GROUPE

Presentation of 2014 Annual Results

17 February 2015

DISCLAIMER

- Statements contained in this document, particularly those concerning forecasts on future M6 Group performance, are forward–looking statements that are potentially subject to various risks and uncertainties.
- Any reference to M6 Group past performance should not be interpreted as an indicator of future performance.
- The content of this document must not be considered as an offer document nor as a solicitation to buy or sell M6 Group shares.
- The information, tables and financial statements included in this document, especially in the appendices, are currently undergoing audit and are awaiting AMF registration (registration document including the annual financial report).

PRESENTATION OF 2014 ANNUAL RESULTS
M6 GROUP

INTRODUCTION

1. INTRODUCTION – KEY FIGURES

- M6 is a Group that can adapt: costs, scope, management, etc.

Flat advertising market

GROWTH IN CONSOLIDATED REVENUES

W9 / 6ter PUISSANCE TNT

IMPLEMENTATION OF THE PUISSANCE TNT ADVERTISING SERVICE

STREAMLINING OF THE PORTFOLIO OF PAY TV CHANNELS AND **RENEWAL** OF THE DISTRIBUTION AGREEMENTS OF PAY TV CHANNELS

Increased competition in the free-to-air TV market

REBOUND IN AUDIENCE RATINGS IN HY2

DECREASE IN PROGRAMMING COSTS

INVESTMENT IN CONTENT (ASTÉRIX, ETC.)

Unfavourable business environment

MISTER GOOD DEAL .com

DIVESTMENT OF MISTERGOODDEAL

BEST of TV

INVESTMENT IN BEST OF TV

LEADERSHIP IN ONLINE VIDEO

- M6 is a Group that can adapt: costs, scope, management, etc.

INTRODUCTION OF A NEW GENERATION OF MANAGERS

M6 Publicité	David LARRAMENDY, *40 years old* Guillaume CHARLES, *39 years old* Ronan DUBOIS, *41 years old*
Ventadis	Ronan de FRESSENEL, *46 years old*
M6 Groupe	Henri de FONTAINES, *40 years old*
M6	Frédéric de VINCELLES, *45 years old*
W9	Jérôme FOUQUERAY, *43 years old*
Paris Première	Jonathan CURIEL, *34 years old*

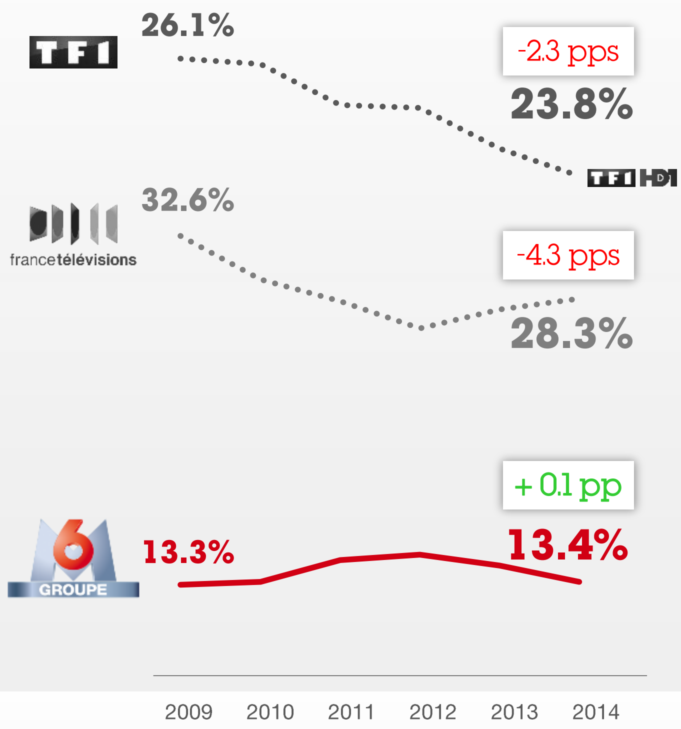
In-house promotion

NEW SALES TEAM AT THE M6 PUBLICITÉ ADVERTISING AGENCY

CHANGES WITHIN CHANNELS AND STRATEGY LEADERSHIP

1. INTRODUCTION – KEY FIGURES

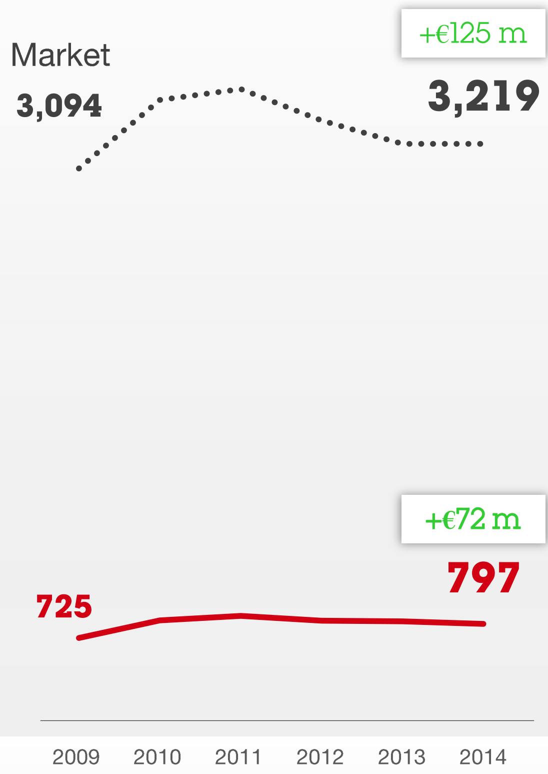
- **2009-2014: M6 Group strengthened its positions in an unsettled market**



Audience share of TF1 Group free-to-air channels *(internally-developed channels only, thus excluding TMC and NT1)*

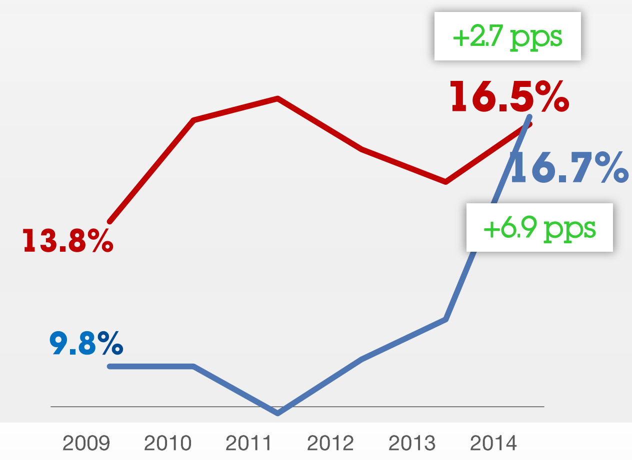
Audience share of France Télévisions Group free-to-air channels

