



**LE GROUPE**

INVESTOR PRESENTATION  
POST 2017 ANNUAL RESULTS

This presentation contains certain forward-looking statements based on current expectations, forecasts and assumptions that involve risks and uncertainties.

These statements are based on information available to the Company as of the date hereof. All forward-looking statements are TF1 management's present expectations of future events, beliefs, intentions or strategies and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements.

- 1 - FRENCH TV MARKET (p.4)
- 2 - FY 2017 PRESENTATION (p.11)
- 3 - 2018 CHALLENGES (p.32)
- 4 - OUTLOOK (p.42)

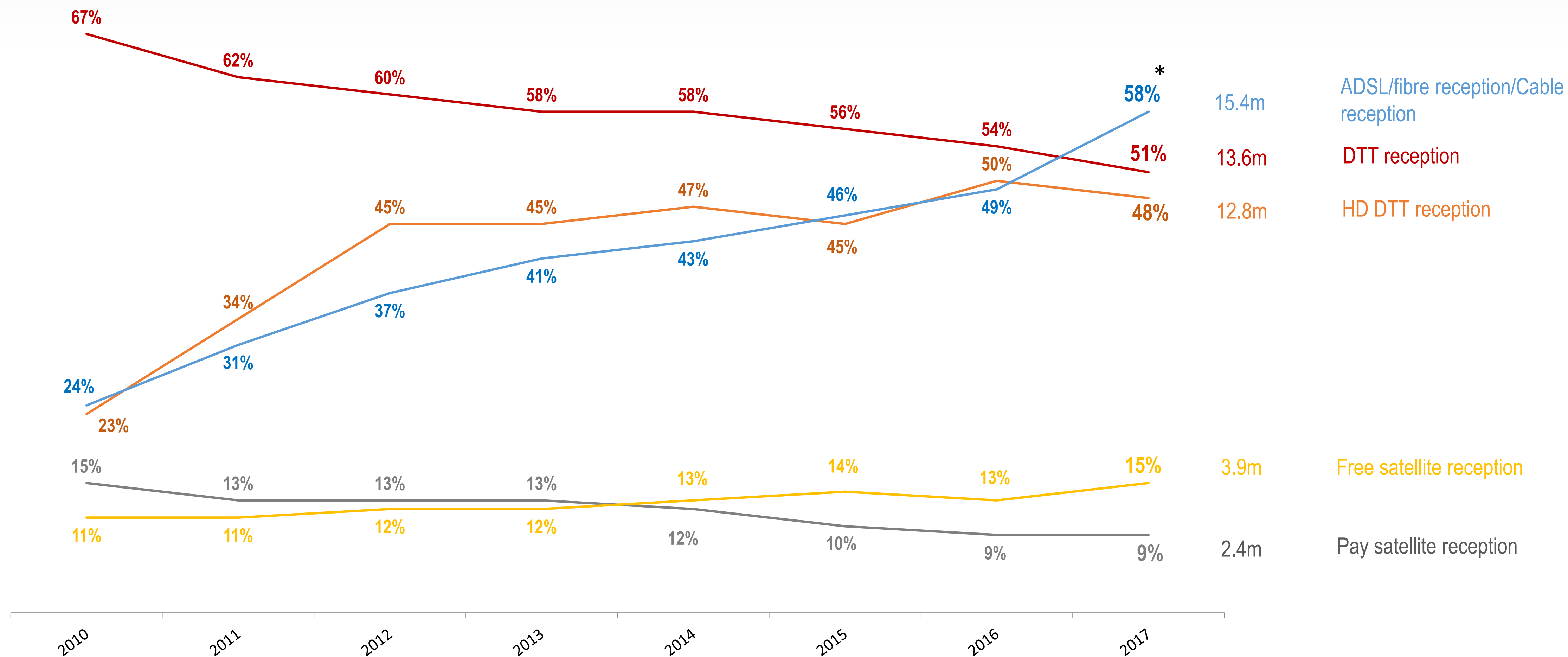


**LE GROUPE**

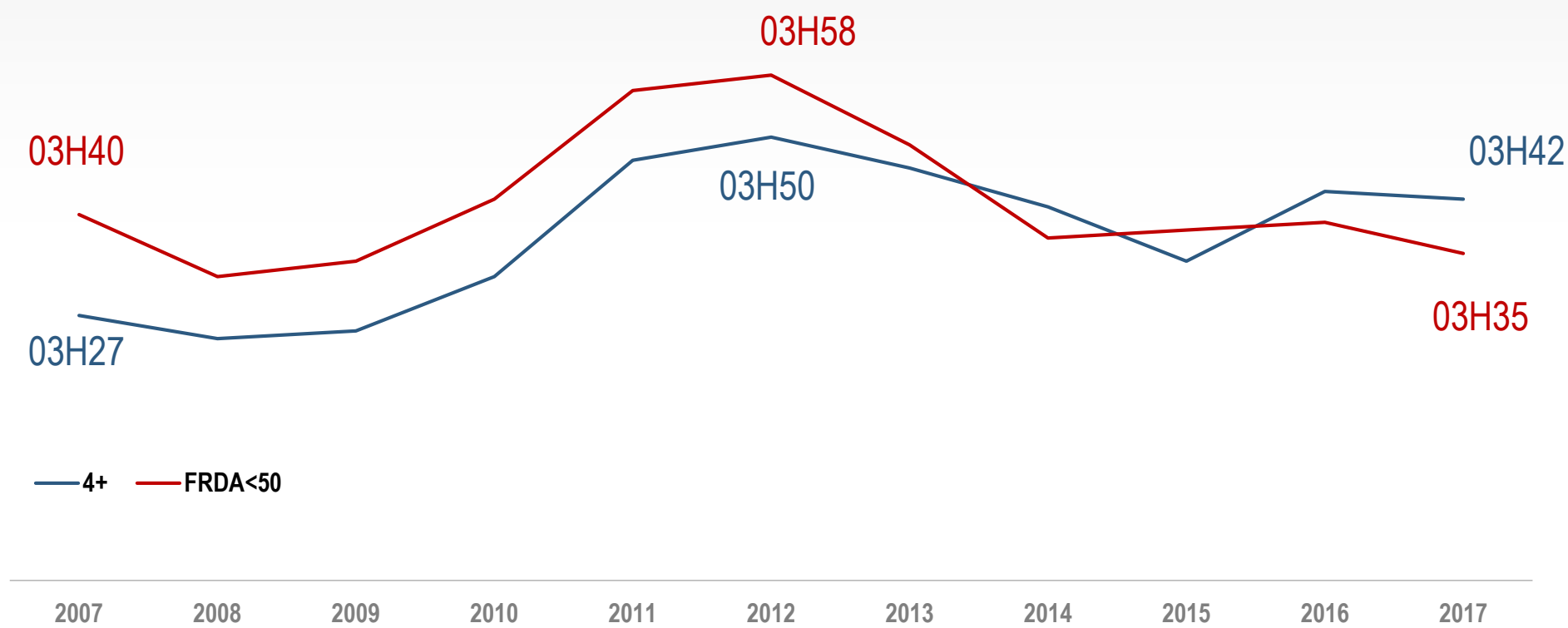
**FRENCH TV MARKET**

## EVOLUTION OF RECEPTION MODES AS A % OF HOUSEHOLDS

(Main reception mode as a % of households equipped with TV)



