Financial Information
First half of 2017

Financial Information – First Half of 2017

1. Half-year management report

1.1. Key figures

Financial indicators

These key figures are extracted from TF1 consolidated financial data.

(€ million)	H1 2017	H1 2016	FY 2016
Revenue	**1,036.7**	**1,025.2**	**2,062.7**
Group advertising revenue	*782.1*	*770.1*	*1,530.1*
Revenue from other activities	*254.6*	*255.1*	*532.6*
Current operating profit/(loss)	**107.6**	**57.5**	**129.4**
Operating profit/(loss)	**96.0**	**2.8**	**45.7**
Net profit/(loss) attributable to the Group from continuing operations	**74.6**	**(0.6)**	**41.7**
Operating cash flow before cost of net debt and income taxes	**183.7**	**121.2**	**267.5**
Basic earnings per share from continuing operations (€)	**0.36**	**0.0**	**0.20**
Diluted earnings per share from continuing operations (€)	**0.35**	**0.0**	**0.20**
Shareholders' equity attributable to the Group	**1,503.3**	**1,463.7**	**1,493.4**
Net surplus cash/(net debt) of continuing operations	**247.6**	**133.1**	**186.7**

	H1 2017	H1 2016	FY 2016
Weighted average number of ordinary shares outstanding (in '000)	**209,528**	**209,173**	**209,444**
Closing share price at end of period (€)	**12.26**	**9.56**	**9.45**
Market capitalisation at end of period (€bn)	**2.57**	**2.01**	**1.98**

Income statement contributions – continuing operations

The results shown below are presented using the new 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	H1 2017	H1 2016	Chg.	Chg.%
Broadcasting	**855.4**	**838.1**	**17.3**	**2.1%**
TV advertising on free-to-air channels	**745.2**	*736.2*	*9.0*	*1.2%*
Other revenues	*110.2*	*101.9*	*8.3*	*8.2%*
Studios & Entertainment	**181.3**	**187.1**	**(5.8)**	**-3.1%**
Consolidated revenue	**1,036.7**	**1,025.2**	**11.5**	**1.1%**
Cost of programmes	**(482.2)**	**(497.8) ***	**15.6**	**-3.1%**
Broadcasting	**91.5**	**38.0**	**53.5**	**ns**
of which Free platforms	65.8	18.1	47.7	ns
Studios & Entertainment	**16.1**	**19.5**	**(3.4)**	**-17.4%**
Current operating profit/(loss)	**107.6**	**57.5**	**50.1**	**87.1%**

** The cost of programmes published for H1 2016 was €517.5 million, including €19.7 million of non-recurring expenses. Excluding non-recurring expenses, the cost of programmes was €497.8 million.*

Contribution to advertising revenue

(€ million)	H1 2017	H1 2016
Broadcasting	**776.9**	**766.0**
Free platforms	753.3	745.0
Other platforms and related activities	23.6	21.0
Studios & Entertainment	**5.2**	**4.1**
ADVERTISING REVENUE	**782.1**	**770.1**

Contribution to current operating profit/(loss)

(€ million)	H1 2017	H1 2016
Broadcasting	**91.5**	**38.0**
Free platforms	65.8	18.1
Other platforms and related activities	25.7	19.9
Studios & Entertainment	**16.1**	**19.5**
CURRENT OPERATING PROFIT/(LOSS)	**107.6**	**57.5**

Cost of programmes on free platforms, by type

(€ million)	H1 2017	H1 2016*
Variety/Gameshows/Magazines	141.7	142.9
Drama/TV movies/Series/Plays	148.3	150.8
Sport (excluding major sporting events)	30.6	21.7
News	75.0	66.8
Films	80.3	69.9
Children's programmes	6.3	7.8
Total excluding major sporting events	**482.2**	**459.9**
Major sporting events	*0.0*	*37.9*
Total cost of programmes	**482.2**	**497.8**

The cost of programmes includes the cost of LCI programmes with effect from that channel's switchover to freeview on 5 April 2016.

** The cost of programmes published for H1 2016 was €517.5 million, including €19.7 million of non-recurring expenses. Excluding non-recurring expenses, the cost of programmes was €497.8 million.*

1.2. Significant events of the first half 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.4 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 Teleshopping 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 "Lolywood" 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, Lolywood ranks no.4 in monthly comedy audience ratings on YouTube with 226 million video views and 1.6 million subscribers.

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 condensed consolidated financial statements.

Revenue

Consolidated revenue for the first half of 2017 reached €1,036.7 million, up €11.5 million (1.1%) year-on-year, and comprised:

- Group advertising revenue of €782.1 million, up 1.6%, driven mainly by stronger revenue from the DTT channels and a very good performance in sponsorship.
- Revenue from other activities of €254.6 million, stable year-on-year.

Cost of programmes and other current operating income/ expenses

Cost of programmes

The cost of programmes for the first half was €482.2 million, a saving of €15.6 million relative to the first half of 2016 (excluding non-current expenses), reflecting:

- the impact (net of the cost of replacement programmes) of €30.7 million due to the broadcasting of games from the Euro 2016 football tournament;
- the exclusion of LCI's cost of programmes in the first quarter of 2016, prior to the channel's freeview switchover;
- reinvestment in programmes (especially coverage of the World Handball Championship and Confederations Football Cup).

Other expenses and impairment, provisions, depreciation and amortisation

Other expenses and depreciation, amortisation and provisions decreased by €23.0 million in the first half of 2017, mainly on €14 million cost savings achieved under the "Recover" plan.

Current operating profit

Current operating profit reached €107.6 million, an increase of €50.1 million year-on-year, including €30.7 million of savings arising from the lack of any major sporting events during the first half of 2017. The effects of the multi-channel strategy adopted from the back to school period in 2016 and of the transformation of the Group had a positive impact of €19.4 million on first-half current operating profit, with a contribution of 1.9-point to the improvement in margin. Recurring cost savings of €14 million were achieved under the "Recover" plan.

Current operating margin was 10.4%, up 4.8 points year-on-year.

Operating profit

The Group posted an operating profit of €96.0 million after charging €11.6 million of non-current expenses related to the amortisation of intangible assets identified in connection with the Newen Studios acquisition.

Net profit

Overall, net profit attributable to the Group was €74.6 million, including the gain arising on the divestment of the equity interest in Groupe AB, in the Group's share of the profits and losses of joint ventures and associates.

Financial position

Shareholders' equity attributable to the Group was €1,503 million at 30 June 2017, out of a balance sheet total of €3,402 million.

The net cash position at 30 June 2017 was €248 million, compared with €187 million at 31 December 2016; the increase was mainly due to cash generated by operating activities.

1.4. Segment information

BROADCASTING

Revenue (€m)	H1 2017	H1 2016	Chg %
Free platforms	**770.7**	**762.2**	**1.1%**
- TV advertising on free platforms	745.2	736.2	1.2%
- Other revenue	25.5	26.0	-1.9%
Other platforms and related activities	**84.7**	**75.9**	11.6%
Broadcasting	**855.4**	**838.1**	**2.1%**

Broadcasting segment revenue for the first half of 2017 was €855.4 million, a year-on-year rise of 2.1% or €17.3 million. Current operating profit for the segment was €91.5 million, up €53.5 million year-on-year.

Free platforms

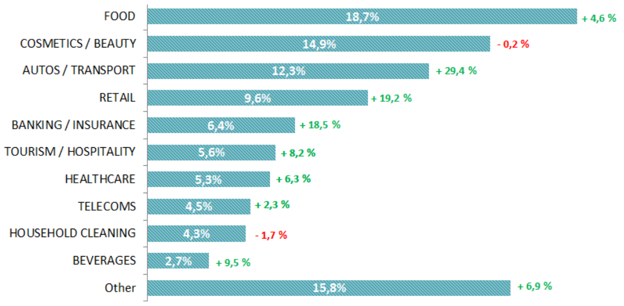
The Group's free platforms generated revenue of €770.7 million in the first half of 2017, up 1.1% year-on-year, comprising:

- TV advertising revenue of €745.2 million for the five free-to-air channels, up €9.0 million year-on-year;
- revenue from other activities of €25.5 million, down €0.5 million year-on-year.

Advertising revenue [1]

The TF1 group's free-to-air channels reported an 8.9% increase in gross revenue relative to the first half of 2016.

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



Source: Kantar Media, H1 2017 vs. H1 2016.

[1] *Plurimedia spend excluding sponsorship and internet (5 media)*

Advertising revenue for the Group's free-to-air channels rose by 1.2% to €745.2 million in the first half of 2017. Bear in mind that because the LCI channel did not switch to freeview until 5 April 2016, advertising revenue from that channel was immaterial in the first quarter of 2016.

The Group's DTT channels saw further growth thanks to strong audiences, especially among key target markets for advertisers.

The top line was also boosted by very good sponsorship revenue, following recent regulatory changes.

Current operating profit/(loss)

The Broadcasting segment reported a current operating profit of €91.5 million, up €53.5 million year-on-year. The contribution from free platforms advanced by €47.7 million, mainly as a result of higher advertising revenue, a reduction in the cost of programmes, and cost savings achieved under the "Recover" plan.

Free-to-air channels: market overview

Average daily TV viewing time for individuals aged 4 and over is stabilising at a high level and in the first half of 2017 was 3 hours 47 minutes, 1 minute less than a year previously. Viewing time for catch-up and recordings was unchanged year-on-year, while live viewing time fell by 1 minute over the same period.