Audience share of M6 Group free-to-air channels



Net TV advertising market

M6 Group advertising revenues



M6 Group EBITA

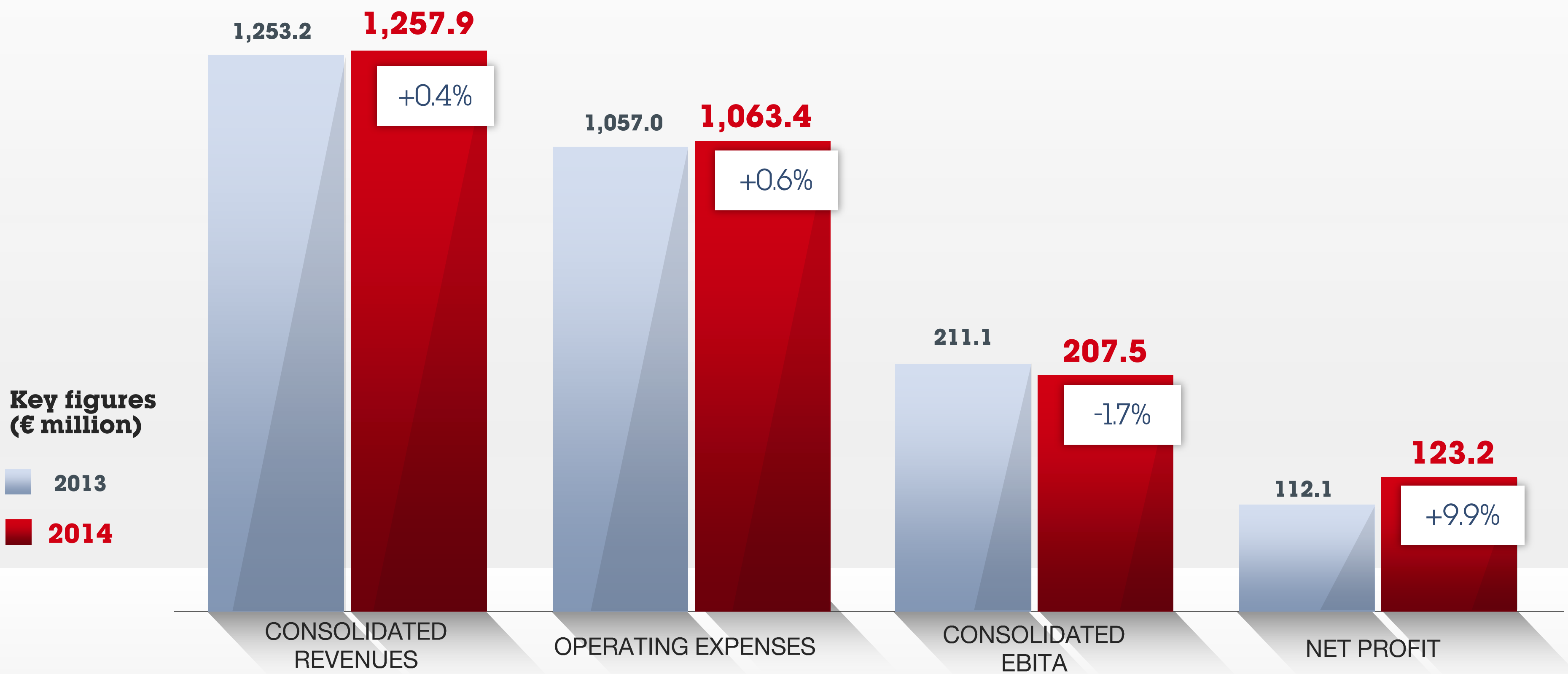
M6 Group Diversification EBITA

GROUPE

2014 KEY FIGURES

1. INTRODUCTION – KEY FIGURES

- Stable performance in a changing environment

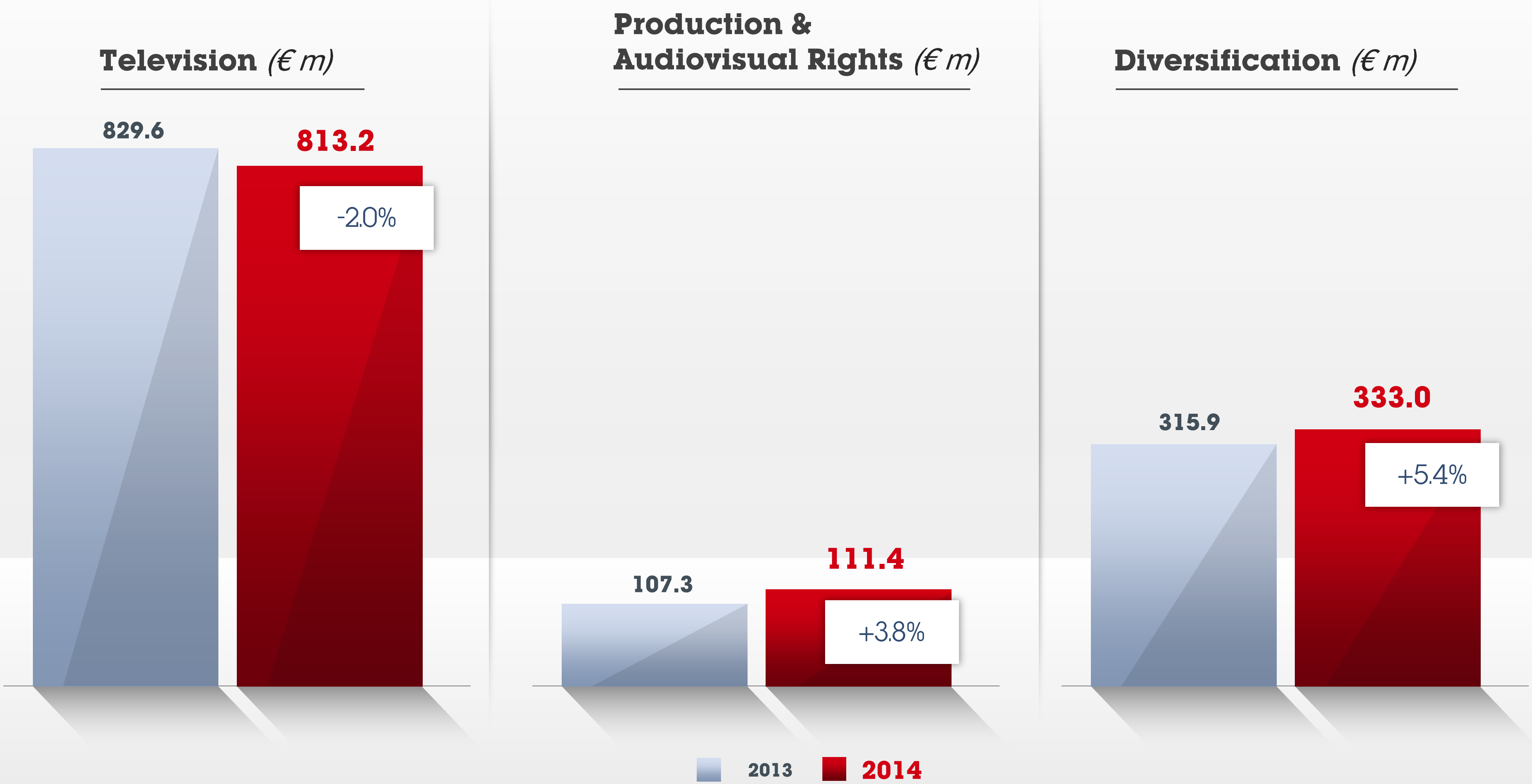


Operating margin from recurring operations	
16.8%	16.5%

Net margin	
8.9%	9.8%

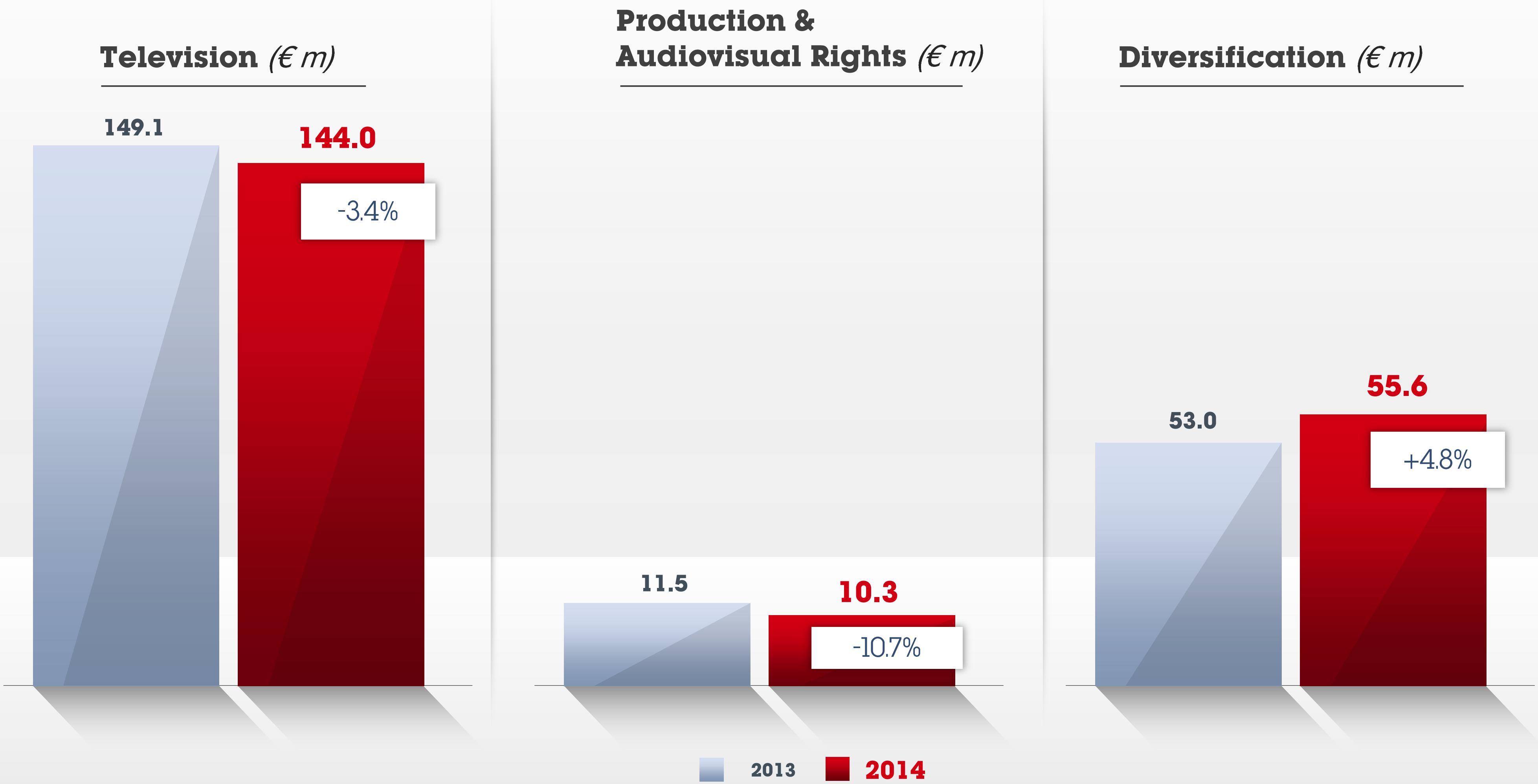
1. INTRODUCTION – KEY FIGURES

- **Slight increase of 0.4% in consolidated revenues to €1,257.9 million**



1. INTRODUCTION – KEY FIGURES

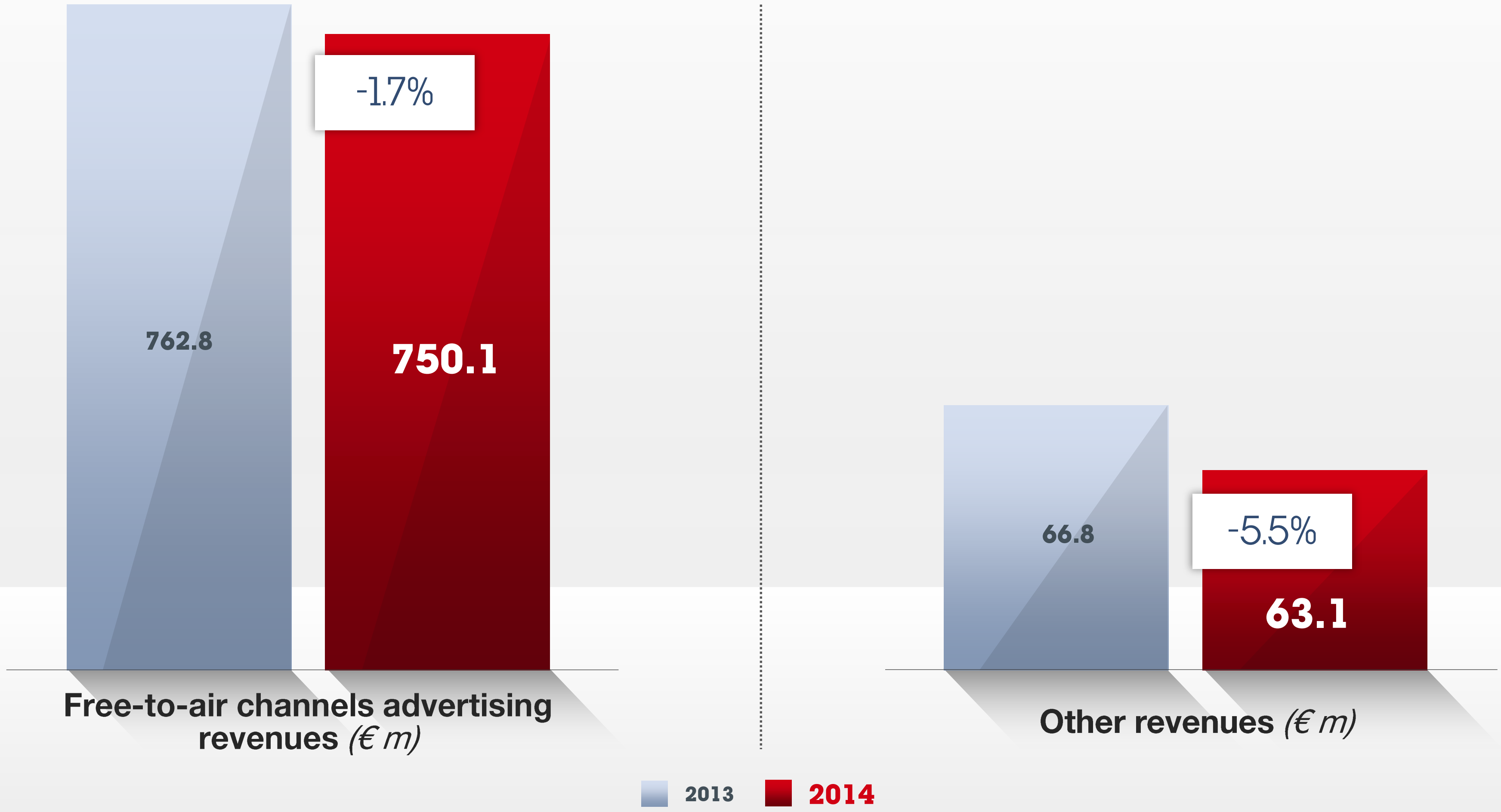
- EBITA down €3.7 million to €207.5 million



