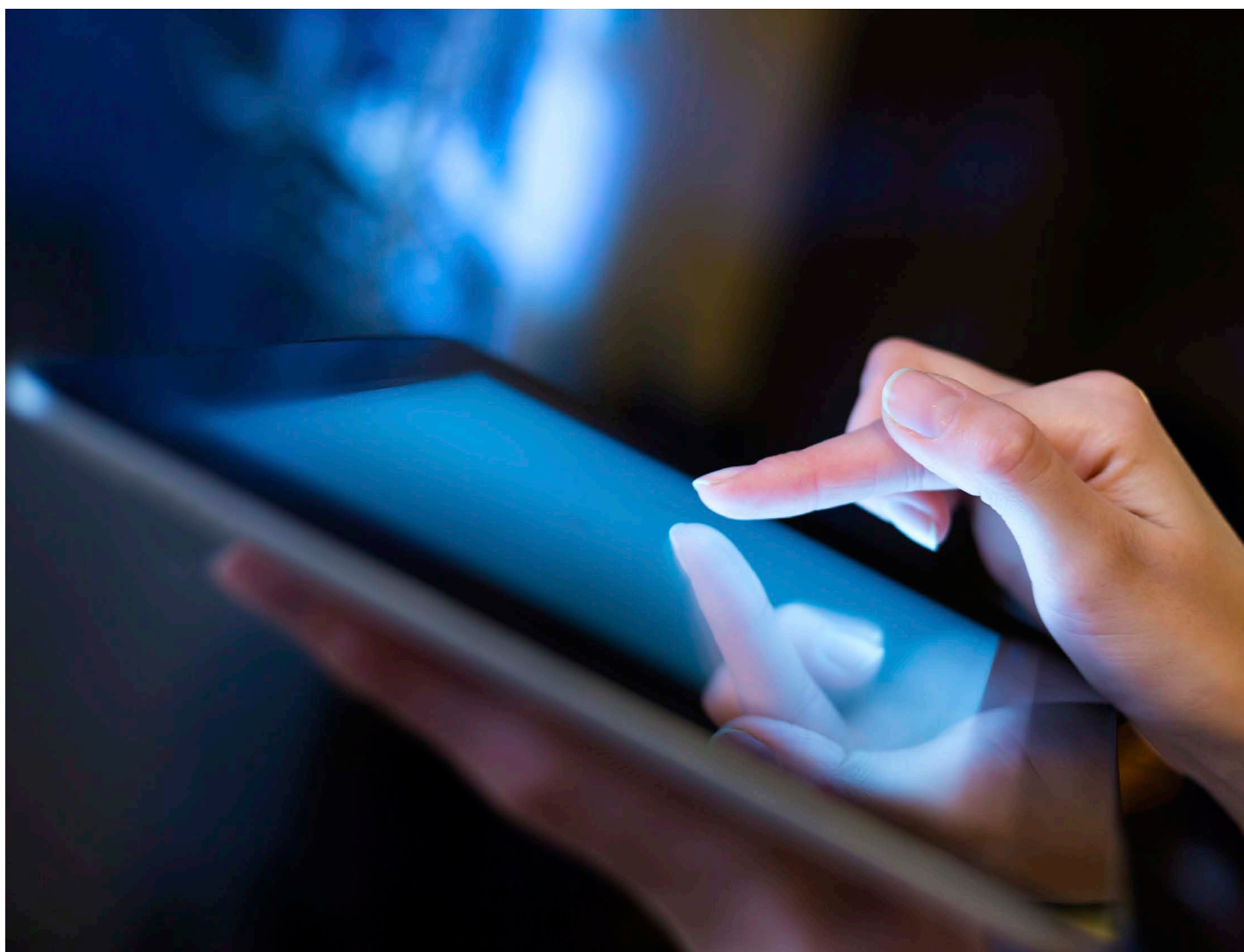


MEDIA - CHALLENGED BY MOBILITY AND MULTI-SCREENS

2014 Media Barometer - 3rd Edition

Analysis of Financial Data and Risk Factors





**HIGHLIGHT
RISK FACTORS
in 2013
PAGE 7**

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MAZARS IS AN INTERNATIONAL, INTEGRATED AND INDEPENDENT ORGANIZATION SPECIALIZING IN AUDIT, ACCOUNTING, TAX, LEGAL AND ADVISORY SERVICES. AS OF JANUARY 1ST 2015, MAZARS HAS OFFICES IN 73 COUNTRIES, WITH A WORKFORCE OF MORE THAN 14 000 PROFESSIONALS.



Dear Readers,

The media sector has seen revolutionary changes over the last ten years, primarily in the areas of user behavior, the rise of the Internet, mobile telephone and tablet developments and a marked increase in user-produced content.

Given our wealth of experience with major players in the industry, we felt our expertise could be of service to you. Like our previous publication, this new edition of the media barometer is based on the analysis of financial data from the 100 most significant media companies in North America and Europe as well as an in-depth analysis of the sector's major risk factors and prospects for development.

2013 was marked by growth and business model changes for the media sector. North American media companies, sustained by the dynamic local economy, showed stronger growth than European media companies, which suffered as a result of a more fragile local economy.

Given the rising popularity of smartphones and tablets, and exponential growth in the number of applications that are used on a daily basis, mobility and the ability to be present across multiple devices were major challenges for media companies in every area of activity.

The Barometer provides an overview of the sector's evolution. We hope that you will enjoy reading this new edition !

Bruno Balaire,
*Global Head of the Mazars Group Media,
Information and Entertainment Practice*

Mazars' Media, Information and Entertainment Practice brings together experienced Partners from around the world who have developed specific expertise in the media industry. We offer our clients, who are primarily global media groups, customized audit, taxation and consulting services. For more information about our Practice, visit our website: www.mazars.com

KEY FACTS AND FIGURES

Included the 100 largest publicly-listed media companies in North America and Europe

Media Grouped in 3 sub sectors

Advertising & Communication



Broadcasting



Press & Publishing



54%
NA-based
companies



46%
EU-based
companies

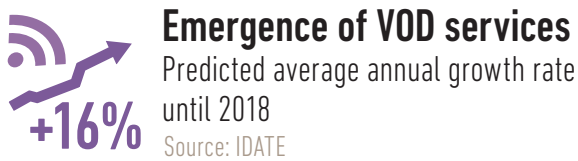
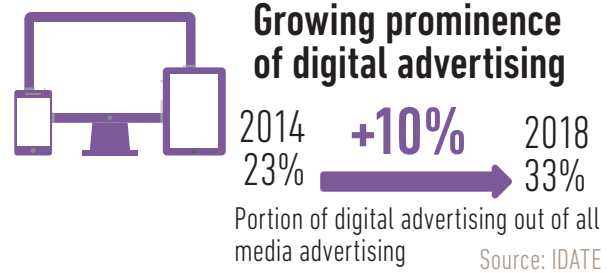


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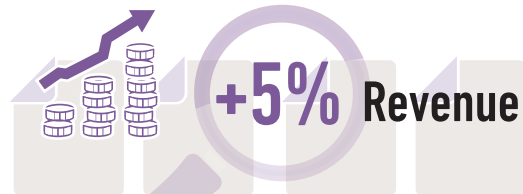


