the French national team.

17 November 2017

Less than a year since Studio71 France was created – the result of an alliance between the TF1 group and the ProSiebenSat.1 group around world no.3 MCN Studio71 – it is moving up a gear and appoints Nicolas Capuron as CEO.

December

5 December 2017

RAISE and the TF1 group announce the launch of RAISE M4E, a media for equity investment company dedicated to startups. RAISE M4E will aim to accelerate the growth and raise the profile of the selected startups by mounting advertising campaigns on the TF1 group's various media platforms and by offering tailored support through the unique RAISE ecosystem.

12 December 2017

Announcement of a binding offer for the TF1 group to acquire the majority interest held by the Axel Springer group (78.4% of the capital) in the aufeminin group. Closing of the deal could occur during the first half of 2018.

1.3. Analysis of consolidated results

The results shown below are presented using the segmental reporting structure adopted by the TF1 group, as described in Note 4 (“Operating segments”) to the consolidated financial statements.

Revenue

Consolidated revenue for the year ended 31 December 2017 was €2,124.9 million, up €62.2 million year-on-year, comprising:

- advertising revenue of €1,561.7 million, up €31.6 million (+2.1%) on 2016;
- revenue from other activities of €563.2 million, up €30.6 million (+5.7%) year-on-year.

Cost of programmes and other current operating income/expenses

Cost of programmes

The cost of programmes for the TF1 group’s five unencrypted channels, in the absence of any major sporting events, showed year-on-year savings of €22.7 million and a total of €983.9 million in 2017. These figures include controlled reinvestment in the DTT channels to support the multi-channel strategy.

Other current operating income/expenses

These items increased by €29 million year-on-year in 2017, including the cost savings of €27 million achieved under the “Recover” plan.

Current operating profit/(loss)

Full-year current operating profit reached €185.3 million in 2017, compared with €129.4 million a year earlier, an increase of €55.9 million. This mainly reflects:

- the effects of the multi-channel strategy and the transformation of the Group;
- a saving of €22.7 million on the cost of programmes, including the absence of major sporting events (or a saving of €36.9 million, net of replacement programmes);
- recurring savings of €27 million under the “Recover” plan.

Operating margin rose by 2.4 points to 8.7%, compared with 6.3% a year earlier.

Operating profit/loss

The Group posted an operating profit of €162.0 million, after charging €23.3 million of non-current expenses related to the amortisation of audiovisual rights remeasured in connection with the Newen Studios acquisition.

Net profit/(loss)

Net profit attributable to the Group amounted to €136.1 million. As well as net profit from operations, this also includes gains on the divestment of equity interests in Groupe AB and Teads; a tax gain from the reimbursement of the 3% levy on dividends; and an exceptional corporate income tax contribution related to changes in the tax rate at the end of the year.

Financial position

Shareholders’ equity attributable to the Group was €1,581.9 million as of 31 December 2017, out of a balance sheet total of €3,390.3 million.

The gross cash position as of 31 December 2017 was €495.5 million (up €76.2 million on the previous year-end) after the dividend payout of €58.6 million, the cash outflow on the acquisition of equity interests in Tuvalu and Studio71, and the proceeds from the divestment of equity interests in Groupe AB and Teads.

The net cash position as of 31 December 2017 was €256.7 million, after taking account of the net debt carried by Newen Studios and options to buy out minority interests.

As of 31 December 2017, the Group had confirmed bilateral credit facilities of €1,015 million with various banks. Drawdowns under those facilities at that date amounted to €108 million, all of which related to the Newen facility. Credit facilities are renewed regularly as each facility reaches its contractual expiry date so that the Group always has sufficient liquidity.

Shareholder returns

To reward investors, the Board of Directors will ask the Annual General Meeting, scheduled for 19 April 2018, to approve a dividend of €0.35 per share.

The ex-date will be 30 April, the date of record will be 2 May, and the payment date will be 3 May 2018.

Share ownership

	31 December 2017		
	Number of shares	% of capital	% of voting rights
Bouygues	91,946,297	43.8%	43.8%
TF1 employees	14,284,038	6.8%	6.8%
<i>via the FCPE TF1 fund (3)</i>	14,080,439	6.7%	6.7%
<i>as registered shares</i>	204	0.1%	0.1%
Free float	103,635,407	49.4%	49.4%
<i>Free float - rest of world (2)</i>	69,575,270	33.2%	33.2%
<i>Free float - France (1) (2)</i>	34,060,137	16.2%	16.2%
Treasury shares	0	0.0%	0.0%
Total	209,865,742	100.0%	100.0%

	31 December 2016		
	Number of shares	% of share capital	% of voting rights
Bouygues	91,946,297	43.9%	43.9%
TF1 employees	15,202,469	7.3%	7.3%
<i>via the FCPE TF1 fund (3)</i>	15,043,947	7.2%	7.2%
<i>as registered shareholders</i>	158,522	0.1%	0.1%
Free float	102,268,776	48.8%	48.8%
<i>free float - rest of world (2)</i>	60,290,960	28.8%	28.8%
<i>free float - France (1) (2)</i>	41,977,816	20.0%	20.0%
Treasury shares	0	0.0%	0.0%
Total	209,417,542	100.0%	100.0%

	31 December 2015		
	Number of shares	% of share capital	% of voting rights
Bouygues	91,946,297	43.7%	44.0%
TF1 employees	13,664,440	6.5%	6.5%
<i>via the FCPE TF1 fund (3)</i>	13,490,890	6.4%	6.5%
<i>as registered shareholders</i>	173,550	0.1%	0.1%
Free float	103,423,248	49.1%	49.5%
<i>free float - rest of world (2)</i>	61,922,457	29.4%	29.6%
<i>free float - France (1) (2)</i>	41,500,791	19.7%	19.9%
Treasury shares	1,487,582	0.7%	0.0%
Total	210,521,567	100.0%	100.0%

(1) Includes unidentified holders of bearer shares.

(2) Estimates based on Euroclear statements.