For "women aged under 50 purchasing decision-makers" (W<50PDM), average daily viewing time over the first half of 2017 was 3 hours 42 minutes, down 4 minutes year-on-year; this comprised 3 hours 26 minutes of live viewing and 16 minutes of catch-up and recordings.

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

During the first half of 2017, the combined audience share of the six HD DTT channels launched in December 2012 reached 8.9% among individuals aged 4 and over (+1.7 points) and 9.1% among W<50PDM (+1.0 point).

Free-to-air channels: audiences

In a highly competitive environment the TF1 group is forging ahead with its multi-channel editorial strategy, focusing on target markets for advertisers and on strategic slots. In the first half of 2017 the Group attracted an average of

7.1 million prime time[1] viewers while keeping the cost of programmes under control.

The TF1 group's multi-channel, multi-platform strategy is continuing to pay off. The Great Debate between the main presidential candidates was a perfect illustration of the ambition underpinning this strategy, generating exceptional viewing figures across all platforms: 9.9 million viewers on TF1, 345,000 on LCI, and more than 3.3 million video views[2]. Another example was the documentary *Emmanuel Macron, les coulisses d'une victoire*, which pulled in 5 million viewers on TF1, including 531,000 on catch-up.

The TF1 group continued to roll out its multi-channel strategy in the first half of 2017, with the five free-to-air channels[3] attracting a combined audience share of 27.9% among individuals aged 4 and over (+0.8 of a point year-on-year).
Among the target audience of W<50PDM, the Group's audience share was 32.5% (+1.1 points year-on-year). Within this target, a slight fall in audience share for the TF1 channel (21.9%, -0.6 of a point year-on-year) was substantially offset by a higher audience share for the DTT channels[4] (10.6%, +1.7 points year-on-year).

The Group's 32.5% average share of the W<50PDM target market in the first half of 2017 was also up on the 2016 full-year average of 32.1%.

During the first half, the Group's performance was driven by a combination of flagship brands like *The Voice*, *Koh-Lanta* and *Grey's Anatomy* and successful new shows like *The Wall* (an access prime time game show), *Lethal Weapon* (*L'Arme fatale*), *Munch* and *Louis(e)*.

TF1

TF1 is still the clear leader among French television channels for all target audiences. The channel had an audience share of 19.9% among individuals aged 4 and over, compared with 20.8% in the first half of 2016.
First-half audience share was 21.9% among W<50PDM (versus 22.5% a year earlier) and 19.8% among 25-49 year-olds (versus 20.8% a year earlier).

These figures confirm TF1's unique position and its status as the must-see channel, capable .of attracting an average of more than 5 million prime time viewers and a 29% share of the target W<50PDM prime-time audience. It was the most-watched channel in prime time on 84% of evenings in the first half of 2017.

[1] Source: Médiamétrie-Mediamat / Prime time slots 9pm-11pm.
[2] Across all platforms
[3] Audience for the TF1, TMC, NT1, HD1 and LCI channels.
[4] TMC, NT1, HD1 and LCI.

TF1 retained its no.1 spot across all genres:

- **Entertainment**: *The Voice* was watched by an average audience of 6.4 million, and had a 42% share of W<50PDM. *Koh-Lanta* pulled in 6.3 million viewers (42% share of W<50PDM), while season 2 of *Ninja Warrior* was watched by an average of 5.1 million (34% share of W<50PDM).
  In access prime time[5], TF1 maintained its market-leading position among W<50PDM in the first half of 2017 with an 18.0% audience share, thanks largely to the gameshow *The Wall*.

- **French drama**: This genre is proving hugely successful. *Alice Nevers* attracted up to 6.5 million viewers. Season 1 of the series *Munch* was seen by up to 6.3 million viewers, while the audience for the major mini-series *Juste un regard* (based on Harlan Coben's thriller *Just One Look*) peaked at 6.2 million.

- **Movies:** French movies turned in an excellent performance, especially the second screening of *Intouchables* which attracted the biggest movie audience in May with 8 million viewers.

- **News**: In a first half dominated by presidential and legislative elections in France, the TF1 group was the most-watched news provider. The evening news bulletin took the no.1 slot for coverage of the head-to-head presidential run-off debate on 3 May with 8.2 million viewers, while 9.5 million tuned in to watch the presidential election results.

- **Sport**: The final of the World Handball Championships in France pulled in the biggest sport audience of the first half on any channel with 8.7 million viewers (44% audience share of individuals aged 4 and over). The two matches featuring the French national football team screened in June 2017 were watched by over 6.4 million people.

DTT channels

The Group's DTT arm, consisting of four channels (TMC, NT1, HD1 and LCI), is France's leading DTT offering and achieved the strong year-on-year audience growth in DTT. In the first half of 2017, the channels attracted a 10.6% share among W<50PDM and a 9.6% share of 25-49 year-olds.

TMC

TMC posted a first-half audience share of 4.4% among individuals aged 25 to 49, and achieved the strongest year-on-year audience growth in its

[5] *6pm-8pm*

target markets: 1.2 points in 25-49 year-olds, and 1.7 points in high socio-professional category.

Repositioning on these targets has given TMC excellent audience momentum, and sport is a big part of that repositioning. The channel attracted its best ever sports audience (4.7 million viewers) on 24 January 2017 when it showed part of the World Handball Championship quarter-final between France and Sweden. TMC further enhanced its sport offering as official broadcaster of the 2017 Confederations Cup in Russia, screening 7 matches in June and the final on 2 July, with commentary from TF1 presenters Grégoire Margotton and Bixente Lizarazu.

And in May, TMC achieved its second best movie audience ever when 2.3 million viewers tuned in to *On a retrouvé la septième compagnie.*

TMC also continues to be a big hitter in access prime time with *Quotidien* (average audience of 1.3 million, peaking at 2.1 million on 24 January).

NT1

During the first half of 2017, NT1 further increased its audience share among women and younger viewers. The channel had a 3.7% audience share among individuals aged 15 to 34, and has been on a rising trend with this age bracket for three years (including a year-on-year rise of 0.3 of a point in the first half of 2017).

The reality show *La villa des cœurs brisés* has been a stand-out performer on NT1, and will be retained in the schedules.

As regards movies, the best performers were *Gladiator* (1.1 million viewers), and *Next* and *Solomon Kane* (1 million each).

HD1

HD1 is building its audience around an offering of French drama and movies.

In the first half of 2017, HD1 recorded audience share of 2.0% among individuals aged 25 to 49 (+0.3 of a point year-on-year), rising to 2.2% among W<50PDM (+0.1 of a point).

HD1 remains on an uptrend, attracting 9 of the top 10 HD DTT audiences, including an all-time record with 1.4 million viewers for *Section de Recherches*.

LCI

LCI is consolidating its position as no. 2 national news channel with 0.7% share among individuals aged 4 and over, up 0.6 of a point year-on-year.

The channel proved popular with French viewers as they followed the political events in June, with up to 189,000 viewers during the presidential election run-off (1% share of individuals aged 4 and over) and 353,000 for the announcement of the new government (2.4% share of individuals aged 4 and over).

The channel's flagship programmes ended the season with record audiences: 1.7% audience share for *LCI Matin* (peaking at 2.9%) in June 2017 and 1.7% for *24 heures en question* among individuals aged 4 and over from March to May 2017.

TF1 Publicité (third-party airtime sales)

Although radio airtime sales were stronger year-on-year in the first half of 2017, overall revenue from third-party airtime sales (for non-Group TV channels, radio stations, etc.) was down relative to the first half of 2016.

TF1 Films Production

Cinema footfall reached 104.9 million in the first half of 2017, down 1.8% year-on-year.

During the first half of 2017, 14 movies co-produced by TF1 Films Production went on general release (versus 12 in the first half of 2016), attracting a combined 13.7 million box office entries in France. The stand-out performers were *Raid Dingue* (4.5 million) and *Alibi.com* (3.5 million).

TF1 Films Production's contribution to revenue and current operating profit was down slightly year-on-year in the first half of 2017, mainly due to a reduction in the number of broadcasting rights transferred to TF1 relative to a year previously.

TF1 Production

TF1 Production made a lower contribution to Group revenue than in the first half of 2016.

A total of 208 hours of programmes were delivered, compared with 280 hours in the first half of 2016. This reflects the absence of morning scripted reality series (*Petits secrets entre voisins* and *Petits secrets en famille*) and of a new season of *Bachelor*.

In 2017 to date, TF1 Production has delivered to TF1 five episodes of *Les français ont du génie* and three political debates, as well as contributing to the coverage of the World Handball Championships and the Confederations Cup. However, these two sporting events failed to compensate for the lack of any major event on the scale of the Euro 2016 football tournament.

Current operating profit is stable year-on-year, with lower revenue offset by savings in production costs and overheads.

Other platforms and related activities

Revenue from other platforms and related activities rose by €8.8 million. Digital revenue continued to record robust growth in the first half, with interactivity performing strongly.

Current operating profit was also up sharply at €25.7 million, a rise of €5.8 million.

e-TF1

TF1 is pursuing its digital strategy, working closely with the Group's TV channels.
The extra audiences generated by the Group's digital platforms are continuing to grow substantially.