Total revenue of panel
in 2013

An ongoing digital revolution



Results



+8% Top 10 major Media Companies

+6% Other North American Media Companies

-1% Other European Media Companies



+0.2bp Top 10 major Media Companies

+1.2 bp Other North American Media Companies

-0.6 bp Other European Media Companies

Top Media industry issues analyzed

#1



Breach in technology security & privacy

+ 10 pts *

*Since 2011

#2



Predicting customer demand and developing new products

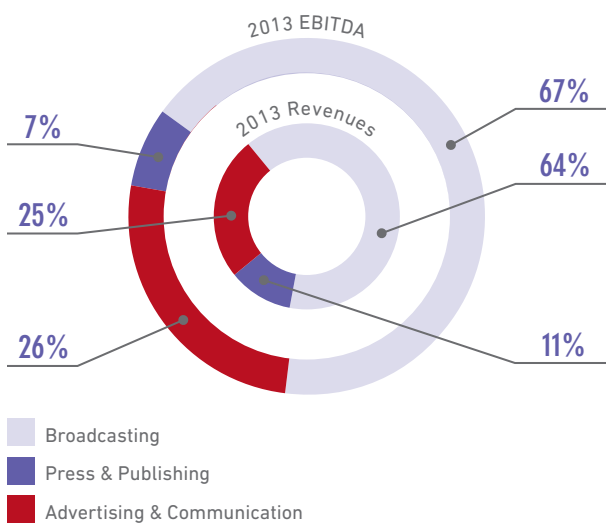
+ 4 pts *

#3



Dependence on third parties

+8 pts*



OUR METHODOLOGY

The media sector includes a broad range of businesses, such as: press, radio, communication, television, video, gaming, advertising, Internet, film and publishing. For the purposes of this analysis, we have divided the sector into three broad categories:

- **Advertising & Communication**, including web companies
- **Broadcasting**, including radio, television, cable operators and the entertainment industry
- **Press & Publishing**, including both traditional and digital publishers

In the Barometer, we present the status of the North American and European media sector as a whole. To that end, we have based this study on financial data for the 100 largest media companies listed on European and North American stock exchanges. The companies that compose the study sample are listed in Appendix 1.

Unless otherwise indicated, the graphs and tables shown in this study were created by our teams. In order to account for the impact of exchange rate differences, all data was converted into US dollars using the average or closing exchange rate on December 31, 2013.

TOP 20 RISK FACTORS

In their annual reports, the sample companies were required to state the significant risks they faced. Recently, regulators have particularly paid attention to the relevance and characteristics of the risks presented.

We studied the evolution of the risk factors presented by our sample companies over the last three years. Listed below are the top 20 risk factors to which these companies are exposed.

RANK	RISK FACTORS	2013	2012	2011	VAR. 3 Y
1	FINANCIAL RISK	97%	96%	96%	1%
2	REGULATIONS RISK	92%	88%	86%	6%
3	COMPETITION AND CONSOLIDATION IN MEDIA SECTOR PRICING	81%	80%	80%	1%
4	PREDICTING CUSTOMER DEMAND AND DEVELOPING NEW PRODUCTS - Page 21	81%	79%	77%	4%
5	DEPENDENCE ON THIRD PARTIES - Page 13	80%	73%	72%	8%
6	FAILURE TO PROPERLY EXECUTE CORPORATE STRATEGY, MANAGEMENT OF M&A AND DIVESTITURES	79%	73%	71%	8%
7	ATTRACTING OR RETAINING KEY PERSONNEL - Page 19	74%	75%	69%	5%
8	GENERAL ECONOMIC CONCERN - Page 11	73%	71%	68%	5%
9	BREACHES IN TECHNOLOGY SECURITY OR PRIVACY (INCLUDING IT RISK) - Page 33	64%	61%	54%	10%
10	INTELLECTUAL PROPERTY INFRINGEMENT - Page 43	54%	51%	48%	6%
11	SECTOR ECONOMIC CONCERNS	54%	50%	51%	3%
12	INABILITY TO MAINTAIN OPERATIONAL INFRASTRUCTURE AND SYSTEMS	53%	50%	44%	9%
13	LEGAL PROCEEDINGS	53%	53%	50%	3%
14	THREATS TO INTERNATIONAL OPERATIONS	50%	51%	47%	3%
15	SOCIAL & ENVIRONMENTAL RISK	43%	38%	36%	7%
16	CYCLICAL REVENUE AND STOCK FLUCTUATION	38%	36%	37%	1%
17	ACCOUNTING AND REPORTING RISK	28%	27%	25%	3%
18	IMPAIRMENT (GOODWILL, INVENTORIES AND OTHER ASSETS)	27%	26%	27%	-
19	REPUTATION RISK	27%	23%	22%	5%
20	PENSIONS / POST EMPLOYMENT BENEFITS : NEW FINANCING REQUEST	15%	17%	17%	(2)%

Among the 10 risk factors most cited, we analyzed those that were specifically associated with media activities and that increased in importance over this period. We will therefore analyze in detail the nature and impact that risks #4, 5, 7, 8, 9 and 10 have had on financial data.

GENERAL CONTEXT: ECONOMIC CRISIS AND TECHNOLOGICAL DEVELOPMENT

Overall, companies in the media sector grew in 2013, in spite of unfavorable worldwide economic conditions. Performance trends also varied based on geographic region:

- **Solid recovery in North America:** Five years after the collapse of Lehman Brothers and its devastating effects on the American economy, tangible signs of emerging from the crisis appeared, such as a significant decrease in unemployment, growing industrial activities, and increased consumption.
- **Ongoing crisis in Europe:** Europe has successfully overcome the Euro crisis. However, there are still no signs of general recovery, and performance gaps vary depending on the country.
- **Slower growth in emerging countries,** which are experiencing delayed repercussions of the economic crisis. 2013 was particularly marked by a slower pace of economic growth in China and ongoing re-balancing of its economic model as it changes from a mass production model to a consumer model.

Companies in the media sector are particularly vulnerable to general economic conditions due to their dependence on advertising revenue, technological developments and consumers' financial health. North American media companies experienced a year of significant growth, sustained by the dynamic American economy in 2013, which was greater than that of European companies, as demonstrated by industry benchmarks (Stoxx North America 600 and Euro Stoxx 600 Media). The discrepancies in performance between these two continents were analyzed using 2007 as a reference year. In accordance with convention, we assigned 2007 the value of 100.



As the graph above indicates, it was in 2009, two years after the start of the financial crisis, that media companies were most impacted by the global economic downturn and the stock market collapse.


 FOCUS ON A RISK FACTOR

RISK RELATED TO THE ECONOMY AS A WHOLE

In 2013, despite an improved economic context, 73% of our sample companies say they are concerned about the economic environment, fearing weak growth or even decline in the global economy, against 68% in 2011.

Structurally, the activities of media companies are very sensitive to economic conditions and consumer purchasing power, because advertising expenditure represents a significant proportion of their income.

Some groups with extensive international presence dilute this risk because of their presence in both developing and mature markets. However, players operating in more localized and specific markets are directly affected by a deterioration in their economy.

For North American companies, the risk related to changes in the global economy stabilized in 2013. Indeed, the recovery of the labor market and housing sector in the United States continued in 2013, resulting

in growth and renewed optimism in the region. Moreover, according to the UN Information Department, US GDP is expected to grow by 2.5% in 2014.

However, the surveyed European companies show increasing concern because of:

- Low growth prospects for national GDPs and the negative impact of austerity measures;
- The unemployment rate, which has reached record levels in some countries;
- The effects of the debt crisis, including, in particular, the volatility of the euro;
- The potential risk of contagion to other European countries.

"IN A MULTI-CONNECTED ENVIRONMENT, THE SMARTPHONE IS CLEARLY A GROWTH DRIVER FOR MEDIA COMPANIES, ESPECIALLY THE ABILITY TO IDENTIFY GEOGRAPHIC LOCATION WHICH ALLOWS ADVERTISERS TO MANAGE THEIR PLACEMENT MORE EASILY AND EFFICIENTLY," says Victor Wahba, Partner in US.