(3) Employee shareholders subscribing to the company savings scheme.

Significant events after the reporting period

The TF1 and Axel Springer groups reach an agreement for the acquisition of the aufeminin group

Following the binding offer submitted by the TF1 group to the Axel Springer group on 12 December 2017, the two groups signed an agreement on 17 January 2018 for the TF1 group to acquire the Axel Springer group's majority equity interest of approximately 78% in the aufeminin group at a price of €38.74 per share (subject to customary adjustments at the completion date).

Completion of this deal is subject to clearance from the regulatory authorities in France and Austria.

TF1 group renews its partnership with "Les Bleus" for 4 more years and expands its football offering

On 24 January 2018, the TF1 group announced that it had renewed its long-standing partnership with the French national football team and was expanding its coverage of the sport by screening the Nation League, UEFA Euro 2020 qualifiers and the 2022 World Cup.

HD1 becomes TF1 Séries Films, NT1 becomes TFX

Following the successful editorial relaunch, the TF1 group finalised the revamp of its brand portfolio with the rebranding of NT1 and HD1.

TF1 and Bouygues Telecom sign a distribution agreement

The TF1 group has signed a global distribution agreement with Bouygues Telecom, including the TF1 Premium offer and add-on services. At the same time, the two parties also renewed the distribution agreement for the TF1 group's theme channels: Histoire, TV Breizh and Ushuaïa TV.

Ending of the distribution agreements with Orange for the MYTF1 service and the TF1 group's unencrypted channels

With effect from the expiry date of the contracts (31 January 2018) and in the absence of any agreement with the TF1 group, Orange is no longer authorised to sell its subscribers MYTF1 or the TF1 group's unencrypted channels.

Consequently, the TF1 group had to suspend the supply of the MYTF1 catch-up service to Orange. It also requested Orange to cease selling its subscribers the TF1, TMC, TFX, TF1 Séries Films and LCI channels.

1.4. Segment information

Broadcasting

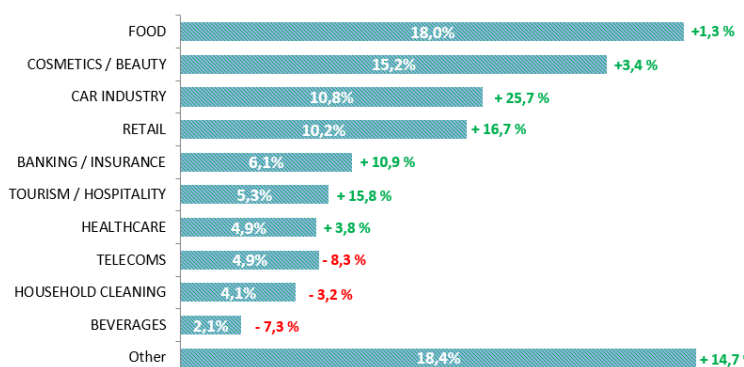
Revenue (€m)	2017	2016	Change
Unencrypted channels	1,543.8	1,517.1	+26.7
- TV advertising on unencrypted channels	1,480.5	1,455.3	+25.2
- other revenue	63.3	61.8	+1.5
Other platforms and related activities	169.8	152.8	+17.0
Broadcasting	1,713.6	1,669.9	+43.7

Unencrypted channels

Advertising revenue

Over 2017 as a whole, the TF1 group's unencrypted channels reported an 8.1% year-on-year increase in gross revenue.

Trends in gross advertising spend (excluding sponsorship) for those channels by sector during 2017 are shown below.



Source: Kantar Média, 2017 vs. 2016.

Advertising revenue from the TF1 group's five unencrypted channels amounted to €1,480.5 million (+1.7% year-on-year), contributing 69.7% of consolidated revenue.

The Group's DTT channels saw further growth thanks to strong audience figures, especially among advertising targets.

The top line was also boosted by very good sponsorship revenue, following regulatory changes at the start of the year.

Current operating profit

Current operating profit for the Broadcasting segment reached €143.3 million, up €55.8 million year-on-year. The contribution from unencrypted channels rose by €50.5 million thanks mainly to increased advertising revenue, savings on the cost of programmes in the absence of any major sporting events, and cost savings achieved under the "Recover" plan.

Unencrypted channels – market review

Average daily TV viewing time during 2017 among individuals aged 4+ remained high at 3 hours 42 minutes, 1 minute less than a year previously. Viewing time for catch-up and recordings increased by 1 minute year-on-year, while live viewing time fell by 2 minutes over the same period.

These figures do not include time spent watching live or catch-up television on other devices (computers, tablets, smartphones, etc.), or outside the home on any device.

Unencrypted channels – audience ratings

In this highly competitive environment the TF1 group is forging ahead with its multi-channel strategy while keeping the cost of programmes under control.

The TF1 group was France's leading private-sector broadcaster over 2017 as a whole, with its five unencrypted channels having a combined audience share of 27.7% among individuals aged 4+ (+0.3 of a point year-on-year).

As part of its ongoing multi-channel strategy, the TF1 group has developed editorial offerings to appeal to all audience types, enabling the Group to expand its audience and become the most-watched channel among all key target groups:

- 32.3% audience share of W<50PDM¹ (+0.2 of a point year-on-year);
- 29.2% audience share of 25-49 year-olds (+0.3 of a point year-on-year);
- 26.3% audience share of ABC1s (+0.5 of a point year-on-year).

¹ Women aged under 50 purchasing decision-makers

The Group's strategic approach to the access prime time slot, involving a radical transformation of the offering to address complementary audience groups, has paid off:

- On TF1: *The Wall* in the first half of 2017, followed by *Demain nous appartient* since July, were seen as a bold move in the industry and proved a success as the channel returned to the no.1 slot among W<50PDM in access prime time;
- On TMC: *Quotidien* has continued to grow audiences during season 2, and since the 2017 back-to-school period has been the most watched talk show in access prime time;
- On LCI: the arrival of David Pujadas to anchor the news channel's 6pm-8pm slot has been a success;
- On TFX: the original reality TV franchises *La villa des cœurs brisés* and *10 couples parfaits* attracted strong ratings;
- On TF1 Séries Films: the American series offering has proved popular with women viewers.

