

## CONSOLIDATED RESULTS AT 30 JUNE 2016

### Increase in revenue and EBITA

Advertising revenue: €427.1 m (up 5.3%)

Profit from recurring operations (EBITA): €136.0 m (up 32.6%)  
of which non-recurring profit of €42.6 m

At its meeting held on 26 July 2016, the Supervisory Board reviewed the 2016 half-year financial statements approved by the Executive Board.

(€ millions)	HY1 2016	HY1 2015	% change
Consolidated revenue	645.5	629.9	+2.5%
Group advertising revenue	427.1	405.6	+5.3%
- of which free-to-air channels advertising revenue	398.8	381.0	+4.7%
- of which cab-sat channels and other media advertising revenue	28.3	24.5	+15.3%
Non-advertising revenue	218.3	224.4	-2.7%
Consolidated profit from recurring operations (EBITA)	136.0	102.6	+32.6%
Operating income and expenses related to business combinations	(0.5)	(0.5)	n.a
Consolidated operating profit (EBIT) of continuing operations	135.4	102.0	+32.7%
Net financial income	0.1	0.4	n.a
Share of profit of associates	0.9	0.9	n.a
Deferred and current taxes	(52.9)	(45.0)	+17.6%
Net profit for the period	83.5	58.3	+43.1%
Net profit for the period - Group share	83.5	58.3	+43.1%

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Over the course of the first half of the 2016 financial year, **M6 Group recorded growth of 5.3% in its advertising revenue**, including 6.3% in the second quarter, **reflecting the strength of its TV and online audience figures**. The less buoyant home shopping business impacted the Group's non-advertising revenue, which totalled €218.3 million, representing a 2.7% decline over the first six months of the year. Consolidated Group revenue thus stood at €645.5 million (up 2.5%).

**M6 Group's profit from recurring operations (EBITA) reached €136.0 million, an increase of €33.4 million**, reflecting:

- The €10.1 million fall in Television activities, due to the net effect of the broadcast of Euro 2016 and investments in programmes for both free-to-air and pay TV channels,
- The non-recurring operating profit of €42.6 million corresponding to €50 million in contractual compensation related to the gradual stoppage of the M6 mobile contract, less its automatic impact of €7.4 million on operating expenses,
- The stability of other activities (down €0.1 million).

1 The information provided is intended to highlight the breakdown of consolidated revenue between advertising and non-advertising revenue. Group advertising revenue includes the advertising revenue of free-to-air channels M6, W9 and 6ter, the share of advertising revenue from pay channels and the share of advertising revenue generated by diversification activities (mainly Internet).

2 Profit from recurring operations (EBITA) is defined as operating profit (EBIT) before operating income and expenses from business combinations and capital gains on the disposal of financial assets and subsidiaries.

The tax charge totalled €52.9 million, up €7.9 million year-on-year due to the increase in operating profit and a lower tax rate.

Net profit was €83.5 million, representing a net margin of 12.9%.

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In accordance with IFRS 8, the contribution of the Group's 3 operating segments to consolidated revenue and EBITA was as follows:

(€ millions)	Q1			Q2			HY1		
	2016	2015	%	2016	2015	%	2016	2015	%
TV	201.0	196.1	+2.5%	228.5	215.7	+5.9%	429.5	411.8	+4.3%
Production & Audiovisual Rights	30.5	27.0	+12.9%	25.0	21.6	+15.5%	55.5	48.6	+14.1%
Diversification	80.2	84.3	-4.8%	80.1	85.1	-5.9%	160.3	169.4	-5.3%
Other revenue	0.1	0.1	n.a	0.1	0.1	n.a	0.2	0.2	n.a
<b>Consolidated revenue</b>	<b>311.8</b>	<b>307.4</b>	<b>+1.4%</b>	<b>333.7</b>	<b>322.5</b>	<b>+3.4%</b>	<b>645.5</b>	<b>629.9</b>	<b>+2.5%</b>
TV							69.6	79.7	-12.7%
Production & Audiovisual Rights							5.0	3.8	+33.7%
Diversification							70.6	21.4	+230.5%
Unallocated revenues							(9.2)	(2.3)	n.a
<b>Consolidated profit from recurring operations (EBITA)</b>							<b>136.0</b>	<b>102.6</b>	<b>+32.6%</b>

## ■ TELEVISION

Within an environment that continues to be characterised by the fragmentation process (the six new DTT channels increased their audience share by a further 1.6% over the half-year), **the Group continued to invest in programmes across all its free-to-air and pay channels.**

As such, programming costs for its free-to-air channels rose by €24.0 million to €232.6 million, including the Euro 2016 matches broadcast in June.

Thanks to its improved programme line-up, **M6 Group's family of free-to-air channels made progress** and over the first six months of 2016 achieved an **average audience share of 13.8%** (source - Médiamétrie) in the 4+ years old category (up 0.4 pps) and of **21.7% on the commercial target** (up 1.2 pps), making it the only historical group to achieve year-on-year growth on each of the two targets:

- The **M6** channel recorded an **audience share of 10.1%** across the entire viewing public, an **increase** of 0.3 pps, and of **15.8% on the commercial target** (up 0.9 pps).