American companies, more heavily affected than their European counterparts, have recovered much more significantly. At the end of 2013, the average index for American media companies was 68 points higher than the European index.

Analysis of global growth in both North America and Europe reveals that performance varied depending on the industry: the Advertising & Communication sector shows strong growth, while the Broadcasting and Press & Publishing categories have experienced significant difficulties over the last few years.

The **Advertising & Communication** sector has changed dramatically due to the unprecedented growth of web companies. Google is a perfect illustration of this trend: in 2013, they became the second largest company in the media sector with revenues that increased by more than 9 billion dollars, reaching 59 billion.

In 2013, this sector proved its ability to create growth, through the effective use of the tools offered by the digital sphere. Such tools enable companies to adapt to consumers' desire for mobility and their use of numerous communication devices, by implementing targeted advertising campaigns that take into account specific criteria such as location, age, gender, sector of activity, etc. To do this, Internet companies rely on Big Data tools that allow them to collect, cross-check and analyze users' data in order to monetize them.

In addition, for the last few years, companies in the **Advertising & Communication** sector have invested heavily in emerging markets. This strategy enabled them to be less sensitive to the European crisis than companies involved with other media subsectors. In fact, with sales totaling 406.1 billion euros in 2013, the Asia-Pacific region recently surpassed Europe for the first time on the e-commerce market.¹

The **Broadcasting** sector is also experiencing a period of significant change. The sector has seen a rise in the popularity of online television and the emergence of new competitors in the Internet market, which have adapted more effectively to user mobility and their multiple devices. To deal with this increasingly competitive environment, longstanding, established companies have had to implement different strategies, such as:

- Adapting their offers, sometimes based on a premium model
- Aligning themselves with the new Internet actors in the market
- Forming strategic partnerships between cable operators and content producers
- Diversifying into the digital and mobile spheres

Up until mid-2014, the traditional audiovisual companies' activities in the United States, particularly that of cable operators, was threatened by the business model of a company called Aereo. In fact, in exchange for a subscription costing around 10 dollars per month, Aereo would rent mini-antennas to Internet users ("individual" antennas), enabling them to watch local cable television just after it was broadcast and save shows to the cloud, without paying for a cable service subscription. Our 2013 edition of the barometer highlighted this innovative company's business model and studied the threat that it posed to established companies in the sector, as well as how it could quickly change the landscape of the American audiovisual market, its broadcasting channels as well as its financial models.

¹ According to an e-Commerce Europe report published in 2014.


FOCUS ON A RISK FACTOR

RISK OF DEPENDENCE ON THIRD PARTIES

In 2013, 80% of the largest media groups expressed concerns about dependence on third parties, against 72% in 2011.

It is common for companies to outsource certain tasks to third parties to generate productivity gains. It is crucial to closely manage the relationship with these third parties, at the risk of seeing a company's reputation, operations and profits affected.

Poor management of this risk may result in the loss of contracts or failure to satisfactorily renew or negotiate new contracts - a damaging situation for future operating costs.

Media stakeholders are facing a particularly significant dependence in this context, particularly:

- **Control of the pricing strategy:** some companies rely on digital distribution platforms (books, music, and games) when setting prices;
- **Relevance of search engine optimization:** the visibility, site traffic and development of internet media companies rely heavily on search engines;
- **Choice of the appropriate format:** publishers are also dependent on manufacturers of the viewing platform used by consumers and must adapt their content to make it compatible.

Advertising must also be able to adapt to the new channels of consumption: tablets and cell phones. This evolution is tangible. According to eMarketer, 23% of Google advertising revenue in 2013 comes from sponsored links on mobile platforms (smartphones and tablets). This share, which represented 6% two years ago, is expected to reach 40% in 2015.



In a legal context that remains unclear, prior court rulings had been in Aereo's favor, deeming that its alternative solution did not infringe on cable operators' copyrights in any way. In June 2014, the US Supreme court ruled that the company was not merely an equipment supplier; instead, it was rendering a service that was comparable to that offered by other cable companies. In this manner, Aereo was deemed to have violated the major stations' copyrights.

Although this verdict was perceived as a very favorable sign for classic American audiovisual companies, the decision handed down in Aereo's particular case does not entirely protect them from other innovative cloud-based solutions that will be able to circumvent this decision. Judge Stephen Breyer, member of the US Supreme Court, specified that the "resolution of broader questions regarding the cloud, remote storage of electronically-recorded videos or other new cases that have not been brought before us today, must wait for complaints in which they are clearly presented to be filed."

The **Press & Publishing** sector was not exempt from the need to respond to mobility issues in 2013. This year was also marked by an increasingly significant economic and financial gap between the **press and publishing sectors**.

Just as in previous years, the **press** sector faced decreasing newspaper and magazine sales, resulting in decreased advertising revenue for print publications. In 2013, this trend was matched by a downturn in revenue from digital advertising, caused by an increase in the number of types of devices, reducing budgets for advertising expenditure on print press venues.

The **publishing** sector was faced with unevenly rising popularity of e-Books, across geographic regions. While this trend is significant in the U.S. and in the United Kingdom, it is much less so in France and Italy, for example. The sector faced yet another development: the emergence of self-publishing. Despite facing these significant changes, publishing companies managed to maintain their levels of activity. Profit margins, however, have decreased, primarily due to lower revenues on electronic books and new e-Commerce distribution networks.

The 2014 edition of our media barometer will be your opportunity to become familiar with the latest changes in this fascinating sector and their impact on the financial performance of the companies involved.

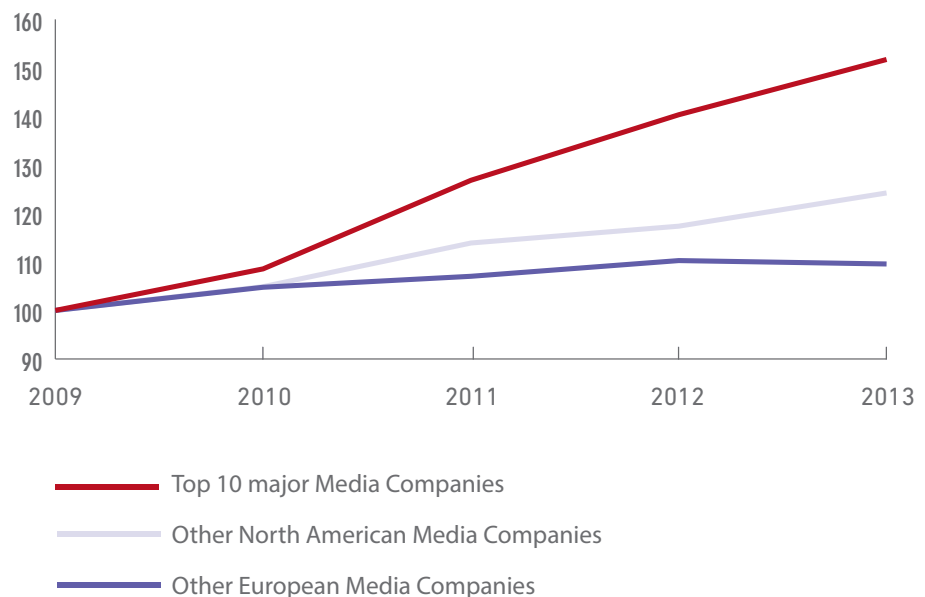
PART 1: STRONG SALES STIMULATED BY DEVELOPING TECHNOLOGY

Over the last few years, media companies have had to be creative and adaptable to withstand the economic crisis. The analysis of certain aggregates; or sales, EBITDA / sales and Net debt / shareholders' equity ratios give an idea of the sector's capacity to develop, adapt and overcome challenges.

