

Boulogne-Billancourt – July 21, 2016

CORRECTION (done on August 23, 2016):

This Press Release is correcting the one published on July 21, 2016 (page 3, second paragraph) « Excluding advertising revenue for the five free-to-air channels, other revenue for the Broadcasting segment was €101.9 million in the first half of 2016 (and not € 109,1 million as published), down €10.2 million on a like-for-like basis».

2016 FIRST-HALF RESULTS

First-half revenue growth of 4.5%
Current operating profit of €57.5 million

The TF1 Board of Directors, chaired by Gilles Pélisson, met on July 21, 2016 to close off the financial statements for the six months ended June 30, 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/en.

CONSOLIDATED FIGURES (€m)	Q1 2016	Q1 2015	Q2 2016	Q2 2015	H1 2016	H1 2015	Chg. M€	Chg.%
Revenue	481.9	475.1	543.3	505.6	1,025.2	980.7	+ 44.5	+ 4.5%
TF1 group advertising revenue	356.1	363.1	414.0	411.6	770.1	774.7	(4.6)	- 0.6%
Revenue from other activities	125.8	112.0	129.3	94.0	255.1	206.0	+ 49.1	+ 23.8%
Current operating profit/(loss)	14.8	28.1*	42.7	69.2	57.5	97.3*	(39.8)	- 40.9%
Operating profit/(loss)	(19.2)	28.1*	22.0	57.3	2.8	85.4*	(82.6)	- 96.7%
Cost of net debt	(0.2)	0.5	(0.4)	0.2	(0.6)	0.7	(1.3)	ns
Net profit/(loss) attributable to the Group	(13.1)	32.7	12.5	28.3	(0.6)	61.0	(61.6)	ns

* Includes the gain arising on the deconsolidation of Eurosport France (€33.7M)

Consolidated revenue for the first half of 2016 amounted to €1,025.2 million, up 4.5%, and comprised:

- Group advertising revenue of €770.1 million, down just €4.6 million (or 0.6%);
- revenue from other activities of €255.1 million, up €49.1 million (or 23.8%), including Newen Studios from January 1, 2016.

The Group made a **current operating profit** of €57.5 million, down €39.8 million on the comparable period of 2015, largely as a result of the cost of screening the Euro 2016 football tournament. Bear in mind also that in 2015, the deconsolidation of Eurosport France had a positive impact of €33.7 million.

Operating profit for the first half of 2016 was €2.8 million after charging non-current expenses of €54.7 million, in line with what was announced at the start of the year and recognised in the first quarter.

- the first-quarter operating loss of the LCI channel, which switched to freeview on April 5, 2016;
- the negative impact on the cost of programmes of the April 27, 2015 decree on co-production shares, which affects French drama productions;
- non-current expenses associated with the transformation plan implemented by the Group;
- amortisation charged against intangible assets identified in the Newen Studios purchase price allocation.

The overall result was a **net loss attributable to the Group** of €0.6 million in the first half of 2016.

Analysis by segment

€m	Q1 2016	Q1 2015	Q2 2016	Q2 2015	H1 2016	H1 2015	Chg.	Chg.%
Broadcasting	389.4	418.0	448.7	445.2	838.1	863.2	(25.1)	- 2.9 %
Free platforms	353.5	366.3	408.7	414.1	762.2	780.4	(18.2)	- 2.3 %
of which TV advertising	341.3	343.6	394.9	389.7	736.2	733.3	+ 2.9	+ 0.4 %
Other platforms and related activities	35.9	51.7	40.0	31.1	75.9	82.8	(6.9)	- 8.3 %
Studios & Entertainment	92.5	57.1	94.6	60.4	187.1	117.5	+ 69.6	+ 59.2 %
Consolidated revenue	481.9	475.1	543.3	505.6	1,025.2	980.7	+ 44.5	+ 4.5 %
Broadcasting	4.9	22.6	33.1	65.2	38.0	87.8	(49.8)	- 56.7 %
Free platforms	(3.5)	(18.6)	21.6	57.2	18.1	38.6	(20.5)	- 53.1 %
of which cost of programmes	(247.7)**	(243.5)	(269.8)**	(216.7)	(517.5)	(460.2)	(57.3)	+ 12.5 %
Other platforms and related activities	8.4	41.2 *	11.5	8.0	19.9	49.2*	(29.3)	- 59.6 %
Studios & Entertainment	9.9	5.5	9.6	4.0	19.5	9.5	+ 10.0	+ 105.3 %
Current operating profit/(loss)	14.8	28.1	42.7	69.2	57.5	97.3	(39.8)	- 40.9 %

* Includes the gain arising on the deconsolidation of Eurosport France (€33.7M)

** Includes non-current expenses of €15.3 million (Q1 2016) and €4.4 million (Q2 2016) relating to the co-existence of two different accounting treatments for French drama depending on whether it was produced before or after the decree of April 27, 2015 allowing broadcasters to own co-production shares in respect of their investments in independent productions

Audiences¹

The TF1 group was France's leading private-sector broadcaster in the first half of 2016, with its five free-to-air channels enjoying a combined audience share of 27.1% among individuals aged 4 and over (0.7 of a point less than in the first half of 2015). Among the target market of "women aged under 50 purchasing decision-makers", the audience share was 31.4%, down 0.6 of a point.

Against a backdrop of growing momentum for France's HD DTT channels (which achieved a 100% initialisation rate in April 2016), and in the face of very aggressive programming competition across the whole spectrum of freeview channels, the TF1 group continues to prioritise:

- **pulling power in strategic slots:** the TF1 group has consolidated its market leader status and prime time pulling power, averaging 7.4 million viewers in prime time².

The TF1 core channel achieved 47 of the top 50 audience ratings during the first half of 2016.