Television

2. TELEVISION

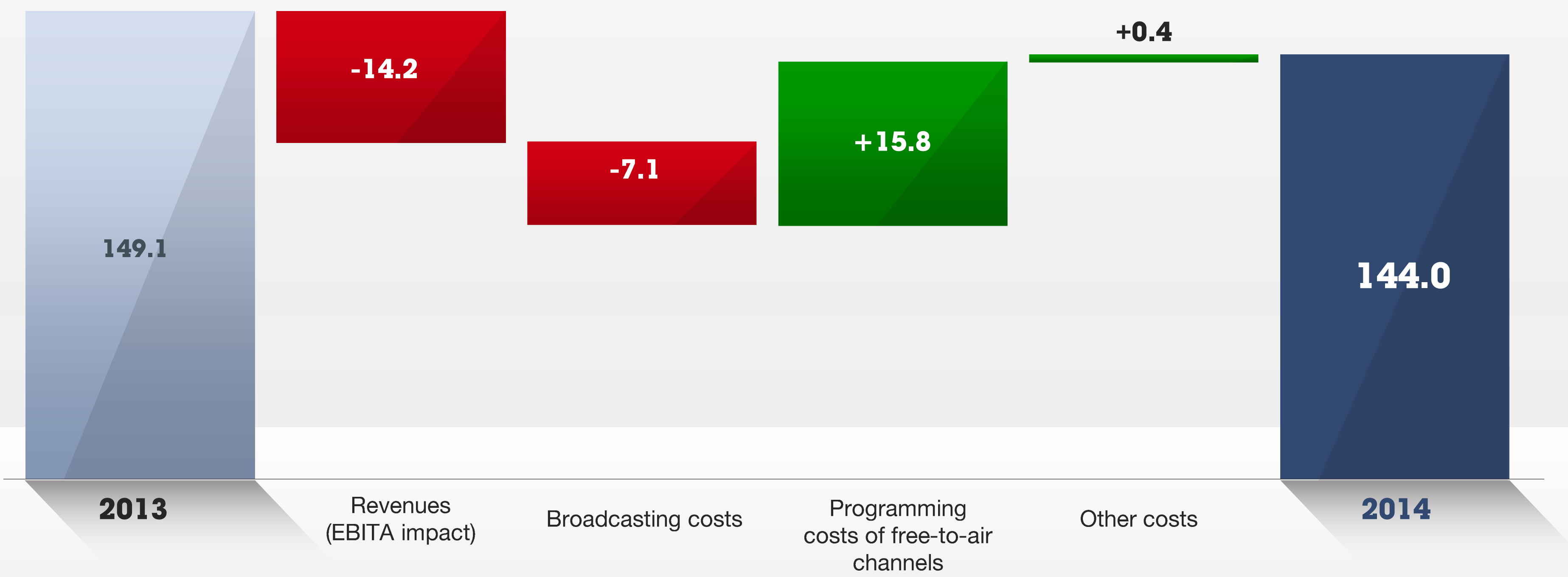
- TV revenues declined in 2014 in a flat market



1. TELEVISION

- **Decline in advertising revenues partly offset by savings**

TV EBITA 2014 vs. 2013 *(€ m)*

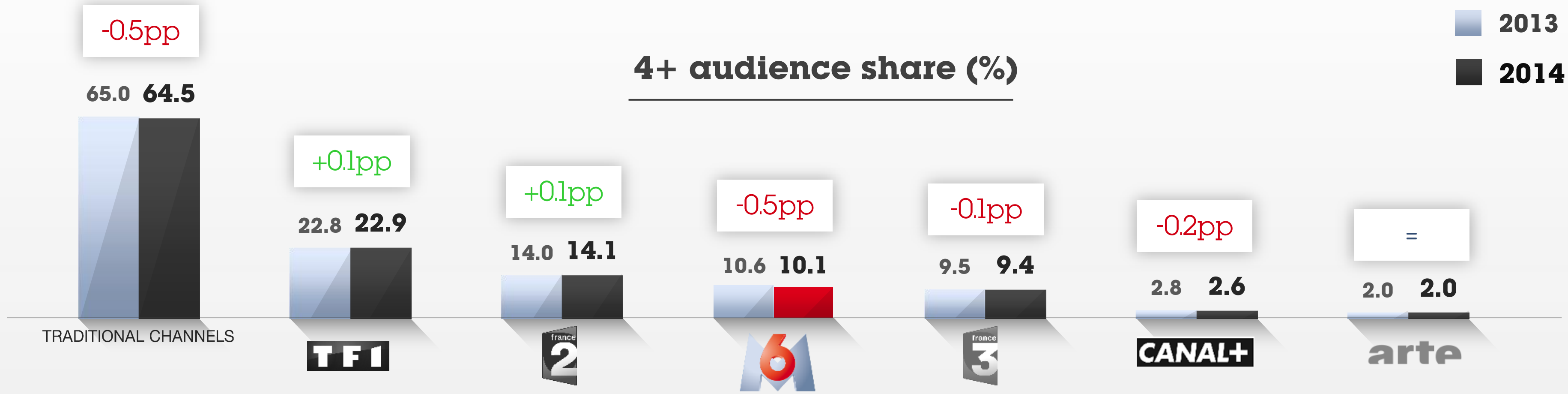


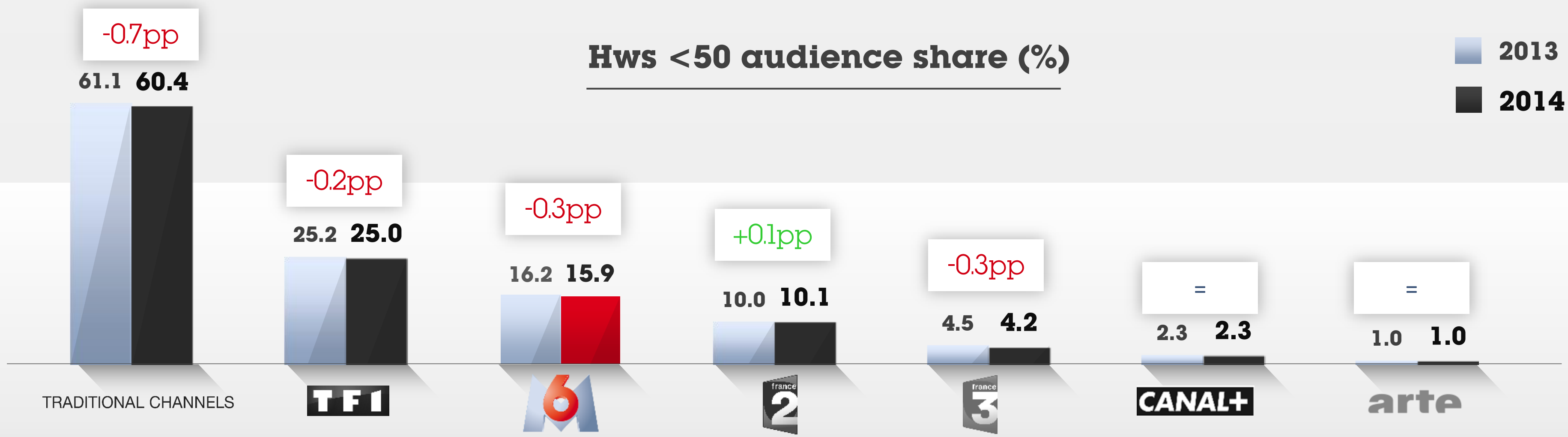
Television

Audience Ratings

2. TELEVISION - AUDIENCE RATINGS

- **M6 conceded ground in 2014, a year marked in particular by the broadcast of major sporting events on competing channels**