## FRENCH PEOPLE WATCH NEARLY 4 HOURS OF TV A DAY



**TV**

**3H42**  
o/w 11mins of delayed viewing

**Radio**

**2Hrs 05mins**

**Desktops**

**56mins**

**Mobile**

**34mins**

## 31 MILLION INDIVIDUALS REACHED DAILY BY THE GROUP'S CHANNELS

daily reach for TV

**74%**

43 million people

Daily reach

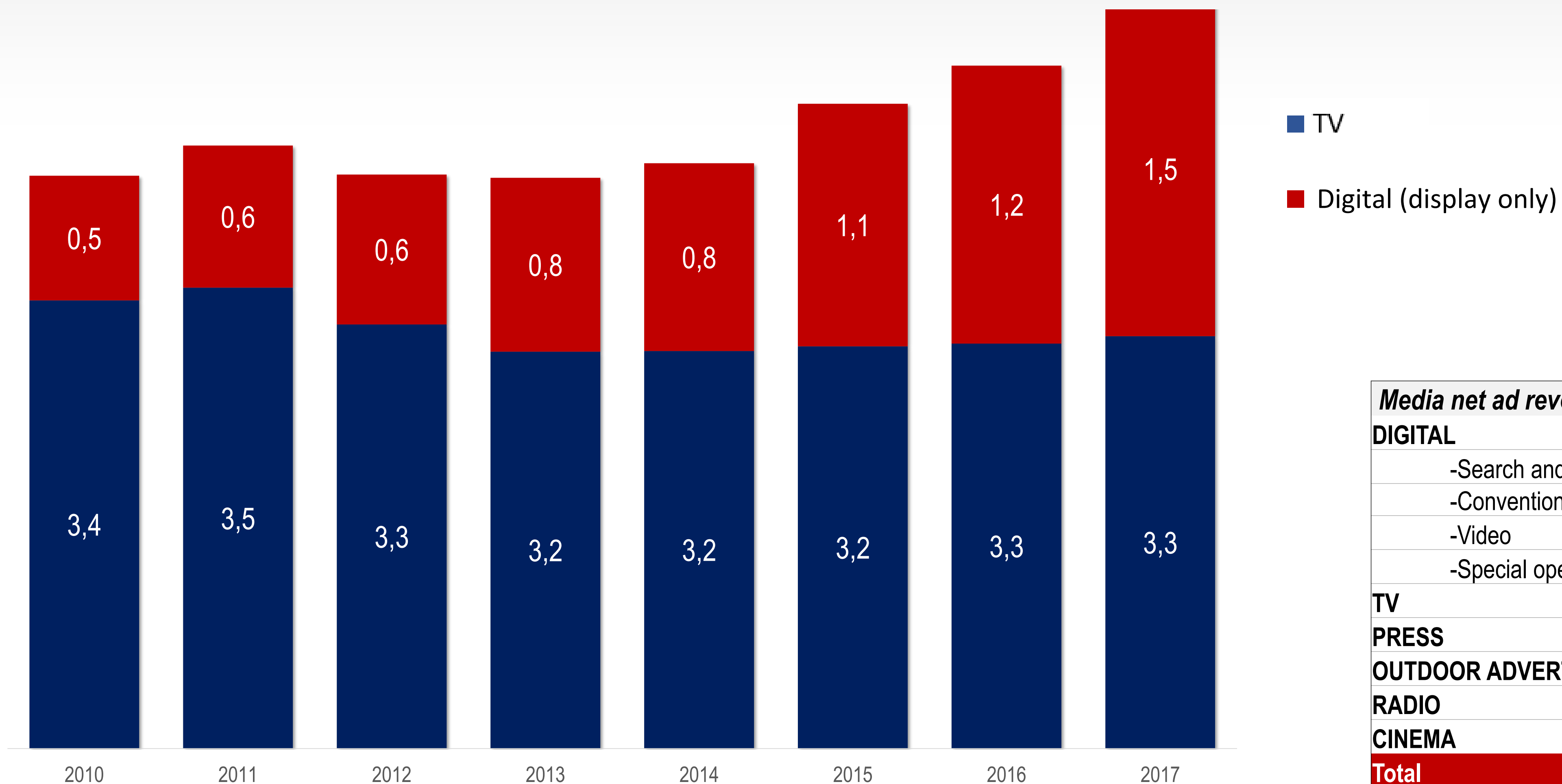
**53%**

31 million people

# FRAGMENTATION IN THE FRENCH AUDIOVISUAL SECTOR SINCE 2005



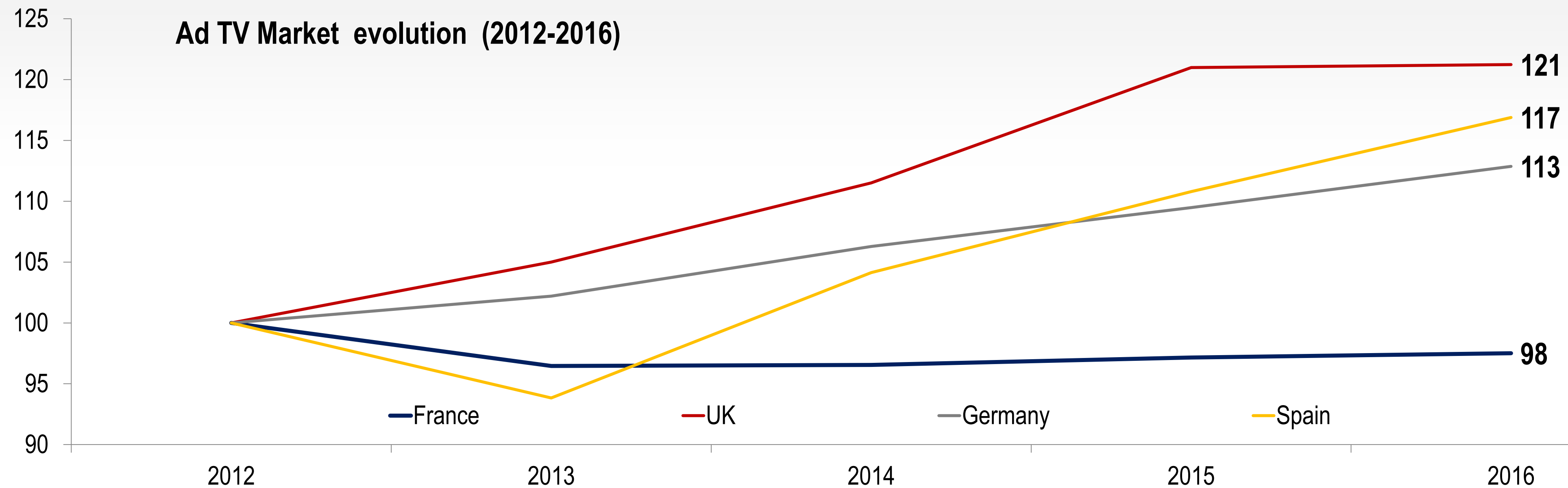
EVOLUTION OF TV AND DIGITAL\* ADVERTISING MARKET (€ BILLION)



<i>Media net ad revenue (€bn)</i>	2016	2017
<b>DIGITAL</b>	<b>3.5</b>	<b>4.1</b>
-Search and other	2.3	2.6
-Conventional (banners, etc.)	0.7	0.7
-Video	0.4	0.6
-Special operations	0.1	0.1
<b>TV</b>	<b>3.3</b>	<b>3.3</b>
<b>PRESS</b>	<b>2.3</b>	<b>2.1</b>
<b>OUTDOOR ADVERTISING</b>	<b>1.2</b>	<b>1.2</b>
<b>RADIO</b>	<b>0.7</b>	<b>0.7</b>
<b>CINEMA</b>	<b>0.1</b>	<b>0.1</b>
<b>Total</b>	<b>11.1</b>	<b>11.5</b>



# FRENCH AD TV MARKET EVOLUTION OVER THE LAST 5 YEARS



Ad TV Market (par habitant)	2012	2013	2014	2015	2016	2017
France (€)	50	49	49	49	49	49
UK (£)	68	71	75	81	80	-
Germany (€)	50	51	53	54	56	-
Spain (€)	38	35	39	42	44	46

*This slide may not be used in an other context than this presentation*

## OBLIGATIONS TO INVEST

- ✓ **3.2%** in the co-production of European cinema works\*
- ✓ **12.5%** for the commissioning of national heritage audiovisual works\*

\* of the previous year's net annual advertising turnover, within a calendar year

## OBLIGATIONS TO BROADCAST

- ✓ Cinema and audiovisual works: 60% European-origin and 40% French origin at least
- ✓ A maximum of 192 movies per year
- ✓ A minimum of 2/3 of the annual broadcasting airtime devoted to French-speaking programmes
- ✓ 750 hours of children's programmes, 800 hours of news bulletins and magazines

## ADVERTISING

- ✓ **Up to 12' per hour**
- ✓ Up to 9' per hour on average each day
- ✓ Movies: up to 2 slots and 6' of advertising
- ✓ State-owned channels: no advertising from 8pm to 6am

## MEDIA INDEPENDANCE

- ✓ **49% max ownership** (of the capital of a company operating a domestic DTT service with an audience share >8%)
- ✓ **7 DTT licences**
- ✓ **2 out of 3 media** (among TV, radio and daily press, with national coverage)

## ADVERTISING

### Prohibited sectors:

- ✓ Promotions in the retail sector
- ✓ Cinema (movie trailers...)

## FISCAL ISSUES

- ✓ **Audiovisual taxes** (CNC, France TV, radio, press): **€91m** in 2017
- ✓ **Audiovisual sector financing** (obligations to invest)

## PRODUCTION & CONTENT

- ✓ Mandates for distribution of content
- ✓ 26% of dependent production
- ✓ 15% of ownership threshold (above which a producer is considered as dependent)