The access prime time offering attracted an average of 3.8 million viewers in the 6pm-8pm slot, making the Group the very clear leader among W<50PDM with a 30.9% audience share.

TF1

With its 22.1% share of the target W<50PDM audience and 20.0% of individuals aged 4+, the TF1 core channel confirmed its market leadership in 2017 with its enduring range of must-see and general-interest programmes.

The channel attracted the top 19 TV audiences of the year, including the most-watched show of 2017: the *Mission Enfoirés* concert with 10.6 million viewers. The channel also posted 84 of the top 100 audiences for 2017, and was the only channel to achieve top 100 ratings across all programme genres (News, Sport, French Drama, Entertainment, Movies and American Series).

- **French Drama:** This genre had the most entries in the top 100, with around thirty programmes. TF1 led with a bold, ambitious and diverse range of must-see prime time drama (*Le tueur du lac* with 7.2 million viewers, *Coup de foudre à Noël*, *Mention Particulière*, *La Mante*), alongside established franchises that performed very well (*Section de Recherches* with 7.3 million viewers, *Alice Nevers*, *Clem*, *Camping Paradis*).
- **News:** TF1 set the pace in coverage of the French presidential elections. The channel

posted the year's biggest audience in the News category as 9.9 million viewers tuned in for the Great Presidential Debate. This was followed up in the back-to-school period when the first televised interview with President Macron attracted 9.5 million viewers. TF1 also strengthened its leadership in special events, such as the coverage of the Johnny Hallyday funeral ceremony, where the channel was undisputed leader with 7 million viewers. News and current affairs programmes remain well ahead of rival channels: up to 6.9 million viewers for the weekday evening bulletin, 7.8 million for the weekend evening bulletin and 6.9 million for the lunchtime bulletin, and in current affairs up to 5.5 million for *Grands Reportages* and 4.7 million for *Sept à Huit*.

- **Sport:** TF1 attracted the biggest sport audience of 2017 for the final of the World Handball championship, with 8.7 million viewers. The final of the Women's World Handball championship also proved popular, with 4.3 million viewers. The channel also achieved record audiences for football World Cup qualifiers featuring the French national team (8.1 million viewers for the match against Luxembourg).
- **Entertainment:** TF1 was the only French channel to get any entertainment shows into the top 100. *Ninja Warrior* saw a sharp rise in ratings for season 2 (600,000 more viewers than in season 1, 35% audience share of W<50PDM), alongside the flagship franchises *Koh Lanta*, *The Voice* (up to 8.1 million viewers) and *Danse avec les Stars*. One-off special evening shows also achieved very high ratings: *Mission Enfoirés*, *Miss France* (7.6 million viewers), and the NRJ Music Awards (5.2 million viewers). It was also a record year for *Les 12 coups de midi* (3.4 million viewers), and the prime-time spin-off shown on 23 December (5.2 million viewers).
- **Movies:** The *Ciné Dimanche* Sunday movie slot achieved high ratings, with French comedies a big hit (*Bienvenue chez les Ch'tis*: biggest movie audience of the year with 8.8 million viewers).

DTT channels

Over 2017 as a whole the TF1 group's DTT arm, comprising the TMC, TFX, TF1 Séries Films and LCI channels, retained its market leadership and achieved the strongest growth among target audiences. It had a combined audience share of 10.2% among W<50PDM (+0.5 of a point year-on-

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year) and 9.3% among 25-49 year-olds (+1.0 point year-on-year).

TMC

2017 confirmed the success of the rebranding of TMC, France's premium DTT channel.

TMC took 6 of the top 10 slots in DTT audience ratings, including the no.1 slot when the channel scored an all-time high for a DTT channel with the semi-final of the World Handball Championship between France and Sweden (4.7 million viewers).

Over 2017 as a whole, TMC took a record 4.2% audience share of 25-49 year-olds and ABC1s, also registering the strongest growth among these target groups.

TMC also adopted a winning strategy in major sporting events, including the France-Paraguay football friendly (3.1 million viewers), the France-All Blacks rugby test match (1.9 million viewers) and the semi-final of the Women's World Handball Championship between France and Sweden (1.2 million viewers).

Meanwhile, *Quotidien* has become the most-watched DTT access prime time talk show, attracting 1.4 million viewers since the back-to-school period (200,000 more than a year previously) and an audience share of 10.4% of 25-49 year-olds and 12.0% of ABC1s. The *Quotidien* talent pool is also making an impact in prime time with the success of documentaries fronted by Martin Weill (0.9 million viewers).

Finally, TMC's movie offering has the best pulling power of any on DTT, including the year's biggest audience for *La 7^{ème} Compagnie* (2.3 million viewers).

TFX (formerly NT1)

TFX confirmed its strategic positioning with a record year among 15-24 year-olds (4.3% audience share) and W<50PDM (3.5% audience share).

The channel rolled out two new hit reality TV shows:

- *La Villa des cœurs brisés* (season 3), which made TFX the fourth most-watched channel among W<50PDM (6% audience share) and the third most watched channel nationally in the 15-24 age bracket (12% audience share).
- *10 couples parfaits*, which launched successfully with average audience shares of

11% among W<50PDM and 14% among 15-24 year-olds.

Movies also performed well: *La mort dans la peau* (English title: *The Bourne Supremacy*) with 1.4 million viewers, *47 Ronin* with 1.3 million viewers and *Terminator Renaissance* (*Terminator Salvation*) with 1.1 million viewers.

TFX also offers exclusive documentary series, including *Appels d'urgence* (up to 0.9 million viewers) and *On a échangé nos mamans* (0.8 million viewers).

TF1 Séries Films (formerly HD1)

The group's movie/drama channel had a record year, celebrating the 5th anniversary of 2nd generation DTT with a 1.9% audience share among individuals aged 4+ and 25-49 year-olds.

