



PRESS RELEASE

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AFP APPROVES ITS ACCOUNTS FOR 2017

DURING A BOARD MEETING HELD ON APRIL 10, 2017, AFP DIRECTORS APPROVED THE ACCOUNTS FOR THE 2017 FINANCIAL YEAR. THEY REPORT A HIGHER OPERATING MARGIN (€15.9M) AND OPERATING INCOME (€3.6M) THAN FOR 2016, AND THAN INITIALLY FORECAST FOR 2017. THE NET GROUP RESULT STOOD AT - €4.8M, ALTHOUGH THIS INCLUDES AN EXCEPTIONAL PROVISION OF €5.8M WITHOUT WHICH 2017 WOULD HAVE BEEN POSITIVE.

The Agency's operating revenue reached €295.6M in 2017. In a context of domestic and still very tough global media markets, commercial revenues resisted well. They were down 1.9% compared to 2016, but up 6% at constant scope. In terms of scope, International business grew by 1%. On the domestic market, the strategy aimed at stabilizing key contracts and winning new corporate clients helped to stabilize revenues.

In terms of sales, the year 2017 was particularly marked by robust performance in video (+ 29.1%) and AFP-Services, the on-demand production subsidiary (+64%). In video, the Agency benefited from its expanded live offering, now also available through a multi-stream Internet service platform. Many customers subscribed to AFPTV services in 2017, including the BBC. AFPTV is pursuing its conquest strategy and has won 17 new TV networks globally since the start of 2018.

In 2017, the Agency continued to receive State support, in the form of a €110.8M subsidy to help fund missions of general interest entrusted to AFP by law. This represents an additional contribution from the State of €4.6M compared to the amount provided for in the Contract of Objectives and Means for 2014-2018, and an increase of €3.4M compared to the subsidy received in 2016.

In terms of operating expenses, which reached €279.7M, constant management efforts undertaken by the Agency over the last few years have resulted in a 0.6% drop in costs compared to 2016. With savings over €3M higher than initially forecast, the Agency posted an operating margin of €15.9M for 2017, up €2.1M from 2016, and €0.1M compared to the 2017 budget.

Investments reached €9.6M, on the whole stable compared to 2016.

The group's net income was - €4.8M. However, this included an exceptional provision of €5.8M made necessary by an industrial dispute currently under appeal in the courts. Without the provision, the group would have posted a profit of almost €1M for 2017. Whatever the final outcome, the dispute will conclude the efforts undertaken to reform and transform the Agency's industrial relations.

The 2017 accounts also reflect a revaluation of the Agency's balance sheet, starting with a revaluation of real estate assets which had not been done since 2005 and no longer reflected their true economic value. The impact of revaluation on the group's equity amounted to €51.1M.

The 2017 accounts were approved unanimously.

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