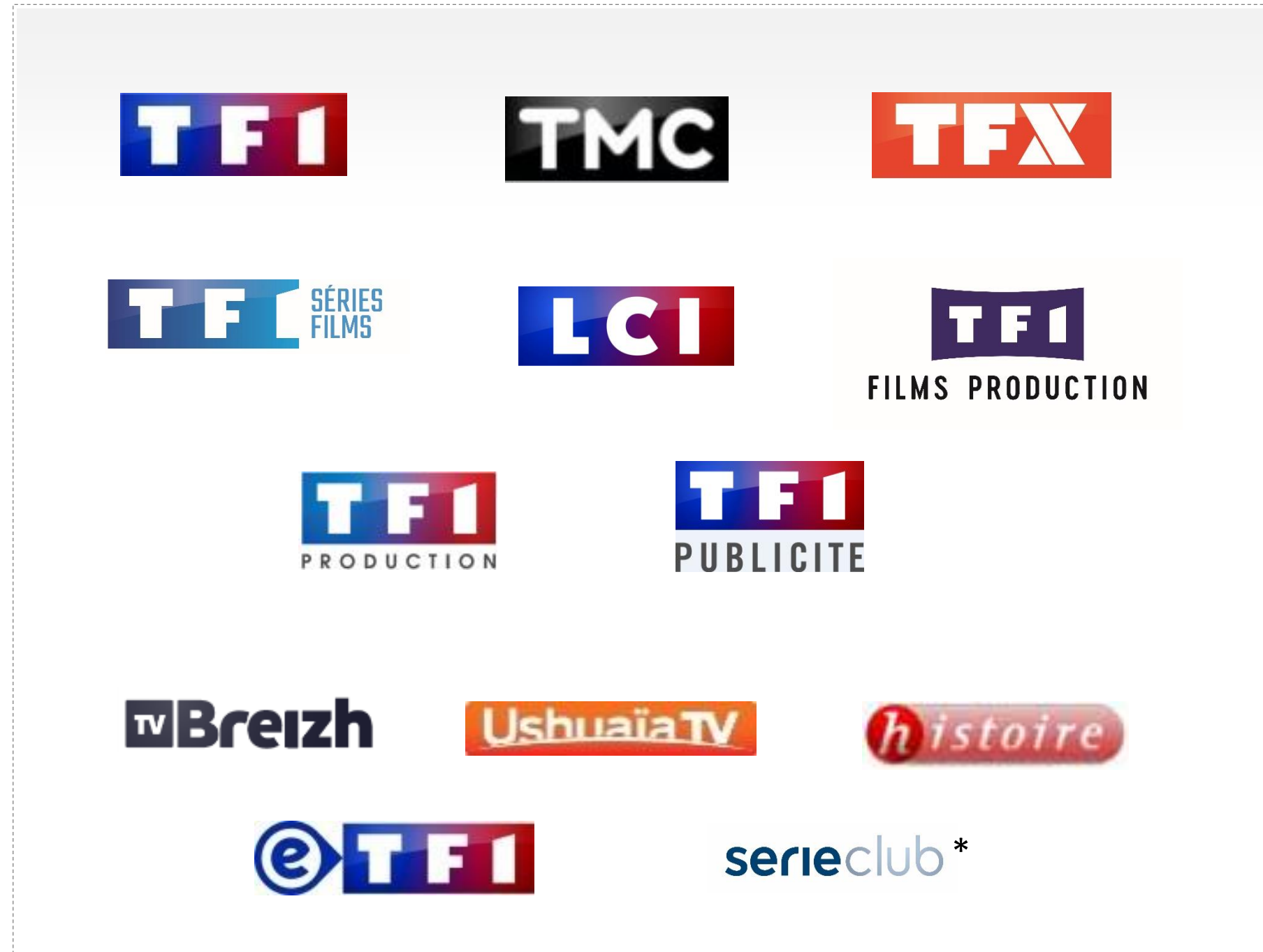
**LE GROUPE**

# FY 2017 PRESENTATION

# A GROUP ORGANISED IN 2 BUSINESS SECTORS



## BROADCASTING



## STUDIOS & ENTERTAINMENT

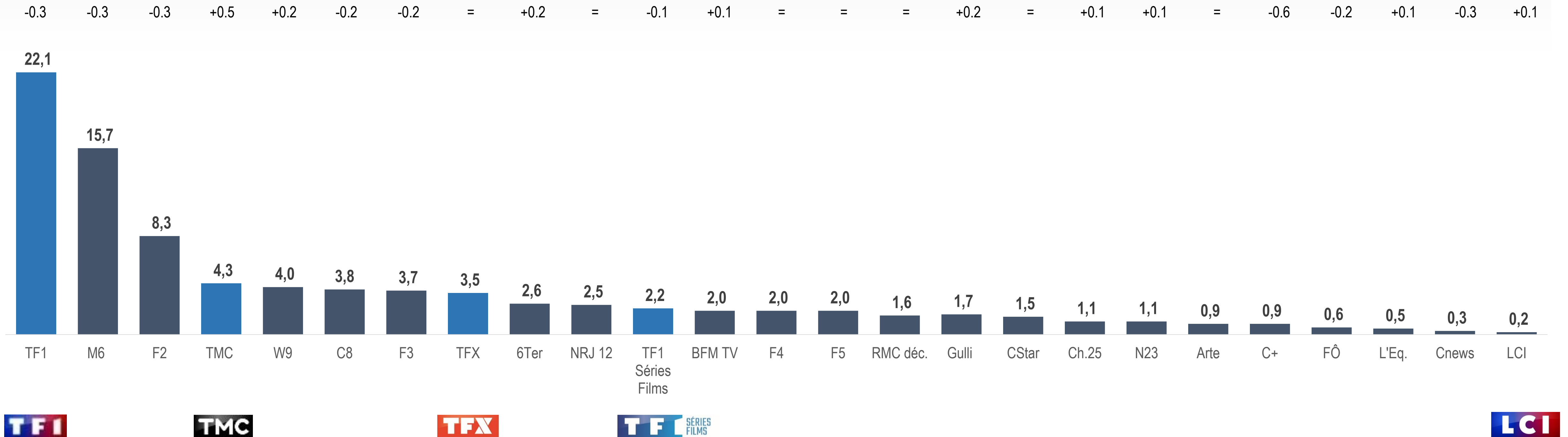


\*Owned at 50%

\*\*Owned at 70%

# SHARE OF VIEWING AMONG W<50PDM – FY 2017

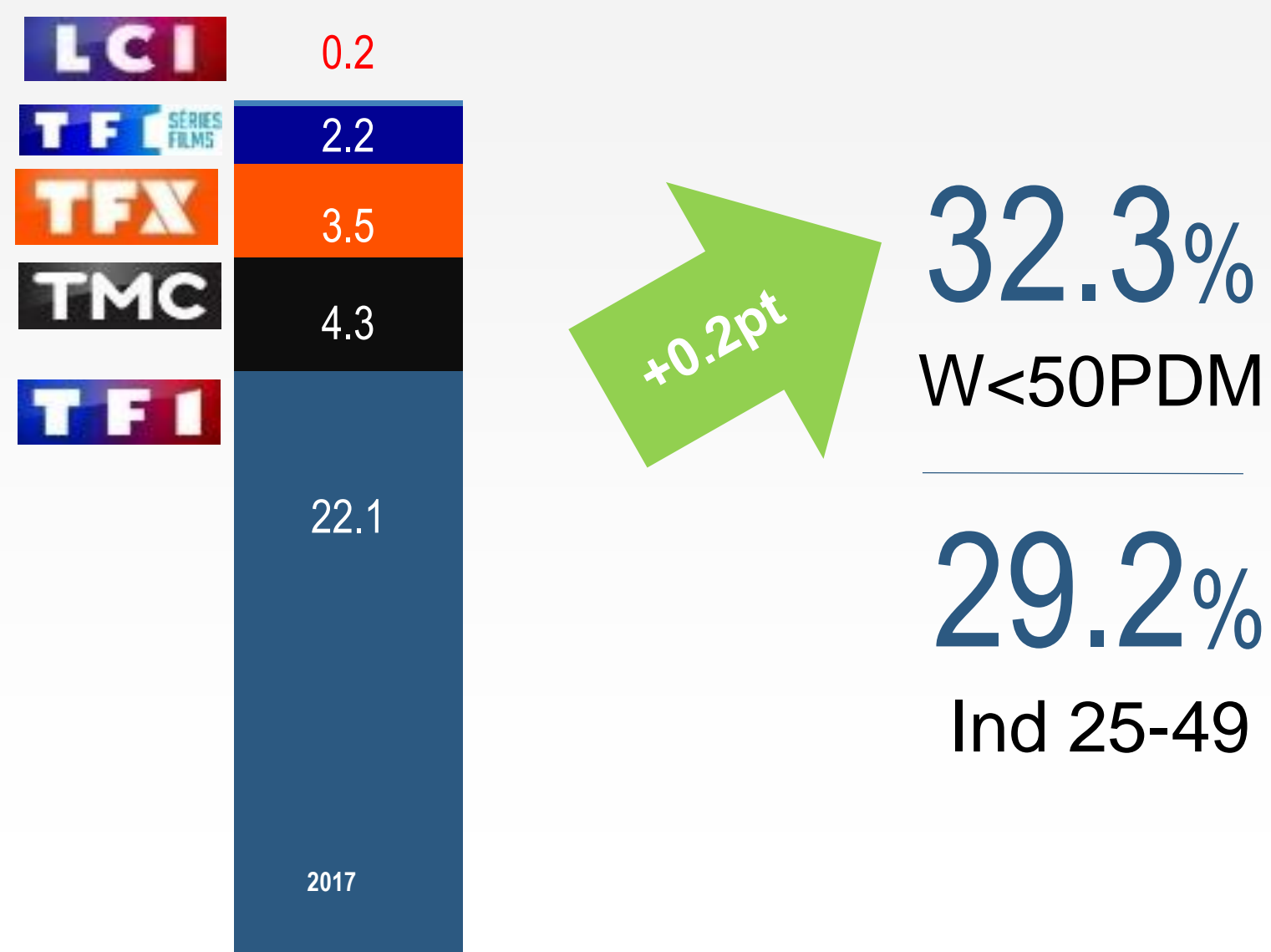
Audience share on FY 2017 vs. FY 2016 (%)