The channel attracted 8 of the top 10 2nd generation DTT audiences, including the no.1 slot with *Section de Recherches* (1.4 million viewers).

TF1 Séries Films is the leading 2nd generation DTT channel in prime time, with nearly 450,000 viewers on average.

Movies performed particularly well on TF1 Séries Films, including: *Le Fugitif* (*The Fugitive*, 925,000 viewers), *The Descendants* (873,000 viewers) and *Jurassic Park le monde perdu* (*The Lost World: Jurassic Park*, 840,000 viewers).

LCI

LCI has doubled its audience in a year and is consolidating its position as France's no.2 news channel with a 0.6% audience share among individuals aged 4+.

The French presidential elections were the highlight of the first half of 2017. LCI was the most-watched news channel with the joint screening of the Great Presidential Debate (345,000 viewers, 1.7% of individuals aged 4+) and the announcement of the new government (353,000 viewers, 2.4% of individuals aged 4+).

LCI confirmed its position in the back-to-school period thanks to new shows and new faces, and was the only French news channel to increase its audience during the last four months of the year, by 21%:

- the morning show (*La Matinale*): audiences sharply higher, with LCI the only news channel to raise its audience in this time slot (1.8% of individuals aged 4+, up 0.6 of a point). The editorial makeover has also transformed the audience ratings: 1.8% share (+0.7 of a point) of 25-49 year-olds, and 2.8% audience share (+1 point) of ABC1s.
- *La République LCI*: 1.4% of individuals aged 4+, and strongest growth for this time slot gaining 0.5 of a point of audience share year-on-year.
- *Le Débat LCI*: 1% audience share of individuals aged 4+ (+0.6 of a point year-on-year).
- Success for *24H Pujadas, l'info en questions*: Second most-watched news channel with 1% share of individuals aged 4+ and up to 235,000 viewers.
- Weekend "News Brunch" show: 30% audience growth year-on-year, with up to 104,000 viewers and 1.6% share of individuals aged 4+.

TF1 Publicité (third-party airtime sales)

Although radio airtime sales were stable year-on-year in 2017, overall revenue from third-party airtime sales (for radio stations, non-Group television channels, etc.) was lower over the same period.

TF1 Films Production

Cumulative cinema footfall in 2017 was 209 million, versus 213 million in 2016.

52 movies (17 of them French) generated over a million box-office entries each in 2017, versus 53 (18 of them French) in 2016. French movies accounted for 37.4% of all movies screened in French cinemas in 2017 (versus 35.8% in 2016).

The top four French movies at the box office were all co-produced by TF1 Films Production: *Raid Dingue* (4.6 million), *Valérian et la cité des mille planètes* (4.0 million), *Alibi.com* (3.6 million) and *Le sens de la fête* (2.9 million).

Overall, the 21 movies co-produced by TF1 Films Production in 2017 generated over 23 million box office entries, including five that broke the million barrier (versus 9 in 2016).

The revenue contribution from TF1 Films fell slightly and current operating profit was lower than in 2016, due largely to amortisation patterns related to the number of annual movie releases.

TF1 Production

In 2017, TF1 Production produced around 410 hours of programmes (versus 450 in 2016). The main reason was the absence of morning drama programmes (*Petits secrets entre voisins*, *Petits secrets entre familles*). The number of hours delivered to DTT channels was stable year-on-year at around 100.

In the final quarter of 2017, TF1 Production launched new true life story programmes such as *Mon plus beau Noël* (20 episodes) and *Le merveilleux village de Noël*.

TF1 Production's contribution to Group revenue rose year-on-year, as did current operating profit thanks to production cost savings.

Other platforms and related activities

e-TF1

TF1 is pursuing its digital strategy, working closely with the Group's TV channels.

Digital activities recorded strong growth in 2017 thanks to increased levels of interactivity and to advertising revenue from MYTF1. The extra audiences generated by the Group's digital platforms are continuing to grow substantially.

Interactivity revenue was also strong in 2017, thanks to a favourable programming mix.

At the same time, innovative programming solutions helped exploit the fit between the broadcast channels and digital, boosting audiences for big events including:

- news and current affairs: coverage of the Great Presidential Debate was spread across TF1, LCI and Digital, so that the debate was followed by 11.2 million people;
- French drama: thanks to exposure on MYTF1 via an exclusive premiere and catch-up, coupled with linear broadcast on TF1 and TF1 Séries Films, the first episode of the blockbuster series *Le Tueur du Lac* was seen by 7.9 million people.

The Group's digital video audiences also advanced during 2017, with 1.7 billion video views on the MYTF1 platform alone, a 31% year-on-year increase.

With effect from 1 January 2017, the subscription-only kids' offering TFOU MAX was transferred to TF1 Vidéo.

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Overall, e-TF1 achieved growth in both revenue and operating profit during 2017.

Theme channels

French pay-TV channels as a whole attracted an audience share of 10.0% among individuals aged 4+ during 2017, stable year-on-year¹.

Revenue for the TF1 group's theme channels (TV Breizh, Ushuaïa, Histoire) advanced during 2017 on stronger advertising revenue. At the same time, tight cost control enabled the three channels to improve their profitability.

TV Breizh

TV Breizh continues to build up its schedules around "gold" series like *Magnum*, *Les feux de l'amour* and *MacGyver*.

This has helped the channel secure top spot among pay-TV channels with subscribers to cable/satellite bundles, with a 0.6% share of individuals aged 4+².

Histoire and Ushuaïa

Ushuaïa TV, France's best-known science and nature channel according to the CSA Institute industry barometer, continued its event TV policy built around programme cycles and one-off specials, featuring high-profile presenters such as Denis Brogniart and H  l  ne Gateau.

2017 also saw the 30th anniversary of the *Ushuaïa* documentary programme, marked by a new exclusive interview with Nicolas Hulot.

Histoire, which celebrated its 20th anniversary in 2017, is France's no.1 history channel and is making inroads in both its target markets (25-49 year-olds and ABC1s)¹.