Source: MMW

2. TELEVISION - AUDIENCE RATINGS

- **M6's ratings bounced back in HY2 following a difficult HY1**

Strong competition **from sporting events**
-0.1 pp on 4+ annual score

Ratings of the 6 **HD DTT** channels
+1.5 pp 4+ / +2 pps Hws<50 year-on-year

Access Prime Time erosion in HY1

Successful regeneration of **Access Prime Time** in HY2

Continued health of **strong brands**

Success of latest **lifestyle magazines**

Source: MMW Médiamétrie

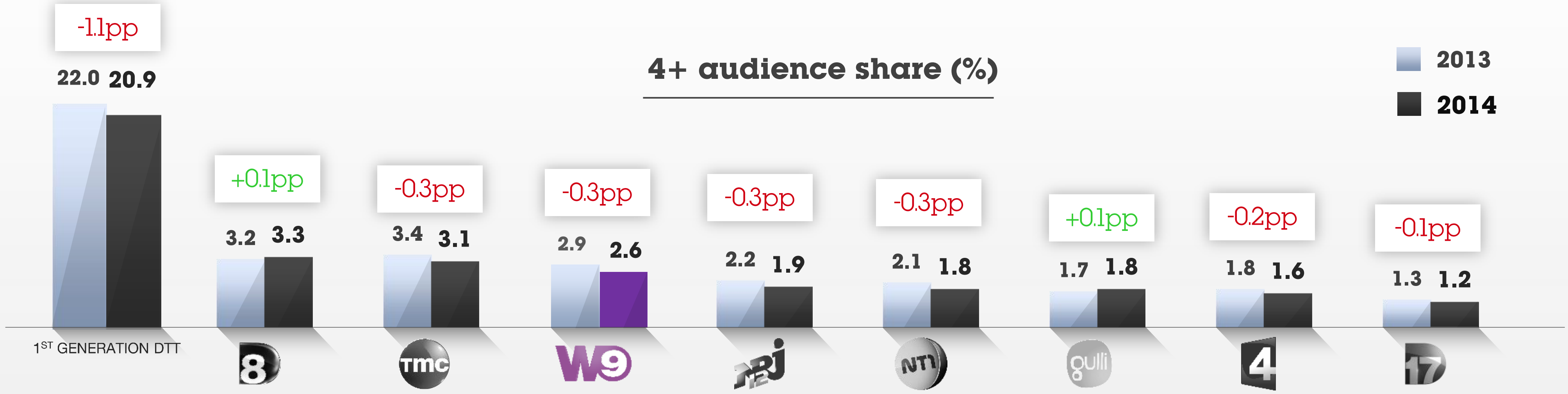
GROUPE

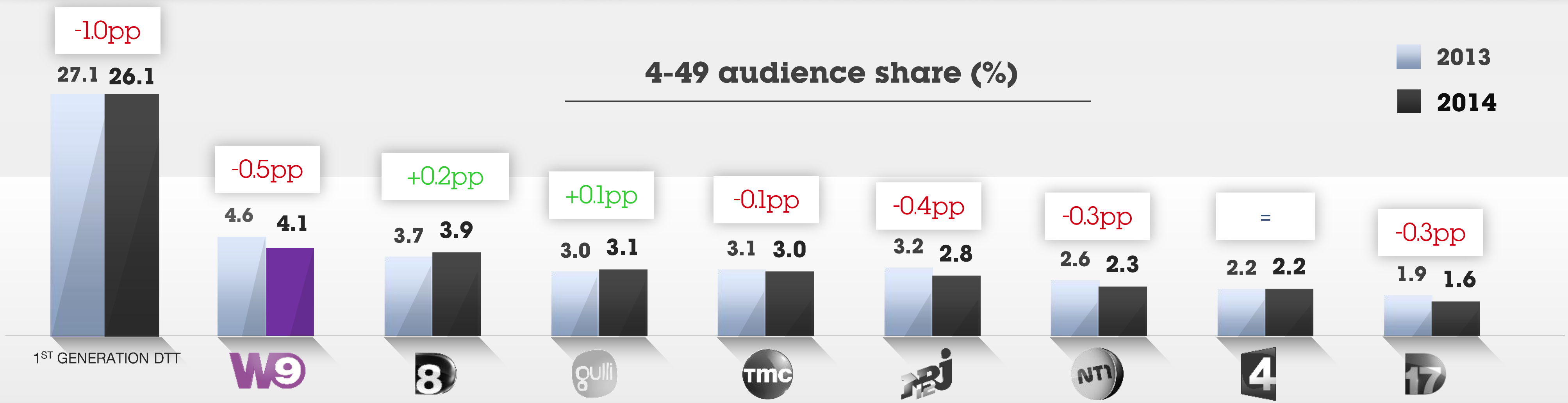
TELEVISION

DTT Audience Ratings

2. TELEVISION – DTT AUDIENCE RATINGS

- **Excluding D8 (and Gulli), no DTT channel gained ground in 2014**



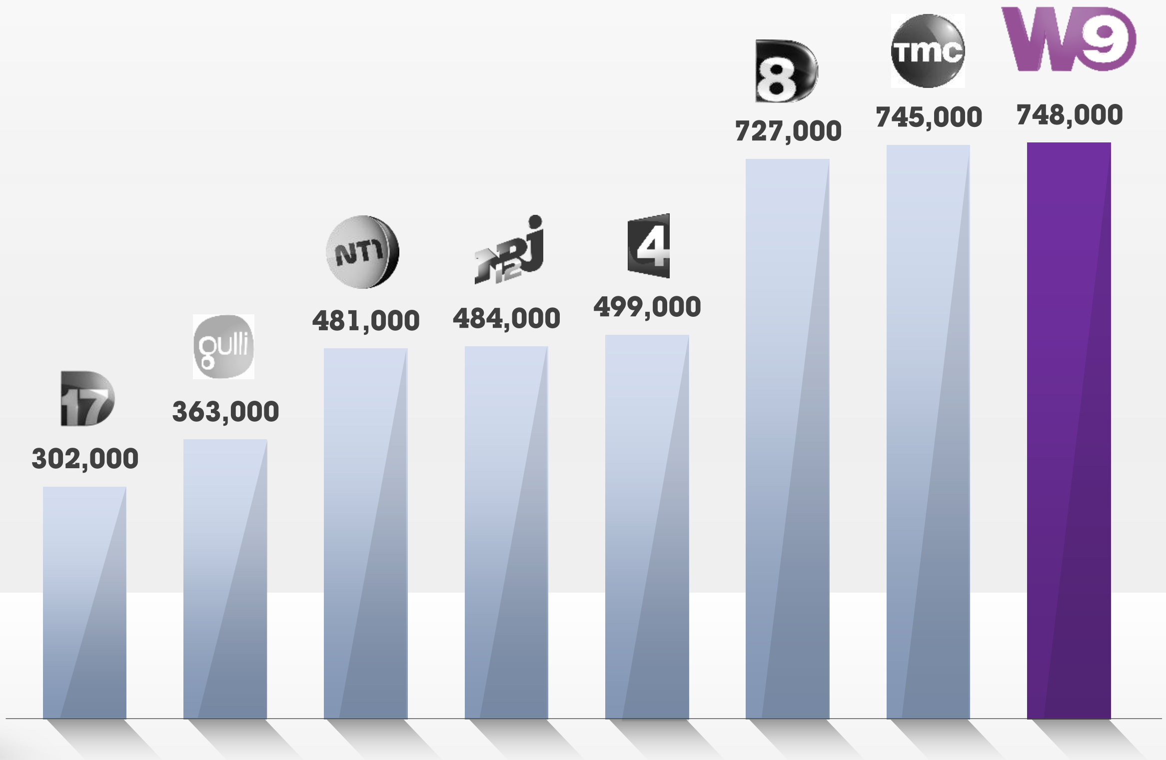


Source: MMW

■2. TELEVISION – DTT AUDIENCE RATINGS

- In 2014, W9 was the most watched DTT channel during access prime time

Prime time audience ratings (8.50pm-10.30pm)



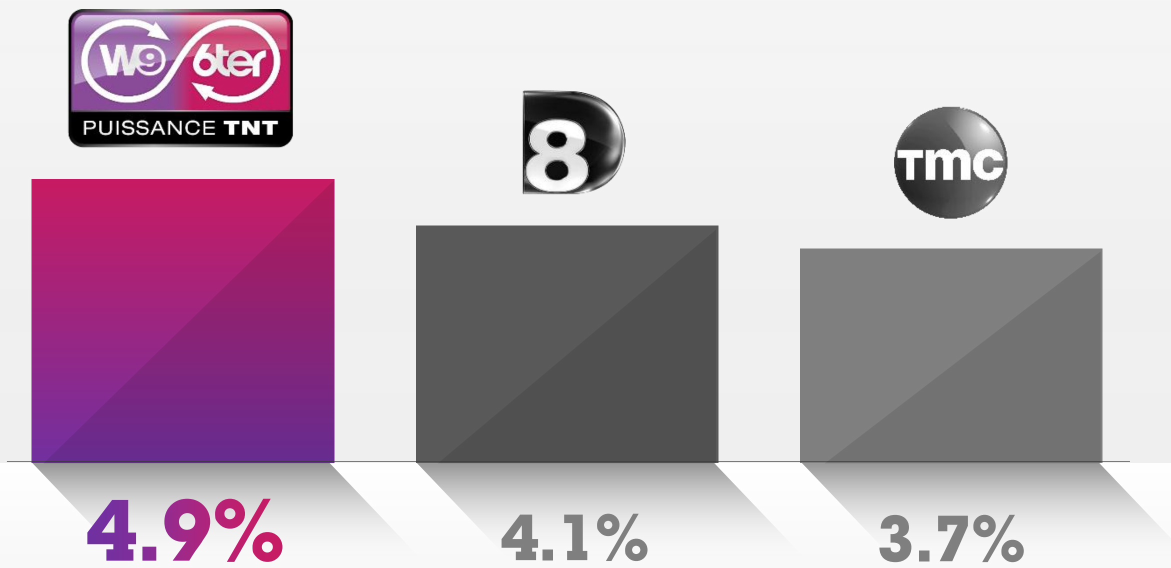
Source: MMW

2. TELEVISION – DTT AUDIENCE RATINGS

- **Puissance TNT, the advertising market's major commercial innovation in 2014, is the leading DTT service**

The leading advertising service on DTT

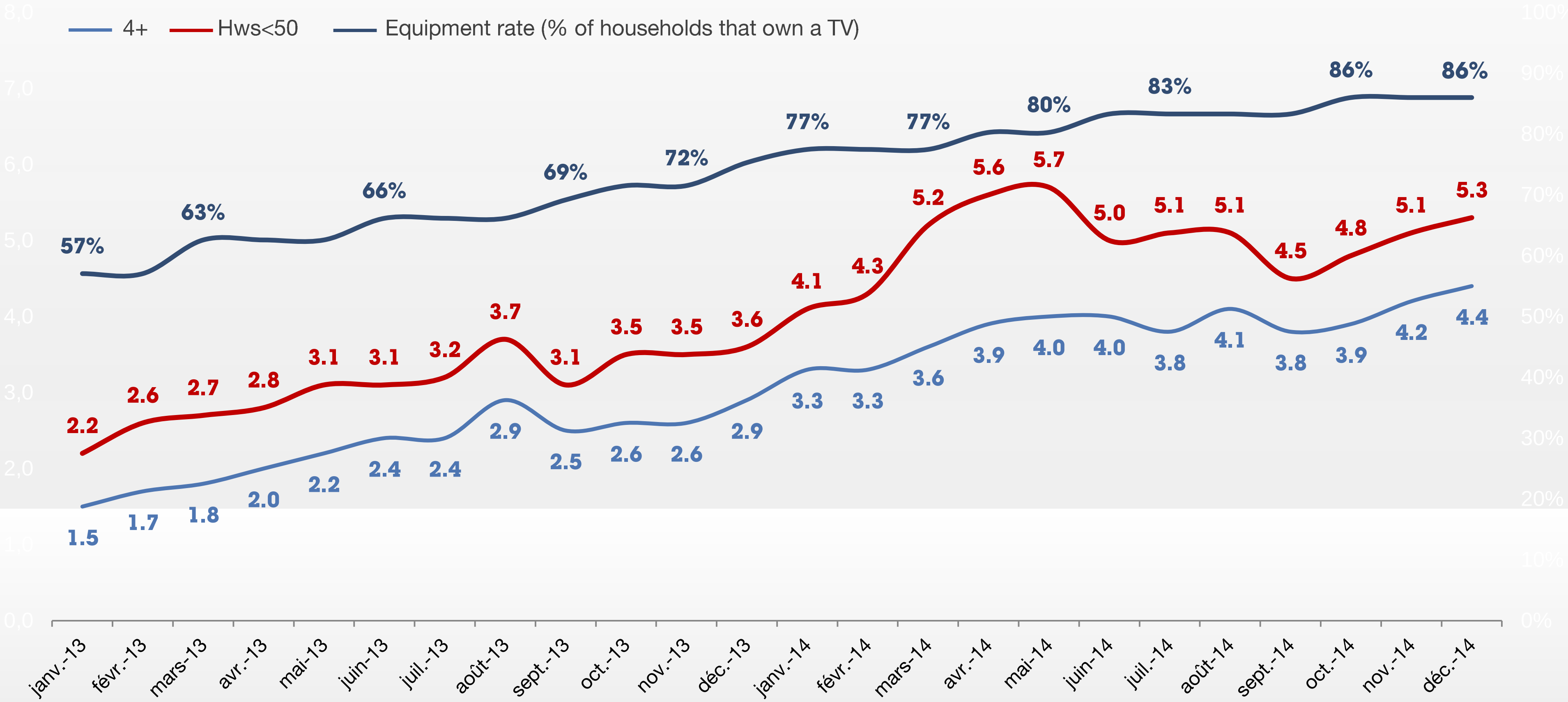
2014 Audience Ratings (Hws<50)



Sources: Médiamétrie / Popcorn

■2. TELEVISION – HD DTT AUDIENCE RATINGS

- **For the 4+ category, the 6 new HD DTT channels followed an audience growth trajectory that mirrored the increase in the number of households equipped to watch them**

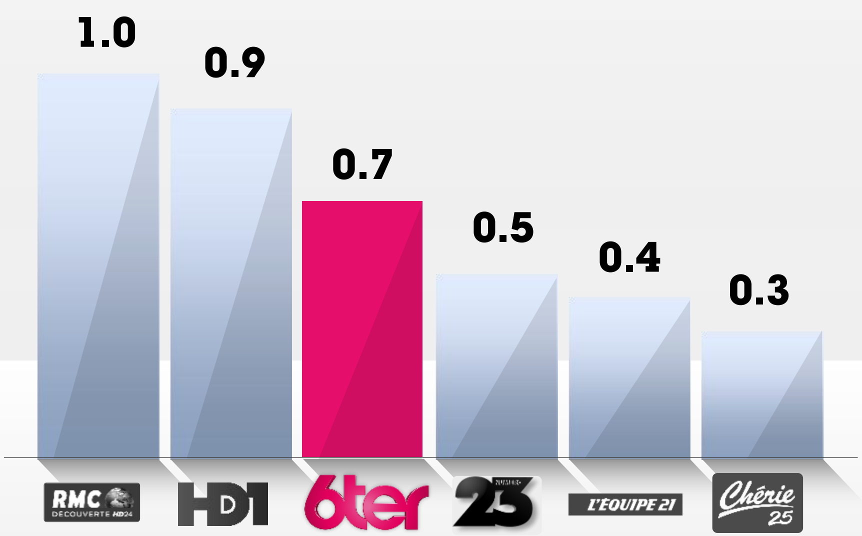


Source: MMW Médiamétrie

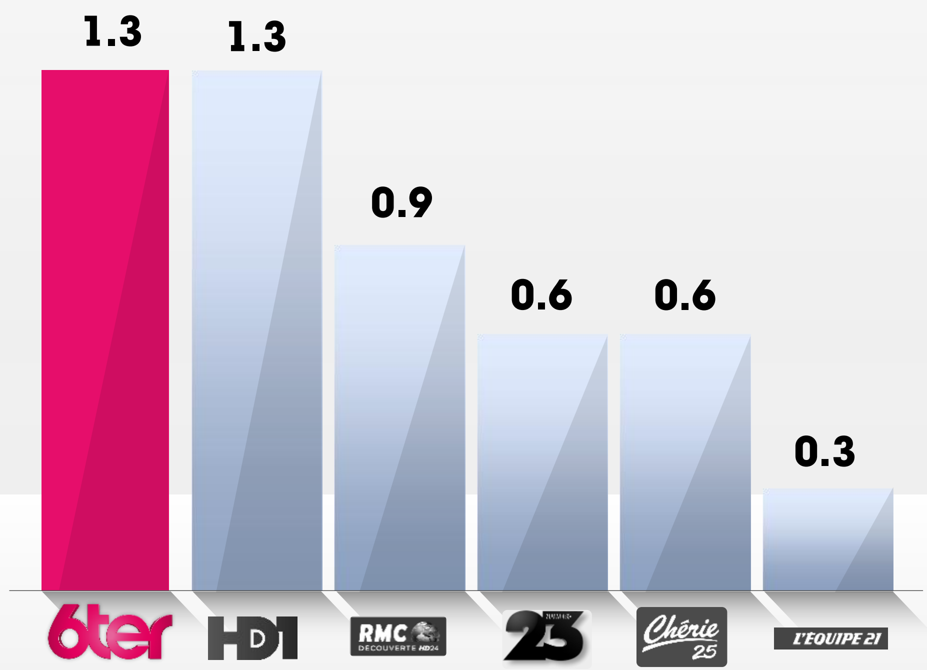
2. TELEVISION – HD DTT AUDIENCE RATINGS

- 2014: 6ter joint leader of new DTT channels in the Hws<50 category

Audience share of the 6 new channels: 3.8% 4+ category



Audience share of the 6 new channels: 5.0% Hws<50 category



Source: MMW

GROUPE

Television

Cab Sat Audience Ratings

2. TELEVISION – CAB SAT AUDIENCE RATINGS

- **Paris Première and Téva rank among the best pay TV channels within a highly competitive environment**