This strategic reinforcement was due to:

- ✓ The **success of its access primetime viewing schedule** (*Les Reines du Shopping, Chasseurs d'appart, Le 19'45* and *Scènes de ménages*),
- ✓ The **relevance of its range of evening programmes**, which combines new shows (*A l'état sauvage, Garde à vous*, etc.) with major brands (*The Island, Top Chef, Zone Interdite*, etc.),
- ✓ Its **event programming**, notable for the **broadcast of the UEFA Euro 2016** Championships, whose exceptional audience figures were the crowning glory of the strategy to buy a limited number of matches while benefiting significantly from the event.

Euro 2016 enabled the channel to achieve record audiences, as with the broadcast of the France – Portugal final which had 20.8 million viewers, equating to its **best figures since its creation, and the fifth best historical television audience.**

- **W9** was the second ranked DTT channel in the women under 50 responsible for purchases category throughout the entire day with a 3.7% audience share.
- **6ter** was the leading new DTT channel on the commercial target (women under 50 responsible for purchases) with a 2.2% audience share.

Within a TV advertising market that remained volatile and which posted moderate growth driven by Euro 2016 over the first six months, advertising revenue from the free-to-air channels recorded a 4.7% increase thanks to higher audience figures.

**The TV division thus contributed €69.6 million to EBITA**, against €79.7 million for the six months to 30 June 2015, enabling M6 Group to maintain the current operating margin of its core business at a high level (16.2%) despite the exceptional costs related to the broadcast of Euro 2016<sup>2</sup>.

## ■ PRODUCTION & AUDIOVISUAL RIGHTS

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In the first half of 2016, **revenue** from Production and Audiovisual Rights operations **totalled €55.5 million**, up 14.1% year on year, due to a busier cinema release schedule than in the first half of 2015 (11 films released in cinemas by SND, vs. 4 films in the first half of 2015), and marked by the success of *The Divergent Series: Allegiant* (2.2 million admissions), *The Hateful Eight* (1.8 million) and *Adopte un veuf* (1.1 million).

The first half-year was also notable for the release of three films co-produced by M6 Films (*Chocolat*, *Amis publics*, and *Un Homme à la hauteur*) recording a combined 3.3 million cinema admissions.

These healthy performances helped achieve **EBITA of €5.0 million, an increase of €1.2 million**

## ■ DIVERSIFICATION

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During the first half of 2016, **Diversification revenue totalled €160.3 million** (down 5.3% compared with the first half of 2015), with a **contribution to EBITA of €70.6 million**, including €50 million from the non-recurring contribution from the M6 mobile agreement, corresponding to the contractual compensation paid by Orange upon agreement of the gradual stoppage of the marketing of the offer.

Recurring activities, whose operating margin reached an average of 12.9%, contributed €20.6 million to EBITA, a year-on-year fall of €1.2 million, which was the result of:

- A €2.4 million reduction in the business contribution made by **M6 mobile**,
- A €0.4 million increase in the profit from recurring operations of **M6 Web's other activities**, which reached €5.8 million before €2.2 million in launch-related losses for its network of online channels (*Golden Moustache*, *Rose Carpet*, etc.) were taken into account,  
Revenue from **M6 Web excluding M6 Mobile grew €2.8 million and reached €35.2 million** thanks to the strong growth in online video advertising revenues. The new version of **6play** has proved a success: six months after its launch, it already has more than **10 million registered users**, with a rapidly growing audience and an average of 110 million videos viewed per month across all screens (50% growth year-on-year, *source - Médiamétrie, December to May*).
- **Ventadis**, which is gradually renewing its home shopping product range, and which saw its sales and EBITA fall by €7.2 million and €4.4 million respectively;
- **F.C.G.B.**, which ended the French Ligue 1 Championship in 11<sup>th</sup> place and posted a €5.9 million increase in EBITA, thanks to the sale of players during the winter transfer window.

## ■ UNALLOCATED ITEMS

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Unallocated expenses fell €7 million, as a result of the automatic impact of the non-recurring M6 mobile compensation on operating expenses.

<sup>2</sup> Matches broadcast in July will however yield a positive margin

## ■ CHANGE IN FINANCIAL POSITION

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At 30 June 2016, Group equity stood at €561.9 million, with a cash usage of €85.5 million over the first half-year of 2016, compared with a usage of €133.1 million for the first six months of 2015.

## ■ OUTLOOK FOR THE 2<sup>ND</sup> HALF OF 2016

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Following a first half-year energised by Euro 2016, advertising market visibility remains limited within an uncertain macroeconomic market.

Over the second half of the year, M6 Group will pursue its policy of investing in its viewing schedules in order to continue improving its audience figures and market share.

Neuilly-sur-Seine, 26 July 2016

*A conference call will be held on 26 July 2016 at 6.30pm (CEST). A webcast will be broadcast on the site [www.groupem6.fr](http://www.groupem6.fr) (Finance section).*

*Details on how to access the conference call are available at the same address. Both the slideshow presentation and the consolidated half-year financial statements will be accessible online from 6.00 pm, it being specified that the Statutory Auditors have completed a limited review of the financial statements and issued an unqualified report.*

*Next release: Third quarter financial information on 8 November 2016 after close of trading*

*M6 Métropole Télévision is listed on Euronext Paris, Compartment A.  
Ticker: MMT, ISIN code: FR0000053225*