# STRONG COMPLEMENTARITY IN THE GROUP'S PORTFOLIO OF CHANNELS

## LEADERSHIP FOR GROWING MULTICHANNEL AUDIENCES



## SUCCESSFUL CHANNEL REBRANDING AND REPOSITIONING



## MULTICHANNEL & MULTIMEDIA PROGRAMMING

TF1-LCI-Digital co-broadcast of the *Grand Débat*\*



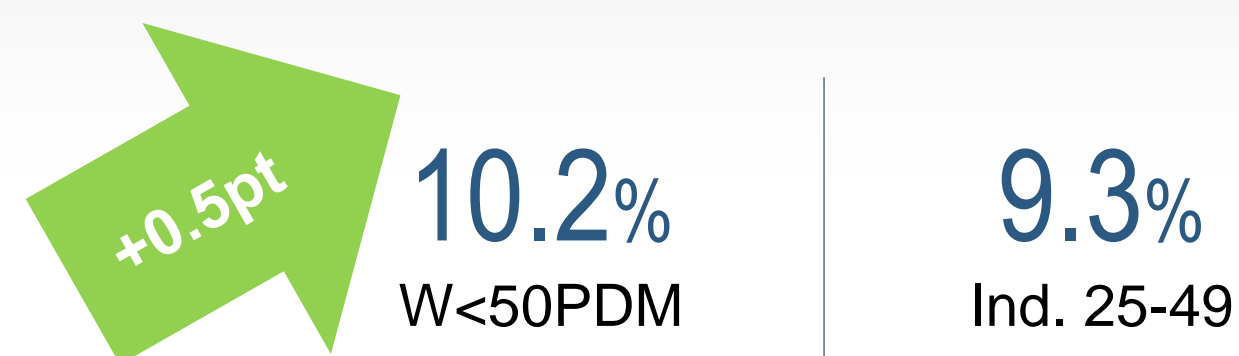
TF1 and TF1 Séries Films, MYTF1 (exclusivity and replay), MYTF1VOD



1<sup>st</sup> half on TF1, then 2<sup>nd</sup> half on TMC



## LEADER FOR DTT AND GROWING





## POWER AND TARGETING WITH CONTROLLED COSTS

Continuing to deliver gold-standard programming

20.0%  
Ind. 4+

22.1%  
W<50PDM

19.9%  
Ind. 25-49

The channel for big events



C'est Canteloup



Le Grand Débat



La Vengeance aux yeux clairs



Championnat du monde de Handball féminin



Mission Enfoirés

Renewal of access



## MONETISATION OF THE TF1 POWER RATIO

Branding strategy & performance



VIP screens

Enhancement of editorial environment and ROI



GRP Data



## A FIRMLY MULTIMEDIA STRATEGY

MYTF1 leader for IPTV in 2017



>10 million unique monthly IPTV visitors



Previews & login/data strategy



New platforms (YouTube, ...)