téva

Equipment rate: **42% of households with a TV**

Top ranked pay channel among Hws<50

2014 nationwide audience share (excl. summer)	
4+	Hws<50
0.32%	0.65%

PARIS PREMIERE

Equipment rate: **32% of households with a TV**

2nd ranked general-interest pay channel among 4+ and upper socio-professionals

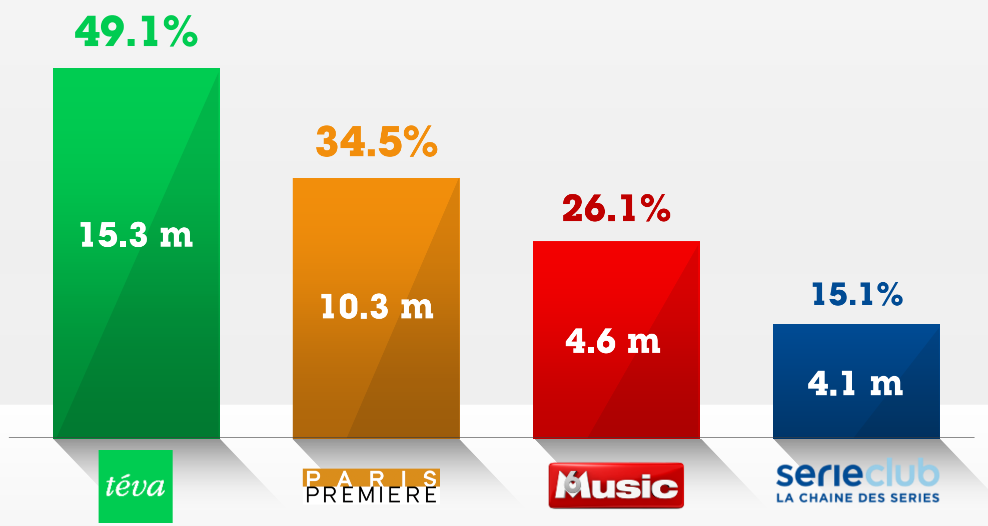
2014 nationwide audience share (excl. summer)	
4+	Upper socio-professionals
0.38%	0.45%

Source: Médiaplanning and Médiamat Thématik files / January-June + September-December 2013

2. TELEVISION – CAB SAT AUDIENCE RATINGS

- **Renewal of pay channels' multi-year distribution agreements**

Percentage of French households with a TV able to receive the channel at 1 January 2015
(millions of subscriptions)



GROUPE

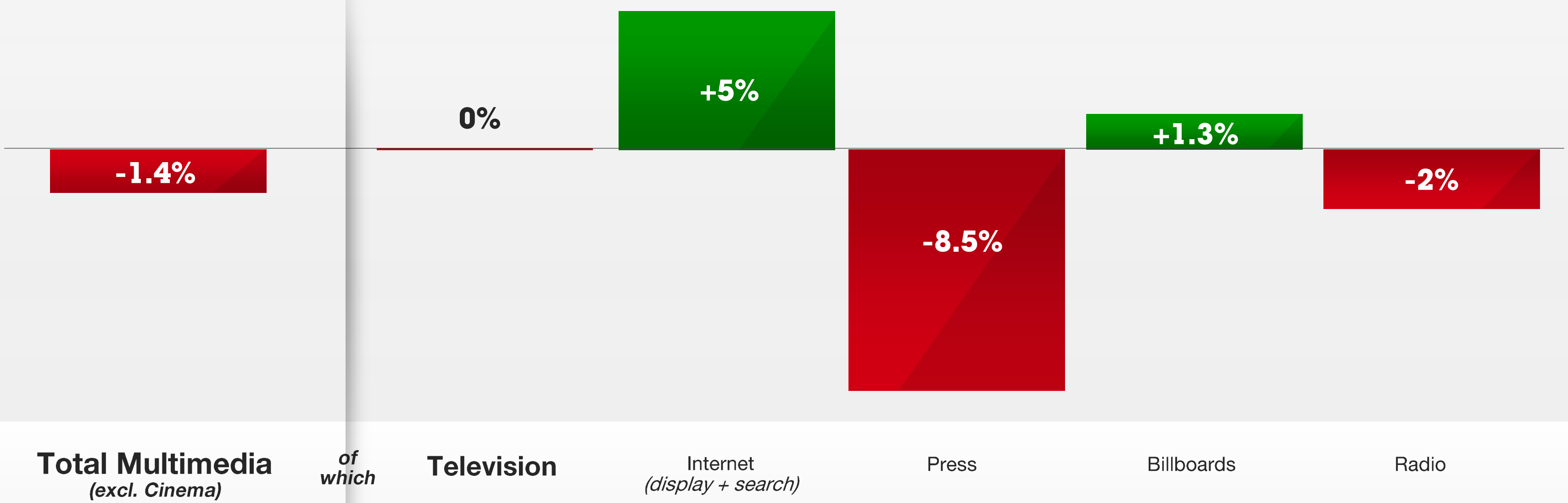
Television

Advertising Market

2. TELEVISION – ADVERTISING MARKET

- **In an advertising market in decline in 2014, TV gained market share by stabilising its revenues vs. 2013**

Net change in Multimedia advertising market 2014 vs 2013 by medium – % *

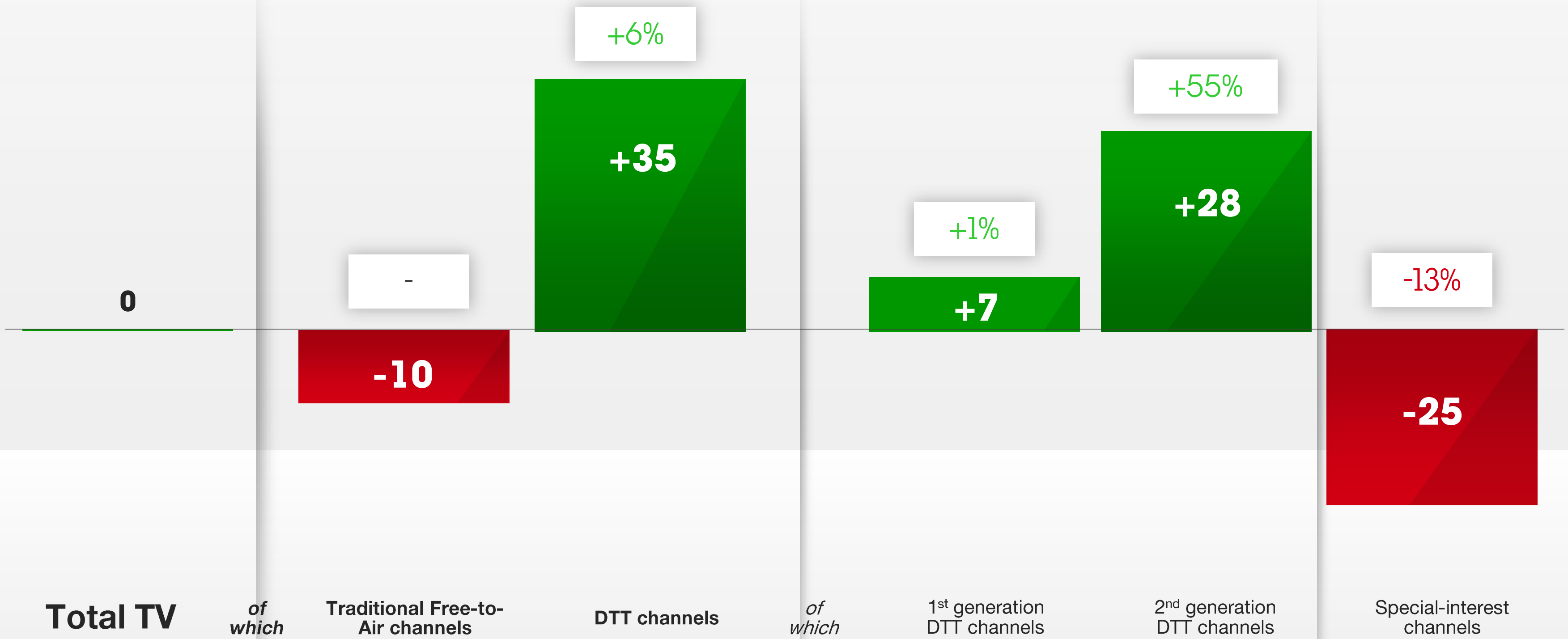


* IREP estimates dated 31/01/2015 / Upper end of the assumed range of each medium

2. TELEVISION – ADVERTISING MARKET

- **In a stable TV advertising market overall in 2014, the new HD DTT channels won market share points from all other environments.**