Revenue changes for media companies in our sample demonstrate continuity between this year's trends and those observed in previous years:

- Strong growth for the giants of the media sphere, with a sales increase of 8% in 2013
- Consolidation of the North American economic recovery with an average revenue increase of 6%
- Stability in European media companies' activities

**European & North American Media Companies
Revenue evolution**



1.1 MOBILE SERVICES BOOST INTERNET GIANTS' GROWTH

Internet giants' growth was particularly boosted by those companies responsible for spearheading technological development, bringing about profound changes in consumer behavior.

1.1.1 SUCCESSFUL INVESTMENT IN MOBILE SERVICES

In 2013, **Google's** revenue increased by 9 billion dollars thanks to its Internet division, whose profitability is primarily dependent on online advertising. Following the rise in popularity of smartphones and mobile Internet, which decreased the average price of Internet advertising, Google managed to increase advertising revenue as a result of a 26% increase in the number of pay-per-clicks.

In order to respond to an increasingly multi-connected environment and adapt to multiple-platform web and mobile Internet users, Google created "Enhanced Campaigns." This new type of advertising campaign allows advertisers to manage their advertising more easily and efficiently, taking into account - for each and every campaign - the Internet user's geographic location, the device used and the time of day. To achieve this, Google primarily relies on geolocating its users on its various services: maps and navigation with Google Maps, online searches with Google Search, videos with YouTube, email with Gmail, etc.).

Concurrently, Google continued to increase its presence in the cell phone market in 2013; Android figures speak for themselves:

- One billion handsets in use around the world (as of September 2013)
- 80% of the smartphone market share (as of August 2013)
- 50,000 users

With a 14% increase in revenue, **eBay** is also profiting from the new mobile landscape, having gained 14 million mobile customers. Its strategy is sound: purchases made on mobile devices increased by 88% between 2012 and 2013, reaching 22 billion dollars in 2013. eBay's successful transition to a "more mobility" business model is partly due to 27 billion dollars of mobile transactions made through former subsidiary, PayPal, which it spun off into an independent business in September 2014.

In order to sustain its auction activities and consolidate its position as the leading online payment system, eBay bought out Braintree in 2013. The latter is a specialized platform for mobile payments, which has proved very popular with the new generation of online and mobile startups (Airbnb, OpenTable, HotelTonight, Uber, etc.).

Having purchased more than 30 startups in 2013, including blog platform Tumblr for 1.1 billion dollars, **Yahoo!** continued to expand its range of services in 2014 through a greater strategic focus on mobile acquisitions including:

- Flurry in July 2014, a company specializing in analyzing data collected from mobile applications. This investment should help the company boost the profitability of its sites on smartphones and tablets.
- Startup Zofari, owner of a mobile application that suggests bars and restaurants to users based on their geolocation and most frequently visited websites.

Yahoo! also affirmed its desire to center its strategy on mobility, increasing traffic to its sites via smartphone or tablet by 36%. This should help the group augment its advertising revenue, most notably through new types of advertising that are integrated with content and customized for each user.

1.1.2 BROADCASTING GIANTS COME TOGETHER TO FACE THE CHALLENGE POSED BY INTERCONNECTIVITY AND MULTI-DEVICE SERVICES

Comcast's revenue increased by 3% in 2013 as a result of an influx of new customers attracted by its video, high-speed Internet and VoIP services. This growth was also due to the performance of one of its subsidiaries, NBC Universal, a producer of television content, whose revenue increased by 7.5%.

While the world of American cable operators is experiencing something of a revolution with the rising popularity of streaming (view content without downloading it), Comcast opted for external growth in order to control more of the network for broadcasting its content across multiple states. This strategy suggests that there may be more consolidations to come in the United States cable sector. However, mergers between American cable operators must remain below the threshold of 30% of all MPVD (Multichannel Video Programming Distributor) subscribers, in order to stay within the FCC's (American Federal Communications Commission) regulations.²

American satellite operator DirecTV increased its revenue by 7%, primarily as a result of growth in Latin America. However, due to a very narrow focus on satellite TV, DirecTV does not have sufficient funds at its disposal to participate in the streaming battle, and is limited in the mobile services it can offer. In May 2014, AT&T, the largest telephone, wireless and xDSL services provider in the United States, launched a bid to acquire DirecTV. This should allow the group's services to compete with those of its rivals, especially in terms of mobility. "We can finally realize our original vision of offering premium content across multiple devices, be they smartphones, tablets, televisions or computer screens," said AT&T CEO Randall Stephenson, during a telephone conference following the announcement of the friendly takeover bid.

This is yet another sign of the ongoing convergence between mobile telephones and the television market in the United States.

The **CBS Corporation**, an American entertainment conglomerate in the cable television and audiovisual production market, reported a sales increase of 8% in 2013. "CBS remains focused on its core strategy of creating and broadcasting better content, and monetizing across multiple platforms," said Sumner Redstone, Executive President.

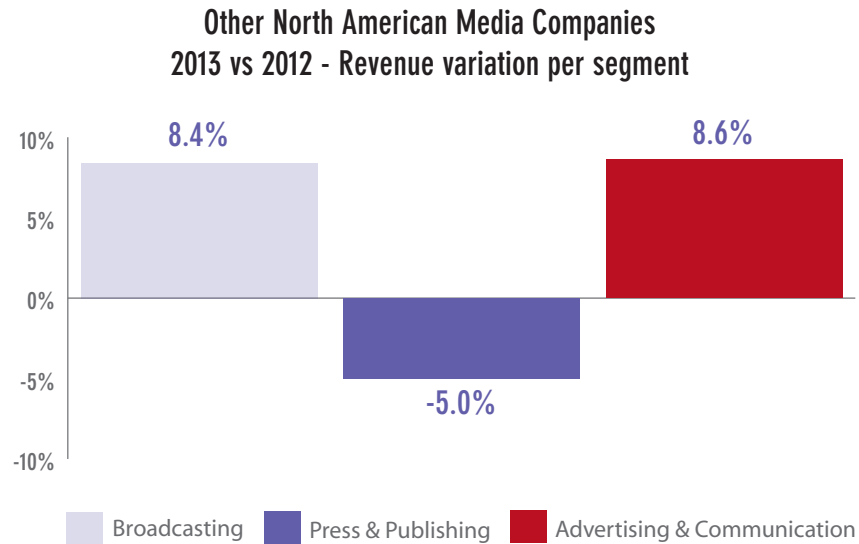
In early 2013, this strategy resulted in a notable content agreement between Amazon and CBS regarding the broadcast of the series "Under the Dome", which allowed Amazon to offer the entire series just days after its broadcast on CBS. The broadcast garnered an audience of 15.1 million viewers - the largest audience in 21 years for a summer series in the United States. At the beginning of 2014, the two groups signed another similar agreement for Steven Spielberg's new series, Extant.

² An agency that operates independently of the United States government, tasked with regulating telecommunications as well as content broadcast over radio, television and the Internet.

1.2 SOLID RECOVERY FOR NORTH AMERICAN MEDIA, EXCEPT THE PRESS SECTOR, WHICH CONTINUES TO DECLINE

Generally speaking, North American companies suffered less from the financial crisis than their European counterparts, and were able to bounce back much more quickly. Nevertheless, this varied quite significantly by market sector.

"THE ASIA-PACIFIC REGION WAS THE MOST DYNAMIC MARKET IN 2014 AND WILL CONTINUE TO BE ATTRACTIVE IN THE COMING YEARS. MORE THAN EVER, THIS AREA IS A KEY PLACE FOR ALL GLOBAL MEDIA COMPANIES," says Bruno Balaire, Global Head of the Mazars group Media.