# SUCCESS OF "FRESH" AND LOCAL PROGRAMMES

## ENTERTAINMENT

TF1 occupied all the **22** entertainment places in the 100 best 2017 ratings



Up to 8.1 million viewers



Up to 6.9 million viewers

## FRENCH DRAMA

TF1 occupied **32** places with French dramas in the 100 best 2017 ratings



7.2 million viewers



Mention Particulière

6.5 million viewers

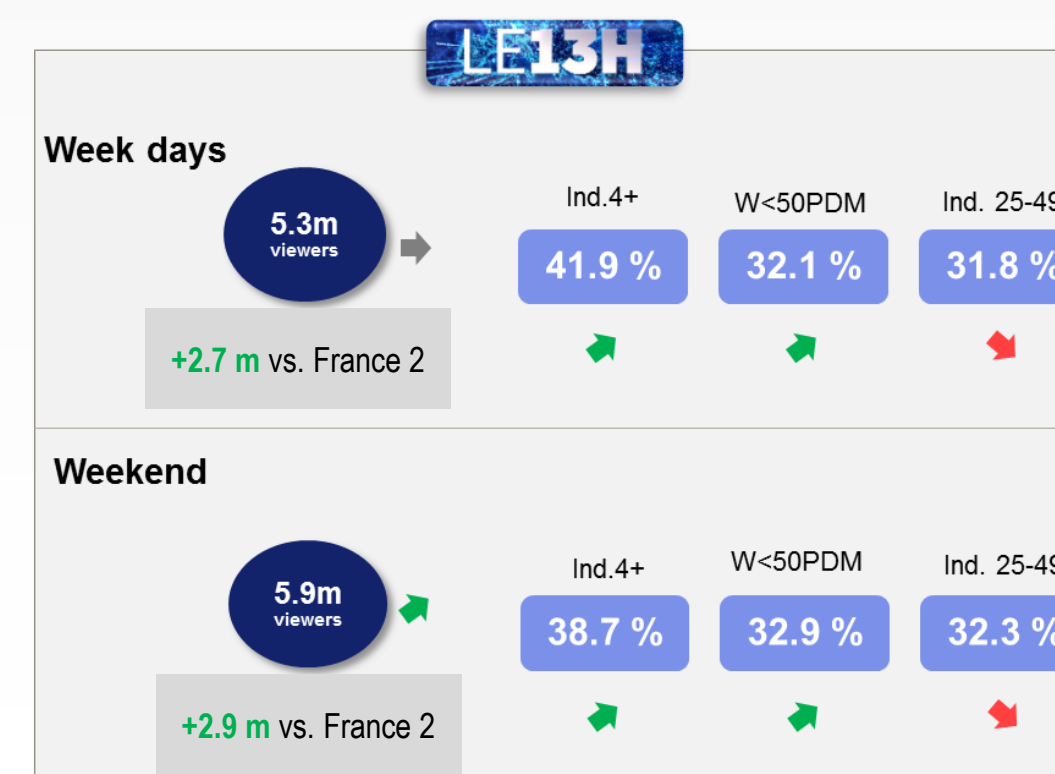
## INFO



LCI confirmed its status as france's **no.2** news channel



**News bulletins are leader**  
Well oriented audiences since last september



Audience share sept. 17 – jan. 18 vs. sept. 16 – janv 17



## RIGHTS PURCHASES

SOURCING POLICY

Reduction in the number of output deals

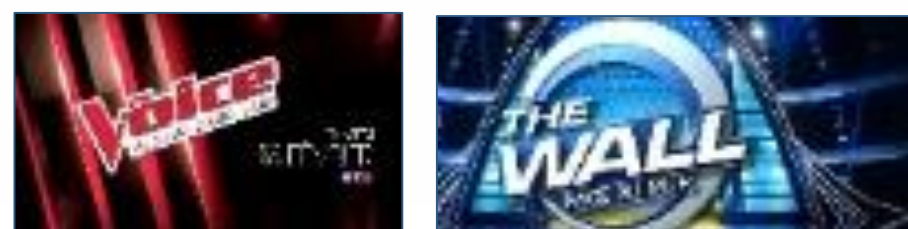


Cherry picking



Une famille formidable

Securing flagship entertainment programmes



French drama



Entre deux mères

Film multicasting

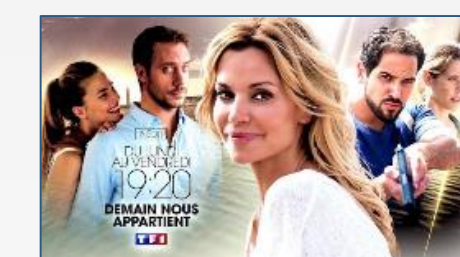


## CO-PRODUCTIONS, NEW FINANCING MODES, NEW FORMATS

Reinforcement of in-house production



Mon plus beau Noël

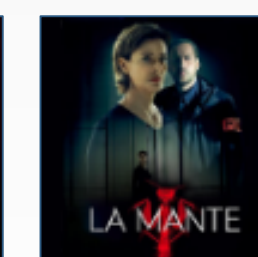


Demain nous appartient

New financing modes



Marseille

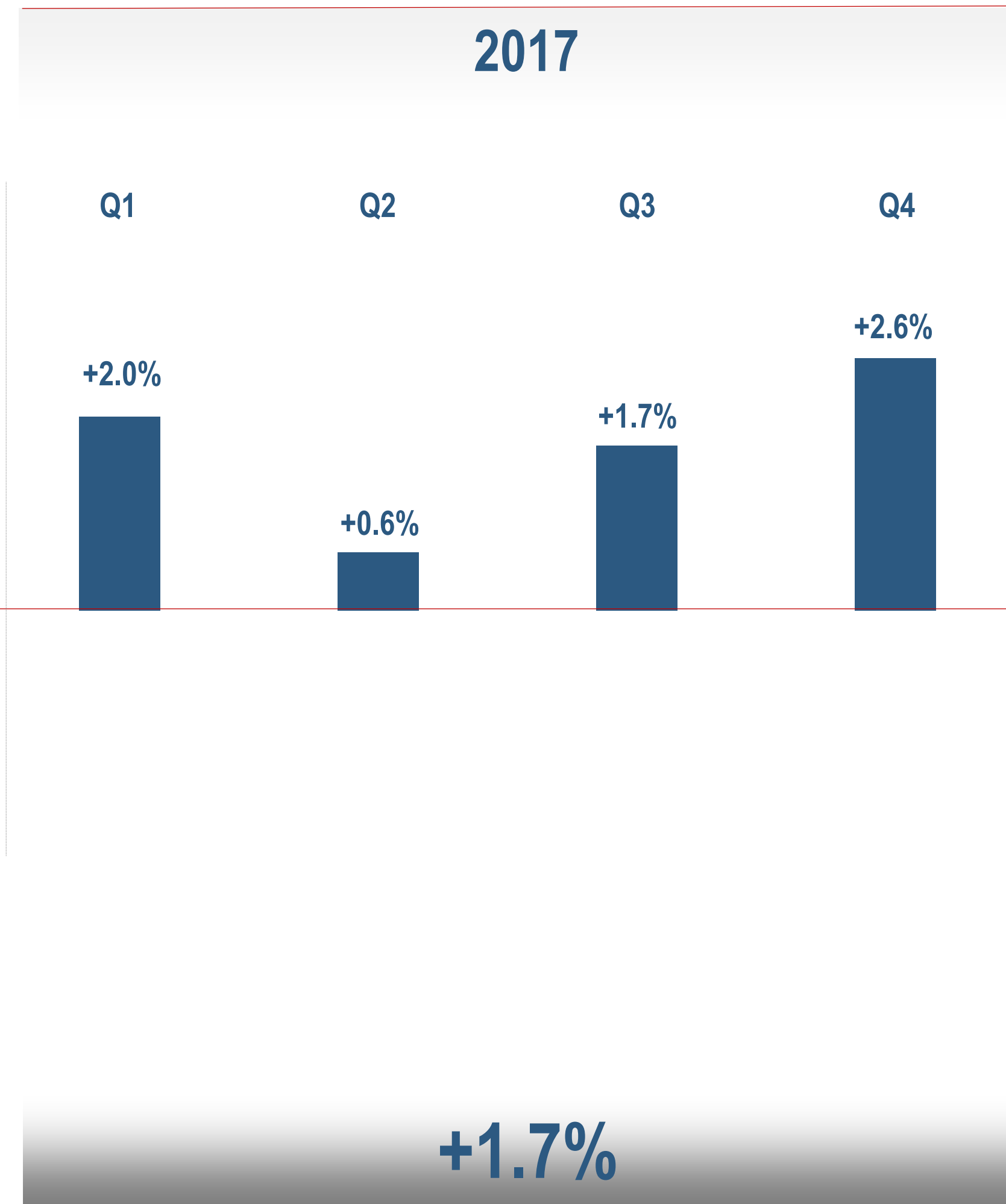
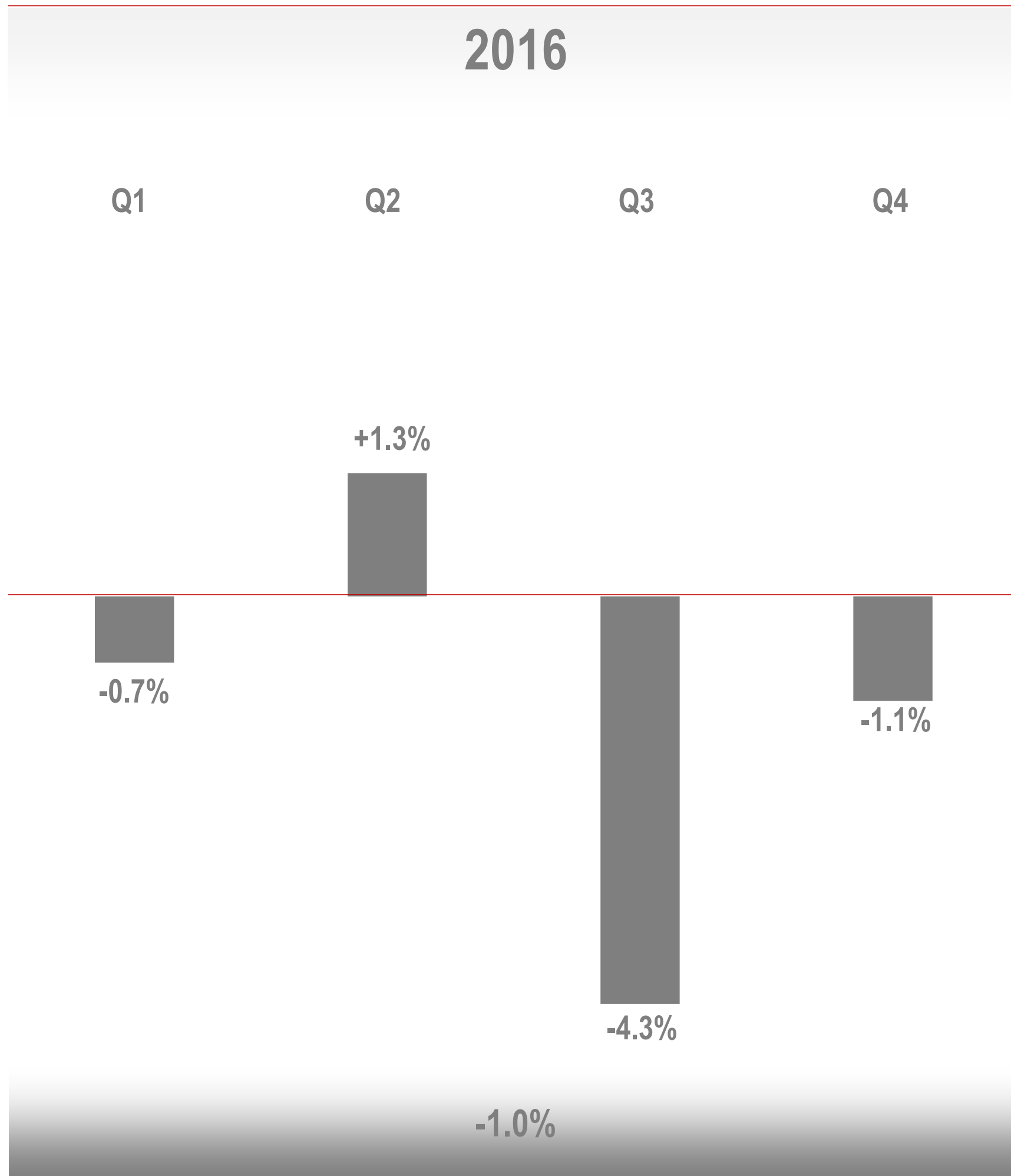


La Mante

New genres



# NET ADVERTISING REVENUE OF THE 5 UNENCRYPTED CHANNEL UP BY 1.7 % IN 2017



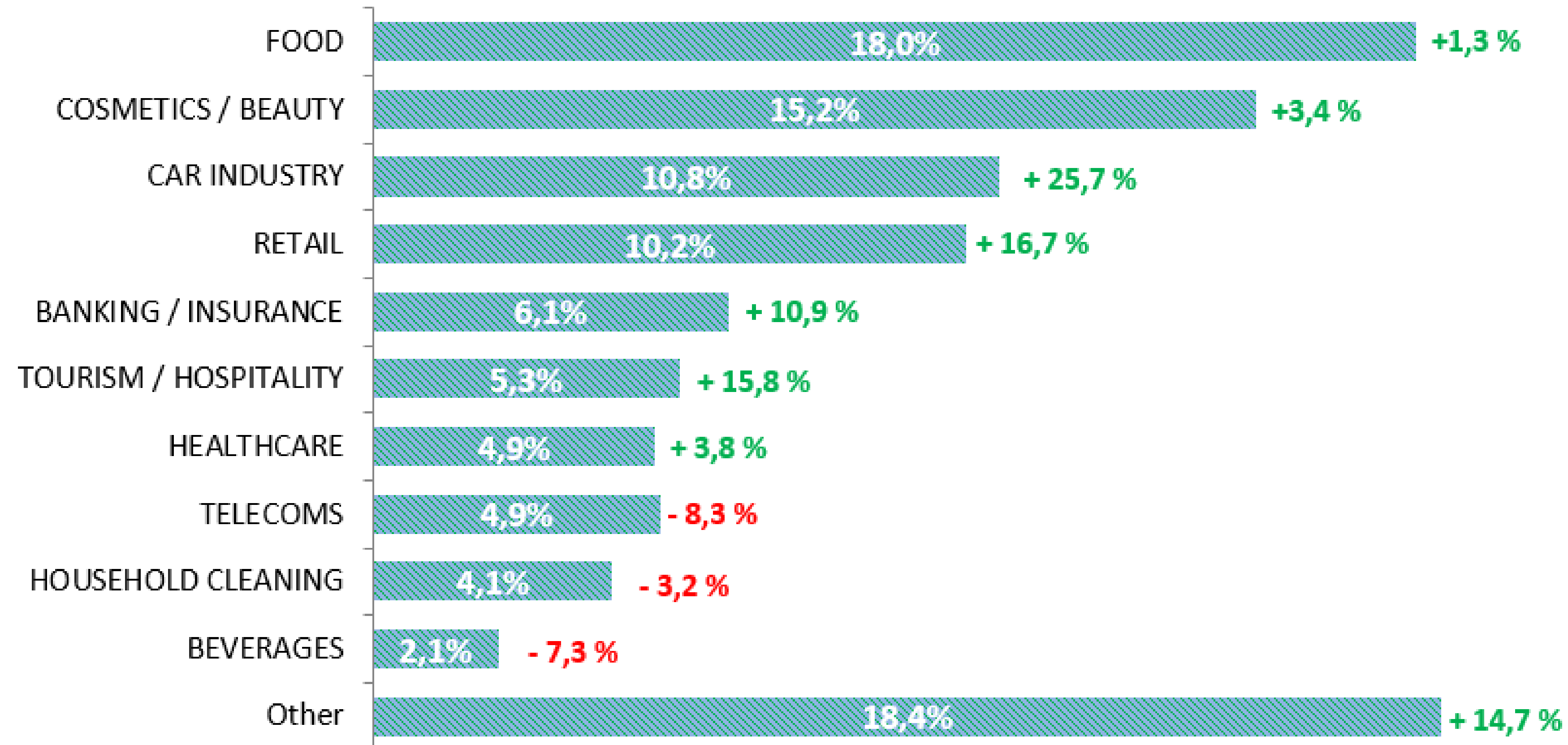
INCREASE IN AD REVENUES OF THE 5 UNENCRYPTED CHANNELS :