Histoire is developing a variety of formats, including strands related to classic/period drama and historical stage plays.

Studios & Entertainment

Revenue (��m)	2017	2016	Change
Studios & Entertainment	411.3	392.8	+18.5

¹ M  diam  trie – M  diamat.

Current operating profit/(loss) (��m)	2017	2016	Change
Studios & Entertainment	42.0	41.9	+0.1

Studios

Newen Studios

The expansion of Newen continued in 2017 with the acquisition of Tuvalu Media Group, the leading independent producer in the Netherlands. Among the programmes produced by Tuvalu are *The First Years*, *My New Home*, *Maestro* (BBC format) and *Cover Me*.

In the final quarter of 2017, Newen Studios continued to diversify and extend its order book with the following productions: *Candice Renoir* (season 6) for France 2, *Cassandra* for France 3, *Demain nous appartient* for TF1, *Nu* for France 2 and *Thanksgiving* for Arte.

Dramas produced by Newen Studios provided some ratings hits during the period: *Demain nous appartient* on TF1 (record audience of 3.4 million viewers) and *Nina* (season average of 3.9 million viewers).

In digital, Newen acquired Mayane Communication on 28 December 2017. Mayane is a major French plurimedia group focused on childcare, infancy and parenting.

TF1 Studio

A total of 13 movies went on general release in 2017, versus 18 in the previous year.

The year's biggest hits were *Alibi.com* (3.6 million box-office entries) and *Il a d  j   tes yeux* (1.4 million).

Alibi.com was also the best performer on VoD with 454,000 viewings, ahead of the year's American movies.

TFOUMAX joined TF1 Studio during 2017.

² M  diamat'Th  matik (wave 33, January-June 2017), Pay-TV universe

Entertainment

TF1 Entertainment

TF1 Entertainment had a good year in 2017, with growth in both revenue and operating profit. The main factors were:

- the La Seine Musicale concert hall, with good performances from *Bartabas*, the Michel Sardou concert, and above all *West Side Story*;
- Play Two, which launched during the year and enjoyed two highly successful album releases: the Michel Sardou tribute album, and especially the new MC Solaar album in the fourth quarter of 2017;
- Publishing, with strong contributions from the Tutankhamen and Eiffel Tower collections;

- Music/Live Shows: in the fourth quarter of 2017, the launch of the "Escape Game" event at the Parc des Princes stadium was a great footfall success. The music side performed well, driven by the Label (including M. Pokora and Lou) and performing artists (Florent Pagny, Indochine, and the Johnny Hallyday covers album).

Home Shopping

Despite a drop in orders placed, gross margin held steady year-on-year.

1.5. Corporate social responsibility

Launch of “TF1 Initiatives”: translating CSR into social engagement

In December 2017, the TF1 Group presented to its partners, the media and not-for-profit organisations the Group’s new vehicle for social engagement: TF1 Initiatives. This brings together in a more coherent and visible way the entirety of the TF1 group’s resources in social engagement, whether through its broadcasting and corporate activities or the TF1 Foundation.

TF1 Initiatives is organised around three themes – solidarity, diversity, and the sustainable society – working together in the service of social cohesion and “living together better” in France.

“Diversity label” accreditation renewed

In December 2017, Gilles Péliesson (CEO) and Arnaud Bosom (Executive Vice President, Human Resources and CSR) received, on behalf of the TF1 group, the recently-renewed “Diversity Label” accreditation from Laureline Andrau Tilmont of the Ministry of Labour.

This label recognises the Group’s exemplary record in preventing discrimination, ensuring fair treatment and promoting diversity both in managing its own human resources and across its channels.

The award again highlighted the five key pillars of this policy underpinning TF1’s day-to-day actions: gender parity, generations, disabilities, ethnic diversity and sexual orientation.

3 major partnerships for TF1 Initiatives

TF1 Initiatives is developing through partnerships with not-for-profit organisations already involved in “living together” projects across France. The TF1 group has signed three new major partnerships with Sport dans la Ville, Fraternité Générale and Respect Zone.

“Sport dans la Ville” – using sport to promote social inclusion among girls and boys

Founded in 1998, Sport dans la Ville uses sport to promote social inclusion, and is France’s leading not-for-profit organisation in the field. The organisation has 5,500 young people on its books, who receive help with their personal and professional development. Sport dans la Ville has set a target of increasing its number of sports centres from 36 to 80 by the time of the 2024 Paris Olympics, so that 12,000 young people will be able to use these facilities across France.

TF1 will help the organisation reach its target. This partnership will draw on the goodwill of our sports stars, our journalists and communication specialists, our in-house sport clubs and all staff members who want to contribute, to roll out our job

opportunity programmes more widely across France.

“Fraternité Générale” – promoting fraternity through culture, sport and citizenship initiatives

Fraternité Générale promotes fraternity through cultural, educational and citizenship projects throughout France that aim to combat exclusion, isolation and prejudice, and encourage socially-useful initiatives. The organisation has developed a collection of video clips on fraternity that were shown in November 2017 on major TV channels (including TF1), in cinemas, on the internet and at sports stadiums. TF1 and Fraternité Générale will work together to support or create events across France under the “Fraternité Générale” banner.

Respect Zone – promoting respect online

TF1 websites and social networks now carry the logo of Respect Zone, a not-for-profit organisation promoting respect on the internet. Adopting the Respect Zone logo shows backing for responsible citizenship, highlighting ethical behaviour and self-moderation. It is a way of committing to respect oneself and others. The Respect Zone logo is backed by a four-paragraph charter that sets out the legal position, and the principles of responsible freedom of expression and living together through non-violent communication. This partnership addresses the new social challenges facing the TF1 group as it migrates towards digital.

14 December 2017: 10 years of the TF1 Foundation

In December 2017, TF1 celebrated the 10th anniversary of the TF1 Foundation, which addresses one of the three key challenges of TF1 Initiatives: Diversity.

