



TDF Infrastructure

2016 ANNUAL RESULTS



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Agenda

1. 2016 Highlights
2. Business Developments
3. 2016 Financials
4. Conclusion
5. Appendices



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2016 Highlights

Very strong achievements securing future results

Telecom: very strong growth

- 7% volume organic growth of operators' PoPs¹: Free and IOT² coverage, 4G, densification, transport corridors, rooftops

Broadcast: stabilized DTT³ platform ahead of other DTT-centric countries

- Revenue decrease following the switch to full HD, but spectrum secured for the next decade
- Acquisition of ITAS and stabilization of the market

FTTH: first success of TDF on Val d'Oise fiber network as part of a Public Initiative Network ("PIN") scheme

Intense commercial activity resulting in a massive backlog (€2 656m, ie 4 years of revenues)

Substantial level of investment on the infrastructure: capex at 25% of revenues

- Supporting commercial activity: contract-driven capex
- 11 781 sites in France, +17%

Solid 2016 financials

- Revenue - 4%, in line with expectations
- Increased EBITDA + 3%
- Improved EBITDA margin, over 52%





Robust capital structure : Strong credit metrics and conservative financial policy

- Maturity profile extended to almost 8 years

1. Point of Presence
2. Internet of Things
3. Digital Terrestrial Television
March 2017



Key Activities' Snapshot as at December 2016

	Telecom Infrastructure	Broadcast Infrastructure		
		TV	Radio	Media Services
Business Description	<ul style="list-style-type: none"> Site hosting of telecom equipment for Mobile Network Operators 	<ul style="list-style-type: none"> Distribution and transmission of digital TV and analogue radio signals Operation and maintenance of networks, including remote monitoring of sites 		<ul style="list-style-type: none"> Comprehensive coverage of the video value chain, offering turnkey integrated video solutions
Operational Infra. Assets ¹	5,286 sites	2,245 sites	1,402 sites	na
Key Customers				
Contract Length	<ul style="list-style-type: none"> Long-term contracts Average of ~10 years 	<ul style="list-style-type: none"> Long-term contracts Average of ~5 years 	<ul style="list-style-type: none"> Long-term contracts Average of ~5 years 	<ul style="list-style-type: none"> Medium-term contracts 1 year
Sector Position	N°1 Independent in France	N°1 in France	N°1 in France	Leading Position
Dec 16 Revenue ²	€275m	€187m	€109m	€50m
Regulation	<ul style="list-style-type: none"> No specific pricing regulation 	<ul style="list-style-type: none"> Regulation on access prices to TDF sites No specific pricing regulation on transmission 	<ul style="list-style-type: none"> No specific pricing regulation 	<ul style="list-style-type: none"> No specific pricing regulation

1. Incl. Itas sites

2. LTM revenues pro forma of the sale of TDF's former Hungarian and German businesses and not showing Managed Services (5% of sales) and Other Phased-out activities (5% of sales) including mostly AM Radio and Patents

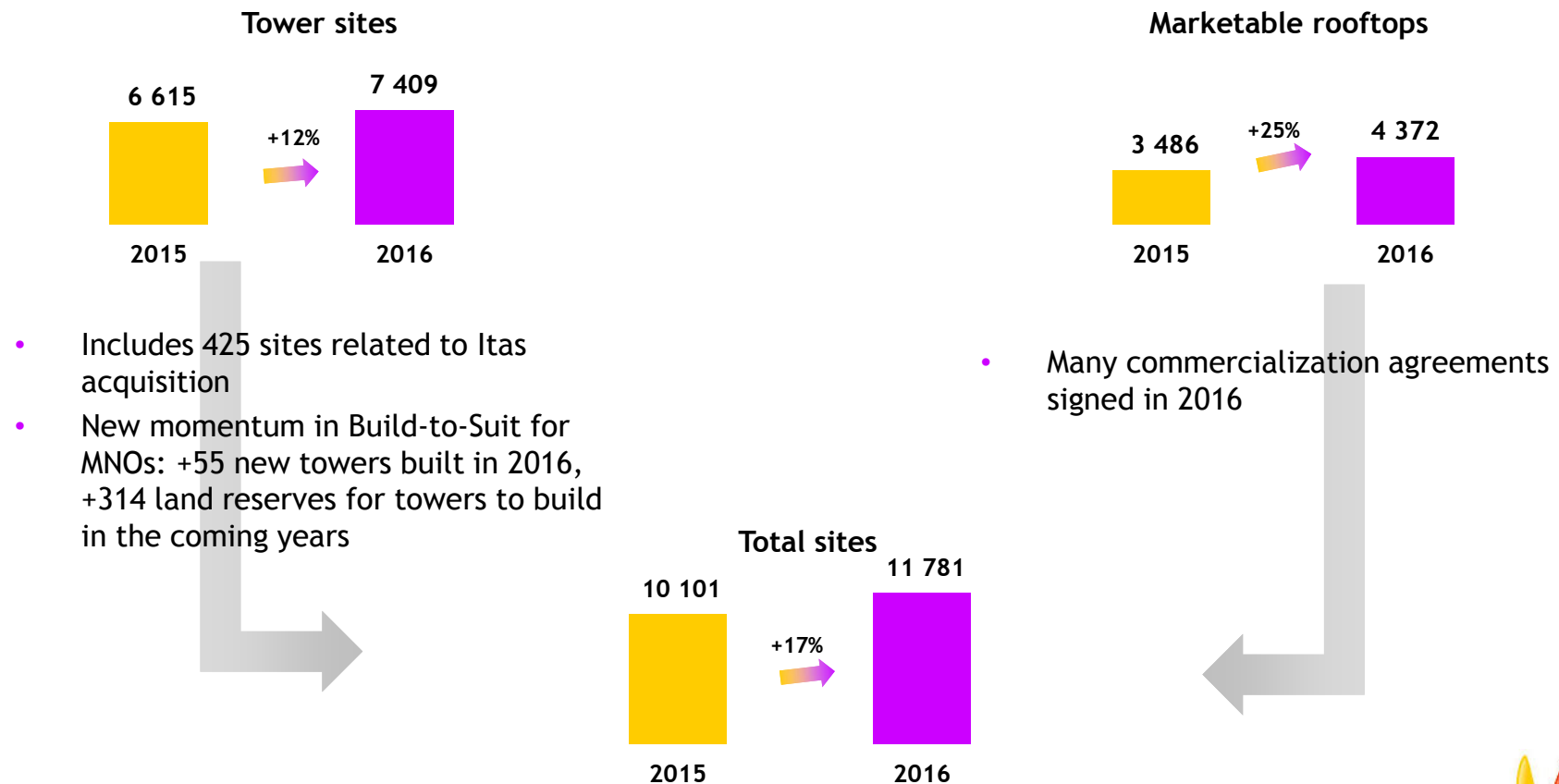


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Growth of the sites portfolio

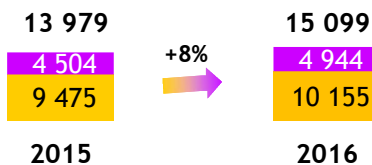


Telecom: A Very Dynamic Year for Site Hosting

Many determinants for long-term and sustained growth in telecom site hosting...