MYTF1, which combines the offerings of four channels (TF1, TMC, NT1 and HD1), posted higher second-quarter revenue on the back of good audience figures. The 11.7 million unique visitors recorded in May[1] set a new record for the TF1 group's IPTV platform and confirmed its market leadership, especially among W<50PDM (34.7% share, 9.4 points ahead of its closest rival) and 25-49 year-olds (31.8% share, 7.1 points ahead of its closest rival). These record audiences figures were driven by the usual blend of powerful, popular programmes including *Grey's Anatomy* (a record 910,000 viewers), *L'Arme fatale* (a record 876,000 viewers), *Koh-Lanta* (487,000 viewers) and *The Voice* (466,000 viewers).

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

Overall, e-TF1 posted an improvement in both revenue and operating profit in the period.

Theme channels

French pay-TV channels as a whole drew an audience share of 10.0% during the first half of 2017 among individuals aged 4 and over, stable year-on-year[2]. Pay-TV offerings are facing competition from the continuing growth of free-to-air DTT channels. The success of the TF1 group's theme channels demonstrates the benefits of extending the multi-channel strategy across its pay-TV channels. For TV Breizh, that means enhancing the schedules with flagship series to differentiate the channel and pull in big audiences; for Histoire and Ushuaïa TV, the aim is to emphasise their unique brand positioning with event programming and one-off specials.

Revenue for the theme channels (TV Breizh, Ushuaïa, Histoire) advanced during the first half of 2017 due to an increase in advertising revenue. At the same time, tight cost control enabled the three channels to improve their profitability.

TV Breizh

Schedules built around series such as *Magnum*, *The A-Team* (*L'Agence tous risques*) and *MacGyver* have helped TV Breizh secure top spot among pay-TV channels with subscribers to cable/satellite bundles, with a 0.6% audience share among individuals aged 4 and over. TV Breizh reaches an average of 5.7 million French people each month[3].

The channel has increased advertising revenue significantly compared with a year ago.

Histoire and Ushuaïa

Ushuaïa TV, which has a scheduling policy built around event TV such as the "Adventurers Month" strand in March 2017 devoted to adventurers and explorers, has achieved a marked rise in audience share among W<50PDM[1]. Ushuaïa has also launched its own YouTube channel. September 2017 will see the 30th anniversary of the founding of *Ushuaïa* magazine.

The Histoire channel, which will be 20 years old this year, is France's no.1 history channel and is making inroads in both its favoured markets (25-49 year-olds and high socioprofessional category)[1]. The 20th anniversary celebrations are continuing through the rest of the year, marked by special programmes.

Studios & Entertainment

Revenue (€m)	H1 2017	H1 2016	Chg %
Studios & Entertainment	**181.3**	**187.1**	-3.1%

Current operating profit/(loss) (€m)	H1 2017	H1 2016	Chg. €m
Studios & Entertainment	**16.1**	**19.5**	-17.4%

[1] *Source: Médiamétrie / IPTV data May 2017 base / Total Catch-up Base.*
[2] *Médiamétrie – Médiamat.*

[3] *Médiamat'Thématik (Wave 33 – January to June 2017), Pay-TV universe.*

Revenue for the Studios & Entertainment segment fell by €5.8 million to €181.3 million. Current operating profit amounted to €16.1 million, down €3.4 million year-on-year.

Studios

Newen Studios

The expansion of Newen has continued with the acquisition of Tuvalu Media Group, the leading independent producer in the Netherlands, which specialises in unscripted programmes, scripted reality, drama and digital.

In addition, Newen Studios has entered into an alliance with A+E Networks under which Newen has exclusive rights to sell A+E's successful programmes and formats in France, and to produce some of them locally.

Newen Studios has a well-stocked order book and an extensive, diversified client base. During the first half of 2017, Newen Studios continued production on episodes of *Versailles* (season 3) for Canal+, *Ben* (drama series, six 52-minute episodes) for France 2, *Plus Belle la Vie* (daily soap) for France 3, *Souviens-toi* (drama series, six 52-minute episodes) for M6, and *Demain nous appartient* (summer saga) for TF1.

Dramas produced by Newen Studios attracted strong audiences during the first half. For example *Le Sang de la Vigne*, screened on France 3, drew an audience share of up to 16.9% of individuals aged 4 and over, representing nearly 4 million viewers. *Cassandre*, also shown on France 3, had an audience share of up to 16.7% of individuals aged 4 and over, or just under 4 million viewers.

On the distribution side, Newen launched a €50 million investment fund dedicated to acquiring English-language drama series. Newen also pre-sold the *Demain nous appartient* saga to RTS in Switzerland and RTBF in Belgium.

TF1 Studio

Four films went on general release in the first half of 2017 (versus seven in the first half of 2016), two of which did very well: *Il a déjà tes yeux* (1.4 million box office entries) and *Alibi.com* (3.5 million box office entries).
New releases performed well for TF1 Vidéo in the first half of 2017, especially with the video release of the film *Radin.* VoD revenue also rose thanks to the success of new exclusive releases including *Radin* and *Demain tout commence*.

TF1 Studio increased its contribution to revenue and current operating profit during the first half of 2017.

Entertainment

TF1 Entertainment

TF1 Entertainment enjoyed a good first half, with revenue and operating profit both advancing. Music was the main growth driver, both via the Label (with contributions from *The Voice*, M.Pokora, the NRJ Music Awards and Vincent Niclo) and live show partnerships (with *Stars 80*, *42nd Street*, *Disney on Ice* and *Saturday Night Fever*). Card and board games also progressed thanks to export sales and, within France, the release of the *Mille Bornes Cars 3* game.

Home Shopping

The Home Shopping business saw sales fall year-on-year in the first half of 2017, largely due to stockout issues that are currently being resolved. Tighter control over variable costs, mainly in warehousing facilities, helped the business improve its current operating profit year-on-year.
The Téléshopping channel, which celebrates its 30th anniversary this year, achieved its best sales in the early part of 2017 with two products, *Minci Cook* and *Range Max*.

1.5. Outlook

The TF1 group's performances in the first half of 2017 – advertising revenue growth of 1.2% for the five free-to-air channels, a 1.1-point rise in audience share in target advertising markets, an increased share of the gross advertising market, and higher margins – all confirm the positive trend that began in the autumn of 2016 and the relevance of its multi-channel strategy.

At a time of fierce competition in terms of scheduling, we will invest in high-impact programmes in the second half of the year while remaining within our overall objectives:The broadcasting of new programmes, such as the summer saga *Demain nous appartient* (produced by Newen Studios) and French dramas (*La Mante*, *Le Tueur du Lac*, *Les Chamois* and *Les Bracelets Rouges*), combined with the return of strong, iconic brands such as *Koh-Lanta*, *Danse avec les stars* and *The Voice Kids* will impact positively the second half of the year.

The second half of the year will also open up new opportunities for advertisers to invest in slots for 2018, especially in digital via the EBX[1] European digital airtime sales alliance and the launch of Studio71 France. In addition, the launch of territory-specific advertising in Belgium will enable advertisers to target French-speaking Belgian audiences from late 2017 onwards.

TF1 Group is reiterating its full-year guidance:

- Maintain its share of the advertising market by extracting maximum value from its premium inventories and growing its 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 its 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 its profitability: the target is for double-digit current operating margin in 2019, combined with growth in non-advertising revenue for the five free-to-air channels which is expected to account for at least one-third of our consolidated revenue in 2019.

1.6. Events after the reporting period

Please see Note 13 ("Events after the reporting period") to the condensed consolidated financial statements.

[1] European Broadcaster Exchange

1.7 Corporate social responsibility

Translating CSR into societal engagement: "TF1 Initiatives"

Following a strategic rethink of our CSR approach that began last year, we have developed "TF1 Initiatives", a CSR masterplan that will be presented to all stakeholders in the autumn of 2017. This masterplan gives a higher profile to CSR, offers a better fit with the changing nature of the TF1 group, and focuses on issues close to our core businesses. Drawing fully on the commitment of our people, the plan brings all our various CSR efforts together in a clear, coherent approach that reflects our new ambition. There will be three key

areas of engagement – solidarity, diversity, and sustainable society – united within the strong brand identity of TF1 Initiatives. The TF1 Initiatives Committee will drive the various initiatives under the auspices of our CSR department, and will include representatives from all our operational and support functions (including editorial, broadcasting and TF1 Publicité) and from the TF1 Foundation.

Environment

TF1 group partners the EpE-LCI 2017 Young Environmentalist Awards

The prize-giving for the 12th annual Young Environmentalist Awards, organised by the French Association of Enterprises for the Environment (EpE) in partnership with LCI, took place in Paris on 19 June. This year, young people under 30 were asked to address the following question: "Consumer behaviour: what would make you change?". It might be an app, a viral campaign, nudge, meme, or actual goods or services, in any field – construction, transport or consumer goods, for example – on the theme "how can we change tomorrow's world by massively reducing the environmental impact of what we buy?". 47 of the proposals were short-listed and submitted to a 25-strong jury comprising people from the world of education, business and journalism. After deliberation, the jury, chaired by LCI journalist Sylvia Amicone, decided to award first prize to a proposal pitched by Coline Nelson: My Water Can, It involves developing an app that takes the form of a game where players collect water to irrigate and grow plants. They get water every time they make responsible changes in their daily habits and consumer behaviour. Players are sensitized to their impact on the environment by seeing their plant grow. The young winner scooped a prize of €5,000 donated by luxury goods group Kering.

