

CONSOLIDATED RESULTS AT 31 DECEMBER 2017

Free-to-air channels' advertising revenue: €829.5 m (up 4.6%)

EBITA: €248.7 m (up 22.2% vs 2016 recurring EBITA)

Integration of RTL Radio division as of 1 October 2017

(€ millions) ¹	2017	2016	% change
Consolidated revenue	1,387.3	1,278.7	+8.5%
Group advertising revenue	948.0	853.3	+11.1%
- of which free-to-air channels advertising revenue	829.5	792.9	+4.6%
- of which other advertising revenue	118.5	60.4	+96.2%
Group non-advertising revenue	439.3	425.4	+3.3%
Consolidated profit from recurring operations (EBITA)	248.7	245.5	+1.3%
Consolidated profit from recurring operations (EBITA) - excl. net impact of M6 mobile compensation	248.7	203.5	+22.2%
Operating income and expenses related to business combinations	(2.6)	(1.2)	n.s
Operating profit (EBIT) - continuing operations	246.1	244.3	+0.8%
Net financial income/(expense)	(2.0)	0.8	n.s
Share of profit of joint ventures and associates	1.8	1.7	+8.1%
Income tax	(87.5)	(94.0)	-6.8%
Net profit from continuing operations	158.4	152.8	+3.7%
Net profit from discontinued operations	0.0	0.0	n.s
Net profit	158.4	152.8	+3.7%
Net profit - Group share	158.4	152.7	+3.7%

In 2017, M6 Group recorded **consolidated revenue of €1,387.3 million**, an increase of 8.5%. Advertising revenue from the free-to-air channels notably increased by 4.6%.

Profit from recurring operations (EBITA) reached €248.7 million, a new historic high for the Group and a significant increase of €45.3 million (up 22.2%) excluding the non-recurring income in 2016 related to the compensation for the termination of the M6 mobile by Orange contract.

The Group's operating margin was 17.9%.

The income tax charge was €87.5 million, a decrease of €6.4 million due firstly to the recognition of a receivable from the State related to the Constitutional Council having ruled that the tax on dividends is unconstitutional, and secondly to the 2017 exceptional surcharge on large companies.

Net profit for the period was €158.4 million (compared with €152.8 million in 2016), representing net margin of 11.4%.

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, the revenue of radio stations RTL, RTL2 and Fun Radio, and the share of advertising revenue generated by diversification activities (mainly Internet).

Profit from recurring operations (EBITA) is defined as operating profit (EBIT) before amortisation and impairment of intangible assets (excluding audiovisual rights) related to acquisitions and capital gains and losses on the disposal of financial assets and subsidiaries.



In accordance with IFRS 8, the segment reporting of the Group is now based on 4 operating segments, whose contribution to consolidated revenue and EBITA was as follows:

(€ millions)	9 months			Q4			FY		
	2017	2016	%	2017	2016	%	2017	2016	%
TV	628.0	602.7	+4.2%	269.1	253.1	+6.3%	897.2	855.8	+4.8%
Radio				54.9	-	n.a	54.9	-	n.a
Production & Audiovisual Rights	72.6	75.5	-3.9%	29.1	22.1	+31.9%	101.7	97.6	+4.2%
Diversification	234.0	228.7	+2.3%	99.3	96.2	+3.2%	333.3	325.0	+2.6%
Other revenue	0.2	0.3	n.s	0.1	0.1	n.s	0.3	0.3	n.s
Consolidated revenue	934.8	907.2	+3.0%	452.5	371.5	+21.8%	1,387.3	1,278.7	+8.5%
TV	-	-	-	-	-	-	189.2	159.3	+18.8%
Radio	-	-	-	-	-	-	12.8	-	n.a
Production & Audiovisual Rights	-	-	-	-	-	-	8.0	8.4	-4.6%
Diversification	-	-	-	-	-	-	44.4	89.3	-50.3%
Eliminations and unallocated revenues	-	-	-	-	-	-	(5.8)	(11.5)	n.a
Consolidated profit from recurring operations (EBITA)	160.7	167.1	-3.8%	88.0	78.4	+12.3%	248.7	245.5	+1.3%

■ TELEVISION

In 2017, M6 Group's free-to-air channels achieved an average audience share of 22.3% on the commercial target of women under 50 responsible for purchasing (WRP<50 - up 0.1 pp, source – Médiamétrie), representing their **best historical performance**.

