TF1 LE GROUPE

PRESS RELEASE

Boulogne, 27 April 2017

2017 FIRST-QUARTER RESULTS

Group audience share rises to 32.5% among advertising targets (+1.2 points)
Revenue growth of 3.5%
Current operating profit of €36.3 million (+21.5 million euros)

The TF1 Board of Directors, chaired by Gilles Pélisson, met on 27 April 2017 to close off the financial statements for the three months ended 31 March 2017.
The results shown below (presented using the segmental reporting structure adopted by the TF1 group), and historical revenue and operating profit data, are available on our corporate website: www.groupe-tf1.fr/en.

CONSOLIDATED FIGURES (€m)	Q1 2017	Q1 2016	Chg. €m	Chg.%
Revenue	**498.9**	**481.9**	**17.0**	**3.5%**
TF1 group advertising revenue	*365.1*	*356.1*	*9.0*	*2.5%*
Revenue from other activities	*133.8*	*125.8*	*8.0*	*6.4%*
Current operating profit/(loss)	**36.3**	**14.8**	**21.5**	**ns**
Current operating margin	*7.3%*	*3.1%*		*+4.2pts*
Operating profit/(loss)	**30.5**	**(19.2)**	**49.7**	**ns**
Cost of net debt	(0.9)	(0.2)	(0.7)	ns
Net profit/(loss) attributable to the Group	**27.7**	**(13.1)**	**40.8**	**ns**

Consolidated revenue for the first quarter of 2017 reached €498.9 million, up €17.0 million (3.5%) year-on-year, and comprised:

- **Group advertising revenue** of €365.1 million, up 2.5%, including a rise in advertising revenue for the free-to-air channels (up 2.0%). This revenue growth was driven mainly by stronger revenue from the Group's DTT channels, a very good performance in sponsorship following recent regulatory changes, and an increase in digital advertising revenue.

- **Revenue from other activities** of €133.8 million, up 6.4%, reflecting increased revenue from interactivity and the box-office success of TF1 Studios films.

Current operating profit reached €36.3 million, up €21.5 million year-on-year. This performance is due partly to the effects of the cost-cutting and programming optimisation strategy applied from the autumn of 2016, and partly to the fact that the scheduling of some programmes (*The Voice*, *Koh-Lanta*, and some French dramas) has been shifted to a later date than in the previous year. Recurring cost savings of €7 million were achieved under the "Recover" plan during the first quarter.

The Group posted an **operating profit** of €30.5 million after charging €5.8 million of non-current expenses related to the amortisation of intangible assets identified in connection with the Newen Studios acquisition; this is in line with the treatment applied in 2016.

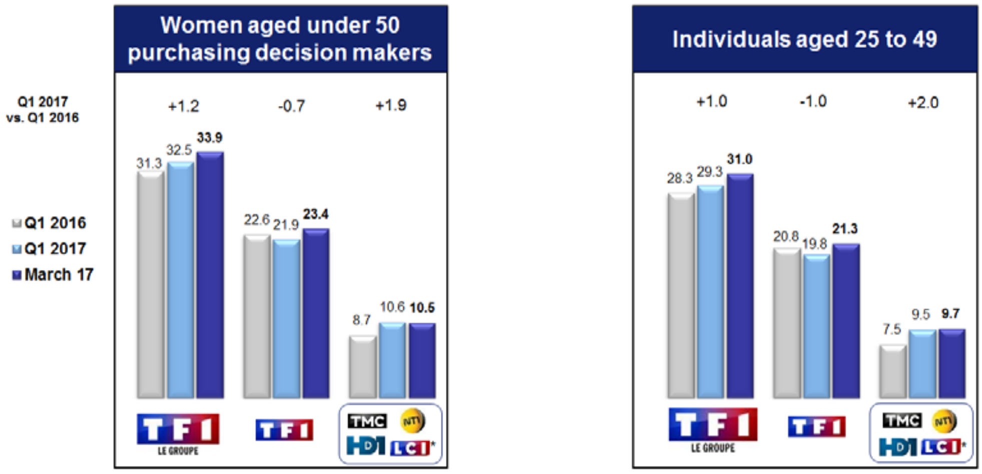
Overall, **net profit attributable to the Group** was €27.7 million, including the gain arising on the divestment of the equity interest in Groupe AB.

Audiences[1]

The TF1 group continued to roll out its multi-channel strategy in the first quarter. The five free-to-air channels[2] attracted a combined audience share of 28.0% among individuals aged 4 and over (+0.7 of a point year-on-year).
Among the target audience of women aged under 50 purchasing decision-makers (W<50PDM), the Group's audience share was 32.5% (+1.2 of a point year-on-year). Within this target, a slight fall in audience share for the TF1 core channel (21.9%, -0.7 of a point year-on-year) was substantially offset by stronger audiences for the DTT channels (10.6%, +1.9 points year-on-year).