The three other sponsors – Club Med, GreenFlex and Actu-environnement – gave prizes of €3,000, €2,000 and €1,000 respectively to the other winners.

Solidarity

Sporting events to support medical research

Between 10 and 14 May, TF1's Sports Club invited staff to take part in the 3rd "No finish line" race in aid of children's charities. The event was first organised in Monaco in 1999, and the Paris version was launched on the Champ de Mars at the foot of the Eiffel Tower in 2015. Open to all, the concept is unusual but simple. It involves running or walking, alone or with others, a 1,300m course that is open 24 hours a day for 5 days. Participants only need to enrol once and they can come back as many times as they want. For every kilometre run or walked by participants the organisation and its partners pay €1 to children's charities. This year "No Finish Line Paris by Siemens" is supporting Paris Samu (emergency medical response) and La Chaîne de l'Espoir (a charity offering children in the developing world access to healthcare).

TF1 also took part in the *Une jonquille pour Curie* campaign (Great Daffodil Appeal) on 20 and 21 March, with an event hosted in the Atrium space at the corporate headquarters in conjunction with the Institut Curie. The campaign, run by the Institut Curie throughout March, encourages French people to support the fight against cancer. The objective is to make the public aware of the importance of this national charity and to fund major cancer research programmes at the Institut Curie, which is a key player in the field. As part of the event, two web-connected exercise bikes were made available at corporate headquarters for staff to pedal in aid of research. For every kilometre pedalled the sponsor, Swiss Life, donated €1 to the Institut Curie.

Promoting diversity and the fight against discrimination of all kinds

Disabilities: TF1 and Bouygues team up on HandiAlternance

On 15 and 19 May, TF1 – along with all Bouygues subsidiaries – hosted a work-study recruitment event for disabled people. A total of 43 posts were available at various Bouygues subsidiaries and were advertised online on the website of

AGEFIPH (a non-profit organisation that helps disabled people enter employment).
The HandiAlternance scheme began in 2013 and is the brainchild of TF1. It grew out of the realisation that there was a mismatch between the qualifications of disabled candidates and the posts advertised by the TF1 group. Using work-study programmes makes it possible to recruit applicants and support them throughout their training. The scheme is designed for youngsters but is also appropriate for older workers looking for a career change. Bouygues Immobilier joined the scheme in 2014, and it was extended to all Bouygues group subsidiaries in 2016. Unlike job dating, the advantage of this event lies in the upstream support provided to job applicants via recruitment interview preparation sessions and help in choosing the right training. A two-week course will be offered to successful applicants in June, and they will start their work-study programme in September/October 2017.

TFOU cartoon competition to raise kids' awareness of diversity and equality issues

Premiered on 8 June at the opening of the Media Awards of the Enfance Majuscule child protection charity, the winning film in the 2016/17 TFOU cartoon competition – "1 chambre pour 2", co-written by Johanna Goldschmidt and Laure-Elisabeth Bourdaud, and produced by Tant Mieux Prod – was broadcast on 12 June on TFOU and its entire digital ecosystem (MYTF1, TFOUMAX and the TFOU Facebook page).
As in previous years, the 2016/2017 competition aimed to raise kids' social awareness. All the scenarios entered for the prize had to make the case for diversity and gender equality, under the slogan "Filles et garçons, tous à fond!" ("Girls and boys, go for it!").
Run jointly with SACD (the French society of authors and composers), the 2017/2018 TFOU cartoon competition will be unveiled in the autumn in a new format.

Fight against LGBT discrimination: renewed commitment by the Group and its staff

On 17 May, the International Day Against Homophobia, Transphobia and Biphobia, the Diversity unit invited staff to get involved in the TF1 group's fight against discrimination on grounds of sexual orientation and gender identity. A video booth was installed at the entrance to the company canteen to enable staff to register support for the Group's commitment by writing a message on an iPad, saying a few words or typing an emoji into Facebook. A video was then made, and broadcast on internal communication platforms and on the Group's social networks.

It was in October 2015 that the TF1 group signed the LGBT* Charter of Commitment against discrimination on grounds of sexual orientation and gender identity, in the presence of the Executive Committee and members of parliament.
In November 2016, L'Autre cercle (a non-profit organisation campaigning against discrimination on grounds of sexual orientation and gender identity) published *Mon employeur a fait son coming out* ("My employer has come out"), a book featuring 80 interviews with managers and staff from companies that have signed the Charter, including Arnaud Bosom (our Head of HR) and TF1 journalist Christophe Beaugrand, who is the Group's ambassador for the Charter.

TF1 was a partner for the first "OUT d'OR" ("Golden Outs"), which took place on 29 June 2017. The aim is to reward initiatives that have increased LGBT visibility in the media.

* Lesbian, gay, bisexual and transgender.

On track for renewing our Diversity certification

The TF1 group has applied to renew its Diversity certification, originally awarded in December 2010. An audit by AFNOR at the end of March was followed by an appearance at the Certification Commission on 6 July. The Group, which is highly active on the issue of diversity both internally and on its channels, expects a response from AFNOR in the autumn.

1.8 Corporate Governance

At the Annual General Meeting of 13 April 2017, it was proposed that the terms of office of Catherine Dussart and Olivier Bouygues as directors be renewed for a further three years.

Both proposals were approved, thereby maintaining the proportion of both independent and women directors on the Board at 44% (not counting the employee representative directors, both of whom are women).

1.9 Human resources update

As of 30 June 2017 the TF1 group had 2,778 employees on permanent contracts.

1.10 Stock market performance

TF1 shares closed at €12.26 per share on 30 June 2017, 28.26% higher than the closing price on 30 June 2016. Over the same period, the CAC 40 and SBF 120 rose by 20.84% and 21.97% respectively.

During the first six months of 2017, the TF1 share price rose by 29.72%, while the CAC 40 rose by 5.31% and the SBF 120 by 6.58%.

The total market capitalisation of the TF1 group stood at €2.57 billion as of 30 June 2017, compared with €2.01 billion a year earlier.

1.11 Share ownership

	30 June 2017		
	Number of shares	**% of capital**	**% of voting rights**
Bouygues	**91,946,297**	**43.9 %**	**43.9 %**
TF1 employees	**14,995,601**	**7.1 %**	**7.1 %**
Via the FCPE TF1 fund	14,815,949	7.0 %	7.0 %
As registered shares	179,652	0.1%	0.1%
Free float	**102,697,644**	**49.0 %**	**49.0 %**
Treasury shares	**0**	**0.0%**	**0.0%**
Total	**209,639,542**	**100.0%**	**100.0%**

	31 December 2016		
	Number of shares	**% of capital**	**% of voting rights**
Bouygues	**91,946,297**	**43.9%**	**43.9%**
TF1 employees	**15,202,469**	**7.3%**	**7.3%**
Via the FCPE TF1 fund	15,043,947	7.2%	7.2%
As registered shares	158,522	0.1%	0.1%
Free float	**102,268,776**	**48.8%**	**48.8%**
Treasury shares	**0**	**0.0%**	**0.0%**
Total	**209,417,542**	**100.0%**	**100.0%**

1.12 Related parties

There have been no significant changes in respect of related parties since publication of the 2016 TF1 *Document de Référence* (Registration Document) filed with the *Autorité des Marchés Financiers* (AMF) on 8 March 2017 under reference number D.17-0136 (an English-language version of which is available on the TF1 corporate website), other than a reduction in the treasury current account with Bouygues Relais.

1.13 Risk factors

Risk factors

In a constantly changing competitive, technological and regulatory environment, the TF1 group is exposed to risks that could, if they materialise, have negative effects on its business, financial position and assets.

The principal risk factors identified by the Group are as follows:

- **Operational risks:**
  - risk of loss of key programmes;
  - risk that bought-in programmes will become unsuitable for broadcast;
  - risks associated with the economic environment;
- **Industrial and environmental risks:**
  - broadcasting of TF1 programmes: risk of signal transmission interruption and execution risk;
  - cyber-attacks;
  - risk of intrusion during public or live broadcasts;
  - risks related to the growth of digital terrestrial television and to the development of the internet and new media;
  - risks associated with changes to spectrum allocation and the DTT switchover to MPEG-4;
- **Legal risks related to:**
  - broadcasting licences and CSA enforcement powers;
  - societal pressure on advertising and programmes;
  - additional taxes or legislative changes;
  - private copying via network personal video recorder (NPVR) on the cloud;
  - the proposed fee for the signal and services associated with TF1 programming (TF1 premium);
  - risks related to intellectual property rights (copyright and related rights);
  - competition law;
  - litigation and claims;
- **corporate social responsibility risks (labour, social and environmental);**
- **credit and/or counterparty risks;**
- **financial risks:**
  - liquidity risk;
  - market risk.

The TF1 group operates general and specific risk management policies to address these risks. In addition, the Group's internal control system plays a role in monitoring the conduct and effectiveness of operations, and in ensuring that the Group makes efficient use of its resources. However, such policies and systems cannot provide absolute assurance that objectives will be met, or that the risks to which the Group may be exposed will be fully addressed.

Since publication of the principal risk factors (and of the risk management policies to address those risks) in pages 46 to 53 of the 2016 TF1 Registration Document (available at http://www.groupe-tf1.fr/sites/default/files/pdf-financiers/tf1_ddr_2016_ang.pdf), further developments have occurred on the following issues:

Cyber-attacks

Description of the risk

The cyber-attacks that affected Sony Pictures and TV5 Monde in recent years led TF1 to reassess external threats that might disrupt transmission and its operations in general.