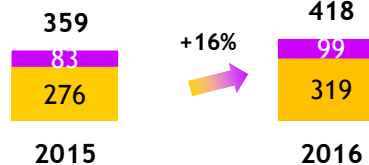
- MNOs back to **network investments** since 2016, while RAN sharing still not in full effect
- Strong **Free roll-out** (coverage obligation + termination of roaming with Orange)
- Intense rooftops demand driven by **networks densification/upgrading** in dense areas
- Growing demand along **transport corridors** from all MNOs (high speed/regional train lines, highways/roads), reinforced by **new coverage obligations** of the 700MHz license
- **Low-density areas coverage** program ("Zones blanches") pushed by the Government
- Confirmation of **IoT demand** for new PoPs

Telecom PoPs on Towers



■ MNOs ■ IoT & Public Security

Telecom PoPs on Rooftops



■ MNOs ■ IoT & Public Security

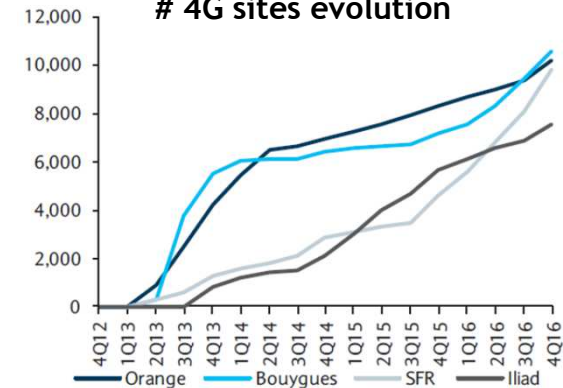
... that translate into concrete developments for TDF

- Rooftops : active portfolio extension consistently with demand
- Promising stock of orders for 2017
- New build-to-suit offer which matches the demand of MNOs

March 2017

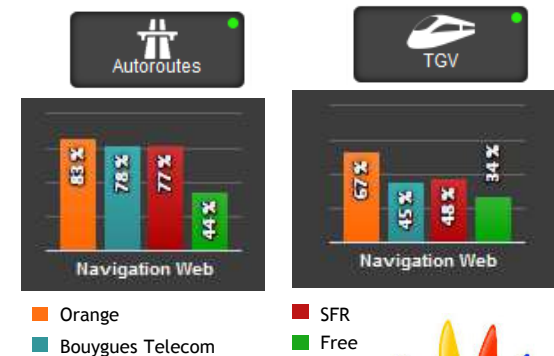
TDF Infrastructure 2016 Annual Results

4G sites evolution



source: ANFR - January 2017

QoS of mobile networks along transport corridors closely monitored by Arcep



% of web pages loaded in less than 10s
source: ARCEP - July 2016

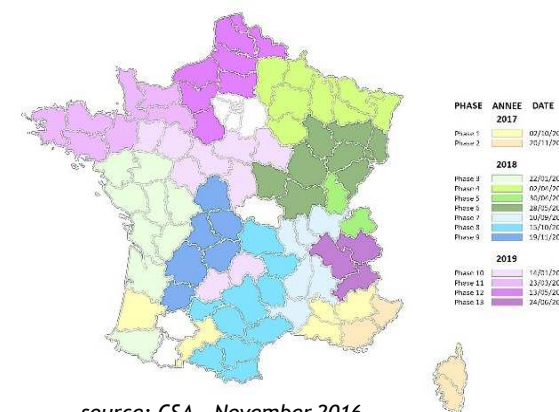


DTT : a stable and clarified market

Implementation of the 2nd Digital Dividend (DD2) in France, higher clarity for DTT

- Switchover to 100% Mpeg 4 on **5 April 2016** : 2 DTT Muxes stopped to make the 700MHz band available for mobile networks in the region Ile-de-France
- **Reshuffle** of all existing DTT channels in the 6 remaining Muxes, of which 27 in HD
- Nationwide release of the 700MHz band **to last until June 2019**, with the involvement of TDF's operational teams
- Adverse impact of DD2 on revenues with Muxes reduction, but **government indemnity received in 2016**, whereas switchover costs are subsidized
- DTT spectrum secured until 2030

700 MHz band release plan



source: CSA - November 2016

Market consolidation: TDF Group and Itas Group come together

- Acquisition by TDF Group of its competitor on TV and radio broadcasting, ITAS Group, on 12 October 2016
- Takeover of **427 additional sites** but also **production capacities in masts and pylons** that will support **TDF's strategy of growth in French telecoms**
- As a result, DTT market share of the new group is :
 - 78% for Emission (broadcasting of Muxes)
 - 91% for Access (hosting on TDF and Itas sites)
- Prospects of **optimized capital investments** and **enhanced offering** to ensure the longevity of the platform
- Integration process and synergies being implemented according to plans



Fibre: Launch of a New Activity

Launch in 2016 of a new business activity around fiber roll-out in France

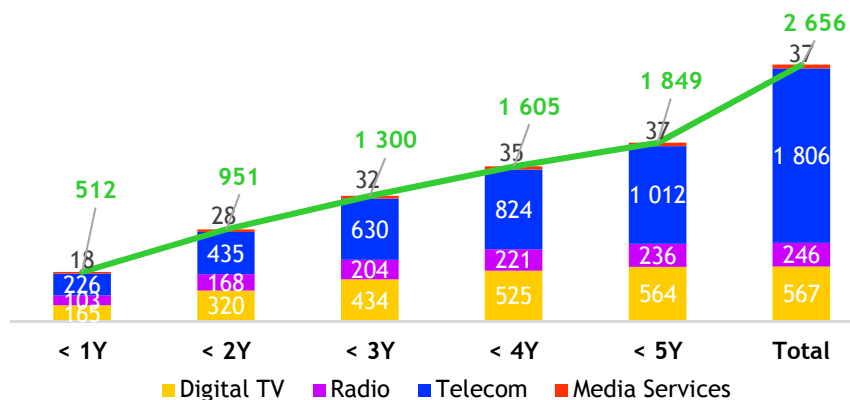
- **Unique momentum** for fiber deployment in France through the Public Initiative Networks scheme, as part as the national broadband plan (“Plan Très Haut Débit”), generating **plenty of business opportunities** in the coming months
- **Strong legitimacy for TDF** to enter a business that resonates totally with its profile in terms of:
 - leading, mission critical media and telecom infrastructure position
 - industrial means (5,000km backbone of fiber networks and network operations center in place)
 - engineering know-how
 - financial capacity
 - client profile (main ISP are also MNO clients)
- Business profile very adequate to TDF **with long-terms contracts, local monopolies and operation of strategic networks**
- **TDF credibility and positioning immediately recognized by local authorities** as demonstrated by its **first-try win in the Val d’Oise department** (ca 86,000 plugs to be built, operated and commercialized) of a very competitive call for tenders