**€1,480.5m in 2017, + 1.7%**

2017:  
**+ 0.3 points of net market share**

2017:  
**+ 0.7 points of gross market share**

# 2017 TRENDS IN GROSS ADVERTISING SPEND FOR TF1 GROUP CHANNELS



## INCREASED NUMBER OF ADVERTISERS

**+12.7%**

+101 advertisers  
in 2017 vs 2016

## GROWTH IN SPONSORSHIP / SPECIAL OPERATIONS

**+27%**

Billboard revenue  
in 2017



## GOING ON WITH 'LA BOX' DEPLOYMENT AND ADTECH PARTNERSHIP



## NEW CHANNELS AND TERRITORIES





## MUSIC/SHOWS



**1st Diamond disc**, filming and *live album*

**Successful launch** for the Escape Game at the Parc des Princes

## CINEMA



4.6 million entries



3 million entries



3.6 million entries

The top 4 French films are **co-produced by TF1 Films Production**: *Raid Dingue*, *Valerian*, *Alibi.com* and *Le sens de la fête*

## LA SEINE MUSICALE



**Over 300,000 viewers** since opening in April 2017  
 Varied programme, good performances of *West Side Story* and *Michel Sardou* in concert

## VOD



The film *Alibi.com* with over 450,000 VOD plays **is the biggest hit of the year**

## TÉLÉSHOPPING



Coupe Express  
 (100 000 products sold)

**222 products broadcast**, 116 of them new  
 1,330,000 products dispatched  
 360,000 new customers

## TF1 GAMES

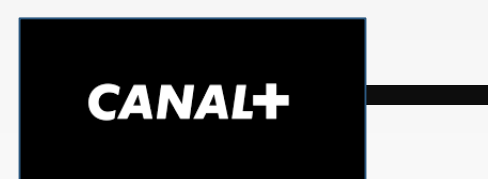


**Escape Game: 82,000 games sold**  
 among the best Christmas sales



## MORE DIVERSIFIED CLIENTS PORTFOLIO

•2 ————— •3



Demain nous appartient



Un village à la diète



Souviens toi



## SUCCESSFUL CHALLENGE: *DEMAIN NOUS APPARTIENT*



**26** Minutes/episod

**5** Days a week

**350** Technical Staff

**3** Film crews



Already sold in Italy

## DEVELOP NEW CONTENT AND INVENTORY



**1.3bn**  
videos viewed in 1 year\*



DEMAIN NOUS APPARTIENT

**+18%**  
Additional viewing in catch-up

**18 m**  
videos viewed every month



**6 m**  
videos viewed monthly on MyTF1  
**100% digital format**

## SUPPORTING ADVERTISERS, NEW TERRITORIES, NEW TARGETS



Ad agency operational in **2018**  
to address European budgets



## INNOVATION, DIGITAL TECHNOLOGIES AND DATA



**18 million**  
people identified to date  
(x2 since April)



**350 campaigns**  
via the DMP\*\*

**15% CPM 'Data'**  
vs conventional



**1 start-up incubator** in Station F



## BRINGING TOGETHER THE INITIATIVES OF THE CHANNELS, THE COMPANY AND TF1 FOUNDATION

### Solidarity

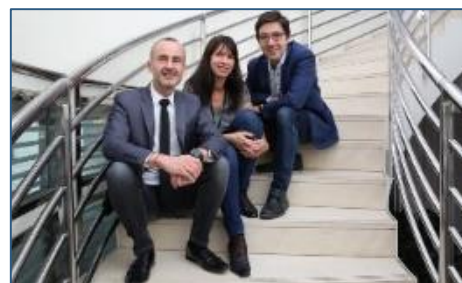


€38.7m  
recognition of donations

### Diversity

Diversity Label renewed  
10th anniversary of the TF1 Foundation and of the Disability/Diversity Action initiative  
Action plan to improve the role women play in news

### Sustainable company



Ushuia TV  
Commitment to ISO 50 001 certification  
Positive innovation

## EXPANDING OUR RANGE OF ACTIONS THROUGH TOUCHSTONE PARTNERSHIPS



Sport Dans la Ville  
Committed to helping disadvantaged boys and girls through sport