More recently, the WannaCry and Petya global virus attacks have demonstrated that attempts (whether successful or not) to hack into corporate information systems are now a recurring problem. TF1 has responded by further raising its vigilance threshold and is constantly working to ensure the security of its sites, operations and infrastructures.

How the risk is being managed

To guard against the risk of cyber-attack, security audits are conducted by external consultants to identify any weaknesses in access controls. However, no system can be 100% secure, and the techniques used to attack information systems are continually changing. Action plans have been implemented to enhance protection of the TF1 group's transmission infrastructures, alongside incident management procedures such as a rapid response plan for hacking attacks. The objective is to constantly upgrade the TF1 group's sites and information systems, taking care to ensure that all external systems are included in any corrective measures that may be required.

The WannaCry and Petya viruses highlighted the importance of having a highly effective data back-up policy, being highly reactive in applying security patches to information systems, and using firewalls to provide effective protection for datacentres. TF1 is fully confident in the effectiveness of its backup policy, but has implemented two further action plans: one to ensure that patches are applied faster and more effectively across all IT assets, and the other to ensure that firewalls are used systematically to protect IT and broadcasting datacentres.

Risks related to competition law

To protect against the risk of claims alleging breaches of competition law (such as restraint of trade or abuse of dominant position), the General Counsel's department of the TF1 group has a dedicated regulatory and competition unit, backed by legal specialists with competition law expertise within each entity. Staff receives training on these issues; if they are in any doubt as to the legality of a situation or proposed course of action, they must consult their line manager and the legal department in advance.

Alleged abuse of dominant position in the advertising market

Canal Plus, M6 and NextRadioTV have each filed a complaint with the French Competition Authority against the TF1 group alleging abuse of dominant position in the French television advertising market.
The Competition Authority appointed a rapporteur to investigate the complaints, and TF1 Publicité presented its case in January 2015. TF1 submitted an economic study to the French Competition Authority and the CSA, commissioned from the accountancy and consultancy firm RBB, that demonstrated the pro-competitive impact of TF1's position in the advertising market.
At present, the complaints of Canal Plus and M6 are still under investigation. However, the French Competition Authority has formally closed the NextRadioTV investigation and rejected its complaint.

Alleged restraint of trade

The Canal Plus group has filed a complaint with the French Competition Authority against TF1 alleging restraint of trade as regards the rights of first and last refusal and pre-emptive rights enjoyed by TF1 Films Production in respect of the films that it finances.
The Competition Authority appointed a rapporteur to investigate the complaints, and TF1 Publicité presented its case in March 2015.
However, no notice of complaint has been issued to TF1 by the Competition Authority to date.

1.14 Diary dates

- **30 October 2017:** 2017 9-month revenue and financial statements

These dates may be subject to change.

1.15 Glossary

Working capital needs:

Current assets minus current liabilities (including current provisions but excluding cash and cash equivalents, current debt and financial instruments).

Gross advertising revenues:

Catalogue prices given by sellers of advertising space in accordance with their general conditions of sale, excluding discounts and reductions, applied to a volume of advertising sold.

Net advertising revenues:

Gross advertising revenues minus discounts granted to advertisers.

Cost of programmes:

The sum total of (i) the cost of the programmes broadcast on the Group's free-to-air channels, (ii) the cost of written-off or rights-expired programmes, (iii) provisions recognised in respect of programming (excluding major sporting events), and (iv) gains or losses on intra-group disposals.

Current operating profit:

Profit calculated on the basis of revenues and other current operating income minus current operating expenses.

Operating profit:

Profit calculated on the basis of current operating profit minus non-current operating income and expenses.

Net surplus cash:

Available cash minus total debt.

2. Condensed consolidated financial statements 30 June 2017

The statutory auditors have conducted a review of the financial statements, on which they have issued an unqualified report.

Consolidated income statement

(€m)	Note	1st half 2017	1st half 2016	Full year 2016	2nd quarter 2017	2nd quarter 2016
Advertising revenue		782.1	770.1	1,530.1	417.0	414.0
Other revenue		254.6	255.1	532.6	120.8	129.3
Revenue		**1,036.7**	**1,025.2**	**2,062.7**	**537.8**	**543.3**
Other income from operations		15.9	5.4	14.1	7.5	2.1
Purchases consumed and changes in inventory		(433.3)	(470.0)	(923.2)	(219.0)	(238.4)
Staff costs		(207.5)	(207.3)	(403.9)	(105.4)	(102.9)
External expenses		(177.5)	(186.9)	(369.9)	(82.9)	(85.4)
Taxes other than income taxes		(63.3)	(60.7)	(127.2)	(29.7)	(27.6)
Depreciation and amortisation, net		(68.2)	(91.3)	(177.6)	(21.6)	(41.4)
Provisions and impairment, net		(16.5)	(18.9)	(80.6)	(24.0)	(25.7)
Other current operating income		82.7	115.6	242.6	37.1	45.6
Other current operating expenses		(61.4)	(53.6)	(107.6)	(28.5)	(26.9)
Current operating profit/(loss)		**107.6**	**57.5**	**129.4**	**71.3**	**42.7**
Non-current operating income		-	-	-	**-**	**-**
Non-current operating expenses	*10*	(11.6)	(54.7)	(83.7)	**(5.8)**	**(20.7)**
Operating profit/(loss)		**96.0**	**2.8**	**45.7**	**65.5**	**22.0**
Income associated with net debt		0.2	0.5	0.6	0.2	0.2
Expenses associated with net debt		(1.3)	(1.1)	(1.8)	(0.4)	(0.6)
Cost of net debt		**(1.1)**	**(0.6)**	**(1.2)**	**(0.2)**	**(0.4)**
Other financial income		9.3	0.5	4.3	9.0	0.3
Other financial expenses		(3.6)	(1.6)	(8.8)	(3.6)	(1.4)
Income tax expense		(33.2)	(0.2)	(5.9)	(24.0)	(9.3)
Share of profits/(losses) of joint ventures and associates	*6*	7.1	0.1	9.9	-	2.2
Net profit/(loss) from continuing operations		**74.5**	**1.0**	**44.0**	**46.7**	**13.4**
Net profit/(loss) from discontinued or held-for-sale operations		**-**	**-**	**-**	**-**	**-**
Net profit/(loss)		**74.5**	**1.0**	**44.0**	**46.7**	**13.4**
attributable to the Group:		***74.6***	***(0.6)***	***41.7***	***46.9***	***12.5***
Net profit/(loss) from continuing operations		*74.6*	*(0.6)*	*41.7*	*46.9*	*12.5*
attributable to non-controlling interests:		***(0.1)***	***1.6***	***2.3***	***(0.2)***	***0.9***
Net profit/(loss) from continuing operations		*(0.1)*	*1.6*	*2.3*	*(0.2)*	*0.9*
Weighted average number of shares outstanding (in '000)		209,528	209,173	209,444	209,595	209,262
Basic earnings per share from continuing operations (€)		0.36	0.00	0.20	0.23	0.06
Diluted earnings per share from continuing operations (€)		0.35	0.00	0.20	0.22	0.06

Statement of recognised income and expense

(€m)	1st half 2017	1st half 2016	Full year 2016
Consolidated net profit/(loss) for period	**74.5**	**1.0**	**44.0**
Items not reclassifiable to profit or loss			
Actuarial gains and losses on employee benefits		-	(3.7)
Net tax effect of equity items not reclassifiable to profit or loss		-	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)]	(4.2)	(2.0)	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	1.5	0.7	(0.3)
Share of reclassifiable income and expense of joint ventures and associates recognised in equity		-	
Income and expense recognised directly in equity	**(2.7)**	**(1.3)**	**(1.9)**
Total recognised income and expense	**71.8**	**(0.3)**	**42.1**
attributable to the Group	71.9	(1.9)	39.7
attributable to non-controlling interests	(0.1)	1.6	2.4

[(1)] *Includes -€2.1 million relating to the reclassification of cash flow hedges to profit or loss during the first half of 2017.*

Consolidated balance sheet

ASSETS (€m)	*Note*	**30/06/2017**	**31/12/2016**	**30/06/2016**
Goodwill	*5*	**575.7**	**560.9**	**563.3**
Intangible assets		**247.4**	**237.2**	**236.6**
Audiovisual rights		184.2	174.4	175.8
Other intangible assets		63.2	62.8	60.8
Property, plant and equipment		**176.8**	**174.0**	**173.8**
Investments in joint ventures and associates	*6*	**22.7**	**89.3**	**86.0**
Non-current financial assets		**58.8**	**31.7**	**34.7**
Non-current tax assets		**-**	**-**	**-**
Total non-current assets		**1,081.4**	**1,093.1**	**1,094.4**
Inventories		**656.5**	**677.5**	**714.2**
Programmes and broadcasting rights		637.5	661.9	696.2
Other inventories		19.0	15.6	18.0
Trade and other debtors		**1,158.7**	**979.8**	**1,107.4**
Current tax assets		**-**	**40.2**	**28.6**
Other current financial assets		**-**	**4.9**	**-**
Cash and cash equivalents		**505.7**	**420.2**	**358.3**
Total current assets		**2,320.9**	**2,122.6**	**2,208.5**
Assets of held-for-sale operations		**-**	**-**	**-**
TOTAL ASSETS		**3,402.3**	**3,215.7**	**3,302.9**
Net surplus cash (+) / Net debt (-)	*9*	**247.6**	**186.7**	**133.1**