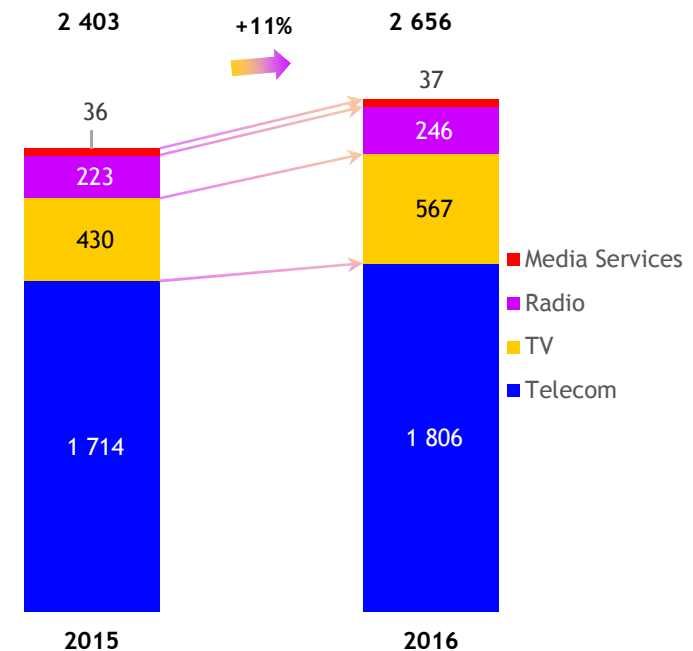
Increased and Record Backlog

Backlog representing of c. 4.0 years of revenues

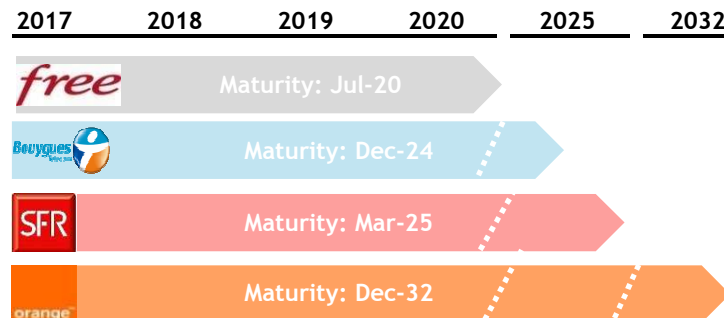
Backlog breakdown as at 31 Dec 2016 (€m)



Backlog evolution (€m)



Long-term contracts with top quality MNOs



Backlog: **4 years of revenues** (+ 11%). **An all-time record** thanks to:

- Telecom: new PoPs and 10-year contract renewal with French Home Office
- Broadcast: contract renewal with Digital Television multiplexes and FM radio public and private customers



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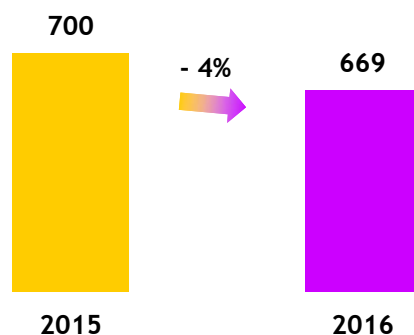
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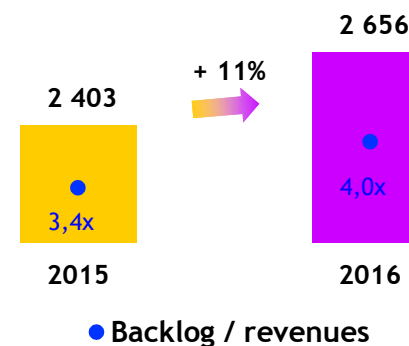
Key 2016 Financials

Improved EBITDA and supportive Capex

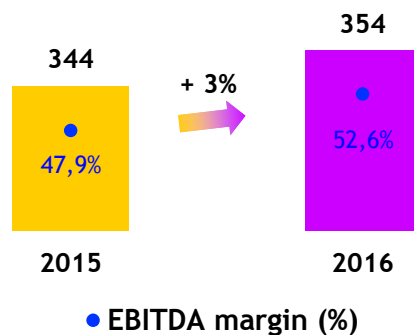
Revenues (€m)



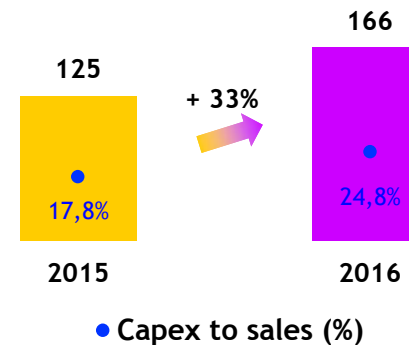
Revenue Backlog (€m)



Adjusted EBITDA (€m)



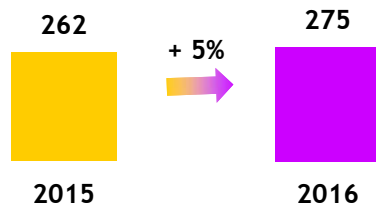
Capex (€m)



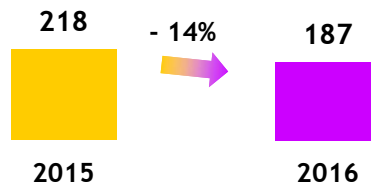
Key 2016 Financials

Lower overall revenues but increased core revenues

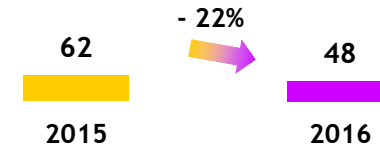
Core Telecom (€m)



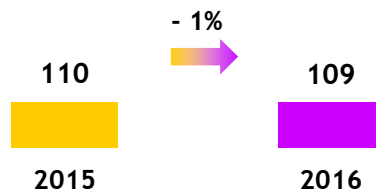
DTT (€m)



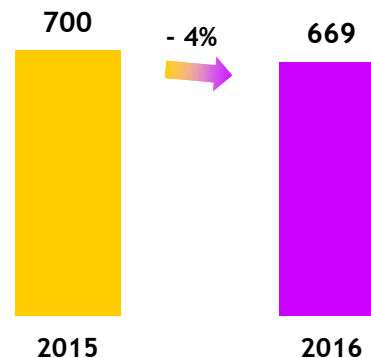
Phased-out & others (€m)