- **The M6 channel consolidated its second-placed ranking amongst the under 50s** throughout the entire day, thanks to the strength of its programming in strategic slots. The leading prime-time (*L'Amour est dans le pré*, 4.7 million viewers on average, *Top Chef*, 3.2 million viewers, its best season in 4 years across the audience as a whole, *Le meilleur pâtissier*, 3.2 million viewers, with M6 the leading channel for WRP<50 during the evening over the entire season, etc.) and access prime-time (*Le 19'45*, the second most watched news programme amongst WRP<50, *Scènes de ménages*, the most popular programme amongst WRP<50 in its timeslot, etc.) brands continued to draw large audiences during peak viewing times.
- **W9 made headway and was ranked as the leading DTT channel with viewers under 50**, thus confirming its position as the leading general-interest channel aimed at a young audience. This performance was the result of a relevant line-up combining new reality TV series in access prime time and a variety of prime-time programmes (films, documentaries, magazines and sport).
- **6ter continued its growth and was the fifth ranked of all the DTT channels amongst women under 50 responsible for purchasing**, with a 2.6% audience share, a year-on-year increase of 0.2 percentage point thanks to the success of its family-friendly programming, encompassing original productions, films, drama and must-watch series.

The programming costs of free-to-air channels were €461.2 million, compared with €451.9 million in 2016. Following the non-recurring investment in Euro 2016, the Group thus elected to invest in its programming schedule while continuing its policy of writing down its inventory of international series as a result of their lower audience figures.

The TV advertising market showed signs of slight growth over the second six months, after a downturn in the early part of the year. Thanks to its solid audience figures, M6 Group increased its market share in 2017. Advertising revenue from its free-to-air channels thus grew 4.6% (6.4% over the fourth quarter), again outperforming a TV market which was estimated having grown very slightly over the year as a whole.

TV operations thus contributed €189.2 million to EBITA, compared with €159.3 million in 2016, representing an operating margin of 21.1% for the Group's core business.



■ RADIO

Entities from the RTL Radio division have been consolidated since 1 October 2017. Their operational integration has already begun, with the support functions, sales teams and the music stations Fun and RTL2 all having been relocated to Neuilly in 2017.

Over the last audience wave of 2017 (November-December), the RTL Radio division confirmed its position as the leading private radio group in France with an audience share of 19.4% amongst listeners aged 13 and over (up 0.1 pp year-on-year, source *Médiamétrie*).

- **RTL**, France's top radio station, achieved an audience share of 13.1%, a year-on-year increase of 0.5 percentage point, representing its best performance over a November-December wave. *RTL Matin*, presented by Yves Calvi, was the top-ranked morning show.
- **Fun Radio**, the second-placed music station amongst 25-49 year olds, consolidated its ranking amongst young listeners with a 3.6% audience share.
- **RTL2**, the leading music station for upper socio-professional categories, achieving an audience share of 2.7%.

For its entry into the consolidation scope, **the Radio division achieved fourth quarter revenue of €54.9 million and EBITA of €12.8 million**. In this regard, it should be noted that each year, on average, the fourth quarter accounts for one third of annual revenue and a significant proportion of the operating profit.

■ PRODUCTION & AUDIOVISUAL RIGHTS

Revenue from the Production and Audiovisual Rights division totalled €101.7 million, an increase of 4.2% in relation to 2016 thanks in particular to the growth in the international sales of SND, which in 2017 became the second largest exporter of French films.

SND had several successes in 2017 including *Seven sisters* (of which it is both the producer and distributor in France and internationally), *La la Land*, *Lion* and *A bras ouverts*, recording more than 10.7 million cinema admissions in France, compared with 10.5 million in 2016.

2017 was also marked by the release of eight films financed by M6 Films, including *Epouse-moi mon pote*, *Rock'n Roll* and *Sahara*, together totalling admissions of 8.5 million (compared with a total of 9.7 million in 2016).

EBITA was €8.0 million, compared with €8.4 million in 2016.