1.2.1 NORTH AMERICAN ADVERTISING & COMMUNICATION BOOSTED BY FACEBOOK AND GROWTH IN ASIA

The significant increase in revenue seen in the North American **Advertising & Communication** sector was mostly generated by Facebook, which increased its revenue by 2.8 billion dollars in 2013. The social network also succeeded in increasing their advertising revenue by:

- Monetizing mobile content by integrating advertising with users' newsfeeds
- Enabling advertisers to adapt their content according to the location, gender, age, interests, relationship status, workplace and qualifications of the target reader.
- Revenue generated by mobile advertising now represents 45% of Facebook's total revenue, as opposed to 11% in 2012.

As with Google or eBay, Internet companies are focusing on mobile platforms in the hope of monetizing content across devices. For example, in the third quarter of 2013, social network **LinkedIn**, with more than 259 million users (up 38% in one year), announced it was launching new solutions geared toward advertisers and re-focusing its strategy on the mobile market. In the same vein, **Twitter** acquired real-time mobile advertising platform MoPub, for what is thought to have been in excess of 300 million euros.

The North American **Advertising & Communication** sector further consolidated its growth through:

- The development of new technologies for mobile devices, especially in the areas of geolocation and data management.
- Strong performance in Asian countries.

FOCUS ON A RISK FACTOR



RISK RELATED TO THE ATTRACTION AND RETENTION OF KEY PERSONNEL: STRONG GROWTH IN EUROPE

In 2013, 74% of companies in the sample indicated concern about their ability to attract, motivate and prevent leakage of talent. 69% answered similarly two years earlier.

In a sector where innovation and creativity are essential to maintaining competitiveness, these issues are crucial. Competition between groups in the sector is very important to acquire and retain these key, highly-educated employees, who are skilled in the areas of creation, engineering, marketing and management.

Even Google, despite being ranked as one of the most attractive employers, failed to retain some of its best team members. Its main competitor in terms of attractiveness, Facebook, has more than 10% of all former Google employees among its workforce. According to

The Wall Street Journal. To counter this talent leakage, since 2011, Google has increased the salary of its all of its employees by 10%.

In Europe, in 2011, Axel Springer launched a marketing initiative to differentiate and promote itself, with the aim of giving it a more innovative and modern image than its competitors. In order to fight the loss of talent, Axel Springer pays particular attention to its salary policy, in terms of motivation, training and remuneration (bonuses and stock awards), and its work environment (in particular, flexible hours). Others, such as United Internet and Sky Deutschland, offer programs for high-potential profiles designed, in particular, to develop the leadership skills of in-house talent, allowing them to fulfill their potential.

Cloud computing to strengthen mobile services

In a world that is becoming increasingly mobile, **Akamai**, a cloud computing specialist, focused on optimizing streamed content. In 2013, the company rolled out technology that allowed it to increase its video streaming, music/MP3, game and video download speeds on all mobile devices.

Equinix is an international data center operator and a major player in the world of cloud computing. Their customers are mainly actors in the digital economy thus more than 700 are involved in cloud computing. In 2013, **Equinix** benefited from the exponential growth of the mobile telephone, content and data traffic sectors, allowing it to open new sites.

Over the last few years, cloud computing has been completely transformed by major Internet companies including Amazon Web Services and Google, vying for prominence in this market by offering very attractive rates.

Rackspace, which had previously distinguished itself with added value services, has lost profitability, following a net decrease in its market price, is currently examining different options, including a merger with another cloud company.

The public cloud market, which according to Gartner was worth 133 billion dollars in 2013, looks set to grow stronger in the coming years. HP announced that it will invest 1 billion dollars in the open source cloud, and is currently launching new services.

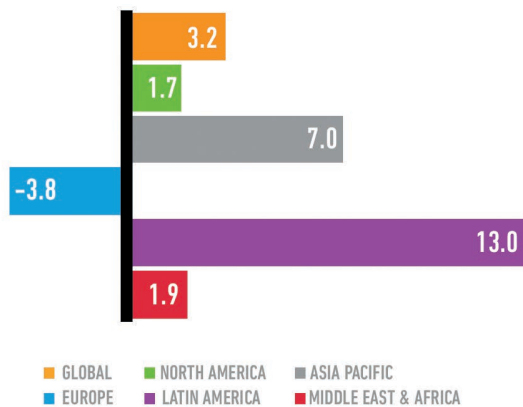
Overall, the **Advertising & Communication** sector in the United States benefits from a national strategy oriented toward Big Data, considered an engine of economic growth. In March 2012, a 200 million dollar investment was made by the government to develop data storage, analysis and collection technologies.

Asia-Pacific: The driving force behind global advertising growth

According to a Nielsen Global AdView Pulse study, the Asia-Pacific region was one of the main drivers of global advertising growth. Over the first three quarters of 2013, the sector grew by 7% with the following primary contributors:

- China with an increase of 16.7%
- Indonesia with an increase of 22.1%
- Malaysia with an increase of 15.7% in advertising revenue

Advertising & Communication Year & Year change in growth rate per region



Criteo, a French personalized re-targeting Internet advertising solution, is investing in this dynamic region, having launched a new datacenter in Hong Kong in June 2014, only three years after establishing one in Tokyo.

FOCUS ON A RISK FACTOR



ANTICIPATING CUSTOMER NEEDS AND DEVELOPING NEW PRODUCTS

In 2013, 81% of the largest media groups said that the ability to anticipate customer demand and the development of new products were major risks for their operations, up 4% from 2011.

In a sector marked by constant technological evolution, a leading company in its sector can very quickly cease to effectively respond to consumer demand.

After the development of the Internet, which deeply impacted consumer spending habits, connected objects will undeniably represent one of the main growth drivers for the future. According to Cisco, at the end

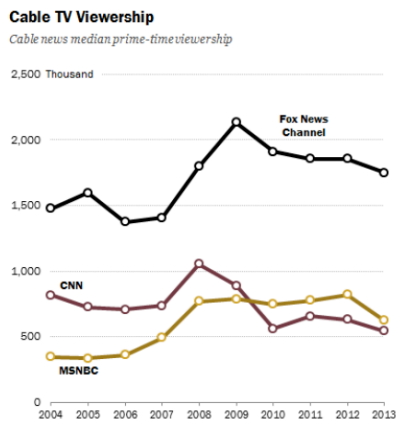
of 2013, there were more than 13 billion connected devices (telephones, chips, sensors, etc.). By the end of 2020, this number is expected to reach 50 billion.

In this environment, management of a large volume of data, or Big Data, is becoming a major issue, for which media sector companies have already been preparing for several years. Advertisers, in particular, will be very interested in the details collected about users' lifestyle. By knowing their habits and customs, for example, they can advise them on their lifestyle or even provide them with offers in line with their consumption.

1.2.2 AMERICAN BROADCASTING COMPANIES ARE STRUCTURING THEMSELVES TO WITHSTAND THE THREAT POSED BY NEW DIGITAL COMPANIES WITH MOBILE AND MULTI-DEVICE SERVICES

The 7.9% increase in sales in the **Broadcasting** sector is primarily explained by Liberty Global's acquisition of Virgin Media, which was authorized by the European Commission on April 15, 2013, for the price of 17 billion euros.

Liberty Global is a world leader in cable and satellite television, listed in the United States for 10 billion euros.



However, even though revenues for the North American companies in our sample seem to be holding steady, their activities were profoundly affected by Internet competition. According to an Ipsos study from August 2013, the amount of time people spend watching videos online has increased by 50% in the United States, due to the increased popularity of mobile devices, which make it much easier to access media.

