



PRESS RELEASE

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AFP BOARD APPROVES 2015 ACCOUNTS AT ITS MEETING ON 12 APRIL 2016

AFP's 2015 operating margin was 12.8 M€ -- 1.3 M€ less than the figure for 2014. This decline is to be viewed in the context of the recession affecting French and international markets, which worsened further in 2015 and impacted the Agency's sales. Operating revenues after partner royalty shares totalled 294.2 M€, showing an increase of 0.5% over 2014. Operating expenses, totalling 281.4 M€ and showing an increase of 1% over 2014, remained under control and in line with the average increase set down in the 2014-2018 Contract of Objectives and Means signed by AFP and the French State in June 2015.

The growth in operating revenues is the result of a 2 M€ increase in revenues from the French State under the terms of the Contract of Objectives and Means. These revenues consist on the one hand of payments for the State's subscription to AFP's services and on the other hand of a subsidy to compensate the Agency for the net cost of its missions of general interest, under the rules established by the European Commission. The very robust growth of video sales (15.6%) and the Agency's strong presence in sports news served to stabilise and drive business performance, in particular international sales which showed a 1% increase. This supports the Agency's short and medium term strategic choices and its development and investment policy, even though a single financial year cannot by itself compensate for the serious downturn of the French press and media markets and the loss of significant contracts in 2015.

It must be borne in mind that the near zero cost / income elasticity of the news agency economic model does not allow balancing through any short-term adjustment.

By nature, AFP is subject to supply side economics, with fixed costs (related to its large global network) determining the overall result.

These costs are under extremely tight control, with development being achieved within a cost increase framework limited to 1% per year. AFP's performance is all the more remarkable considering that it is in the process of building a new global offering (video) and that the press advertising market is in a period of decline.

The net result generated by these performances and by unexpected, non-recurring events experienced in the course of the financial year that penalised our exceptional results (depreciation of the euro, fiscal disputes abroad, etc.) is -4.9 M€.

The representatives of the French government have pledged to back AFP's strategy and to support production of image-based news and news aimed at international markets.

About AFP

AFP is a global news agency delivering fast, accurate, in-depth coverage of the events shaping our world from conflicts to politics, sports, entertainment and the latest breakthroughs in health, science and technology. With 2,326 staff spread across almost every country, AFP covers the world 24 hours a day in six languages. AFP delivers the news in video, text, photos, multimedia and graphics to a wide range of customers including newspapers and magazines, radio and TV channels, web sites and portals, mobile operators, corporate clients as well as public institutions.

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