SHAREHOLDERS' EQUITY AND LIABILITIES (€ million)	**30/06/2017**	**31/12/2016**	**30/06/2016**
Share capital	41.9	41.9	42.2
Share premium and reserves	1,386.8	1,409.8	1,422.1
Net profit/(loss) for the period attributable to the Group	74.6	41.7	(0.6)
Shareholders' equity attributable to the Group	**1,503.3**	**1,493.4**	**1,463.7**
Non-controlling interests	-	(0.8)	12.4
Total shareholders' equity	**1,503.3**	**1,492.6**	**1,476.1**
Non-current debt	**249.1**	**224.9**	**203.5**
Non-current provisions	**56.0**	**54.2**	**52.2**
Non-current tax liabilities	**39.9**	**42.9**	**42.6**
Total non-current liabilities	**345.0**	**322.0**	**298.3**
Current debt	**9.0**	**8.6**	**21.7**
Trade and other creditors	**1,518.6**	**1,368.0**	**1,468.4**
Current provisions	**13.9**	**24.5**	**37.0**
Current tax liabilities	**9.6**	**-**	**-**
Other current financial liabilities	**2.9**	**-**	**1.4**
Total current liabilities	**1,554.0**	**1,401.1**	**1,528.5**
Liabilities of held-for-sale operations	**-**	**-**	**-**
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES	**3,402.3**	**3,215.7**	**3,302.9**

Consolidated cash-flow statement

(€m)	Note	1st half 2017	1st half 2016	Full year 2016
Net profit/(loss) from continuing operations (including non-controlling interests)		74.5	1.0	44.0
Depreciation, amortisation, provisions & impairment (excluding current assets)		96.1	121.1	242.9
Net (gain)/loss on asset disposals		(5.5)	0.4	0.5
Share of (profits)/losses and dividends of joint ventures and associates		(7.1)	(0.1)	(8.4)
Other non-cash income and expenses		(8.6)	(2.0)	(18.6)
Sub-total		**149.4**	**120.4**	**260.4**
Cost of net debt		1.1	0.6	1.2
Income tax expense (including deferred taxes)		33.2	0.2	5.9
Operating cash flow		**183.7**	**121.2**	**267.5**
Income taxes (paid)/reimbursed		20.5	(44.5)	(53.4)
Change in operating working capital needs		(26.5)	(37.8)	14.5
Net cash generated by/(used in) operating activities		**177.7**	**38.9**	**228.6**
Cash outflows on acquisitions of property, plant & equipment and intangible assets		(93.7)	(101.4)	(205.4)
Cash inflows from disposals of property, plant & equipment and intangible assets		0.7	0.3	0.3
Cash outflows on acquisitions of financial assets		(28.4)	(2.3)	(7.3)
Cash inflows from disposals of financial assets		9.2	-	2.5
Effect of changes in scope of consolidation	*11*	64.5	(105.6)	(104.9)
Purchase price of investments in consolidated activities		*(23.7)*	*(178.7)*	*(186.5)*
Proceeds from disposals of consolidated activities		*84.6*	*2.1*	*9.5*
Net liabilities related to consolidated activities		-	-	-
Other cash effects of changes in scope of consolidation		*3.6*	*71.0*	*72.1*
Dividends received		-	-	-
Other cash flows from investing activities		(2.5)	(3.5)	(0.8)
Net cash generated by/(used in) investing activities		**(50.2)**	**(212.5)**	**(315.6)**
Cash received on exercise of stock options		1.4	1.4	1.9
Purchases and sales of treasury shares		-	(11.4)	(21.4)
Other transactions between shareholders		(1.4)	(1.8)	(0.8)
Dividends paid during the period	*12*	(58.6)	(167.3)	(167.3)
Cash inflows from new debt contracted		24.3	7.8	85.7
Repayment of debt (including finance leases)		(6.5)	-	(91.4)
Net interest paid (including finance leases)		(0.8)	(0.6)	(1.2)
Net cash generated by/(used in) financing activities		**(41.6)**	**(171.9)**	**(194.5)**
CHANGE IN CASH POSITION – CONTINUING OPERATIONS		**85.9**	**(345.5)**	**(281.5)**
Cash position at start of period – continuing operations		**419.3**	**700.8**	**700.8**
Change in cash position during the period – continuing operations		85.9	(345.5)	(281.5)
Cash position at end of period – continuing operations		**505.2**	**355.3**	**419.3**

Consolidated Statement of changes in shareholders' equity

(€m)	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)	-	1.4	-	-	-	**1.4**	-	**1.4**
Share-based payment	-	-	-	2.4	-	**2.4**	-	**2.4**
Purchase of treasury shares	-	-	-	-	-	**-**	-	**-**
Cancellation of treasury shares	-	-	-	-	-	**-**	-	**-**
Dividends paid	-	-	-	(58.6)	-	**(58.6)**	-	**(58.6)**
Other transactions with shareholders	-	-	-	1.1	-	**1.1**	0.4	**1.5**
Total transactions with shareholders	**-**	**1.4**	**-**	**(55.1)**	**-**	**(53.7)**	**0.4**	**(53.3)**
Consolidated net profit/(loss) for period	**-**	**-**	**-**	**74.6**	**-**	**74.6**	**(0.1)**	**74.5**
Income and expense recognised directly in equity	**-**	**-**	**-**	**-**	**(2.7)**	**(2.7)**	**-**	**(2.7)**
Other movements (changes in accounting policy and scope of consolidation, other items)	-	-	-	**(8.3)**	-	**(8.3)**	**0.5**	**(7.8)**
BALANCE AT 30 JUNE 2017	**41.9**	**14.9**	**-**	**1,459.1**	**(12.6)**	**1,503.3**	**-**	**1,503.3**
						-	**-**	**-**

(€ 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	1.3	-	-	-	**1.4**	-	**1.4**
Share-based payment	-	-	-	0.8	-	**0.8**	-	**0.8**
Purchase of treasury shares	-	-	(11.4)	-	-	**(11.4)**	-	**(11.4)**
Cancellation of treasury shares	-	-	-	-	-	**-**	-	**-**
Dividends paid	-	-	-	(167.2)	-	**(167.2)**	(0.1)	**(167.3)**
Other transactions with shareholders	-	-	28.2	(2.5)	-	**25.7**	(24.3)	**1.4**
Total transactions with shareholders	**0.1**	**1.3**	**16.8**	**(168.9)**	**-**	**(150.7)**	**(24.4)**	**(175.1)**
Consolidated net profit/(loss) for period	**-**	**-**	**-**	**(0.6)**	**-**	**(0.6)**	**1.6**	**1.0**
Income and expense recognised directly in equity	**-**	**-**	**-**	**-**	**(1.3)**	**(1.3)**	**-**	**(1.3)**
Other movements (changes in accounting policy and scope of consolidation, other items)	-	-	-	**(125.4)**	-	**(125.4)**	**15.1**	**(110.3)**
BALANCE AT 30 JUNE 2016	**42.2**	**13.0**	**(3.2)**	**1,420.9**	**(9.2)**	**1,463.7**	**12.4**	**1,476.1**

Notes to the condensed consolidated financial statements

1. Significant events

1.1 Divestment of Group AB

On 30 January 2017, TF1 accepted a conditional offer from Mediawan SA to buy the TF1 group's 33.5% equity interest in Groupe AB. As of 31 March 3017, those conditions had been fulfilled and the divestment of the equity interest took effect, generating a provisional gain (pending validation of the net cash position of Groupe AB as of 31 March 2017) that was recognised in "Share of profits/(losses) of joint ventures and associates" in the consolidated income statement.

1.2 Acquisition of the Tuvalu Group

On 6 February 2017, the Newen group completed the acquisition of a 70.65% equity interest in Tuvalu Media Netherlands BV, parent company of the Tuvalu group (audiovisual production in the Netherlands and Belgium). The Tuvalu group is fully consolidated in the TF1 group consolidated financial statements with effect from 1 January 2017.

The vendors and the Newen group entered into a shareholder agreement which specifies the terms of exercise of the reciprocal undertakings whereby the vendors have an option to sell to Newen Studios, and Newen Studios has an option to acquire, the residual 29.35% equity interest between 2020 and 2023.

1.3 Acquisition of Minute Buzz

In January 2017, the TF1 group completed the acquisition of a 62.9% equity interest in Minute Buzz, a media group that specialises in the aggregation and production/broadcasting of videos on social networks. Under a shareholder agreement between the existing shareholders and the TF1 group, the founders of Minute Buzz will enjoy considerable management autonomy. The shareholder agreement also specifies the terms of exercise of the reciprocal undertakings whereby the founders have an option to sell to TF1, and TF1 has an option to acquire, the residual 37.1% equity interest between 2017 and 2020.

Under the terms of the agreements between the TF1 group and the founders, the TF1 group acquired a further 4.7% interest in June 2017, taking its total equity interest to 67.6%.

Minute Buzz is accounted for by the equity method in the TF1 group consolidated financial statements with effect from 1 January 2017.

1.4 Equity stake in Studio 71

In January 2017, the TF1 group took a 6.1% equity interest in Studio71. This equity interest is measured at fair value, and is included in "Equity investments in non-consolidated entities" in the TF1 group consolidated balance sheet.

