

Boulogne-Billancourt – April 26, 2016

2016 FIRST-QUARTER RESULTS

Revenue up 1.4% year-on-year
Current operating profit of €14.8 million
Transformation of the Group gathers pace

The TF1 Board of Directors, chaired by Gilles Pélisson, met on April 26, 2016 to adopt the financial statements for the three months ended March 31, 2016.

The results shown below are presented using the new segmental reporting structure adopted by the TF1 group. Definitions of the segments, details of how consolidated entities are allocated between the operating segments, and historical revenue and operating profit data have been available since April 21, 2016 on our corporate website: www.groupe-tf1.fr.

CONSOLIDATED FIGURES (€m)	Q1 2016	Q1 2015	Chg. €m	Chg. %
Revenue	481.9	475.1	+6.8	+1.4%
TF1 group advertising revenue	356.1	363.1	(7.0)	-1.9%
Revenue from other activities	125.8	112.0	+13.8	+12.3%
Current operating profit/(loss)	14.8	28.1*	(13.3)	-47.3%
Non-current operating expenses	(34.0)	-	(34.0)	ns
Operating profit/(loss)	(19.2)	28.1*	(47.3)	ns
Cost of net debt	(0.2)	0.5	(0.7)	ns
Net profit/(loss) attributable to the Group	(13.1)	32.7*	(45.8)	ns

* Includes the €33.7m gain arising on the deconsolidation of Eurosport France.

Consolidated revenue for the first quarter of 2016 reached €481.9 million, up €6.8 million (+1.4%) year-on-year, and comprised:

- **Group advertising revenue** of €356.1 million, down 1.9%, but with advertising revenue for the free-to-air channels down by only 0.7% (compared with a 3.2% rise in the first quarter of 2015);
- **revenue from other activities** of €125.8 million, up 12.3%, and including revenue from Newen Studios which has been consolidated since January 1, 2016.

The Group made a **current operating profit** of €14.8 million, down €13.3 million year-on-year. Bear in mind however that the deconsolidation of Eurosport France had a positive impact of €33.7 million in the first quarter of 2015.

The Group posted an **operating loss** of €19.2 million after charging €34 million of non-current expenses, including:

- the operating loss of the LCI channel, which switched to freeview on April 5, 2016;
- non-current expenses associated with the transformation measures implemented by the Group;
- the negative impact on the cost of programmes of the April 27, 2015 decree on co-production shares, which affects productions of French drama.

Overall, the quarter ended with a **net loss attributable to the Group** of €13.1 million.

Analysis by segment

The results shown below are presented using the new segmental reporting structure adopted by the TF1 group. Historical revenue and operating profit data are available on our corporate website: www.groupe-tf1.fr.

€m	Q1 2016	Q1 2015	Chg. €m
Broadcasting	389.4	418.0	(28.6)
Free platforms	353.5	366.3	(12.8)
of which TV advertising	341.3	343.6	(2.3)
Other platforms and related activities	35.9	51.7	(15.8)
Studios & Entertainment	92.5	57.1	+35.4
Consolidated revenue	481.9	475.1	+6.8
Broadcasting	4.9	22.6	(17.7)
Free platforms	(3.5)	(18.6)	+15.1
Other platforms and related activities	8.4	41.2*	(32.8)
Studios & Entertainment	9.9	5.5	+4.4
Current operating profit/(loss)	14.8	28.1*	(13.3)

* Includes the gain arising on the deconsolidation of Eurosport France.

Broadcasting

Audiences¹

The Group's four free-to-air channels² achieved audience share of 27.3% of individuals aged 4 and over in the first quarter, down 0.4 of a point year-on-year. Among "women aged under 50 purchasing decision-makers", the audience share was 31.3%, down 0.5 of a point.

¹ Source: Médiamétrie.

² Audiences for TF1, TMC, NT1 and HD1; LCI did not switch to freeview until April 5, 2016.