Two companies that specialize in these new technologies have had a particularly important impact on the North American market: **Aereo** and **Netflix**.

Aereo is a technology company based in New York. In 2012, it launched a service that provided access through streaming to more than twenty television stations via Internet-connected devices such as smartphones or tablets, without having to subscribe to television services. Originally, this service was only available in New York. In January 2013, Aereo CEO Chet Kanojia announced that the service would be rolled out to 24 additional cities. By the beginning of 2014, services were up and running in nine of them.

Believing the company's activities to be illegal, owners of television broadcasting networks filed lawsuits against Aereo. In June 2014, the US Supreme Court ruled that Aereo had infringed on copyright legislation, which led the company to be placed under bankruptcy protection.

This decision, however, may only provide a brief respite for American cable operators. In fact, the decision handed down by the Supreme Court only deals with this specific case and does not address broader issues such as streaming and cloud computing, as well as the storage of videos and broadcast programs. Following this verdict, Chet Kanojia posted his

reaction on the company's blog, stating that, "...the Court's decision is a major setback for the American consumer. We worked tirelessly to create new technology that complied with the law, but today's decision clearly shows that it doesn't matter how the technology works."

In fact, other business models, like that of **Netflix**, are proving to be just as revolutionary for the world of broadcasting. For a subscription starting at \$7.99 per month, the company makes more than 10,000 movies available to their subscribers. Netflix has experienced vast success around the world and boasts more than 40 million members. The company's business model does not stop there, though:

- **Netflix** has developed its own series through partnerships with other studios.
- Since 2013, the site has implemented an algorithm that provides a personalized list of suggested films for each subscriber, based on their tastes and behavior. When their earnings for the third quarter of 2013 were published, Netflix announced that they had more subscribers than HBO in the United States.

Faced with these structural changes, broadcasting companies have developed new strategies:

▪ **Partnerships between stations: Hulu**

NBC Universal (Comcast), 21st Century Fox and The Walt Disney Company joined forces to create Hulu. Based on the same premise as YouTube, Hulu offers videos on demand and video sharing services, using a subscription service similar to Netflix, with the addition of 30-second advertising spots shown during the episodes.

The primary problem with a partnership like this is the challenge of establishing a common vision for the business model. **The Walt Disney Company** was initially in favor of a totally free service that would be supported by advertising, contrary to the fee-based model **21st Century Fox** had in mind.

In 2013, **Yahoo!**, and then **Warner Bros.**, attempted to acquire **Hulu**, which is viewed as the most serious rival of **Netflix**. Despite receiving offers in excess of 1 billion dollars, in mid-2013 the three on-demand video service owners agreed to keep and recapitalize **Hulu** for \$750 million.

Hulu is now a major player in the video on-demand market in the United States. The number of Hulu users more than doubled in 2012. The company's next challenge will be to expand internationally.

▪ **Alliances between cable operators and content producers:**

In order to ensure ownership of premium content, cable operator **Comcast** acquired the remaining 49% of **NBC Universal** in March 2013, to the tune of \$18 billion.

This move also strengthened Comcast's negotiating power with Internet stakeholders - Internet access and online video service providers that seek to negotiate directly with television stations.

"ON-DEMAND TV HAS REVOLUTIONIZED THE WAY TELEVISION IS CONSUMED. TRADITIONAL BROADCASTERS NEED TO ORGANIZE THEMSELVES IN ORDER TO COMPETE WITH THE DIGITAL PLAYERS AND TO PROMOTE A MORE ATTRACTIVE DIGITAL OFFERING," says Richard Faltin, Partner in US.

▪ **Diversification into digital and mobile services**

Cable operator **Time Warner** countered through its subsidiary **HBO**, an American pay-TV channel, by launching HBO Go, an on-demand video service in 2010. For a subscription costing \$15 per month, episodes of HBO series are available on HBO Go one hour after they are broadcast on television, for an unlimited amount of time. Movies remain online for the entire period that HBO's online broadcast rights are valid.

▪ **A partnership with new players in the market:**

Discover Communications, an American television company and one of the leading thematic channels specializing in documentaries, moved to improve their relatively poor digital service, by signing agreements with **Netflix** and **Amazon** to broadcast its programs.

Discussions are currently thought to be in progress to connect cable operator Comcast's cable boxes with the Netflix on-demand video service. Concurrently, Time Warner Cable may negotiate integrating YouTube with their cable boxes.

1.2.3 THE PRESS & PUBLISHING SECTOR IN STRUCTURAL DECLINE

North American Press & Publishing companies experienced an overall 4.7% decrease in revenues in 2013. However, magazine and book publishing are undergoing different trends.

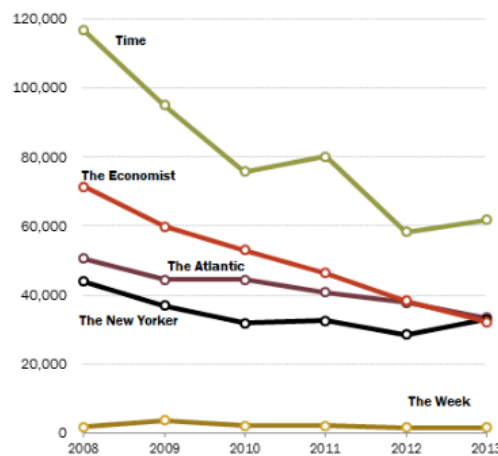
The magazine sector under threat in the United States

The magazine sector is affected by two major phenomena:

- Migration of readers from print publications to digital publications, which have a less profitable business model
- A decrease in advertising revenue across all platforms

News Magazines' Newsstand Sales

Average single copy circulation



Source: Alliance for Audited Media
PEW RESEARCH CENTER



In a continuation of trends seen in previous years, newsstand sales of current affairs magazines decreased by 2% on average in 2013, according to information provided to the Alliance for Audited Media, the sector's benchmark measurement system.

Since 2008, sales of current affairs magazines have decreased by 43%. Magazines are simultaneously faced with a reduction in advertising revenue.

According to the Newspaper Association of America, global newspaper revenues in 2013 were estimated at \$37.6 billion, a 2.6% reduction compared to 2012. Of this total figure, advertising generated by print and digital media decreased by 7% to \$20.7 billion. Digital advertising revenue was up slightly by 1.5% in 2013, which was down compared to the 3.7% rate recorded in 2012.

The decrease in advertising revenues for print editions and the slower pace of growth for digital advertising can be explained by the greater range of devices and content available.

For example, the company Gannett, which owns around one hundred daily newspapers, including national newspaper USA Today, experienced a 4% reduction in its sales revenue. This was mainly accounted for by a slowdown of its press business activities, with advertising revenue down across all platforms, for all types of advertisers and on all markets (mainly in the US and UK).

The book industry is adapting to the shift to digital, but facing an increasing threat from self-publishing

The hard copy market has had a rough time over the last few years with the arrival of e-books and the emergence of self-publishing.

Spearheaded by companies including Amazon, Smashwords and Lightning House, e-books experienced spectacular growth in 2013, threatening the traditional book industry.

Unlike traditional publishing, where 5% to 10% of the retail price is paid back to the author, the author's compensation is between 30% and 85% with digital self-publishing.

