

REVENUES STABLE AND GROWTH IN PROFIT FROM RECURRING OPERATIONS (EBITA) IN THE 2ND QUARTER AFTER A 1ST QUARTER IN DECLINE

(€millions)	Q2 2014		HY1 2014	
Consolidated revenues	322.2	-0.2%	634.4	0.0%
Consolidated EBITA	70.5	+2.3%	112.3	-13.4%

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At its meeting of 29 July 2014, the Supervisory Board reviewed the HY1 2014 financial statements approved by the Executive Board.¹

(€millions)	30-Jun-14	30-Jun-13 restated	% change
Consolidated revenues	634.4	634.7	0.0%
Group advertising revenues	400.4	416.2	-3.8%
- of which free-to-air channels advertising revenues	377.8	392.4	-3.7%
- of which cab-sat channels and other media advertising revenues	22.5	23.8	-5.3%
Non-advertising revenues	234.0	218.5	+7.1%
Consolidated profit from recurring operations (EBITA)	112.3	129.7	-13.4%
Operating income and expenses related to business combinations	(0.2)	(0.1)	212.7%
Consolidated operating profit (EBIT) of continuing operations	112.1	129.6	-13.5%
Net financial income	1.8	3.9	-52.7%
Share of profit of associates	0.0	(0.0)	-334.6%
Deferred and current taxes	(48.3)	(57.7)	-16.2%
Net profit of continuing operations	65.7	75.8	-13.3%
Net profit/(loss) of discontinued operations	0.0	(2.3)	-101.4%
Net profit for the period	65.7	73.5	-10.6%
Net profit for the period - Group share	65.8	73.5	-10.5%

During the first half of 2014, **M6 Group posted consolidated revenues of €634.4 million, stable year-on-year** in unfavourable market conditions.

The Group's advertising revenues (free-to-air channels, pay channels and Internet) fell by 3.8%, in line with the economic climate, whilst **non-advertising revenues posted growth of 7.1%**, thanks in particular to the momentum of the **distance-selling** activities since the acquisition of Best of TV on 7 January 2014 and the sale of Mistergooddeal on 31 March 2014.

¹ The financial information is aimed at disclosing consolidated revenues breakdown depending on advertising and non-advertising. The Group advertising revenues include M6, W9 and 6ter (FTA channels) advertising revenues, the share of advertising revenues of pay channels and the share of advertising revenues generated by diversification activities (mainly Internet).

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

Following a decline of €18.9 million during the first quarter, the Group's EBITA rose in the second quarter, demonstrating the Group's capacity to control its costs in difficult conditions. During the first half of the 2014 financial year, M6 Group's consolidated profit from recurring operations (EBITA) thus totalled €12.3 million, down €17.4 million, primarily due to the fall in advertising revenues.

As a result, the consolidated margin from recurring operations was 17.7% compared with 20.4% at 30 June 2013.

Net financial income totalled €1.8 million against €3.9 million for HY1 2013, which included a capital gain of €1.7 million on the disposal of Summit securities.

The tax charge totalled €48.3 million, down €9.4 million year-on-year, which included in particular €7.4 million due to the decrease in operating profit, and €3.8 million due to the decrease in the amount paid in tax on dividends.

Net profit therefore came to €65.7 million, i.e. a net margin of 10.4%, vs. 11.6% for HY1 2013.

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

(€millions)	Q1			Q2			HY1		
	2014	2013 r	%	2014	2013 r	%	2014	2013 r	%
TV	195.8	199.5	-1.9%	212.3	226.5	-6.3%	408.1	426.0	-4.2%
Production & Audiovisual Rights	30.7	31.7	-3.3%	24.8	17.9	+38.4%	55.4	49.6	+11.8%
Diversification	85.7	80.5	+6.5%	85.0	78.4	+8.4%	170.7	158.9	+7.4%
Other revenues	0.1	0.1	n.a	0.1	0.1	n.a	0.2	0.2	n.a
Consolidated revenues	312.2	311.8	+0.2%	322.2	322.9	-0.2%	634.4	634.7	0.0%
TV							80.1	96.0	-16.6%
Production & Audiovisual Rights							2.8	5.9	-51.8%
Diversification							31.5	28.2	+11.8%
Eliminations and unallocated items							(2.1)	(0.4)	n.a
Consolidated profit from recurring operations (EBITA)	41.8	60.7	-31.1%	70.5	68.9	+2.3%	112.3	129.7	-13.4%

Television

During the first half of 2014, the advertising revenues for the free-to-air channels recorded a fall of 3.7%, in a television advertising market characterised by limited visibility and unfavourable price effects.