2014 vs. 2013 net change in advertising market, by environment *(€ m)*

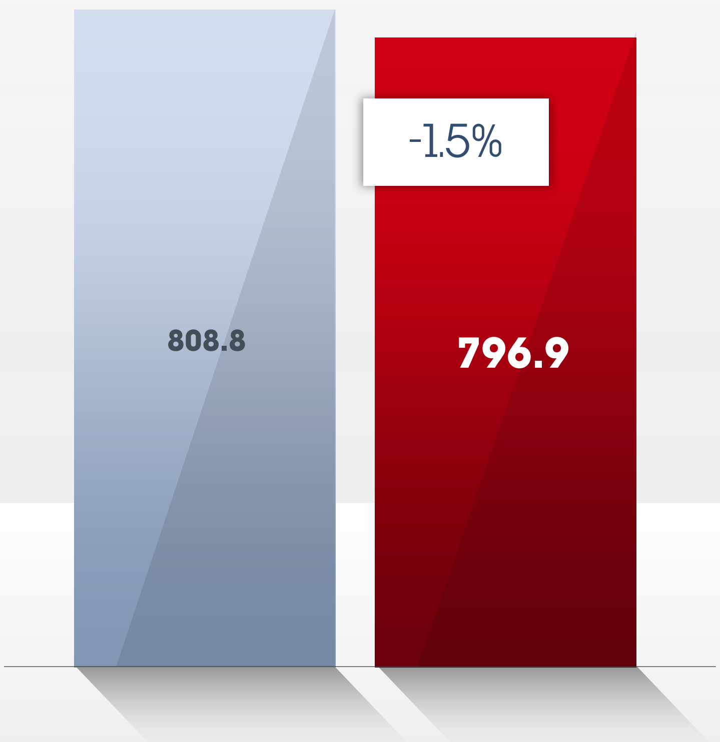


Source: M6 estimates

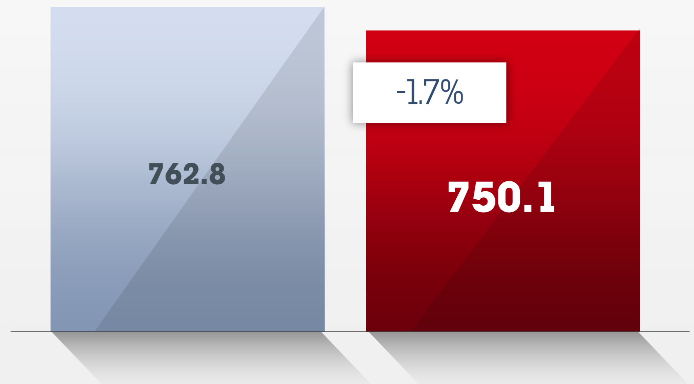
2. TELEVISION – ADVERTISING MARKET

- **M6 Group's net advertising revenues decreased by 1.5% in 2014**

M6 Group net advertising revenues *(€ m)*



Free–to–air channels



Other operations Internet

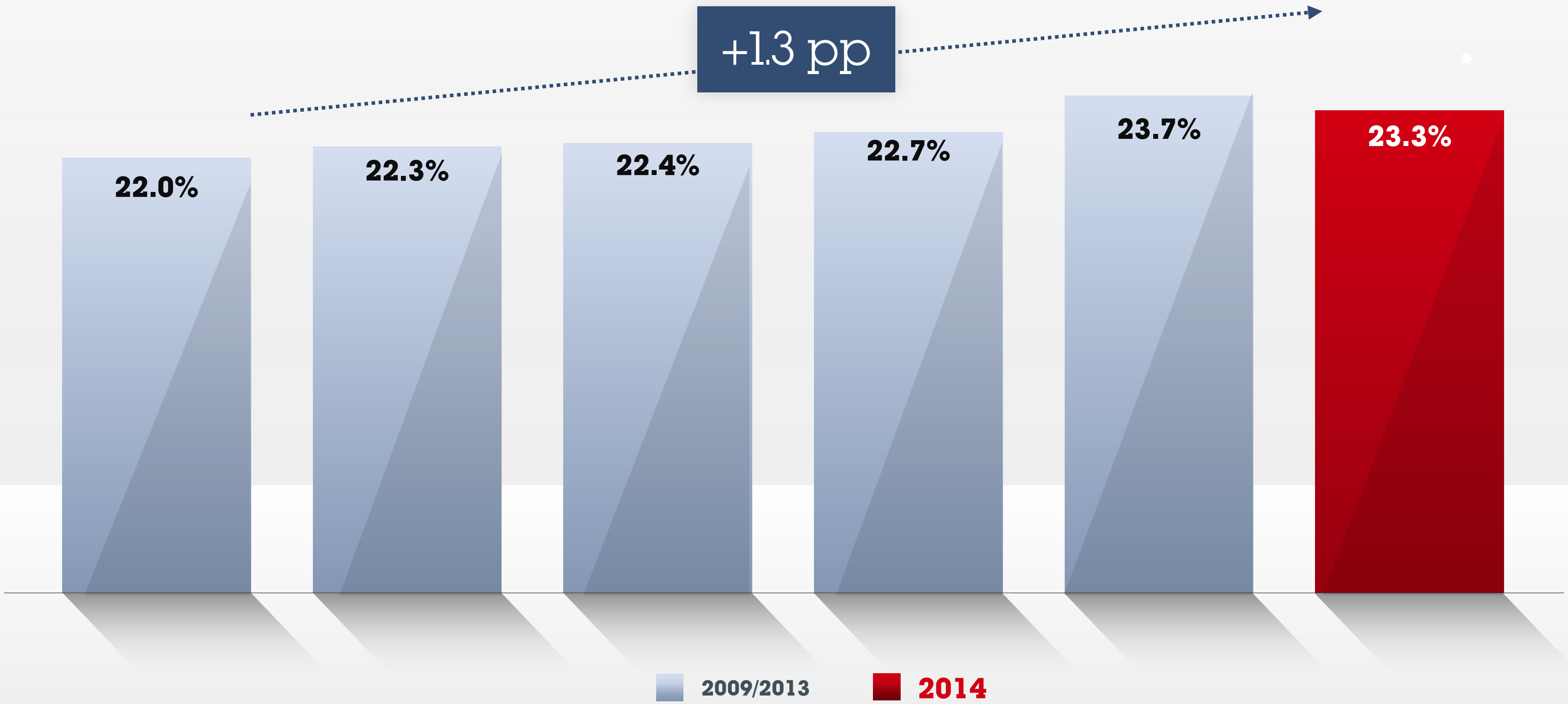
2013 2014

Source: M6

2. TELEVISION – ADVERTISING MARKET

- **M6 Group's free–to–air channels maintained a substantial advertising market share in 2014**

Change in net TV advertising market share of M6 Group's free–to–air channels since 2009 - %



* Estimates based on IREP data dated 31/01/2015

Source: M6

2. TELEVISION – ADVERTISING MARKET

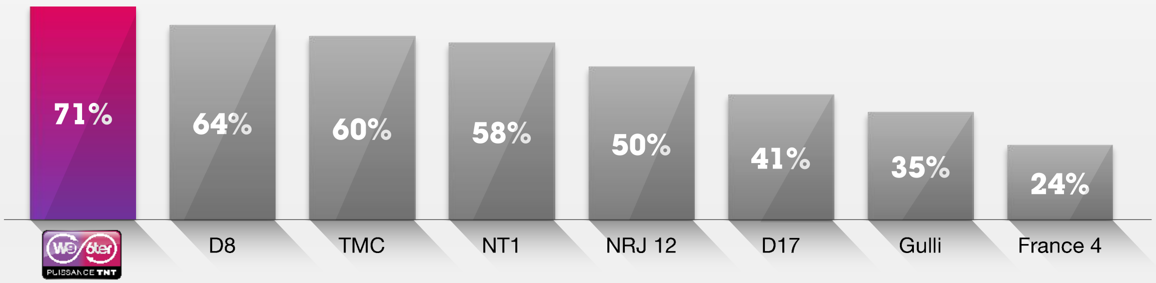
- **Puissance TNT, the advertising market's major commercial innovation in 2014, is the leading DTT service**

PUISSANCE TNT

The leading advertising service on DTT

Monthly advertising slot coverage in the Housewives under 50 category – % *(from 01/11/2014 to 31/12/2014)*

Each month, Puissance TNT's advertising slots are seen by 71% of Housewives < 50



Puissance TNT is the advertising medium:

- that delivers the highest GRP on DTT (almost 20% of the supply)
- that is the most powerful during early prime time

Sources: Médiamétrie / Popcorn

PRODUCTION AND AUDIOVISUAL RIGHTS

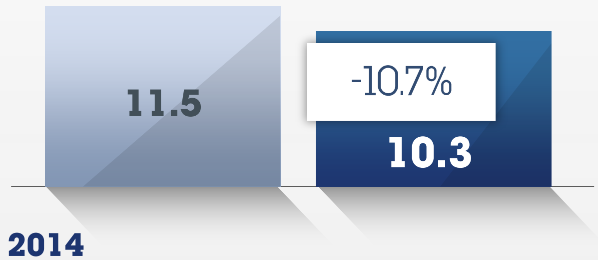
3. PRODUCTION & AUDIOVISUAL RIGHTS

- A year marked by numerous box office successes

GROUPE M6 FILMS

Revenues *(€ m)*

EBITA *(€ m)*



MARGIN
9.3%

Key data

CINEMA

The **production cost of Astérix** impacted divisional EBITA

3m admissions

produced & distributed

2.9m admissions

coproduced

1.9m admissions

coproduced & distributed

1.6m admissions

coproduced & distributed

VIDEO

Unfavourable **base effect** related to the DVD release of Twilight 5 in 2013 impacted divisional profitability

VOD

Revenue up
+36%

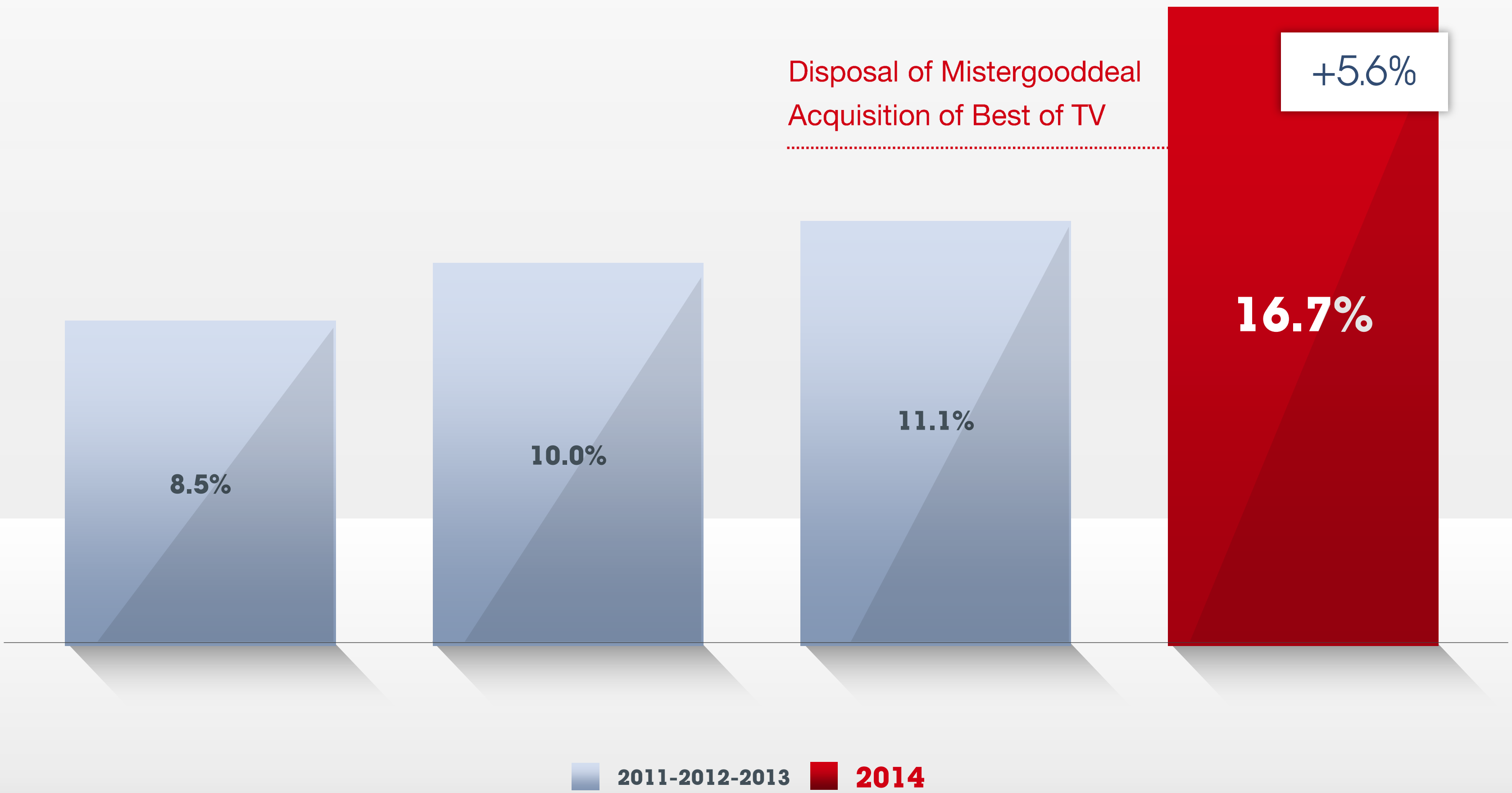
GROUPE

DIVERSIFICATION

4. DIVERSIFICATION

- **2009–2014: Increase in profitability of Diversification operations**

Change in operating margin of Diversification operations

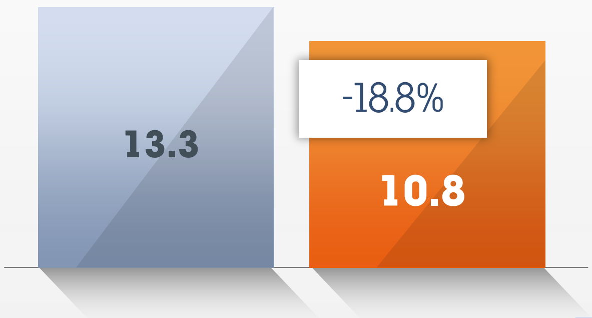


4. DIVERSIFICATION

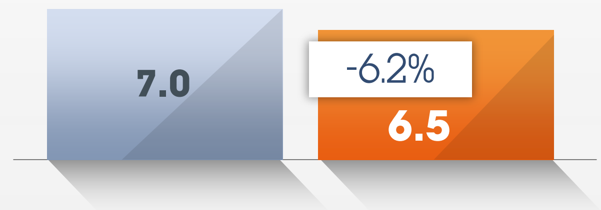
- **M6 Interactions offset a reduced line-up by strict cost control**