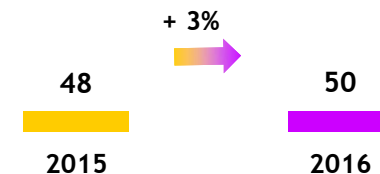
Core Radio (€m)



Total revenues (€m)

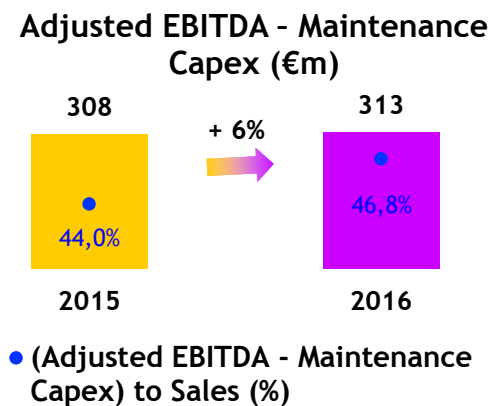
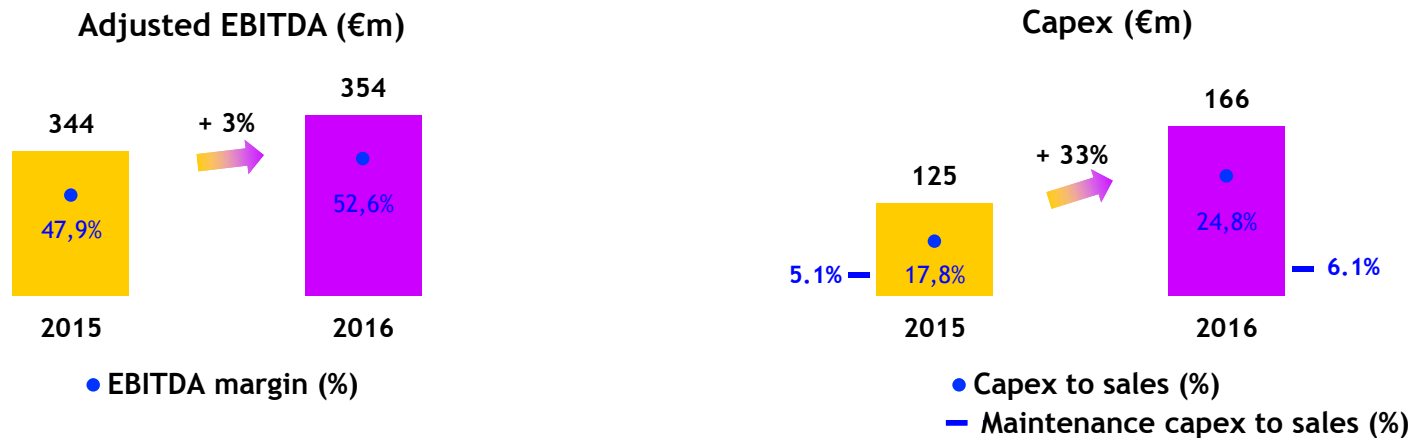


Media Services (€m)



Key 2016 Financials

Strong profitability and cashflow generation



Improvement of EBITDA margin to 52.6% thanks to:

- Labor cost reduction measures
- Reduced exposure to low margin GSM-R contract (build business)
- DD2 indemnity

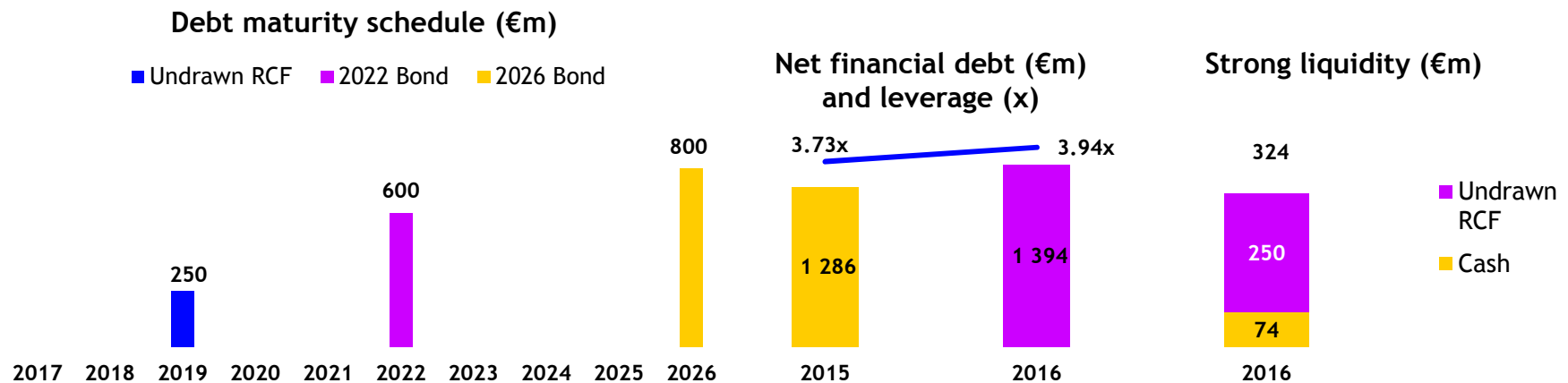
Jump in capex by 33% (to 25% of revenues) supporting :

- Commercial activity (backlog increase)
- Growing asset base
- Demand driven growth capex represents a large portion of overall capex which are 100% self-funded through excess cashflow



Key 2016 Financials

Sound debt structure and excellent liquidity



- Improved debt maturity profile: average maturity is now 7.8 years (from 5.0 years in 2015)
- Excellent maturity match between assets & liabilities, no significant debt maturity before 2022
- €250m RCF fully available to support any liquidity requirements
- No covenants, no securities, no interest rate risk
- Stable debt/capital structure as organic growth and M&A were fully financed by cashflow and distribution moderation
- Shareholders and management committed to investment grade financial policy



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Conclusion

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- TDF enjoys an excellent business profile, with further strengthened visibility on all business lines following 2016 achievements
 - Increase in number of PoPs
 - DTT platform stabilized and secured for the long term
 - Increased backlog at 2,7 bn €
 - Growing asset base
 - Strong financial performance, with growing EBITDA
 - Shareholders strong support through conservative financial policy implementation
 - Credit metrics are solid compared to peers, financial flexibility is significant and liquidity is strong
 - TDF is committed to maintaining its Investment Grade rating