Against this backdrop, the Group pursued its commercial innovations, such as the **Puissance TNT** offer, launched on 5 January, which was very well received by advertisers and has become the leading DTT advertising platform.

In an environment marked by growing fragmentation (gains in market share for the 6 new HD DTT channels) and by the broadcast of exceptional sporting events on rival channels (Winter Olympics in February and the FIFA World Cup in June), **M6 Group's free-to-air channels** achieved an **average audience share of 13.3%** over the first half of 2014 (*source - Médiamétrie*) in the 4+ years old category (down

0.7 pp) and of **20.5%** on the commercial target (down 0.3 pp):

- The **M6** channel maintained its second place ranking in the under 50's category throughout the day, thanks to its strong brands (*Scènes de Ménages, L'Amour est dans le pré, Le 19'45, etc.*) and to the effectiveness of new access prime-time programming (*Les Reines du shopping, La meilleure Boulangerie de France*).
- **W9** retained its DTT leadership both in early prime time and amongst the under 50's throughout the day;



- **6ter** established itself as the top new DTT channel in the housewives under 50 years old category.

The TV division contributed €80.1 million to EBITA, against €96.0 million at 30 June 2013, equating a margin from recurring operations of 19.6%, which includes the investment effort in 6ter and a programming cost for the free-to-air channels totalling €205.3 million, an increase of 1.1%.

Production and Audiovisual Rights

In the first half of 2014, revenues from Production and Audiovisual Rights operations totalled €55.4 million (up 11.8% compared with HY1 2013), with a €3.0 million fall in EBITA due to a less favourable video release schedule than in the first half of 2013, which was marked by the release of the video *Twilight 5*.

The first half of 2014 was notable for the box-office success of *Fiston* (1.9 million admissions), *Yves-Saint Laurent* (1.6 million), *Divergente* (1.5 million) and *Le Crocodile du Botswana* (1.2 million admissions), all co-produced and/or distributed by the Group.

Diversification

During the first half of 2014, **Diversification revenues totalled €170.7 million** (up 7.4% compared with the first half of 2013), with an **increase in contribution to EBITA (up €3.3 million)**, primarily due to:

- o **M6 Web**, whose profit from recurring operations rose from €15.8 million to €17.5 million;
- o **Ventadis**, which saw its revenues and EBITA deliver strong growth thanks to the healthy performances of **tele-shopping** and the **integration of Best of TV**, acquired in January 2014. Its operating margin was 11.7%;
- o **F.C.G.B**, which managed to post a positive half-year operating profit (up €0.2 million) thanks to its policy of controlling employment costs, despite poorer Europa League and French Cup performances than in 2013.

The profit from recurring operations from Diversification reached 18.5% in the first half of 2014.

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Change in the financial position

At 30 June 2014, Group equity amounted to €516.9 million, with a net cash position of €174.7 million (down €20.5 million in comparison with 30 June 2013, due to investments made over the period).

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HY2 2014 outlook

The Group remains cautious in the absence of any visibility over the advertising market for the final 5 months of 2014.

Neuilly sur Seine, 29 July 2014

A conference call will take place on 29 July 2014 at 6.30pm (CEST). A webcast will be broadcast on the website www.groupeM6.fr (Finance section).

All details to follow the conference call by phone are available on the website. Both slideshow and HY1 consolidated financial statements will be online at 6:00 pm. The statutory auditors have conducted their limited review of the financial statements and have issued an unqualified report.

Next release: Q3 financial information on 28 October 2014 after close of trading

M6 Métropole Télévision is listed on Euronext Paris, compartment A. Ticker MMT, ISIN Code: FR0000053225

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