During the quarter, in spite of tough competition and adverse seasonal trends in the advertising market, the Group managed to:

- **maintain the prime time pulling power** of the TF1 core channel, which attracted an average audience of 5.7 million¹, nearly double that of its nearest private-sector rival. The channel retained its no.1 spot across all genres, attracting 11.6 million viewers for *Les Enfoirés*, 8.3 million for *Le Secret d'Elise*, and 8.8 million for the movie *Les Tuche*;
- **strong performances among the target audiences for its DTT channels**, especially “women aged under 50 purchasing decision-makers”. In this target market, the Group’s DTT channels enjoyed a very good quarter: NT1 increased its share by 0.3 of a point to 3.4%, while HD1 upped its share by 0.1 of a point year-on-year to 1.8%. The TF1 group is France’s market-leading DTT broadcaster with an 8.7% audience share.

Financial performance

Advertising revenue for the Group’s free-to-air TV channels fell slightly year-on-year, by 0.7%. Other Broadcasting segment revenue was down €26.3 million year-on-year, reflecting (i) the deconsolidation of Eurosport France (which contributed €17.8 million of revenue in the first quarter of 2015) on March 31, 2015, (ii) the ending of distribution revenue streams for the LCI channel in 2016, and (iii) a drop in revenues at Metronews, where the print edition was still being published in the first quarter of 2015.

The cost of programmes for the first quarter of 2016 was €247.7 million, up €4.2 million on the first quarter of 2015. This includes €15.3 million of non-current expenses relating to the accounting treatment of French drama screened in the first quarter of 2016, resulting from the decree of April 27, 2015 that entitles TF1 to own co-production shares in such productions.

Current operating profit for the quarter was €4.9 million, down €17.7 million year-on-year. The 2015 first-quarter figure included a €33.7 million contribution from Eurosport France, the non-recurrence of which was partly offset by tight control over programming and an improvement in the cost base at Metronews.

Studios & Entertainment

The **Studios & Entertainment** segment reported year-on-year growth in both revenue (up €35.4 million) and operating profit (up €4.4 million), thanks largely to the first-time consolidation of Newen Studios. Good results for TF1 Entertainment and TF1 Droits Audiovisuels offset a poorer performance from the Home Shopping business.

Financial position

Shareholders’ equity attributable to the Group stood at €1,602.0 million as of March 31, 2016, out of a balance sheet total of €3,321.2 million.

The Group had a gross cash position of €564.8 million as of March 31, 2016, versus €700.8 million as of December 31, 2015, mainly reflecting the cash outflow on the acquisition of 70% of Newen Studios. The net cash position, which takes account of all the effects of that acquisition, stood at €340.8 million as of March 31, 2016.

Outlook

After a first quarter of 2016 characterised by poor visibility and strong volatility in decision-making by advertisers, TF1 is sticking with its forecast that the net TV advertising market will remain flat over 2016 as a whole.

The coming months promise a rich event flow: the screening of the Euro 2016 football tournament (hosted by France) across our platforms, a series of must-see French dramas, and the launch of a revamped news offering spearheaded by LCI in freeview. These flagship programmes will offer ample opportunities for our advertisers to invest in high-powered slots.

In an intensely competitive French media market, the TF1 group has set itself a new ambition for the years ahead:

- to become a standard setter in the creation of audiovisual content, in France and abroad;
- to strengthen our market leadership in freeview TV in France, maintaining our pulling power by delivering federating content;
- to create the benchmark digital offering in the market;
- to be the leading sales house on the French market, providing a premium and convergent offer, targeted and data driven, in order to answer to the business challenges of our clients.

The cost of programmes for our five free-to-air channels is expected to be in the region of €980 million in 2016, excluding non-recurring expenses and major sporting events.

Finally, the Group is revising the 2016 full-year estimate for non-current expenses, which is now expected to be €86 million. This figure includes the ongoing implementation of the freeview model at LCI, the accelerated transformation of the Group in pursuit of its new ambition, non-current expenses arising from the treatment of French drama productions after the decree of April 27, 2015 (€26 million), and – as announced at the start of the year – the accounting effects of the first-time consolidation of Newen Studios.

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

Our financial information report for the first quarter of 2016 is available on our corporate website: <http://www.groupe-tf1.fr/>.

A conference call is scheduled for April 26, 2016 at 18.00 (Paris time).

Details of how to connect to the conference call are on our corporate website: <http://www.groupe-tf1.fr/>.

CONTACTS

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