The Foundation plays an important and innovative role in combatting discrimination in its various forms. In seeking to promote equal opportunities and diversity of backgrounds within the Group, the Foundation’s main objectives are:

- giving job opportunities to young people from deprived neighbourhoods;
- promoting links between young people, colleges and businesses;
- supporting entrepreneurial structures;
- implementing co-operative projects between companies;
- devising innovative solidarity initiatives.

Over the last ten years, more than 120 young people from TF1 Foundation programmes have been hired on two-year contracts, by around fifty different departments within the Group. Of the eight intakes that have completed their programme, 93% of leavers have found a job (52% of them within the TF1 group) and 7% have resumed their studies.

The TF1 Foundation continues to build closer ties with the Greater Paris region through actions such as signing the “Entreprises et quartiers” (Business & Neighbourhoods) charter, and through associated initiatives (sometimes co-operatively with other companies) such as “Tous en Stage”, a not-for-profit organisation arranging internships.

After an enthusiastic response from the women who took part, this initiative will be repeated in 2018.

TF1 makes a stand on violence against women

The TF1 group marked the International Day for the Elimination of Violence against Women on 25 November 2017 with:

- a special video clip screened on the Group’s channels;
- a story on the evening news bulletin about “App Elles”, a new free app that allows female victims of violence to discreetly alert their loved ones and activate sound recordings and their geolocator;
- Caroline de Haas, a militant feminist and business leader, was the guest on the LCI morning news programme. The “News Brunch” show followed this with a programme dedicated to the issue, with Eva Darlan (actor, and author of the 2013 book *Crue et nue: Le manifeste de mon corps*) as special guest;
- the TF1 group became the media partner for #STOPVFF, a social media campaign to stop violence against women initiated by Make.org in association with the Kering Foundation and Facebook. The aim is to invite practical proposals to combat this scourge. Nearly 500,000 French people will be asked to vote for their favourite proposals, and the top 10 will be rolled out with partner charities starting in March 2018.

Recognition for TF1’s efforts to give women a higher profile in news programmes

At the 5th French CSR awards ceremony in November 2017, the TF1 group received an award in the “Best Business-Related CSR Project” category for its efforts to promote fairer representation of women in news programmes.

In 2016, TF1 embarked on a long-term project to tackle the problem of under-representation of women in the media. Progress will be measured annually in terms of increased on-screen presence of women.

The Group’s News Division has implemented a series of initiatives to further this aim:

- awareness training for journalists, researchers and editors, with a view to ensuring more women appear on news programmes;
- media training sessions in association with the Vox Femina not-for-profit organisation, to support female experts in public speaking roles;
- a one-day conference, attended by 180 female experts from various fields including the law, business, healthcare and the police, to increase the proportion of female experts appearing on TV.

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1.6. Human resources update

As of 31 December 2017, the TF1 group had 2,706 employees on permanent contracts.

1.7. Stock market performance

On 31 December 2017, TF1 shares closed at a price of €12.29; this represents a rise of 30% over the calendar year.

Over the same period, the CAC 40 rose by 9.3% and the SBF 120 by 10.8%.

The market capitalisation of the TF1 group as of 31 December 2017 was €2.578 billion, 30% higher than a year earlier.

1.8. Outlook

During 2018, the TF1 group will press ahead with its multi-channel, multi-media and multi-line strategy, and continue to grow its digital and production activities.

The Group will carry exclusive unencrypted coverage of 28 matches from the Football World Cup across its channels; continue to refresh its range of series (*La vérité sur l'affaire Harry Quebert*), French drama (*Les bracelets rouges, Insoupçonnable*) and entertainment (*L'aventure Robinson, Running Wild*); consolidate the access prime time slot (*Quotidien, Demain nous appartient*); and develop its news and current affairs offer.

In distribution, the Group will – in line with what was achieved with Altice-SFR in 2017 and Bouygues Telecom in early 2018 – offer TF1 Premium (content plus new services) to all operators.

In digital, the recently-announced acquisition of the aufeminin group will pave the way for a different relationship with advertisers built on strong internet audiences delivered by highly-engaged web communities around aufeminin

⁴ Under the "Beautiful Box" plan, users pay a monthly subscription and receive a surprise monthly gift box, which beauty brands can use to promote their products.

brands (aufeminin.com, Marmiton, My Little Paris); these brands have a presence in over 20 countries, with many followers even paying for gift box plans⁴. The integration of aufeminin with the TF1 group could take place (after clearance from the competition authorities) during the first half of 2018. This will be one of the priorities for accelerating the Group's digital transformation in 2018.

The TF1 group expects:

- from 2018 onwards: growth in current operating margin at Group level (excluding major sporting events);
- average annual cost of programmes reduced to €960 million (excluding major sporting events) for the five unencrypted channels for the 2018-2020 period, thanks to optimisation of investment in content.

As the same time, the TF1 group is reiterating:

- its ambition to deliver growth in revenue from activities other than advertising on the five unencrypted channels, with those other activities expected to account for at least one-third of consolidated revenue in 2019;
- its target of double-digit current operating margin in 2019.

1.9. Movements in share capital

Between 1 January 2017 and 31 December 2017, 448,200 shares were created as a result of exercise of stock options. TF1 did not hold any of its own shares during that period.

As of 31 December 2017, the number of shares and voting rights was 209,865,742. The share capital as of that date was €41,973,148.40.

1.10. Corporate governance

Acting on the recommendations of the Director Selection Committee, the Board of Directors will ask the Annual General Meeting of 19 April 2018 to renew the terms of office of Laurence Danon

Arnaud, Martin Bouygues, and Bouygues SA (permanent representative: Philippe Marien) as directors for a further three years.

If these proposals are approved, it will maintain the proportion of both independent directors and women directors on the Board at 44% (not counting the employee representative directors, both of whom are women).

The terms of office of the two employee representative directors, Fanny Chabirand and Sophie Leveaux Talamoni, expire in 2018. The employee representative directors are directly elected by TF1 employees in advance of the Annual General Meeting. The first round of elections is scheduled for 22 March 2018. The Annual General Meeting of 19 April 2018 will know the names of the employee representative directors elected, who will serve for two years.