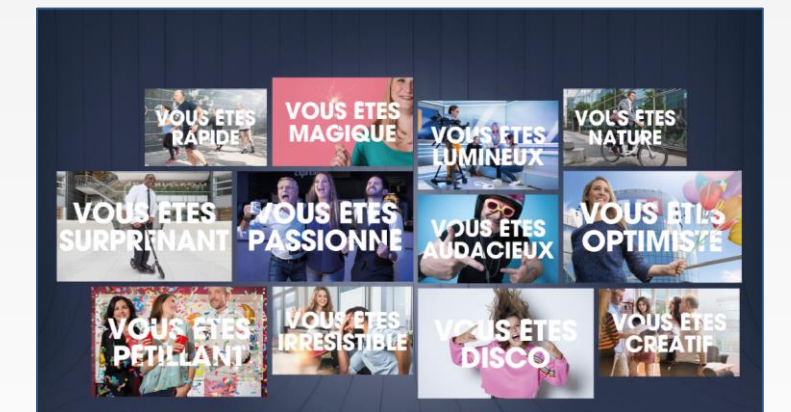


Fraternité Générale  
Promoting fraternity throughout the country



Respect Zone  
For respect in digital forums

## COMMUNICATING WITH AND ENGAGING EMPLOYEES



Internal Campaign



## AND CONTINUED GOOD PERFORMANCES IN NON-FINANCIAL RANKINGS





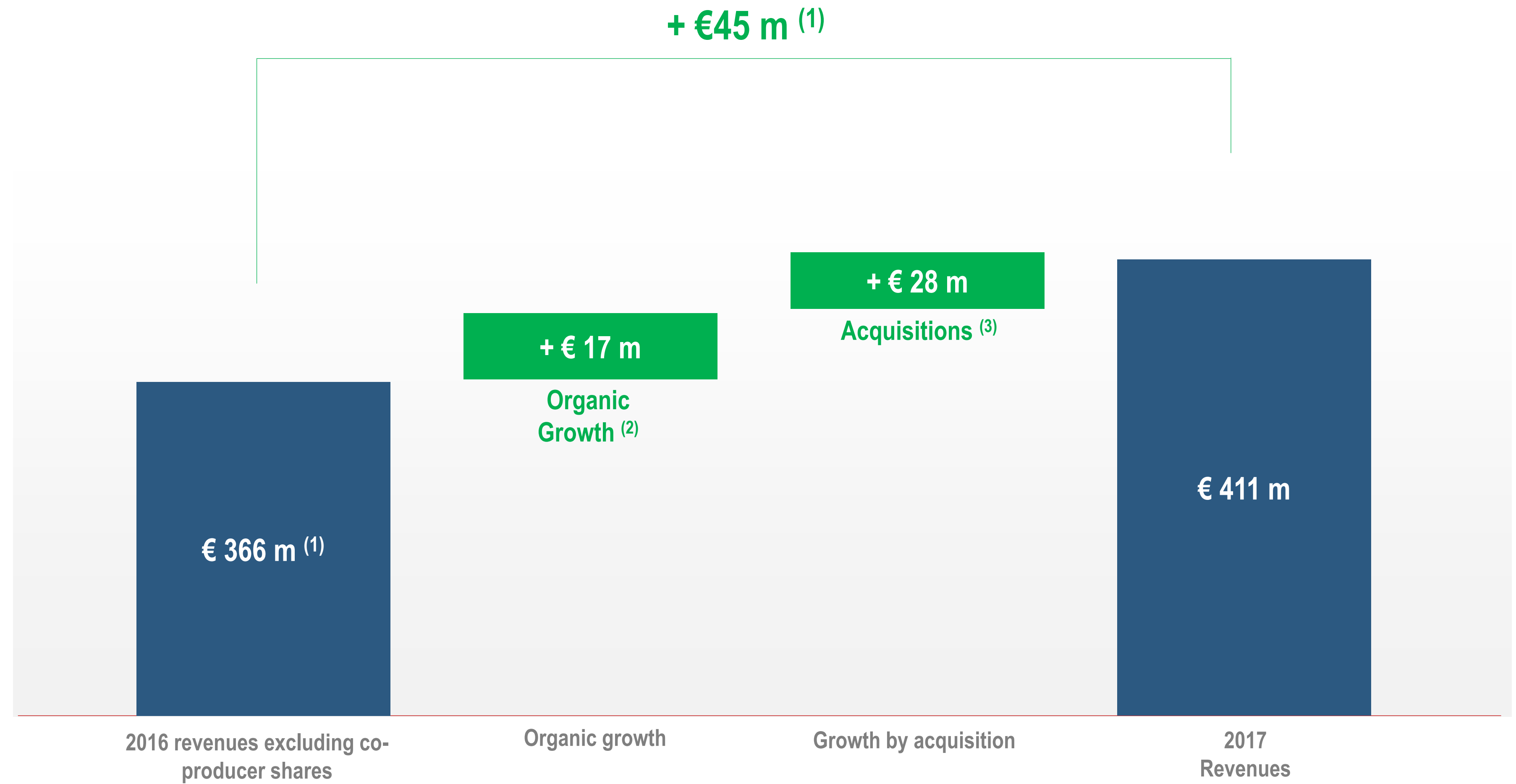
# CONSOLIDATED REVENUE



€m	2017	2016	Var. €m	Var. %
<b>BROADCASTING</b>	<b>1,713.6</b>	<b>1,669.9</b>	<b>43.7</b>	<b>2.6%</b>
UNENCRYPTED PLATFORMS	1,543.8	1,517.1	26.7	1.8%
<i>TV advertising</i>	1,480.5	1,455.3	25.2	1.7%
<i>Other revenues</i>	63.3	61.8	1.5	2.4%
OTHER PLATFORMS AND RELATED ACTIVITIES	169.8	152.8	17.0	11.1%
<b>STUDIOS &amp; ENTERTAINMENT</b>	<b>411.3</b>	<b>392.8</b>	<b>18.5</b>	<b>4.7%</b>
<b>TOTAL REVENUE</b>	<b>2,124.9</b>	<b>2,062.7</b>	<b>62.2</b>	<b>3.0%</b>

**38%**  
ORGANIC GROWTH

**62%**  
GROWTH BY ACQUISITION



(1) 2016 revenue restated for the €27 million in co-production shares granted to Newen customers, recorded in 2017 as 'Other Income' (2) Revenue resulting from the development of existing activities and the launch of new activities (e.g. Seine Musicale) showing organic growth (3) Revenue growth related to external growth (Tuvalu, CapaEvents and PlayTwo)

# COST OF PROGRAMMES

€m	2017	2016*	Var. €m	Var. %
Entertainment	273.9	269.5	4.4	1.6%
TV dramas/TV movies / Series /Theatre	325.2	312.1	13.1	4.2%
Sports (excl. One-off sporting events)	59.2	49.0	10.2	20.9%
News	142.5	140.7	1.8	1.3%
Movies	169.0	174.1	(5.1)	-2.9%
Youth	14.2	15.1	(0.9)	-6.1%
<b>TOTAL EXCL. ONE-OFF SPORTING EVENTS</b>	<b>983.9</b>	<b>960.5</b>	<b>23.4</b>	<b>2.4%</b>
<i>One-off sporting events</i>	-	46.1	(46.1)	-
<b>TOTAL INCL. ONE-OFF SPORTING EVENTS</b>	<b>983.9</b>	<b>1 006.6</b>	<b>(22.7)</b>	<b>-2.3%</b>

# CONSOLIDATED INCOME STATEMENT

€m	2017	2016	Var. €m	Var. %
<b>CONSOLIDATED REVENUE</b>	<b>2,124.9</b>	<b>2,062.7</b>	<b>62.2</b>	<b>3.0%</b>
Total costs of programmes	983.9	1,006.6	(22.7)	-2.3%
Other charges, depreciation, amortization, provision	955.7	926.7	29.0	3.1%
<b>CURRENT OPERATING PROFIT</b>	<b>185.3</b>	<b>129.4</b>	<b>55.9</b>	<b>43.2%</b>
<b>CURRENT OPERATING MARGIN</b>	<b>8.7%</b>	<b>6.3%</b>	-	<b>+2.4pts</b>
Other operating income and expenses	-23.3	-83.7	60.4	-72.2%
<b>OPERATING PROFIT</b>	<b>162.0</b>	<b>45.7</b>	<b>116.3</b>	<b>x3.5</b>
Cost of net debt	-1.5	-1.2	(0.3)	25,0%
Other financial income and expenses	6.3	-4.5	10.8	n/a
Income tax expense	-44.6	-5.9	(38.7)	n/a
Share of profits / (losses) of associates	14.2	9.9	4.3	43.4%
<b>Net profit from continuing operations</b>	<b>136.4</b>	<b>44.0</b>	<b>92.4</b>	<b>x3.1</b>
Post-tax profit from discontinued/held-for-sale operations	-	-	-	-
<b>NET PROFIT</b>	<b>136.4</b>	<b>44.0</b>	<b>92.4</b>	<b>x3.1</b>
Net profit attributable to the Group	136.1	41.7	94.4	x3.3
<i>Attributable to non-controlling interests</i>	<i>0.3</i>	<i>2.3</i>	<i>(2,0)</i>	<i>n/a</i>

## €27m recurrent savings

ORGANISATION / TRANSFORMATION  
€12m

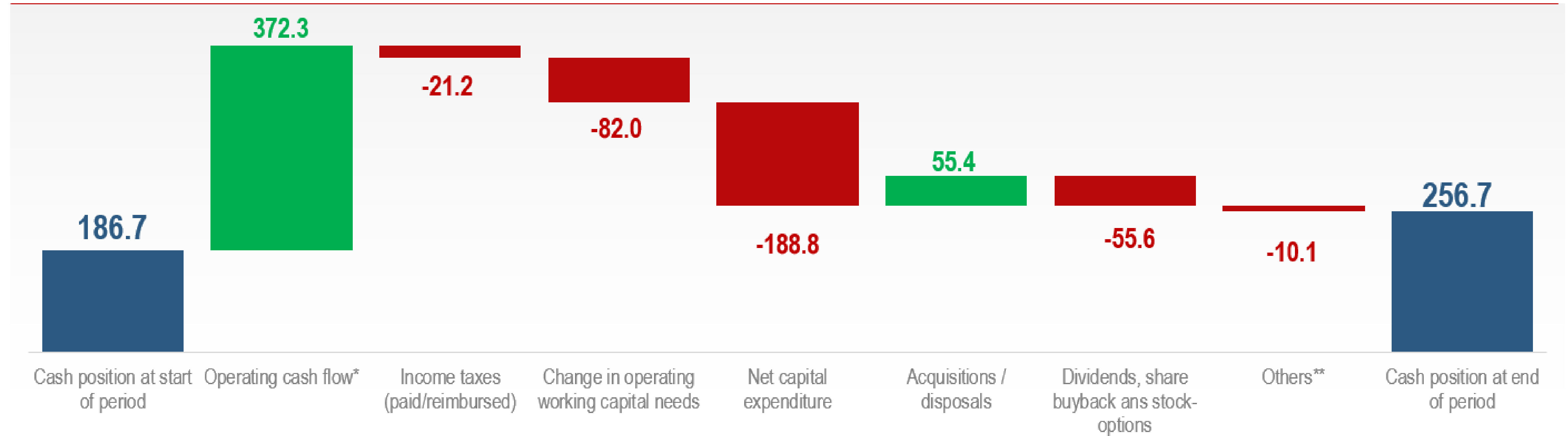
PURCHASING OPTIMISATION  
€6m

DIGITALISATION  
€9m

# BALANCE SHEET

CONSOLIDATED ASSETS (€m)	DEC 31st 2017	DEC 31st 2016	Var. €m
Total non-current assets	1,060.9	1,093.1	(32.2)
Total current assets	2,329.4	2,122.6	206.8
Held-for-sale assets	-	-	-
<b>TOTAL ASSETS</b>	<b>3,390.3</b>	<b>3,215.7</b>	<b>174.6</b>
<b>Net cash (+)</b>	<b>256.7</b>	<b>186.7</b>	<b>70.0</b>
CONSOLIDATED LIABILITIES (€m)	DEC 31st 2017	DEC 31st 2016	Var. €m
Total shareholders' equity	1,581.8	1,492.6	89.2
shareholders' equity attributable to the Group	1,581.9	1,493.4	88.5
Total non-current liabilities	311.6	322.0	(10.4)
Total current liabilities	1,496.9	1,401.1	95.8
Liabilities related to held-for-sale operations	-	-	-
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>	<b>3,390.3</b>	<b>3,215.7</b>	<b>174.6</b>

# EVOLUTION OF NET CASH POSITION 2017



\* Operating cash flow – cost of net debt – income tax expense \*\* Cash inflows/outflows from/on acquisitions of financial assets, dividends received, other cash flows from investing activities, other transactions between shareholders, cash inflows from new debt contracted, repayment of debt (including finance leases), net interest paid (including finance leases)