Questions and Answers



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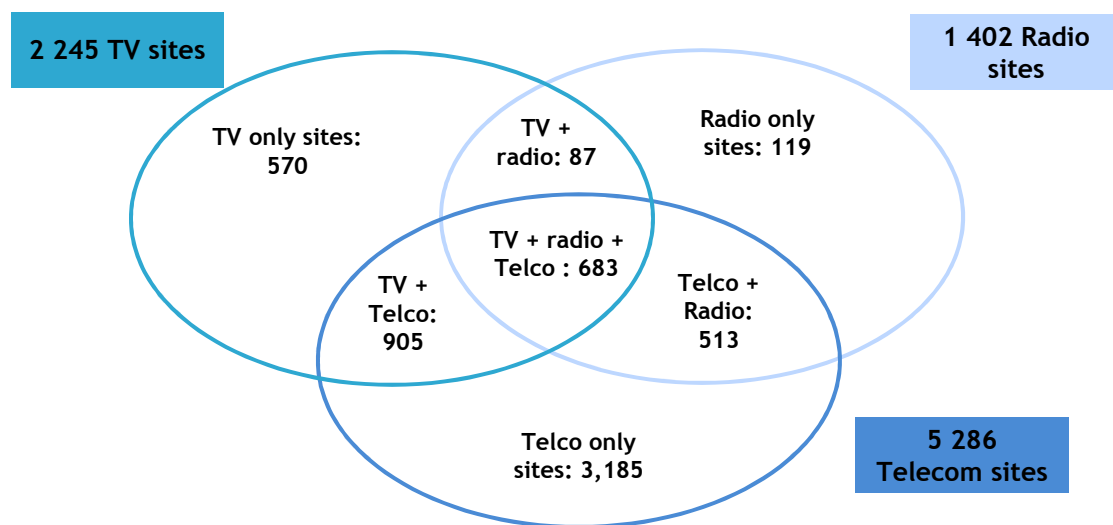




Unique portfolio of assets for media & telecoms

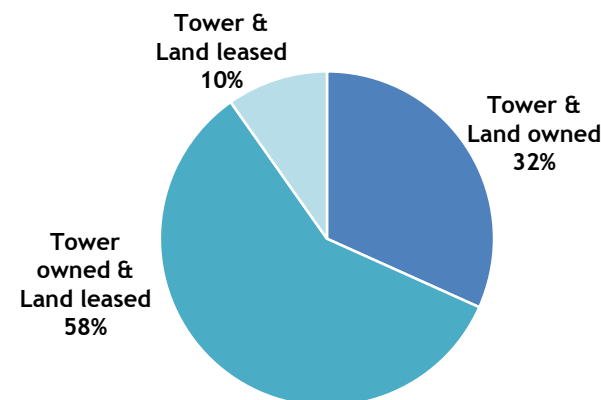
Breakdown of sites by activity as of Dec. 2016

TDF total: 7 728 sites in France¹



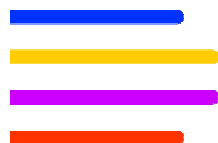
(1) includes 427 Itas sites, 294 sites in French overseas territories and 1,666 sites with no current service

Ownership of sites as of Dec. 2016

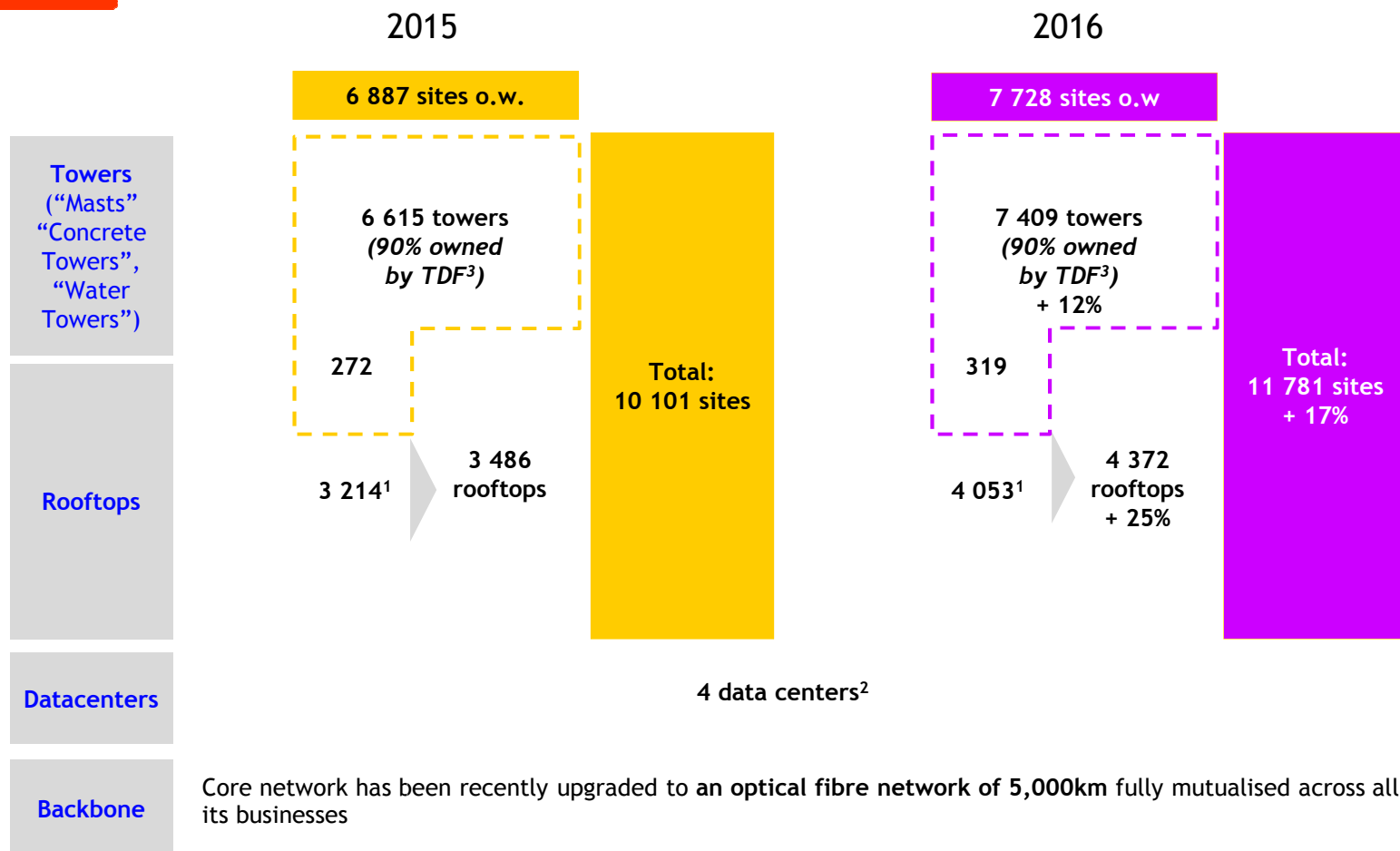


- TDF operates the largest independent network of connected towers in France
- Telecom infrastructure services complementary to broadcasting activity ensuring optimisation of tower utilisation rate and cost synergies
- Secured asset base: 90% of towers owned by TDF, 32% of them built on TDF's own land, leases typically range between 5-99 years
- Interconnection of sites via own high-capacity high-speed national backbone





TDF sites breakdown in France – 2016 vs 2015



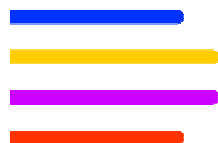
Sources: TDF. Notes:

¹ Some of these potential sites may not be convertible to actual sites due to technical or environmental constraints.