INTERACTIONS

Revenues *(€ m)*



EBITA *(€ m)*



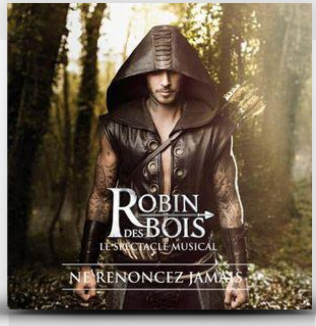
2013 2014

Key data

The division had several major **successes** but suffered from an unfavourable **base effect** related to Génération Goldman last year and a lighter line-up of shows than in 2013

MUSIC

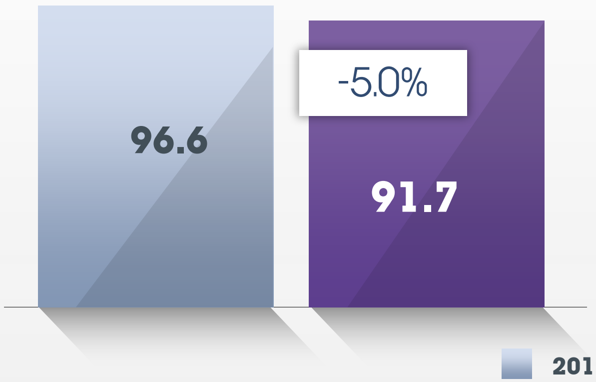
SHOWS



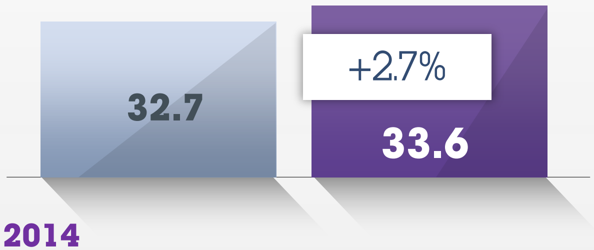
4. DIVERSIFICATION

- **M6 Web increased its profitability and invested in new media**

Revenues *(€ m)*



EBITA *(€ m)*



2013 2014

MARGIN
+2.8pps
36.6%

Key data

M6 Mobile

2.8 m customers at end December 2014

New media derived from TV channels

- **Video advertising revenues** up **30%**
  - **774 m** videos viewed in 2014
  - Launch of 4 on-demand channels
  - Development of enhanced TV services

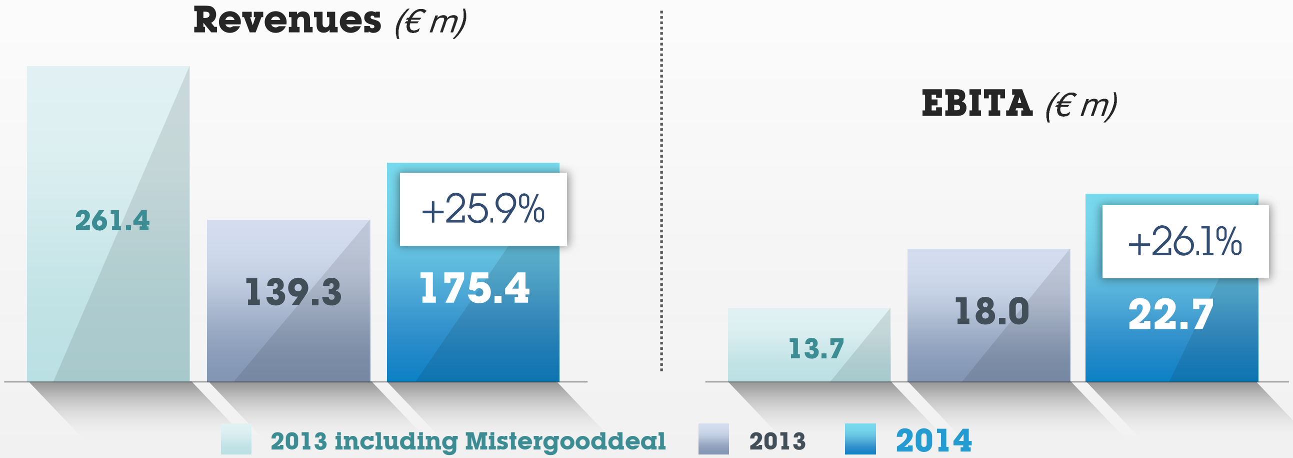
Diversification

Strong growth of the brand content production business to complement the traditional digital advertising service

4. DIVERSIFICATION

- **The Ventadis division recorded strong growth in revenues due to the integration of Best of TV**

Ventadis



MARGIN
12.9%

Key data

Home shopping service

Stable revenues in 2014

Successful refocusing of the business portfolio

- **Acquisition** in January 2014
  Revenue **up 40%**
  Strong purchasing **synergies** with the home shopping business
- Finalisation of the **disposal** of Mister Good Deal

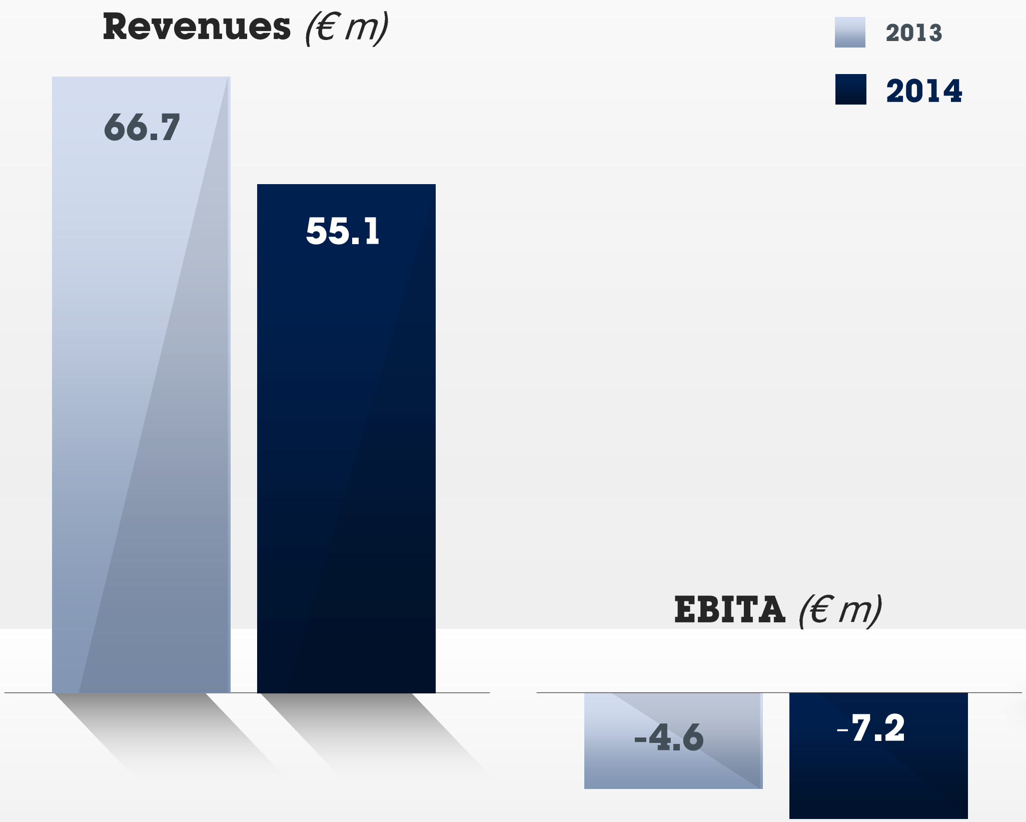
Continued development

Continued development of monAlbumPhoto.fr

with the acquisition of Printic.

4. DIVERSIFICATION

- **F.C.G.B**
  Impact of on-field performance



Key data

	LIGUE 1	UEFA EUROPA LEAGUE
2012/2013	**7th**	**Last 16**
2013/2014	**7th**	**Group stage**
2014/2015	**6th** *(at 09/02/2015)*	**Failed to qualify**

FINANCIAL STATEMENTS

5. FINANCIAL STATEMENTS

Condensed consolidated statement of comprehensive income for the year to 31 December 2014

M6 Group	31 December 2013	31 December 2014	2014 / 2013 change (€ millions)
Revenue	1,253.2	1,257.9	4.7
Other operating revenues	14.9	12.9	(2.1)
Total operating revenues	**1,268.1**	**1,270.8**	**2.7**
Materials and other operating expenses	(636.3)	(647.9)	(11.6)
Personnel costs (including profit sharing plan contributions)	(248.2)	(238.2)	10.0
Taxes and duties	(58.9)	(56.8)	2.0
Net depreciation/amortisation/provision charges	(113.6)	(120.4)	(6.8)
Profit from Recurring Operations (EBITA)	**211.1**	**207.5**	**(3.7)**
Capital gains on disposals of non-current assets	-	-	-
Operating income and expenses related to business combinations	(0.6)	(0.3)	0.2
Operating Profit [EBIT]	**210.5**	**207.1**	**(3.4)**
Net financial income	**17.7**	**3.7**	**(14.0)**
Share of profit of joint ventures and associates	0.1	(0.2)	(0.3)
Profit before tax	**228.3**	**210.6**	**(17.7)**
Income tax	(97.5)	(87.4)	10.1
Net profit from continuing operations	**130.8**	**123.2**	**(7.6)**
Net profit/(loss) from operations held for sale / sold	(18.7)	0.0	18.7
Net profit for the year	**112.1**	**123.2**	**11.1**

■5. FINANCIAL STATEMENTS

■ Condensed balance sheet at 31 December 2014

M6 Group	31 December 2013	31 December 2014	2014 / 2013 change (€ millions)
Goodwill	63.4	72.7	9.4
Non-current assets	293.0	264.4	(28.6)
Current assets	574.7	666.0	91.3
Cash and cash equivalents	285.4	260.9	(24.5)
Assets of operations held for sale	31.9	-	(31.9)
TOTAL ASSETS	**1,248.4**	**1,264.0**	**15.6**
Group equity	571.7	581.4	9.7
Non-controlling interests	0.3	(0.3)	(0.6)
Non-current liabilities	10.2	32.4	22.2
Current liabilities	638.7	650.5	11.8
Liabilities of operations held for sale	27.5	-	(27.5)
TOTAL EQUITY AND LIABILITIES	**1,248.4**	**1,264.0**	**15.6**

