

Montrouge, March 16, 2017

TDF REPORTS SOLID 2016 EARNINGS WHILE LOOKING FORWARD TO RESUMED REVENUE GROWTH IN 2017

TDF delivered strong 2016 earnings supported by its telecoms and digital networks investment and development strategy. Backed by a robust balance sheet and strengthened foundations, the Company has a full order backlog that augurs well for resumed revenue growth in 2017.

As forecast, TDF's 2016 revenues edged down 4.4% to €673.9 million.

- In TV/Radio broadcasting services, revenues came in down 11.0% as expected, primarily due to two digital TV multiplexes switch off in April 2016 and Radio France halting medium wave broadcasting late 2015;
- The October 2016 takeover of ITAS, which added €11 million to TDF's fourth quarter 2016 revenues, shored up the Company's broadcasting services;
- In Telecoms, 4.5% growth in site hosting revenues arose primarily due to new business from Free and work on operators' RAN sharing. This was offset by a 36.4% revenue slowdown in other services that were hit by the scheduled closure of maintenance and deployment operations (GSMR contract).

Despite lower revenues, EBITDA came in up 4.9% at €352.3 million, due to:

- Tight cost control and the end of the low-margin GSMR contract;
- Recognition of the indemnity from the French government to compensate for the revenue loss resulting from the so-called Second Digital Dividend.

Consequently, the EBITDA margin amounted to 52.6%.

The Company's salesforce turned in some major successes. Order backlog closed the year up nearly 11% at €2,656 million, representing 4 years of revenues, including:

- Digital TV: renewal of contracts with some multiplexes and the switchover to full-HD;
- Telecoms: the site hosting business (up 7% in volumes) working for operators related to rolling out their networks, the 4G deployment and a 10-year extension to a framework contract with the French Ministry of the Interior.

Furthermore, the Company's positioning on fiber networks yielded an initial success - TDF's bid for the February 2017 Val d'Oise tender was selected ahead of a number of other bidders.

TDF also continued to shore up its balance sheet in 2016: the April 2016 €800m 10-year bond issue with a 2.5% coupon encountered strong demand from investors. This bond extends average debt maturity to just under 8 years.

As a result of TDF's refund financial flexibility, the Company was able to ramp up capital expenditure that soared 33% amounting to some 25% of 2016 revenues; the increase reflected buoyant new business and an expansion in infrastructure now consisting of 11,856 operated sites.

Olivier Huart, Group CEO, said: *"TDF's very pleasing 2016 earnings points to a turnaround in our business and is the culmination of the Company's rebuilding undertaken with the support of our new shareholders. Our strategy is based on consolidating our leadership in TV/radio broadcasting, pursuing growth in telecoms and taking on the fiber market. With our massive capacity to invest in infrastructure and the surge in order book, we are more than ever confident in the Company's 2017 outlook and its ability to resume revenue growth".*

About TDF Infrastructure S.A.S.

TDF Infrastructure SAS is a TDF sub-group holding company, which provides (i) a complete range of broadcast network services, from contribution (signal transmission from camera to studio), distribution (multiplexing, transport and transmission) for digital terrestrial television ("DTT") and analogue radio signals; (ii) site hosting services, datacenter housing and backbone and connectivity solutions as well as third party maintenance services to mobile network operators and other customers; and (iii) a variety of DTT-centric media services such as play-out, video platform solutions and content delivery, cloud storage solutions as well as real-time traffic information delivery.

Contacts

Press Contact - Lauriane Guillemet: Contact_presseTDF@tdf.fr

Investor Relations - Robin Phavorin: investor.relations@tdf.fr

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.

Appendix

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