2. Accounting principles and policies

2.1. Declaration of compliance and basis of preparation

The condensed consolidated financial statements for the six months ended 30 June 2017 were prepared in accordance with IAS 34, "Interim Financial Reporting". They include the minimum content and disclosures defined in IAS 34 and consequently should be read in conjunction with the audited consolidated financial statements for the year ended 31 December 2016 as published in the 2016 *Document de Référence* filed with the *Autorité des Marchés Financiers* (AMF) on 8 March 2017 under reference number D.17-0136. An English-language version of the audited consolidated financial statements for the year ended 31 December 2016 is included in the 2016 TF1 Registration Document, available on the TF1 corporate website via the link http://www.groupe-tf1.fr/en/press-release/finance-press-releases/2016-registration-document.

The consolidated financial statements of the TF1 group include the financial statements of TF1 SA and its subsidiaries and joint ventures, and the TF1 group's interests in associated undertakings. They comply with recommendation no. 2009-R-03 on the presentation of financial statements, as issued by the CNC (the French national accounting standard-setter, now known as the ANC) on 2 July 2009.

The consolidated financial statements are presented in millions of euros.

The consolidated financial statements were closed off by the Board of Directors on 21 July 2017, and have been subject to a review by the statutory auditors.

2-2. New and amended IFRS accounting standards and interpretations

2.2.1. New standards, amendments and interpretations effective within the European Union and mandatorily applicable or permitted for early adoption in periods beginning on or after 1 January 2017

In preparing its condensed consolidated financial statements for the six months ended 30 June 2017, the TF1 group applied the same standards, interpretations and accounting policies as those used in the preparation of its consolidated financial statements for the year ended 31 December 2016.

2.2.2. New standards, amendments and interpretations issued by the IASB and endorsed by the European Union

Standard	IASB effective date	Expected impact on the TF1 group
IFRS 15: Revenue from Contracts with Customers	1 January 2018	On 28 May 2014, the IASB issued a new standard on revenue recognition intended to replace most of the current IAS 18 and IAS 11. The new standard was endorsed by the European Union on 29 October 2016 and is applicable from 1 January 2018 with early adoption permitted. The main changes in accounting treatments identified by the TF1 group relate to distribution contracts, and to the date of recognition of revenue generated by rights sales (especially TV and SVoD).
IFRS 9: Financial Instruments: Classification and Measurement	1 January 2018	On 24 July 2014, the IASB issued a new standard on financial instruments intended to replace most of the current pronouncements on this subject, especially IAS 39. The new standard was endorsed by the European Union on 22 November 2016 and is applicable from 1 January 2018. The impact of this standard is currently under review.

2.2.3. *New standards, amendments and interpretations issued by the IASB but not yet endorsed by the European Union*

Standard	IASB effective date	Expected impact on the TF1 group
IFRS 16: Leases	1 January 2019	On 13 January 2016, the IASB issued IFRS 16, “Leases”. IFRS 16 will replace IAS 17, along with the associated IFRIC and SIC interpretations, and will end the distinction currently made between operating leases and finance leases. Lessees will be required to account for all leases with a term of more than one year in a manner similar to that currently specified for finance leases under IAS 17, involving the recognition of an asset for the rights, and a liability for the obligations, arising under the lease. IFRS 16, which has not yet been endorsed by the European Union, is applicable from 1 January 2019. The impact of this standard is currently under review.

2.3. Changes in accounting policy

The TF1 group has not make any changes in accounting policy during 2017 to date.

2.4. Use of estimates

Preparation of the condensed consolidated financial statements requires the TF1 group to make various estimates and use various assumptions regarded as realistic or reasonable. Subsequent events or circumstances may result in changes to those estimates or assumptions, which could affect the value of the Group’s assets, liabilities, equity or net profit.
The principal accounting policies requiring the use of estimates are:

- impairment of audiovisual rights (whether recognised as intangible assets or carried as inventory);
- impairment of goodwill (where there is evidence of impairment);
- impairment of programmes and broadcasting rights;
- measurement of provisions.

Those estimates were made using the same valuation approaches as used in preparing the financial statements for the year ended 31 December 2016 and the 2016 and 2017 interim financial statements. As of the date on which the financial statements were closed off by the Board of Directors, management believes that as far as possible, those estimates incorporate all information available to it.

2.5. Seasonal trends

Advertising revenues are traditionally lower in January/February and July/August than during the rest of the year.

3. Changes in scope of consolidation

3.1 Divestment of Group AB

Following the divestment of Groupe AB (see Note 1, "Significant events"), the TF1 group's 33.5% equity interest was deconsolidated at the end of the first quarter of 2017. The gain arising on the divestment was recognized in "Share of profits/ (losses) of joint ventures and associates" in the consolidated income statement.

3.2 Acquisition of the Tuvalu Group by Newen Studios

Following the acquisition of a 70.65% equity interest in Tuvalu Media Netherlands BV that gave Newen Studios exclusive control over that company, Tuvalu Media Netherlands BV and its subsidiaries are fully consolidated in the TF1 group consolidated financial statements with effect from 1 January 2017 (see Note 1, "Significant events"). They are included in the Studios & Entertainment operating segment for financial reporting purposes.

The commitment to buy out the minority shareholders has been accounted for as an advance purchase under the revised IFRS 3. This means that:

- the TF1 group's percentage interest in the Tuvalu group has been increased to 100%, and the entire net profit or loss of the Tuvalu group is treated as attributable to the shareholders of TF1 with no non-controlling interests recognised;
- the commitment to buy out the residual 29.35% equity interest held by the minority shareholders has been recognised in "Non-current debt" in the 30 June 2017 consolidated financial statements, with the corresponding entry recorded as a deduction from consolidated shareholders' equity.

This transaction generated goodwill provisionally measured at €15.9 million, pending completion of the purchase price allocation.

3.3 Acquisition of Minute Buzz

Following the acquisition of a 62.9% equity interest in Minute Buzz, and given that the founders and the TF1 group exercise joint control over that company, Minute Buzz is accounted for by the equity method in the TF1 group consolidated financial statements with effect from 1 January 2017 (see Note 1, "Significant Events" and Note 6, "Investments in Joint Ventures and Associates"). It is included in the Broadcasting operating segment for financial reporting purposes.

During the second quarter of 2017 the TF1 group acquired additional shares; those acquisitions took the Group's equity interest in Minute Buzz to 67.6% but did not alter the latter's control or governance arrangements.

Because the interest in Minute Buzz is accounted for by the equity method, the commitments to buy out the residual 32.4% equity interest are accounted for as financial instruments and recognised at their fair value as of 30 June 2017; at the date of inception of the commitments, that value was estimated to be zero.

3.4 Acquisition of Play 2

In April 2017, in accordance with undertakings entered into on 14 February 2017, the TF1 group acquired a 25% equity interest in Play 2 (a company involved in production of music, concerts and live shows and in music publishing, founded in October 2016). The acquisition, for €0.3 million, was made via triple voting right shares that give entitlement to 50.01% of the voting rights. The shareholder agreement between the TF1 group and the two founders gives the TF1 group control over Play 2, which consequently is fully consolidated in the TF1 group consolidated financial statements from 1 April 2017.

4. Operating segments

TF1 organises its operating activities into strategic business units, each of which is managed appropriately to the nature of the products and services sold. This segmentation serves as the basis for the presentation of internal management data, and is also used by the Group's operating decision-maker to monitor performance. The operating segments reported by the Group are those reviewed by the chief operating decision-maker.

Management assesses segmental performance on the basis of current operating profit. Segmental results, assets and liabilities include items directly or indirectly attributable to the relevant segment. Segmental capital expenditure represents total acquisitions of property, plant and equipment and intangible assets as recognised in the corresponding balance sheet line items. Inter-segment sales and transfers are conducted on an arm's length basis.

The TF1 group reports the following operating segments:

Broadcasting

The Broadcasting segment includes all of the Group's TV channels and websites. Revenues from those activities are generated by selling advertising airtime fees and by fees collected from cable, satellite and ADSL operators.
This segment also includes activities that generate non-advertising revenue derived directly from programmes broadcast on the Group's platforms (such as interactivity between viewers and programmes), and subsidiaries involved in production and rights acquisition on behalf of the Group's TV channels (in accordance with French broadcasting regulations) and websites.

Studios & Entertainment

This segment consists of two sub-segments:

- ✓ Content subsidiaries whose activities are primarily focused on producing, acquiring, developing and commercialising audiovisual or music rights, licences and brands for exploitation independently of the Group's broadcasting operations. Revenue is derived from fees for the sale of broadcasting rights and other exploitation rights in France or internationally, including physical and online video sales.

  Although these activities (carried on by TF1 Studios, Newen Studios and TF1 Entertainment) are situated at different points along the value chain, they share the same business models and operate in markets that are ever more closely integrated.
  More specifically, TF1 Studios and Newen Studios exploit complementary types of audiovisual rights which both entities sell into the market of French and European TV and video rights distributors.
  Consequently, TF1 management considers it relevant to monitor their financial performance collectively.

- ✓ The Home Shopping business, including online and in-store sales, is also included in this segment given its relatively small contribution at TF1 group level.