1.11. Diary dates

- **19 April 2018:** Annual General Meeting
- **25 April 2018:** 2018 first-quarter revenue and financial statements
- **30 April 2018:** 2017 dividend ex date
- **2 May 2018:** date of record for dividend payments
- **3 May 2018:** payment of dividend
- **24 July 2018:** 2018 first-half revenue and financial statements
- **30 October 2018:** 2018 9-month revenue and financial statements

These dates may be subject to change.

2. 2017 Consolidated Financial Statements

The financial statements have been audited, and an unqualified opinion has been issued by the auditors.

Consolidated income statement

(€ million)	<i>Note</i>	2017	2016
Advertising revenue		1,561.7	1,530.1
Other revenue		563.2	532.6
Revenue	5.1	2,124.9	2,062.7
Other income from operations	5.1	43.1	14.1
Purchases consumed and changes in inventory	5.2	(877.1)	(923.2)
Staff costs	5.3	(453.2)	(403.9)
External expenses	5.4	(391.6)	(369.9)
Taxes other than income taxes	5.5	(131.2)	(127.2)
Depreciation and amortisation, net		(173.2)	(177.6)
Provisions and impairment, net		(53.7)	(80.6)
Other current operating income	5.6	244.2	242.6
Other current operating expenses	5.6	(146.9)	(107.6)
Current operating profit/(loss)		185.3	129.4
Non-current operating income		-	-
Non-current operating expenses	5.7	(23.3)	(83.7)
Operating profit/loss		162.0	45.7
Income associated with net debt		0.2	0.6
Expenses associated with net debt		(1.7)	(1.8)
Cost of net debt	5.8	(1.5)	(1.2)
Other financial income	5.9	15.8	4.3
Other financial expenses	5.9	(9.5)	(8.8)
Income tax expense	5.11	(44.6)	(5.9)
Share of profits/(losses) of joint ventures and associates		14.2	9.9
Net profit/(loss) from continuing operations		136.4	44.0
Net profit/(loss) from discontinued or held-for-sale operations		-	-
Net profit/(loss)		136.4	44.0
<i>attributable to the Group:</i>		136.1	41.7
<i>Net profit/(loss) from continuing operations</i>		136.1	41.7
<i>attributable to non-controlling interests:</i>		0.3	2.3
<i>Net profit/(loss) from continuing operations</i>		0.3	2.3
Weighted average number of shares outstanding (in '000)		209,664	209,444
Basic earnings per share from continuing operations (€)	7.4.2	0.65	0.20
Diluted earnings per share from continuing operations (€)	7.4.2	0.65	0.20
Basic earnings per share from held-for-sale operations (€)		-	-
Diluted earnings per share from held-for-sale operations (€)		-	-

Statement of recognized income and expense

(€ million)	2017	2016
Consolidated net profit/(loss) for period	136.4	44.0
Items not reclassifiable to profit or loss		
Actuarial gains and losses on employee benefits	(1.2)	(3.7)
Net tax effect of equity items not reclassifiable to profit or loss	(1.0)	1.3
Share of non-reclassifiable income and expense of joint ventures and associates recognised in equity		-
Items reclassifiable to profit or loss		
Remeasurement of hedging instruments ⁽¹⁾	(6.5)	0.8
Remeasurement of available-for-sale financial assets		-
Change in cumulative translation adjustment of controlled entities		-
Net tax effect of equity items reclassifiable to profit or loss	2.2	(0.3)
Share of reclassifiable income and expense of joint ventures and associates recognised in equity		-
Income and expense recognised directly in equity	(6.5)	(1.9)
Total recognised income and expense	129.9	42.1
<i>attributable to the Group</i>	129.6	39.7
<i>attributable to non-controlling interests</i>	0.3	2.4

⁽¹⁾ includes amounts reclassified to profit or loss: -€4.1 million in 2017, -€2.9 million in 2016

Consolidated cash flow statement

(€ million)	Note	2017	2016
Net profit/(loss) from continuing operations (including non-controlling interests)		136.4	44.0
Depreciation, amortisation, provisions & impairment (excluding current assets)	6.2.1	231.8	242.9
Net (gain)/loss on asset disposals		7.0	0.5
Share of (profits)/losses and dividends of joint ventures and associates		(12.9)	(8.4)
Other non-cash income and expenses	6.2.2	(36.1)	(18.6)
Sub-total		326.2	260.4
Cost of net debt		1.5	1.2
Income tax expense (including deferred taxes)		44.6	5.9
Operating cash flow		372.3	267.5
Income taxes (paid)/reimbursed		(21.2)	(53.4)
Change in operating working capital needs	6.2.3	(82.0)	14.5
Net cash generated by/(used in) operating activities		269.1	228.6
Cash outflows on acquisitions of property, plant & equipment and intangible assets		(189.7)	(205.4)
Cash inflows from disposals of property, plant & equipment and intangible assets		0.9	0.3
Cash outflows on acquisitions of financial assets		(35.0)	(7.3)
Cash inflows from disposals of financial assets		9.2	2.5
Effect of changes in scope of consolidation	6.3.1	66.8	(104.9)
<i>Purchase price of investments in consolidated activities</i>		(32.6)	(186.5)
<i>Proceeds from disposals of consolidated activities</i>		90.5	9.5
<i>Net liabilities related to consolidated activities</i>		-	-
<i>Other changes in scope of consolidation (cash of acquired or divested entities)</i>		8.9	72.1
Dividends received		0.1	-
Other cash flows from investing activities		(2.2)	(0.8)
Net cash generated by/(used in) investing activities		(149.9)	(315.6)
Cash received on exercise of stock options	7.4.6	3.0	1.9
Purchases and sales of treasury shares		-	(21.4)
Other transactions between shareholders		(3.0)	(0.8)
Dividends paid during the period	7.4.5	(58.6)	(167.3)
Cash inflows from new debt contracted		42.8	85.7
Repayment of debt (including finance leases)		(25.7)	(91.4)
Net interest paid (including finance leases)		(1.5)	(1.2)
Net cash generated by/(used in) financing activities		(43.0)	(194.5)
CHANGE IN CASH POSITION – CONTINUING OPERATIONS		76.2	(281.5)
Cash position at start of period – continuing operations		419.3	700.8
Change in cash position during the period – continuing operations		76.2	(281.5)
Cash position at end of period – continuing operations		495.5	419.3