² Bordeaux, Lille, Marseille, Rennes.

³ Excluding land





Overview of site types and configuration

Site types

Towers
("Masts"
"Concrete
Towers",
"Water
Towers")



3 main types of sites with various configurations and heights:

- "Pylône": self supporting mast and guy-wired mast (tallest 351m)
- "Tour": concrete towers
- "Château d'eau": water towers

Rooftops



Existing sites: sites with TDF and where client equipment are already installed

Potential sites: sites for which TDF has signed a commercialization agreement (with landlord but not with client)

Datacenters



Building on site : different type of building infra in each site (operations office, shared rooms, rent rooms, transmission, energy) - indoor or outdoor

Backbone



A premium infrastructure portfolio interconnected via a highly leverageable high-performance high-speed backbone mutualized between businesses

Site configuration

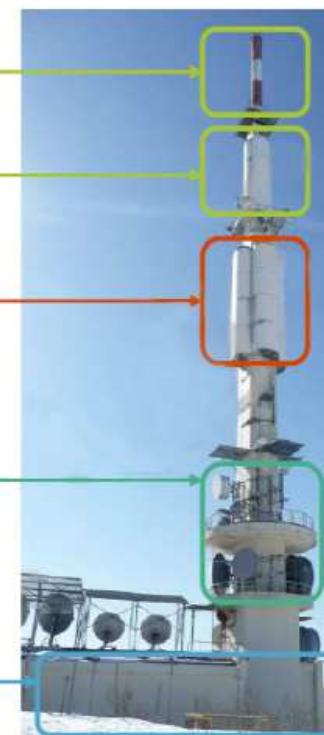
DTT antennas

DTT antennas

FM antennas

Antennas for telecommunication
(incl. own and collocated microwave dishes, GSM antennas)

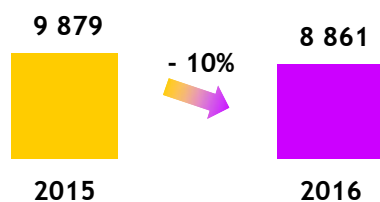
Building hosting broadcasting, telecommunication and collocated equipment, power supply, air conditioning



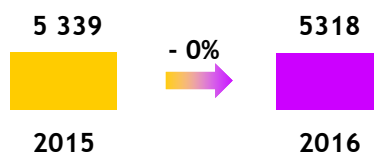


YoY evolution of PoS¹ (DTT and radio)

DTT Broadcasting PoS



FM Broadcasting PoS



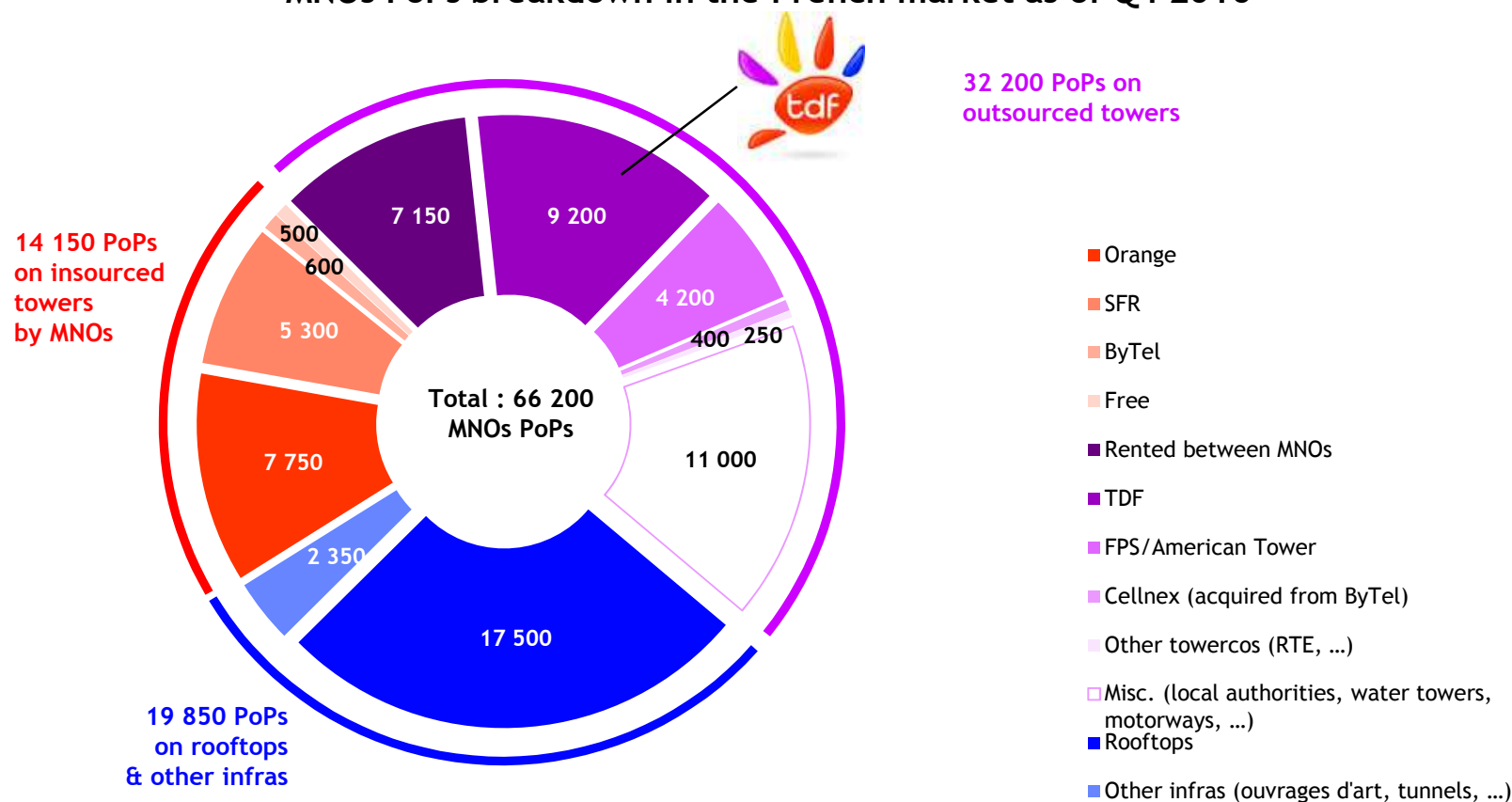
- DTT : Switch off of 2 Muxes in April 2016, partly offset by the acquisition of Itas
- FM : modest decrease related to Radio France tenders