■ DIVERSIFICATION

In 2017, **Diversification revenue totalled €333.3 million** (compared with €325.0 million in 2016), with a **contribution to EBITA of €44.4 million**, representing operating profitability of 13.3%. EBITA therefore grew by €5.1 million compared with 2016 (excluding the compensation related to the termination of the M6 mobile by Orange contract). In 2017:

- **Ventadis** reported EBITA of €10.7 million, a decline of 24.9%. Within a challenging market, the division made the necessary adjustments to its business model in relation to its home shopping business and launched its digital transformation;
- **F.C.G.B.**, which ended the 2016/2017 season in sixth place in the French Ligue 1 Championship (vs. 11th in 2015/2016), managed to reduce its losses, which totalled €4.9 million over 2017 as a whole;
- **M6 Web** recorded strong growth in its online video advertising revenues, driven by the platform 6play, which now has more than 20 million registered users and whose number of videos viewed reached 1.3 billion in 2017. M6 Web also developed its new cashback subsidiary, iGraal, acquired in November 2016, and benefited from the latter's contribution. Lastly, the contribution of M6 mobile by Orange stood at €18.0 million, as forecast. Within this context, M6 Web's profit from recurring operations reached €33.5 million in 2017, compared with €29.3 million in 2016, an increase of 14.4%, restated for the one-off M6 mobile compensation received in 2016.



■ CHANGE IN FINANCIAL POSITION

The Group had shareholders' equity of €662.3 million at 31 December 2017, compared with €616.3 million at 31 December 2016. Net financial debt stood at €28.3 million (compared with net cash of €176.4 million at the end of 2016), due to the external financing of the RTL Radio acquisition.

■ DIVIDEND

At the Combined General Meeting called for 19 April 2018, the Executive Board will propose the payment of a dividend of €0.95 per share, representing a yield of 4.4%. This increase of €0.10 in relation to the dividend paid in 2017 reflects the Group's solid financial performance over recent years. The ex-dividend date will be 16 May and dividends will be paid on 18 May 2018.

■ COMPOSITION OF THE SUPERVISORY BOARD

Guillaume de Posch having resigned from his position with effect from the next General Meeting, it will be proposed that he be replaced by Bert Habets, CEO of RTL Group, for the remainder of his predecessor's term of office.

Delphine Arnault and Guy de Panafieu having requested their terms of office not to be renewed, the appointment of two new members of the Supervisory Board will also be submitted for approval at the next General Meeting:

- Marie Cheval, Executive Director Customers, Services and Digital Transformation of Carrefour Group, as Independent Member; and
- Nicolas Houzé, CEO of Galeries Lafayette and BHV Marais, as Independent Member.

It will also be proposed:

- that the term of office of Vincent de Dorlodot, General Counsel of RTL Group, be renewed;
- that the term of office of Anke Schäferkordt, CEO of Mediengruppe RTL Deutschland and member of the Executive Board of Bertelsmann, be renewed; and
- that the appointment of Cécile Frot-Coutaz, CEO of FremantleMedia, to replace Christopher Baldelli, member of the Executive Board of M6 Group since 7 November 2017, be ratified.

■ OUTLOOK

2018 will be marked by the continued integration of RTL Radio, with a target of generating €6 million in cost and revenue synergies out of the recurring €18 million expected by 2020.

M6 Group will continue its strategy of investing in programmes in order to continue increasing its audience figures and market share.

In 2018, the Group will also benefit from new distribution contracts with Altice-SFR, Canal+ Group, Orange and Bouygues Telecom coming into effect, which will secure the broadcast of its Pay TV channels by linking the latter to payment for the free-to-air channels and their associated services.

Neuilly sur Seine, 20 February 2018

Results will be presented to financial analysts in a webcast starting at 6.30 pm (CET) on 20 February 2018 on the Group's website at www.groupem6.fr

Details on how to access the webcast are available at www.groupem6.fr/Finance

Both the slideshow and annual consolidated financial statements will be available online at 6:00 pm (CET), it being specified that the audit procedures have been carried out and the Statutory Auditors' report on the financial statements is being prepared.

Next release: First quarter 2018 financial information: 19 April 2018 before start of trading.

M6 Métropole Télévision is listed on Euronext Paris, Compartment A

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