During the quarter, the Group launched ten new programme brands, covering all time slots and genres, including *The Wall, Louis(e), Les Cerveaux, Colony* and *Chicago Med.*

March was a particularly remarkable month as the Group's audience share of W<50PDM hit 33.9% (+1.3 points year-on-year).



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

On the TF1 channel, the scheduling of the new access prime time[3] programme *The Wall* (averaging 3.8 million viewers over the month, 20% of W<50PDM), combined with entertainment shows such as *Les Enfoirés* (10.6 million viewers) and *The Voice* (up to 8.1 million viewers, 49% of W<50PDM), improved the share of target audiences (23.4% of W<50PDM in March).

The DTT channels advanced by 2 percentage points year-on-year in key advertising targets (W<50PDM and 25-49 year-olds), largely driven by the ongoing success of TMC, building on the strong performances achieved in the fourth quarter of 2016.

LCI has become France's no.2 news channel, achieving a record audience share of 0.7% of individuals aged 4 and over in March 2017.

The multi-channel, multi-platform coverage deployed by TF1-LCI for the Great Debate between the main presidential candidates generated exceptional viewing figures across all platforms: 9.9 million viewers on TF1, 345,000 on LCI, and over one million on internet platforms (especially the LCI platform).

Analysis by segment

€m	Q1 2017	Q1 2016	Chg.	Chg.%
Broadcasting	**404.1**	**389.4**	**14.7**	**3.8%**
TV advertising on free-to-air channels	*348.0*	*341.3*	*6.7*	*2.0%*
Other revenues	*56.1*	*48.1*	*8.0*	*16.6%*
Studios & Entertainment	**94.8**	**92.5**	**2.3**	**2.5%**
Consolidated revenue	**498.9**	**481.9**	**17.0**	**3.5%**
Cost of programmes	**(233.5)**	**(232.4) ***	**(1.1)**	**0.5%**
Broadcasting	**26.6**	**4.9**	**21.7**	**ns**
of which Free platforms	13.9	(3.5)	17.4	ns
Studios & Entertainment	**9.7**	**9.9**	**(0.2)**	**-2.0%**
Current operating profit/(loss)	**36.3**	**14.8**	**21.5**	**ns**

** The cost of programmes published for Q1 2016 was €247.7 million, including €15.3 million of non-recurring expenses. Excluding non-recurring expenses, the cost of programmes was €232.4 million.*

[1] Source: Médiamétrie.
[2] TF1, TMC, NT1, HD1 and LCI channels.
[3] 6pm to 9pm.

Broadcasting

Advertising revenue for the Group's free-to-air TV channels rose by 2.0% (or €6.7 million) year-on-year, thanks to very good DTT audience figures and sponsorship revenue.
Other revenue for the Broadcasting segment increased by €8.0 million. Digital revenue continued to record robust growth in the quarter, with interactivity performing strongly.

The cost of programmes for the quarter was €233.5 million. This is very close to the 2016 first-quarter figure (down €1.1 million), illustrating our tight control over programme spend. Bear in mind also that in the first quarter of 2016 the cost of programmes did not include LCI, which switched to freeview on 5 April 2016.

The Broadcasting segment recorded a current operating profit of €26.6 million, up €21.7 million year-on-year. The contribution from the free-to-air channels improved by €17.4 million thanks to stronger advertising revenue, stable cost of programmes, and cost savings achieved under the "Recover" plan.

Studios & Entertainment

Revenue for the Studios & Entertainment segment rose by €2.3 million (+2.5%) year-on-year.
A good performance from TF1 Studios offset lower revenue from Home Shopping.
During the quarter, the Newen Studios group acquired a majority interest in Tuvalu Media Group, the leading independent producer in the Netherlands, which is consolidated with effect from 1 January 2017.
Studios & Entertainment reported an operating profit of €9.7 million.

Financial position

Shareholders' equity attributable to the Group stood at €1,516 million as of 31 March 2017, out of a balance sheet total of €3,214 million.
The gross cash position as of 31 March 2017 was €468 million, compared with €419 million as of 31 December 2016. This increase reflects:

- receipt of the proceeds from the divestment of the equity interest in Groupe AB;
- an equity investment in Studio71;
- the acquisition of Tuvalu by the Newen Studios group.

The net cash position as of 31 March 2017 was €215 million, versus €187 million as of 31 December 2016.

Outlook

The TF1 group stabilised its share of the gross advertising market in the first quarter of 2017, and we are reiterating our objective of maintaining our share of that market over the year as a whole.

The strategy implemented from the fourth quarter of 2016 has enabled us to deliver good performances in the first quarter: 2% advertising revenue growth for the five free-to-air channels, increased Group audience share year-on-year, and improved profitability.

The second quarter is being characterised by poor visibility, strong volatility in advertiser decisions, and the presidential and parliamentary elections.

The 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 its consolidated revenue in 2019.

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 2017 is available on our corporate website: http://www.groupe-tf1.fr/.
A conference call is scheduled for 27 April 2017 at 18.30 (Paris time).
For details of how to connect to the conference call go to http://www.groupe-tf1.fr/en/investisseurs.

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