Telecom site hosting market overview (1/2)

MNOs PoPs breakdown in the French market as of Q4 2016



source: ANFR database, restated by TDF





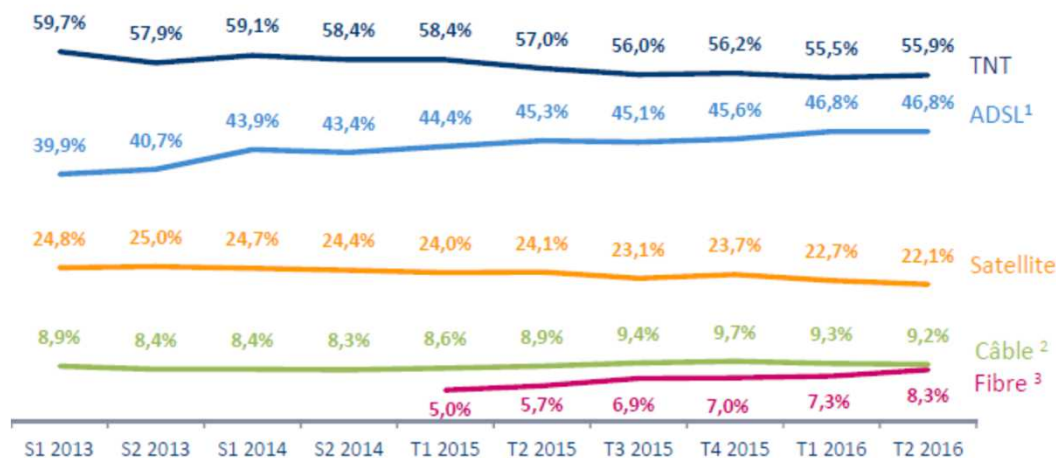
Telecom site hosting market overview (2/2)

- There are 66,200 PoPs in France as of December 2016 (+10% YoY), of which :
 - 46,350 PoPs on towers
 - 19,850 PoPs on rooftops & other infras
- TDF has 9,200 PoPs of the 32,200 PoPs on outsourced towers : 29% volume market share (14% volume market share on all MNOs PoPs)
- FPS has c. 4,200 PoPs : 13% market share of the outsourced towers. In Dec 2016, Antin Infrastructure Partners announced binding agreement with American Tower Corporation (and PGGM) for the sale of FPS Towers
- Cellnex represents, at Dec 2016, 371 PoPs, resulting from a first transfer from Bouygues Telecom out of 500 towers (it is assumed that there is an average of 1 PoP per tower) : less than 2% market share of the outsourced towers to date. In Feb 2017, Cellnex reached another agreement with Bouygues Telecom for 1/ the acquisition of up to 1,800 sites (mainly rooftops) which will be gradually transferred to Cellnex over the next 2 years, 2/ the building of up to 1,200 sites over an estimated period of 5 years.



Solid resilience of the DTT platform

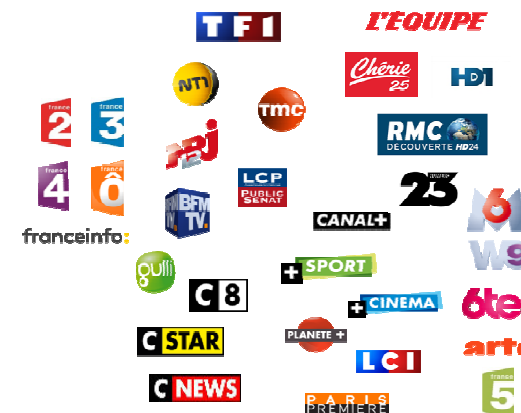
Penetration of TV access modes in French TV HouseHolds



source: CSA (including multiple access modes and all TV sets)



= 91% of TV audience



source: Médiamétrie

- Despite the 2nd Digital Dividend and switch off of 2 Muxes, DTT remains the leading TV platform and represents 56% of French TVHHs
- DTT in France = 31 national channels, of which 27 HD channels = 97% population coverage = 91% of TV audience
- DTT spectrum is now secured until 2030





DTT Muxes

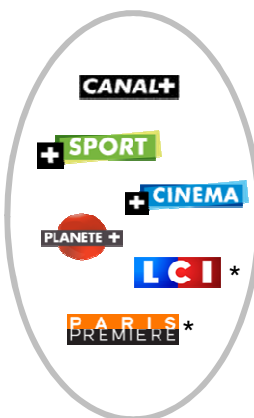
R1 : GR1
(FTV lead)



R2 : NTN
(C+ lead)



R3 : CNH
(C+ lead)



R4 : MULTI 4
(M6 lead)

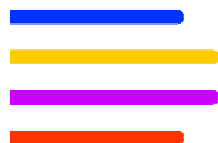


R6 : SMR6
(TF1 lead)



R7 : MHD7
(TF1 lead)



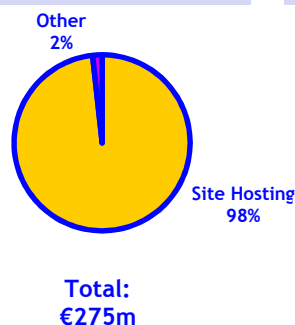


Details of revenues by business

Core Telecom (41% of Revenue)

Site Hosting: Hosting of radio equipment on TDF's portfolio of sites for all four MNOs as well as non MNOs with the possible collocation of multiple operators

Other: mainly covers new growth activities such as transport for telecom clients and datacenters

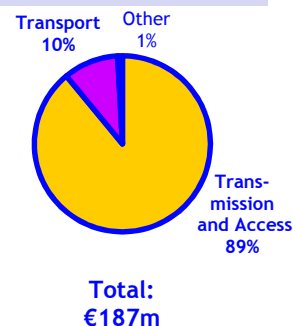


DTT (28% of Revenue)

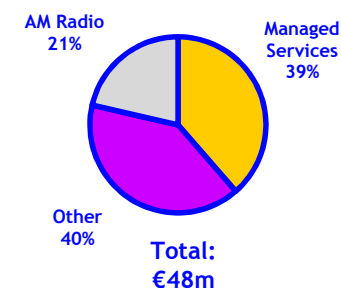
Transmission and Access: Provision of transmission services to a diversified base of DTT multiplex operators and selling access to TDF sites

Transport: Distribution of signal

Other: Satellite uplink



Phased-out & other (7% of revenue)

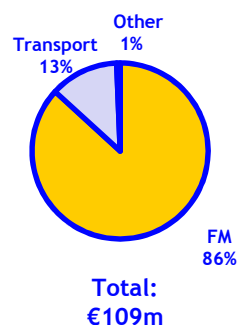


Core Radio (16% of Revenue)

FM: Broadcast services for Radio France, the State-owned radio broadcaster and commercial radios (Lagardère, RTL Group, etc.)