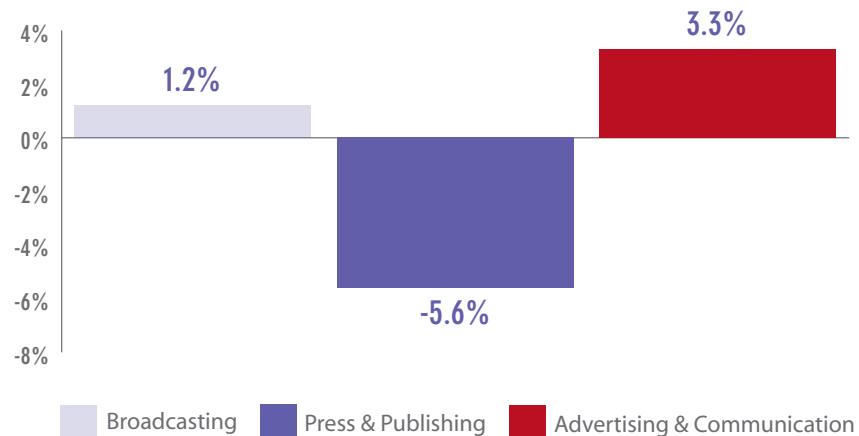
Self-publishing output has increased by 422% in the United States over the past few years, according to the Bowker report.

"MOST PRESS COMPANIES HAVE SHOWN THEIR ABILITY TO PROVIDE QUALITY DIGITAL CONTENT BY MIXING TEXT WITH PODCASTS AND VIDEOS. THE NEXT CHALLENGE WILL BE TO INCREASE THE PROFITABILITY OF THEIR DIGITAL ACTIVITIES," says Romain Maudry, Partner in France.

1.3 EUROPEAN MEDIA IS UNDER PRESSURE FROM THE EU ECONOMIC ENVIRONMENT

Revenue for the European media groups in our sample remained stable compared to 2012, in spite of a particularly difficult economic environment.

Other European Media Companies
2013 vs 2012 - Revenue variation per segment



1.3.1 IN A DIFFICULT ECONOMIC CONTEXT, THE ADVERTISING & COMMUNICATION SECTOR HAS MAINTAINED ITS STANDING THROUGH TECHNOLOGICAL AND GEOGRAPHICAL GROWTH

Revenue for European Advertising & Communication companies increased by 1.2% in 2013.

No European Internet player was featured on the list of companies analyzed. European companies were not sufficiently large to be part of the sample considered. The growth of the Advertising & Communication sector in Europe mainly stems from advertising agencies.

A presence in the entire advertising value chain

The growth observed was mainly generated by **Publicis**, which achieved a record year in 2013. Publicis owes this performance in part to a strategy focused:

- On digital, since 2006, particularly with the €1.3 billion purchase of Digitas, the American leader in Internet advertising
- On being present in countries experiencing strong growth

Publicis' goal is to be present across the entire value chain, by covering all advertising sectors via external growth transactions and agreements with leading players such as Google, Yahoo! and Adobe.

In 2013, 26% of sales revenue for the **Havas group** were from its digital and social media activities. This success was built on a strategy that integrates digital into all of the group's activities and all its agencies around the world. With this objective in mind, **Havas Media** launched 2MV (Media & Marketing Value), offering services based on intelligent and operational analysis of data to improve the effectiveness of media-marketing strategies.

"BY MAKING INFORMATION TRANSPARENT AND USABLE, BIG DATA IS THE BEST WAY FOR ADVERTISERS TO PROVIDE TAILORED MESSAGING AND BEST RESPOND TO CUSTOMER NEEDS," says Pierre-Marie Lagnaud, Partner in US.

Big Data is also taking center-stage in Europe

Following the example of the United States, which implemented *The Big Data Research & Development initiative*, committing more than \$200 million in new funding, 2013 was marked by a series of measures taken by various European countries to strengthen the sector:

- Ireland implemented an employment action plan in 2013, providing for the creation of a Big Data industry, and offering training programs and help for those setting up companies in the sector.
- France finances Big Data projects in the context of a strategic national development plan.
- In October 2014, the European commission announced a public-private partnership with the Big Data Value Association, a consortium encompassing several European players such as SAP, Orange and Atos, representing a total investment of €2.5 billion.

European advertising companies have clearly embraced this approach to using Big Data.

"Today, to be effective, companies must have a comprehensive plan. Computing power and integration will be challenges. If we separate strategic planning from mathematics, we won't be able to find the solution," says Arthur Sadoun, CEO of Publicis Worldwide. In the Internet sphere, mathematicians and software developers have a significant role to play. Analyzing all of the data gathered on the Internet now offers a significant competitive advantage.

Publicis currently excels in all the techniques that make brands visible, whether through sponsored links - on Google - purchasing key-words to ensure that brands appear as the top results on search engines, and organic search results.

According to Stéphane Fouks, Vice President of Havas, the second-largest French company in the sector, "Big Data has totally changed the approach within the sector and puts customer relations at the heart of the link between agencies and advertisers. It also allows advertising to re-enter the world of consulting, which had become dominated by analysis firms."

As with their North-American counterparts, European companies in the Advertising & Communication sector must stay abreast of the market to make the most of the growth opportunities generated by the development of mobile devices.

1.3.2 EUROPEAN BROADCASTING ACTIVITIES REMAIN STABLE DESPITE THE PRESSURE OF A COMPETITIVE ENVIRONMENT

In the difficult and highly competitive European economic context, the Broadcasting sector was able to hold its ground with sales growth of more than 1%.

A price increase combined with the sales of complementary services compensated for a reduction in subscriptions.

Significant competitive pressure on content

Strong competitive pressure has been observed in Europe on content, technology and advertising rates.

For example, in the United Kingdom in 2013, British satellite television operator **British Sky Broadcasting Group plc** (BSkyB), experienced strong competition from digital players such as Netflix and Amazon. However, the main source of competition was from traditional British operator, BT (formerly British Telecom) and cable operator, Virgin Media.

In an effort to consolidate its base of 6.7 million high-speed Internet subscribers, BT entered into direct competition with BSkyB by going after the soccer match retransmission rights market. BT's strategy in this field was built around three formative acquisitions:

- In 2012, broadcasting rights for 38 Première League matches between 2013 and 2016.
- In early 2013, purchasing ESPN from Disney, subsidiaries dedicated to sports in England and Ireland, and at the same time, the broadcasting rights for the FA Cup, the Europa League and Bundesliga owned by these networks.
- In late 2013, the acquisition of all the European Championship rights, as well as those of the League of Champions and Europa League for three seasons from 2015 onward, for a little over one billion euros.

BT's strategy relies upon a concurrent distribution agreement with cable operator Virgin Media, giving BT access to 4 million viewers.

In this difficult context, BSkyB has nonetheless witnessed its business activities improve as a result of:

- Massive investments in the production of original content.
- Successful Internet diversification. BSkyB has become the second largest Internet access provider in England. The operator's triple play service actively contributes to the increase in the group's revenue.
- The launch of NowTV, a service that enables BSkyB to directly interact with viewers without cable subscriptions, thereby competing with players such as Netflix.

A TOUGH FIGHT FOR FRENCH ADVERTISING

Métropole télévision (Groupe M6) and TF1 Group, two French major television networks, fought a price war on advertising rates. TF1 lost 1.5 market share points, now representing 35% of the French televisual advertising market. Thus, while Métropole Télévision's advertising revenue has remained buoyant, that of TF1 decreased.

Increased technological pressure

Having been relatively unaffected until now in comparison with the United States, in 2013 the European Broadcasting sector was marked by growing interest from Internet giants in the European streaming market:

- Netflix, which had spent the previous few months looking to extend its services to cover all of Europe, announced an investment plan of approximately 400 million euros, mainly targeting France and Germany.
- The Japanese group Rakuten (which notably purchased Priceminister), has just launched an on-demand video service in the United Kingdom and announced it was waiting for administrative approval for broadcasting rights in France to launch an equivalent service there.
- Amazon is going to launch LoveFilm in France, a rental website for video games and movies that relies upon streaming.