(€m)	BROADCASTING		STUDIOS & ENTERTAINMENT		TOTAL TF1 GROUP	
SEGMENTAL INCOME STATEMENT	**H1 2017**	**H1 2016**	**H1 2017**	**H1 2016**	**H1 2017**	**H1 2016**
Segment revenue	866.7	849.5	179.2	182.1	1,045.9	1,031.6
Elimination of inter-segment transactions	(11.3)	(11.4)	2.1	5.0	(9.2)	(6.4)
GROUP REVENUE CONTRIBUTION	**855.4**	**838.1**	**181.3**	**187.1**	**1,036.7**	**1,025.2**
of which Advertising revenue	*776.9*	*766.0*	*5.2*	*4.1*	*782.1*	*770.1*
of which Other revenue	*78.5*	*72.1*	*176.1*	*183.0*	*254.6*	*255.1*
OPERATING PROFIT/(LOSS)	**91.5**	**(3.9)**	**4.5**	**6.7**	**96.0**	**2.8**
% operating margin on Group contribution	*10.7%*	*(0.5)%*	*2.5%*	*3.6%*	*9.3%*	*0.3%*
Share of profits/(losses) of joint ventures and associates (1)	7.3	0.4	(0.2)	(0.3)	7.1	0.1

(1) For the Broadcasting segment, includes the impact of the divestment of Groupe AB as of 30 June 2017 (see Note 1, "Significant Events").

5. Goodwill

(€m)	Broadcasting	Studios & Entertainment	TOTAL
Goodwill at 1 January 2016	**406.5**	**25.1**	**431.6**
Acquisitions	2.8	128.9	131.7
Disposals		-	-
Reclassifications	-	-	-
Impairment	-	-	-
Goodwill at 30 June 2016	**409.3**	**154.0**	**563.3**
Goodwill at 1 January 2017	**409.3**	**151.6**	**560.9**
Acquisitions	-	16.9	16.9
Disposals	-	-	-
Reclassifications	-	(2.1)	(2.1)
Impairment	-	-	-
Goodwill at 30 June 2017	**409.3**	**166.4**	**575.7**
Gross value	*409.3*	*166.4*	*575.7*
Accumulated impairment	-	-	-

Goodwill recognised during the period relates to the acquisitions described in Note 3, "Changes in scope of consolidation"; the amounts involved are provisional. In accordance with the revised IFRS 3 the TF1 group has for those acquisitions elected not to remeasure the non-controlling interests at fair value, as a result of which only the share of goodwill attributable to the Group is reported in the balance sheet.

As a result of asset and liability valuations carried out as part of the allocation of the purchase price of Beauté Test, the brand name and customer relationships were recognised as intangible assets at a fair value of €2.1 million net of deferred taxes. The customer relationships are being amortised on a straight line basis over five years, with the corresponding expense presented in "Depreciation and amortisation, net" in the consolidated income statement.

6. Investments in joint ventures and associates

The table below gives details of investments in joint ventures and associates:

(€m)	GROUPE AB	Other [1]	TOTAL
1 January 2016	72.3	**12.5**	**84.8**
Share of profit/(loss) for the period	(0.4)	0.5	**0.1**
Provision for impairment			**-**
Dividends paid			**-**
Changes in scope of consolidation and reclassifications		1.1	**1.1**
Provision for risks			**-**
30 June 2016	**71.9**	**14.1**	**86.0**
1 January 2017	**76.8**	**12.5**	**89.3**
Share of profit/(loss) for the period	-	-	**-**
Provision for impairment	-	-	**-**
Dividends paid	-	-	**-**
Changes in scope of consolidation and reclassifications	(76.8)	10.2	**(66.6)**
Provision for risks	-	-	**-**
30 June 2017	**-**	**22.7**	**22.7**

(1) *Other investments in joint ventures and associates mainly comprise SérieClub, Direct Optic Participations, Minute Buzz and within Newen Studios the entity Yellow Thing.*

Groupe AB was divested on 31 March 2017; see Note 1, “Significant events” and Note 3, “Changes in scope of consolidation”. The €7.1 million recognised for the share of profits/(losses) of joint ventures and associates mainly comprises the provisional gain arising on the divestment of Groupe AB; the definitive amount of the gain will be determined during the third quarter of 2017.

7. Other movements in shareholders’ equity

The amount shown for the first half of 2017 in the line item “Other movements (changes in accounting policy and scope of consolidation, other items)” in the consolidated statement of changes in shareholders’ equity mainly relates to the recognition of liabilities for commitments to buy out minority shareholders in the Tuvalu group, acquired on 6 February 2017 by the Newen Studios group.

8. 2017 stock option plan and 2017 performance share plan

On 12 June 2017 the TF1 group awarded:

- ✓ The 2017 stock option plan, consisting of 704,900 options exercisable on or after 12 June 2021 at a price of €11.45. The fair value of this plan was measured at €1.3 million (excluding employer’s social security charges); this amount is being charged to profit or loss (in “Staff costs”) over the three-year vesting period of the options.
- ✓ The 2017 performance share plan involving the award of 172,000 shares, with a three-year vesting period. The fair value of this plan was measured at €2.0 million (excluding employer’s social security charges); this amount is being charged to profit or loss (in “Staff costs”) over the three-year vesting period.

Vesting of the options and shares awarded under these two plans is contingent on the attainment of performance objectives based on the Group’s consolidated revenue, operating profit and net profit during the three-year vesting period.

The impact of these plans on the consolidated financial statements as of 30 June 2017 is immaterial.

9. Net surplus cash

Net surplus cash (or net debt) as reported by the TF1 group comprises the following items:

(€m)	31/12/2016	Cash flows	Changes in scope of consolidation	Other movements	30/06/2017
Cash and cash equivalents	420.2	21.0	64.5		505.7
Financial assets used for treasury management purposes	-				-
Available cash	**420.2**	**21.0**	**64.5**	**-**	**505.7**
Fair value of interest rate derivatives	-				-
Non-current debt [(1)]	(224.9)	(16.7)		(7.5)	(249.1)
Current debt, excluding overdrafts and short-term bank loans [(1)]	(7.8)	(1.4)		0.7	(8.5)
Overdrafts and short-term bank loans	(0.8)	0.3			(0.5)
Total debt	**(233.5)**	**(17.8)**		**(6.8)**	**(258.1)**
Net surplus cash (+) / Net debt (-)	**186.7**	**3.2**	**64.5**	**(6.8)**	**247.6**

[(1)] *As of 30 June 2017, non-current debt and current debt include the fair value of the commitments made by TF1 to buy out minority shareholders, primarily those with an equity interest in Newen Studios and its subsidiaries.*

As of 30 June 2017, TF1 had confirmed bilateral bank credit facilities of €1,015 million, including €140 million for Newen, backed up by a cash pooling agreement with the Bouygues Group. As of 30 June 2017, drawdowns under those facilities amounted to €107.7 million, all of which related to the Newen facility.

Definition of cash position:

The cash flow statement analyses movements in the net cash position, which equals cash and cash equivalents less bank overdrafts and treasury current account credit balances.

(€m)	**30/06/2017**	**31/12/2016**
Cash and cash equivalents in the balance sheet	505.7	420.2
Cash of held-for-sale operations	-	-
Treasury current account credit balances	-	(0.1)
Bank overdrafts	(0.5)	(0.8)
Total net cash position at end of period per the cash flow statement	**505.2**	**419.3**

10. Non-current operating expenses

The non-current operating expenses of €11.6 million reported in the income statement represent amortisation charged against audiovisual rights remeasured at fair value as part of the purchase price allocation of Newen Studios and Rendez-Vous Production Séries.

11. Cash flow statement – effect of changes in scope of consolidation

The items presented within "Effect of changes in scope of consolidation" in the consolidated cash flow statement reflect the impacts of the acquisition of the Tuvalu group by Newen Studios, the acquisition of an equity interest in Minute Buzz by the TF1 group, and the divestment of the TF1 group's 33.5% equity interest in Groupe AB.

12. Dividends paid

The table below shows the dividend per share paid by the TF1 Group on 3 May 2017 in respect of the 2016 financial year, and the amount paid in 2016 in respect of the 2015 financial year.

	Paid in 2017	**Paid in 2016**
Total dividend (€m)	58.6	167.2
Dividend per ordinary share (€)	0.28	0.80

13. Events after the reporting period

No significant event after the end of the reporting period (30 June 2017) had occurred as of the date when the financial statements were closed off by the Board of Directors (21 July 2017).

3. Statutory Auditors' report

Statutory auditors' review report on the half-yearly financial information
For the period from 1 January to 30 June 2017

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting and in accordance with the requirements of article L. 451-1-2 III of the French monetary and financial code (Code monétaire et financier), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of TF1, for the period from 1 January to 30 June 2017,
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – standard of the IFRSs as adopted by the European Union applicable to interim financial information.

2. Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Courbevoie and Paris-La Défense, 21 July 2017

The Statutory Auditors

French original signed by

MAZARS		ERNST & YOUNG Audit	
Gilles Rainaut	Marc Biasibetti	Bruno Perrin	Laurent Vitse

4. Statement of person responsible

I certify that to the best of my knowledge the condensed consolidated first-half financial statements for the past half-year have been prepared in accordance with the relevant accounting standards and give a true and fair view of the assets and liabilities, financial position and results of the company and of affiliated undertakings and that the attached first-half review of operations provides an accurate representation of significant events in the first six months of the year and of their impact on the first-half financial statements, of the main related-party transactions and of the main risks and uncertainties for the remaining six months.

Boulogne-Billancourt, 24 July 2017

Chairman and CEO

Gilles C. Pélisson

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