Transport: Distribution of signal

Other: Includes digital radio



Media Services (7% of Revenue)

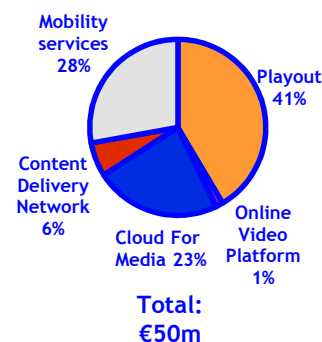
Playout: Transmission of TV channels into broadcast, satellite and telecom networks

Video Platform: OTT solutions and the operation of video distribution through online platforms

Cloud for Media: Storage, transcoding and delivery services

Content Delivery Network: Delivery of video content

Mobility Services: Delivering dynamic navigation and traffic information



Phased-out and other activities

Managed Services: 3rd party maintenance and engineering of telecom networks - progressive exit from non-profitable parts of this business

AM Radio (SW, MW and LW): TDF customers are progressively exiting

Others: Mainly consists of intellectual property revenue arising from patents gradually entering the public domain and miscellaneous build revenues from Itas Group

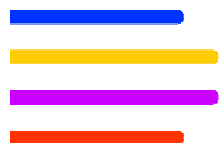


Recap on key figures

		Dec 2016 (12 months)	Dec 2016 Proforma* (12 months)	Dec 2015 (9 months)	Dec 2015 Proforma* (12 months) Unaudited	Change Dec 16 Proforma / Dec 15 Proforma
Key items of consolidated income statement						
Revenues	€m	673.9	669.1	525.2	700.1	-4.4%
EBITDA excluding severance payments and related fees	€m	354.3	354.1	261.5	343.5	+3.1%
As a % of revenues	%	52.6%	52.9%	49.8%	49.1%	+3.9 pts
EBITDA	€m	352.3	352.2	255.7	335.6	+4.9%
As a % of revenues	%	52.3%	52.6%	48.7%	47.9%	+4.7 pts
Current operating income	€m	188.1	189.9	124.1	147.1	+29.1%
As a % of revenues	%	27.9%	28.4%	23.6%	21.0%	+7.4 pts
Operating income	€m	265.1		93.7		
Profit (loss) attributable to owners of the Company	€m	106.2		(39.5)		
Key items of consolidated cash flow statement						
Cash flows from operating activities	€m	243.3	244.0	194.2	253.1	-3.6%
As a % of revenues	%	36.1%	36.5%	37.0%	36.2%	+0.3 pt
Purchase of operating fixed assets (excluding Working capital effect)	€m	(166.7)	(166.2)	(91.0)	(124.8)	+33.2%
Operating free cash flow	€m	98.1	99.5	103.3	131.8	-24.6%
Key items of financial structure						
IFRS Net debt excluding Shareholders loan and accrued interests	€m	1394	1394	1286	1286	+8.4%
Leverage	X	3.94	3.94	3.73	3.74	+0.19 pt
Key performance indicators						
Order backlog	€m	2,656	2,656	2,403	2,400	+10.5%
Number of Group sites	X	11,856	11,856	10,135	10,135	+17.0%
Workforce at end of period	X	2,153	2,153	1,944	1,893	+10.7%

* Excluding contributions of entities MMD (loss of control in 2016) and Arkena Nordics (disposed of on July 7 2016), and with constant exchange rates.





Recap on change in revenues by business line

<i>in millions euros</i>	Dec 2016 (12 months)	Dec 2016 Proforma* (12 months)	Dec 2015 (9 months)	Dec 2015 Proforma* (12 months) Unaudited	Change Dec 16 Proforma / Dec 15 Proforma
Digital Television	187.4	187.4	163.5	218.4	-14.2%
Radio	120.9	119.2	98.6	126.0	-5.4%
Total Services de diffusion	308.3	306.7	262.2	344.5	-11.0%
Telecom : site hosting	269.9	269.9	189.7	258.2	4.5%
Telecom : other services	23.4	23.4	23.1	36.8	-36.4%
Total Telecoms et Services	293.3	293.3	212.7	295.0	-0.6%
Media Services	52.9	49.8	42.0	48.3	3.0%
Others	19.4	19.4	8.3	12.3	57.3%
Revenues	673.9	669.1	525.2	700.1	-4.4%

* Excluding contributions of entities MMD and Arkena Nordics, and with constant exchange rates





Glossary

- 4G, 5G: mobile phone communication standards
- AM: Amplitude Modulation (radio broadcasting technology), including short, medium and long waves (SW, MW, LW)
- Built-to-Suit: Towers that are built to meet the needs of the MNO
- DD2: 2nd Digital Dividend, refers to the radio spectrum which is released (700MHz band) in the switchover process of digital television from Mpeg2 to Mpeg4
- DTT: Digital Terrestrial Television (digital broadcasting technology)
- FM: Frequency Modulation (radio broadcasting technology)
- FttH: Fiber to the Home (broadband network using optical fiber reaching the boundary of the living space, such as a box on the outside wall of a home)
- GSM-R: Global System for Mobile communications - Railways, wireless communications standard for railway communication and applications
- HD: High Definition (video format)
- Hybrid TV: refers to the combination of a broadcast and a broadband access for watching TV content on a connected TV set
- ISP: Internet Service Provider
- IoT: Internet of Things
- MNO: Mobile Network Operator
- Mpeg2, Mpeg4: video encoding technologies
- Mux/Muxes: Multiplex, group of TV channels combined in a unique data stream on the same frequency
- OTT: Over-The-Top, Broadband delivery of video and audio on Internet without the ISP being involved in the control or distribution of the content itself
- PIN: Public Initiative Network (fiber network in low density area, co-funded by local authorities)
- PoP: Point of Presence = 1 Telecom client hosted on 1 site (no matter how many equipment of the client are hosted on this site)
- PoS: Point of Service = 1 DTT Mux hosted on 1 site or 1 FM radio hosted on 1 site
- RAN Sharing: Radio Access Network Sharing (2 MNOs share some elements of their mobile networks to reduce their costs)