Consolidated balance sheet

ASSETS (€m)	Note	31/12/2017	31/12/2016
Goodwill	7.3.1	580.4	560.9
Intangible assets		234.6	237.2
Audiovisual rights	7.1.1	170.8	174.4
Other intangible assets	7.3.2	63.8	62.8
Property, plant and equipment	7.3.3	177.2	174.0
Investments in joint ventures and associates	7.3.4	22.2	89.3
Non-current financial assets	7.3.5	46.5	31.7
Non-current tax assets		-	-
Total non-current assets		1,060.9	1,093.1
Inventories		615.9	677.5
Programmes and broadcasting rights	7.1.2	597.8	661.9
Other inventories		18.1	15.6
Trade and other debtors	7.2.1	1,204.7	979.8
Current tax assets		13.0	40.2
Other current financial assets		-	4.9
Cash and cash equivalents	7.5.1	495.8	420.2
Total current assets		2,329.4	2,122.6
Assets of held-for-sale operations		-	-
TOTAL ASSETS		3,390.3	3,215.7
Net surplus cash (+) / Net debt (-)	7.5.1	256.7	186.7

Consolidated balance sheet (continued)

SHAREHOLDERS' EQUITY AND LIABILITIES (€ million)	Note	31/12/2017	31/12/2016
Share capital	7.4.1	42.0	41.9
Share premium and reserves		1,403.8	1,409.8
Net profit/(loss) for the period attributable to the Group		136.1	41.7
Shareholders' equity attributable to the Group		1,581.9	1,493.4
Non-controlling interests		(0.1)	(0.8)
Total shareholders' equity		1,581.8	1,492.6
Non-current debt	7.5.1	232.6	224.9
Non-current provisions	7.3.6	38.8	54.2
Non-current tax liabilities	5.9.2	40.2	42.9
Total non-current liabilities		311.6	322.0
Current debt	7.5.1	6.5	8.6
Trade and other creditors	7.2.2	1,466.3	1,368.0
Current provisions	7.2.3	16.5	24.5
Current tax liabilities		-	-
Other current financial liabilities		7.6	-
Total current liabilities		1,496.9	1,401.1
Liabilities of held-for-sale operations		-	-
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES		3,390.3	3,215.7

Consolidated statement of changes in shareholders' equity

(€ million)	Share capital	Share premium	Treasury shares	Reserves	Income & expense recognised directly in equity	Shareholders' equity attributable to the Group	Non-controlling interests	Consolidated shareholders' equity
BALANCE AT 31 DECEMBER 2016	41.9	13.5	-	1,447.9	(9.9)	1,493.4	(0.8)	1,492.6
Capital increase (stock options exercised)	0.1	2.9	-	-	-	3.0	-	3.0
Share-based payment	-	-	-	5.1	-	5.1	-	5.1
Purchase of treasury shares	-	-	-	-	-	-	-	-
Cancellation of treasury shares	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	(58.6)	-	(58.6)	-	(58.6)
Other transactions with shareholders	-	-	-	17.1	-	17.1	0.3	17.4
Total transactions with shareholders	0.1	2.9	-	(36.4)	-	(33.4)	0.3	(33.1)
Consolidated net profit/(loss) for period	-	-	-	136.1	-	136.1	0.3	136.4
Income and expense recognised directly in equity	-	-	-	-	(6.5)	(6.5)	-	(6.5)
Other movements (changes in accounting policy and scope of consolidation, other items)	-	-	-	(7.7)	-	(7.7)	0.1	(7.6)
BALANCE AT 31 DECEMBER 2017	42.0	16.4	-	1,539.9	(16.4)	1,581.9	(0.1)	1,581.8

(€ million)	Share capital	Share premium	Treasury shares	Reserves	Income & expense recognised directly in equity	Shareholders' equity attributable to the Group	Non-controlling interests	Consolidated shareholders' equity
BALANCE AT 31 DECEMBER 2015	42.1	11.7	(20.0)	1,715.8	(7.9)	1,741.7	20.1	1,761.8
Capital increase (stock options exercised)	0.1	1.8	-	-	-	1.9	-	1.9
Share-based payment	-	-	-	2.5	-	2.5	-	2.5
Purchase of treasury shares	-	-	(21.4)	-	-	(21.4)	-	(21.4)
Cancellation of treasury shares	(0.3)	-	13.2	(12.9)	-	(0.0)	-	(0.0)
Dividends paid	-	-	-	(167.2)	-	(167.2)	(0.1)	(167.3)
Other transactions with shareholders	-	-	28.2	(3.4)	-	24.8	(23.8)	1.0
Total transactions with shareholders	(0.2)	1.8	20.0	(181.0)	-	(159.4)	(23.9)	(183.3)
Consolidated net profit/(loss) for period	-	-	-	41.7	-	41.7	2.3	44.0
Income and expense recognised directly in equity	-	-	-	-	(2.0)	(2.0)	0.1	(1.9)
Other movements (changes in accounting policy and scope of consolidation, other items)	-	-	-	(128.6)	-	(128.6)	0.6	(128.0)
BALANCE AT 31 DECEMBER 2016	41.9	13.5	-	1,447.9	(9.9)	1,493.4	(0.8)	1,492.6

Refer to Note 7-4, "Consolidated shareholders' equity", for an analysis of these changes.

Notes to the consolidated financial statements

For the notes to the consolidated financial statements, refer to the full set of consolidated financial statements, available on our corporate website at: <http://www.groupe-tf1.fr/en/investisseurs/resultats-et-publications/rapports-annuels>.

Télévision Française 1

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