■5. FINANCIAL STATEMENTS

■ Cash flow statement for the year to 31 December 2014

M6 Group		31 December 2013	31 December 2014	2014 / 2013 change (€ millions)
Self-financing capacity from operations		327.9	332.7	**4.8**
Operating WCR movements		49.8	(43.8)	**(93.6)**
Income tax		(81.5)	(87.1)	**(5.6)**
Cash flow from operating activities		**296.2**	**201.8**	**(94.4)**
Cash flow from investment activities		**(77.4)**	**(117.6)**	**(40.1)**
	Recurring items	*(88.4)*	*(109.6)*	*(21.2)*
	Non-recurring items	*11.0*	*(7.9)*	*(18.9)*
Cash flow from financing activities		**(233.6)**	**(108.8)**	**124.8**
	Recurring items	*(107.3)*	*(109.1)*	*(1.8)*
	Non-recurring items	*(126.3)*	*0.3*	*126.6*
Cash flow linked to operations held for sale / sold		**(7.5)**	**-**	**7.5**
Translation effect on cash and cash equivalents		**(0.4)**	**0.1**	**0.5**
Net change in cash and cash equivalents		**(22.7)**	**(24.5)**	
Reclassification of cash and cash equivalents of operations held for sale / sold		**(5.2)**	**-**	**5.2**
Cash and cash equivalents - opening balance		**313.3**	**285.4**	**(27.9)**
Cash and cash equivalents - closing balance		**285.4**	**260.9**	**(24.5)**
Net cash and cash equivalents - closing balance		*284.7*	*260.5*	*(24.2)*

5. 2014 FINANCIAL REPORT

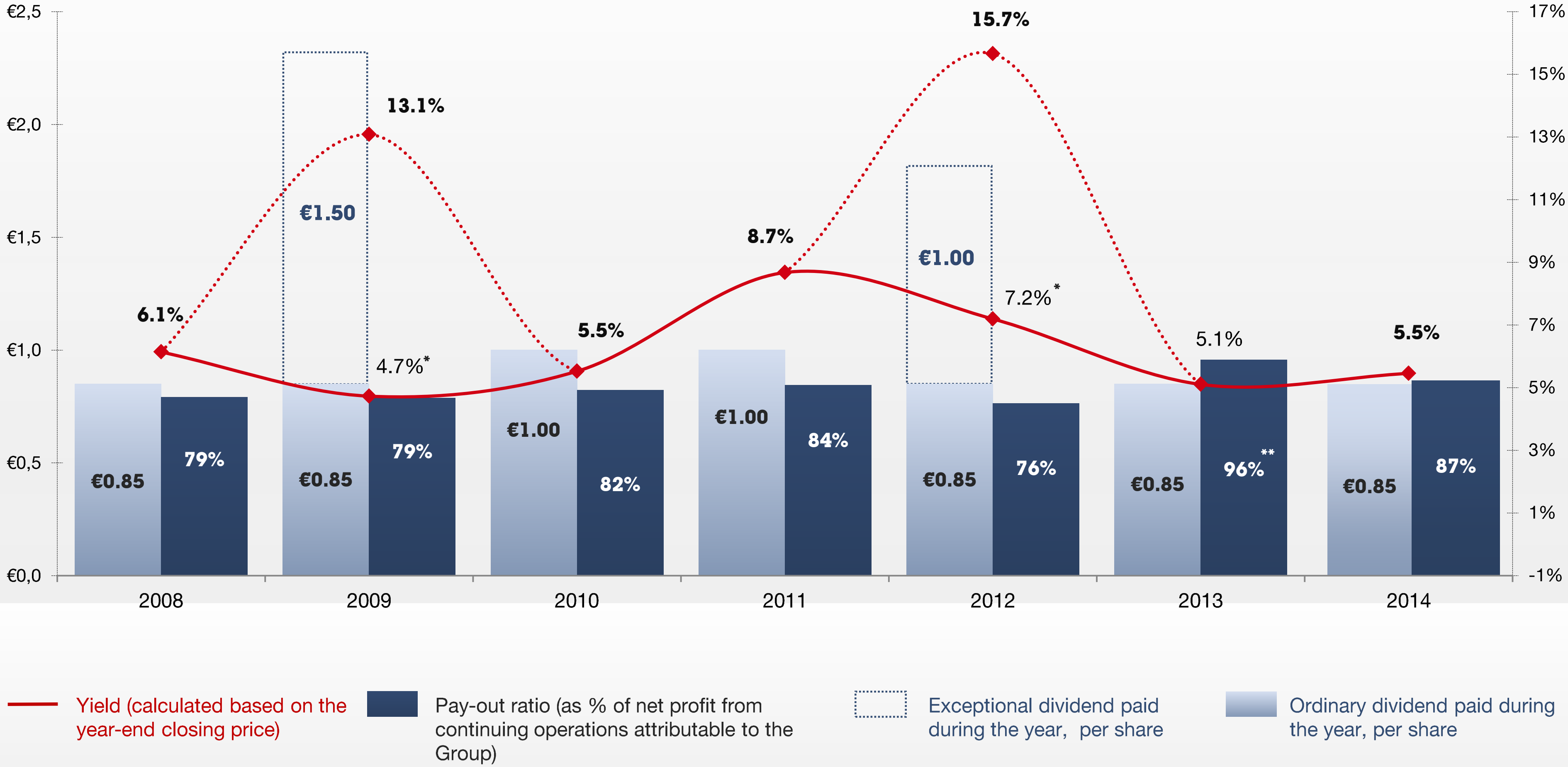
Financial ratios at 31 December 2014

(€ million except data in %)	2012 (*)	2013	2014
Profitability / Cash-Flows			
FCF excluding growth investments	217.0	289.3	179.2
Operating Margin (EBITA / Revenue)	15.8%	16.8%	16.5%
Adjusted cash conversion ratio (FCF excluding growth investments / EBITA)	99.3%	137,1%	86.4%
Net Margin (Net Profit / Revenue)	10.1%	8.9%	9.8%
Net margin restated for the Summit / Lion's Gate transaction	*8.7%*	*7.9%*	*9.8%*
Balance Sheet			
Capital employed	372.0	286.2	319.9
Net cash and cash equivalents	317.5	284.7	260.5
Equity - Group share	*687.6*	*571.7*	*581.4*

(*) data not restated for Mistergooddeal and joint ventures

5. FINANCIAL STATEMENTS

Dividend maintained at €0.85 per share



** Pay-out ratio excluding exceptional dividend*
*** 79% excl. Summit*

OUTLOOK

6. OUTLOOK

2015 Challenges

TV

Consolidate audience ratings by pursuing the policy of innovative programming

Maintain our **advertising market share** whilst maintaining profitability

Production & Audiovisual rights

Develop **production activities**

Diversification

Pursue a strict policy of investment in high profitability and/or strong synergy activities

Adapt to the **new audience behaviour**

Teleshopping channel?

APPENDICES

7. APPENDIDES

M6 Group analytical consolidated income statement

(€ millions)	31/12/2014	31/12/2013	2014 / 2013 change (€ millions)	%
TV				
Advertising revenues - Free-to-air channels	750.1	762.8	(12.8)	-1.7%
Revenues - other operations	63.1	66.8	(3.7)	-5.5%
Profit from recurring operations (EBITA)	144.0	149.1	(5.1)	-3.4%
Production & Audiovisual Rights				
Revenue	111.4	107.3	4.1	3.8%
Profit from recurring operations (EBITA)	10.3	11.5	(1.2)	-10.7%
Diversification				
Revenue	333.0	315.9	17.1	5.4%
Profit from recurring operations (EBITA)	55.6	53.0	2.6	4.8%
Other revenues	0.4	0.4	0.0	0.6%
Eliminations and unallocated items	(2.4)	(2.5)	0.1	-5.0%
Consolidated revenues	**1,257.9**	**1,253.2**	**4.7**	**0.4%**
Profit from recurring operations (EBITA)	**207.5**	**211.1**	**(3.7)**	**-1.7%**
Operating income and expenses related to business combinations	(0.3)	(0.6)	0.3	-43.1%
Operating profit (EBIT) from continuing operations	**207.1**	**210.5**	**(3.4)**	**-1.6%**
Net financial income	3.7	17.7	(14.0)	-79.2%
Share of profit of associates	(0.2)	0.1	(0.3)	-378.0%
Profit before tax (EBT) from continuing operations	**210.6**	**228.3**	**(17.7)**	**-7.8%**
Income tax on continuing operations	(87.4)	(97.5)	10.1	-10.4%
Net profit from continuing operations	**123.2**	**130.8**	**(7.6)**	**-5.8%**
Net profit from discontinued operations	0.0	(18.7)	**18.7**	
Net profit	**123.2**	**112.1**	**11.1**	**9.9%**
Minority interests	0.2	(0.1)	0.3	(3.8)
Net profit for the year (Group share)	**123.4**	**112.0**	**11.4**	**10.2%**

7. APPENDICES

Segment contribution analysis

Television

(€ millions)	31/12/2014			31/12/2013			2014 / 2013 change		
	Business segment total revenue	External revenue	EBITA	Business segment total revenue	External revenue	EBITA	Business segment total revenue	External revenue	EBITA
Total TV division	833.4	813.2	144.0	849.0	829.6	149.1	(15.6)	(16.4)	(5.1)

Production and audiovisual rights

(€ millions)	31/12/2014			31/12/2013			2014 / 2013 change		
	Business segment total revenue	External revenue	EBITA	Business segment total revenue	External revenue	EBITA	Business segment total revenue	External revenue	EBITA
Total Production & Audiovisual Rights	125.0	111.4	10.3	115.8	107.3	11.5	9.2	4.1	(1.2)

Diversification

(€ millions)	31/12/2014			31/12/2013			2014 / 2013 change		
	Business segment total revenue	External revenue	EBITA	Business segment total revenue	External revenue	EBITA	Business segment total revenue	External revenue	EBITA
Interactions	13.6	10.8	6.5	16.3	13.3	7.0	(2.7)	(2.5)	(0.4)
Ventadis	181.2	175.4	22.7	139.7	139.3	18.0	41.5	36.1	4.7
M6 Web	94.0	91.7	33.6	99.2	96.6	32.7	(5.2)	(4.8)	0.9
F.C.G.B	55.4	55.1	(7.2)	67.2	66.7	(4.6)	(11.8)	(11.7)	(2.6)
Intra-Group eliminations	(8.9)		-	(3.6)		-	(5.3)	-	-
Total Diversification	335.2	333.0	55.6	318.7	315.9	53.0	16.5	17.1	2.6

Analytical presentation of segment contributions
Free–to–air TV

Free-to-air channels: Gross margin on programming

(€ millions)	31/12/2014	31/12/2013	2014 / 2013 change (€ millions)	%
External advertising revenues	750.1	762.8	(12.8)	-1.7%
Intra-Group advertising revenues	11.4	11.6	(0.2)	-1.7%
Advertising agency costs, operating taxes and broadcasting costs	**(182.0)**	**(178.9)**	**(3.1)**	**1.7%**
Free-to-air net revenues	**579.4**	**595.5**	**(16.1)**	**-2.7%**
Programming costs	**(415.7)**	**(431.5)**	**15.8**	**-3.7%**
Gross margin on programming	**163.8**	**164.0**	**(0.2)**	**-0.1%**
%	**28.3%**	**27.5%**		