## NET CASH POSITION 2016



**€73.5m\***

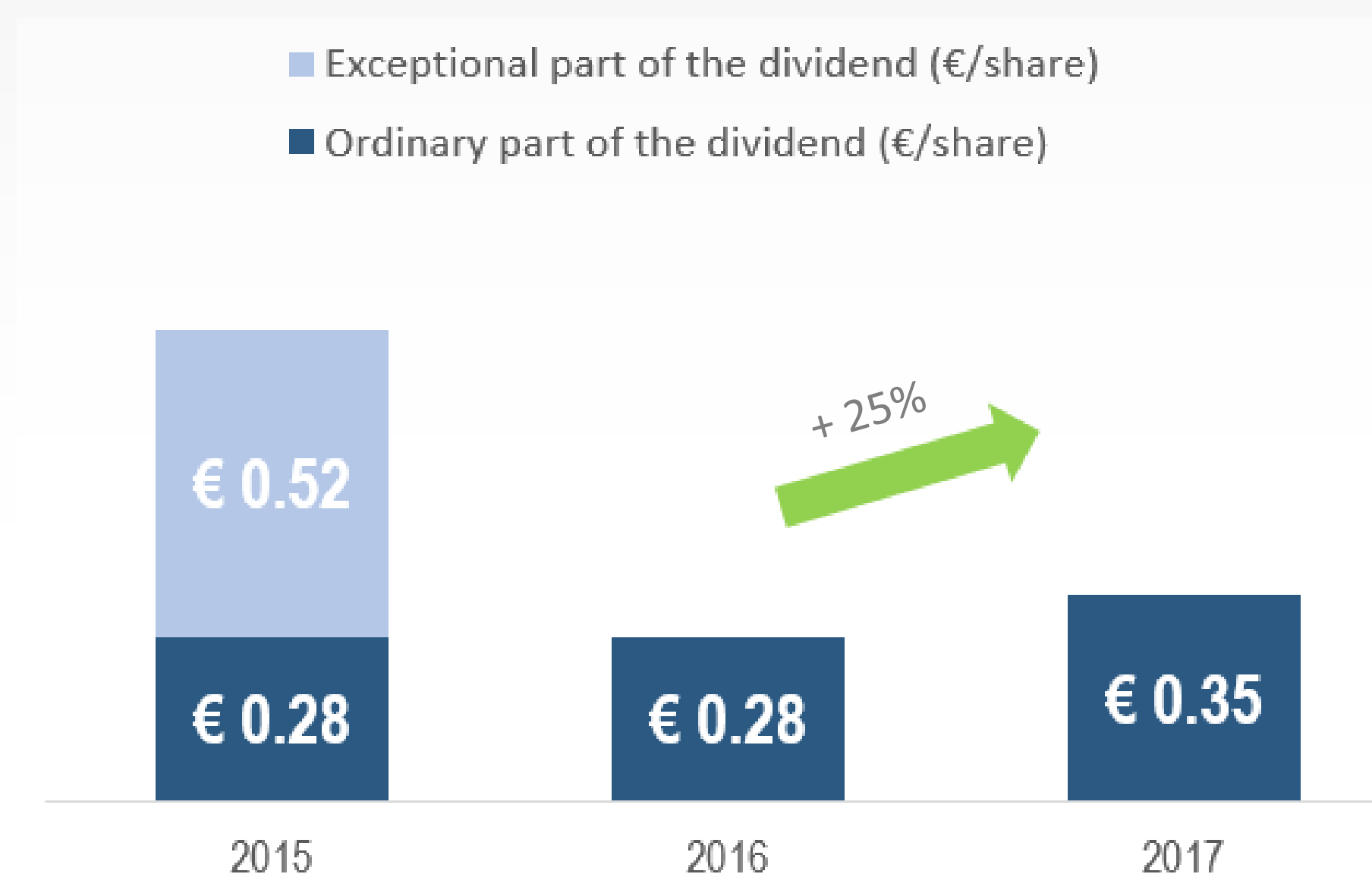
Increase of the dividend per share

**€ 0.35**

**54%**

of net profit attributable  
to the group in 2017

## 2015 – 2017 EVOLUTION





**LE GROUPE**

**2018 CHALLENGES**



## FOOTBALL WORLD CUP UNENCRYPTED EXCLUSIVELY ON TF1

From 14 June to 15 July 2018

### A FULL MULTICHANNEL, DIGITAL PACKAGE

(Magazines, Téléfoot daily,...)

The best 28 matches, including all the French team matches

Matches at 8pm that impact TV schedule (11 of 16 group-stage matches chosen at 8pm)

4K on the boxes of Altice-SFR and Bouygues Telecom (TF1 Premium)

Premium marketing of Events screens

LCI : THE WOLRD CUP NEWS CHANNEL



## ORGANISATION

SYNERGIES BETWEEN TEAMS



## EDITORIAL

OPTIMISATION OF THE 8:30PM–9:00PM SLOT

Reinforcement of news offering, new format,  
clear dates for viewer



## TOOLS

PROJECTS ON COMMON PRODUCTION AND BROADCASTING  
TOOLS

NEW NEWS STUDIO BY SEPTEMBER 2018



## THREE AGREEMENTS SIGNED



Signed, 6 November 2017



Signed, 30 January 2018



Signed, 8 March 2018

## ONGOING NEGOTIATIONS



## OUTLOOK

JULY 2017

Renewal of TF1 agreement including some more flexibility

OCTOBER 2017

Public consultation on simplifying the rules on TV advertising

2018

**Audiovisual law to come...**

## MAJOR STAKES

### Media Chronology

Extension of **TV advertising-eligible sectors**

Reform of **public audiovisual sector**

**Dependant / Independant** ratio for French Drama purchasing

....



**THE IMPLEMENTATION OF THIS TRANSACTION IS SUBMITTED TO THE CLEARANCE BY REGULATORY AUTHORITIES AND  
COULD TAKE PLACE IN H1 2018**



# A UNIQUE PORTFOLIO OF HIGH-AWARENESS BRANDS

## EUROPE (France, Spain, Italy, Germany, UK)

Fashion / Beauty

Food

Parenting

Health

Lifestyle

aufeminin

marmiton

netmums

Onmeda

MY LITTLE PARIS

aufeminin Club des Expertes

Gretel

Beautiful Box by aufeminin

MERCI ALFRED

GAMBETTES BOX

MY LITTLE BOX

Business model based on the sale of 'boxes'

## UNITED STATES

Fashion / Beauty

STYLEBISTRO

Interiors

Lonny

Celebrity

ZIMBIO

Lifestyle

livingly

## JAPAN

Lifestyle

MY LITTLE BOX

## REVENUE\*

**€114m in 2017 (+6%)**

€107m in 2016

## EBITDA\*

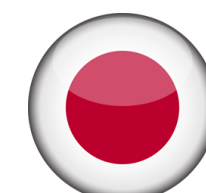
**€21.3m in 2017 - (Margin : 19%)**

€24.7m in 2016 (Margin : 23%)

## EBIT\*

**€12.1m in 2017 - (Margin : 11%)**

€17.7m in 2016 (Margin : 17%)



## KEY FIGURES

**aufeminin**  
— GROUPE —

Over **155 million** users\* in the world, of which **20 million** in France

Over **7 million** followers on social networks

Around **17 million** downloads for Marmiton app

**4 million** subscribers to My Little Paris Newsletter

**460 employees**

## 1-REACH

Display  
Programmatic / Header Bidding

## 2-ENGAGEMENT

Brand content  
Brand Publishing  
Influence  
Social Networks  
Events

## 3-CONVERSION

Social E-Commerce  
Magazine

### ADVERTISING MODEL

**B2B**

**Platforms**

### TRANSACTIONAL MODEL

**B2C**





1. **e-commerce know-how** (marketing of boxes), an activity which has **huge growth potential**
2. **Complementary business lines**
3. **An entrepreneurial culture**
4. **A growth driver**
5. **Digital legitimacy**



1. **Production of content** (film/digital) Newen, TF1 Studios, Studio71
2. **Acceleration of growth**, in particular **internationally** (inc. growth by acquisition)
3. **Optimization of operations**



**A GLOBAL REACH = A UNIQUE OFFERING**



**LE GROUPE**

**OUTLOOK**

**2018**

**Growth**  
**in current operating margin**  
at Group level  
**excluding major sporting events**

**2018 - 2020**

**Average annual cost**  
**of programmes**  
(excluding major sporting events)  
**reduced to €960 million**  
for the five unencrypted channels  
**for the 2018-2020 period**

**2019**

**A Group with more diversified revenues:**  
**More than one-third of consolidated revenue**  
will come from **activities other than advertising on**  
**the five unencrypted channels**

**REITERATED TARGET OF DOUBLE-DIGIT CURRENT OPERATING MARGIN IN 2019**



## LE GROUPE

Philippe DENERY – CFO  
pdenery@tf1.fr

Ghislain HÜE – Head of Investor Relations  
ghue@tf1.fr

Stéphanie LAVAL – Investor Relations  
slaval@tf1.fr

IR department  
Tel: 33-1 41 41 49 73  
comfi@tf1.fr

TF1  
1 Quai du Point du Jour  
92 656 Boulogne-Billancourt Cedex  
France  
<http://www.groupe-tf1.fr/en>