- **strong performances among the target audiences for its DTT channels**, especially the 25-49 age bracket. The Group's DTT cluster achieved strong audience growth with the audience share among "women aged under 50 purchasing decision-makers" reaching 8.9%, up 0.5 of a point year-on-year. The TF1DTT cluster is the French market leader in DTT.
- **event broadcasting:** TF1 attracted excellent audience ratings during Euro 2016, with a record of 19.2 million viewers for the France/Germany match. TMC also hit an all-time high with 3.5 million viewers, reaching 5.8% of individuals aged 4 and over. *UEFA Euro 2016*, *Le Mag* had more followers than any other channel's post-match show, averaging 4.4 million viewers and drawing up to 10 million after France's victory in the semi-final.
- **innovative programming:** TF1 continues to break new ground, with more programme launches so far this year to date (15 in the first half of 2016) than any other channel;
- **tight control over the cost of programmes.**

¹ Source: Médiamétrie. LCI: excludes pay-TV figures

² Source: Médiamétrie-Mediamat / Prime time slot 9pm-10.45 pm

Broadcasting

Advertising revenue for the five free-to-air channels advanced slightly, by 0.4%. The TF1 core channel maintained its strategy of keeping the value of its advertising slots.

Excluding advertising revenue for the five free-to-air channels, other revenue for the Broadcasting segment was €101.9 million in the first half of 2016, down €10.2 million on a like-for-like basis (excluding the effect of the deconsolidation of Eurosport France, which contributed €17.8 million of revenue in the first quarter of 2015). The main reasons were:

- the ending of distribution revenue streams for the LCI channel in 2016 ;
- a drop in revenues at Metronews, where the print edition was still being published in the first half of 2015
- non-renewal of the beIN SPORTS and Discovery airtime sales contracts.

Digital activities posted strong growth in the first half, especially e-TF1 which set new records in digital during Euro 2016 with 13 million visits to the Euro 2016 site on MYTF1, 14 million catch-up videos viewed (highlights, bonus coverage, full matches), and over 23 million interactions on social networks.

The cost of programmes for the TF1 group's five free-to-air channels reached €517.5 million in the first half of 2016. This includes (i) the cost of LCI programmes from April 5, 2016, (ii) the €37.9 million cost of screening 19 Euro 2016 matches, and (iii) €19.7 million of non-current expenses relating to the new accounting treatment for French drama screened in the first half of 2016, resulting from the decree of April 27, 2015 that entitles TF1 to own co-production shares in such productions. Excluding major sporting events and non-current expenses, the cost of programmes was stable at €459.8 million.

The Broadcasting segment reported a current operating profit of €38.0 million, down €16.1 million on the first half of 2015 on a like-for-like basis, i.e. excluding the €33.7 million gain on the deconsolidation of Eurosport France in the first quarter of 2015.

Studios & Entertainment

Revenue from the **Studios & Entertainment** segment (including Newen Studios) rose by €69.6 million and current operating profit by €10.0 million relative to the first half of 2015. TF1 Entertainment reported revenue growth over the first half, but the Home Shopping business recorded a drop in sales, due mainly to refreshment of the product range.

Financial position

Shareholders' equity attributable to the Group stood at €1,463.7 million as of June 30, 2016, out of a balance sheet total of €3,302.9 million.

The Group had a gross cash position of €355.2 million as of June 30, 2016, versus €700.8 million as of December 31, 2015, mainly as a result of (i) the cash outflow on the acquisition of 70% of Newen Studios, (ii) the €167.3 million dividend payout and (iii) share buybacks during the second quarter.

The net cash position as of June 30, 2016 was €133.1 million, versus €700.8 million as of December 31, 2015, after taking account of all the effects of the Newen Studios acquisition.

Outlook

The TV advertising market could show slight growth over 2016 as a whole.

In terms of schedules, the start of the autumn season will feature strong programme brands to the TF1 core channel. These will include entertainment shows like *Koh Lanta*, a new season of *Danse avec les stars*, *The Voice Kids* and *Miss France*, alongside French drama (*La vengeance aux yeux clairs* and *La main du mal*) and American series like *Blindspot*. The DTT channels will not only strengthen their distinctive brand identities, but also provide a perfect fit with the TF1 core channel. They will be boosted by the arrival of star presenters (Yann Barthès on TMC and TF1, Yves Calvi on LCI). New programmes like the web series developed with two famous French *Youtubers*, Norman and Cyprien, will open up new audience segments, especially among younger viewers. The TF1 group will also benefit from the launch of a revamped news offering, spearheaded by LCI in freeview.

With a combination of flagship and revamped programmes, there will be ample opportunities for advertisers to invest in high-powered slots.

In the intensely competitive French media market, the TF1 group continues to pursue its ambition for the years ahead:

- strengthen its market leadership in freeview TV in France, maintaining the pulling power of the TF1 core channel by delivering must-see content and developing the DTT channels;
- in airtime sales, deliver the powerful combination of an unrivalled offer and extremely precise targeting
- create the gold standard digital offering;
- become a byword for creative television, in France and abroad.

We are reiterating our 2016 full-year estimate for the cost of programmes on our five free-to-air channels (at around €980 million, excluding non-current expenses and major sporting events) and for non-current expenses of €86 million. This latter figure includes the effects of the LCI freeview switchover, the acceleration of the transformation of the Group in line with its new ambition, non-current expenses arising from the new accounting treatment of French drama productions after the decree of April 27, 2015 (€26 million), and 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 half of 2016 is available on our corporate website: <http://www.groupe-tf1.fr/en>.
A conference call is scheduled for July 21, 2016 at 6.30pm (Paris time).

CONTACTS

<http://www.groupe-tf1.fr/en>

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