"IN 2014, THE EUROPEAN BROADCASTING INDUSTRY HAS SEEN MAJOR STRUCTURAL CHANGES WITH THE EMERGENCE OF NEW PLAYERS SUCH AS NETFLIX. TRADITIONAL EUROPEAN BROADCASTERS WILL HAVE TO ADAPT THEIR DIGITAL STRATEGY MORE RAPIDLY THAN EXPECTED," says Romain Maudry, Partner in France.

European media groups are restructuring in response to the threat posed by these giants of the technology and media world. In Germany, for example, **Sky Deutschland** has proved itself to be particularly active and innovative. The pay-TV leader in Germany, Austria and German-speaking Switzerland has considerably developed its on-demand video service, particularly "Snap;" A new category for children has been added to its catalog, including titles from the Disney group that can now be viewed on a range of devices.

In addition, an agreement with Paramount has enabled Sky Deutschland to allow customers to rent at least five new films per day in German or in the original language with Dolby Digital 5.1 sound, through the Sky Select and Sky Select Anytime platforms.

Unlike their peers in other countries, French broadcasters have been relatively protected by French cultural isolation and regulations pertaining to media chronology. The latter is very different from the chronology in place in the United States or United Kingdom, for example. These regulations stipulate:

- A minimum three-year period between when a film is shown in theaters and the time it is made available via an on-demand video service.
- Participation in the system of contributions and subsidies which supports the production of French and European content.
- VOD (video on demand) catalogs must contain at least 60% European audiovisual productions, and 40% French productions.

The threat is taken very seriously by established players. In response, new strategies are appearing:

- François Mulliez, the Vice Chairman of e-TF1, invited television industry players to join together to form a "French-style Hulu".
- CanalPlay Infinity, the VOD service offered by Canal+ and Netflix catalog are now available on AppleTV.
- On one of the Canal+ channels, some series have been made available just 24 hours after being broadcast in the United States.

Local economic conditions can significantly impact advertising revenues

Hard-hit by the economic and financial crisis, advertising purchases in certain European countries continued to decrease in 2013.

Against this backdrop, advertising revenue for the Group MediaSet - dominant in the Spanish and Italian markets - decreased by 10.1% compared to 2012.

1.3.3 A PRESS & PUBLISHING SECTOR IN DECLINE

Despite a significant decrease in sales volumes, the press sector is finding a successful new economic model

In Europe, the press sector is subject to profound structural changes and operates in a particularly difficult economic environment. Even if the 6% reduction in sales revenue is partially a result of lower advertising investment in paper editions of magazines, it is also due to a withdrawal from certain traditional, unprofitable activities in favor of digital activities. The industry is adapting to its economic context, with a view to halting the decline of its business activities.

In the press industry, digital editions are becoming increasingly dominant and are presented as one of the levers that will help companies rebound and create growth.

For example, Axel Springer, publisher of "Bild Zeitung" in Germany, has seen its paper distribution drastically reduced, while traffic on the group's websites has increased significantly. The company is clearly refocusing on digital editions. The €0.6 billion decrease in its sales revenue is partially due to the fact that it abandoned a section of the German regional press. From the first quarter of 2014 onward, the German press group generated more than half of its revenue and profit from digital activities for the first time.

The Solocal group (formerly Yellow Pages), which has undergone a profound restructuring of its activities, forecasts that 80% of its revenue will come from its web activities by next year.

According to Médiamétrie//Netratings³, in April 2014 the Mondadori group, publisher of Topsante.com, Closermag.com, Grazia.fr and Telestar.fr attracted almost 5 million unique visitors to its websites. In July 2014, the group acquired Elleadore.com and Elleadoreluxe.com, which rely on bringing together display advertising and e-commerce. The group's stated aim is to double the digital contribution to the group's sales revenue by 2015; it only represented 5% of the group's revenue in 2013.

The European publishing sector continues its march toward digital

According to the "Global eBook" report⁴, while e-books are becoming everyday in the United States, representing 20% of the book market, in Europe, printed books are generally resisting the arrival of their electronic counterparts, with variation from country to country.

- In the United Kingdom and other European English-speaking countries, the e-book market is the most mature, contributing up to 15% of publishers' revenue in 2013. The migration rate for British readers to digital is comparable to that of American readers.
- Germany is the leading European market for books, with sales revenue of 9.52 billion euros. 2013 saw an acceleration in its migration to e-books with twice the number of e-books sold, representing an estimated 5% of the book market for that year.
- Spanish consumers, suffering from the effects of the crisis for the past few years, have migrated to e-books very rapidly, attracted by their reduced prices. In 2013, e-books generated more than 30 million euros in revenue, which comprises 3% of the market share.
- In France, e-books make up 2.1% of publishers' sales revenue. With selling prices that are only 30% lower than printed books, French consumers view e-books as excessively expensive and generally unattractive overall.

"THE E-BOOK MARKET IS MORE DEVELOPED IN THE US THAN IN EUROPE, WHERE CONSUMERS PREFER READING HARDCOPY BOOKS. BUT BOOK DIGITIZATION HAS BEGUN IN EUROPE AND E-BOOKS ARE SURE TO RAPIDLY BECOME A REAL ALTERNATIVE TO PAPER BOOKS," says Barbara Israel, Partner in US.

³ Source Médiamétrie/Netratings

⁴ Report compiled by the researcher Rudiger Wischenbart

"THE MAIN ISSUE FOR MEDIA GROUPS IN 2015 WILL BE TO INTEGRATE CONTINUOUSLY EVOLVING DIGITAL TECHNOLOGY, ESPECIALLY THEIR ABILITY TO RELEASE CONTENT ON ALL DEVICES IN REAL TIME,"
says Guillaume Devaux,
Partner in France.



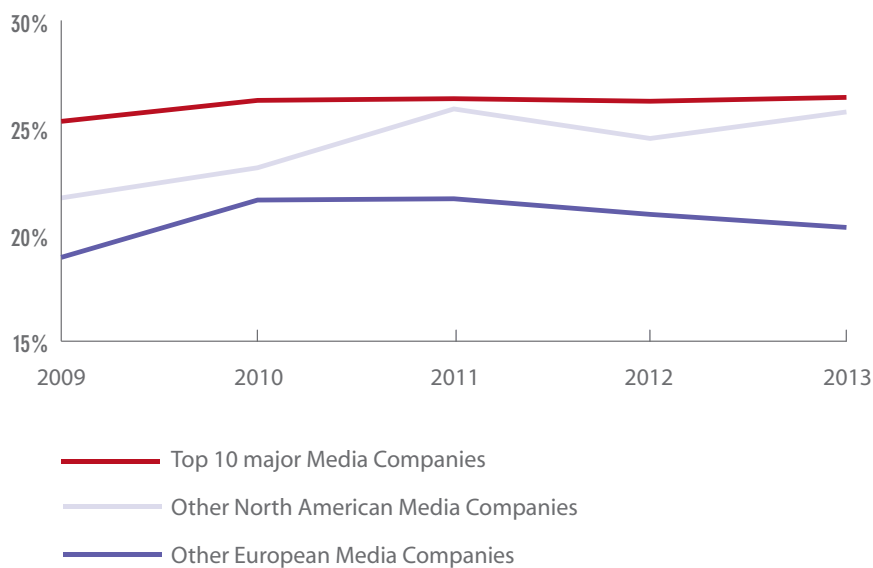
PART 2: PROFITABILITY IMPROVING IN NORTH AMERICA; EUROPE STRUGGLING

In general, the profitability level for the media sector has remained high in spite of the economic crisis, as a result of:

- The reduction in costs and rationalization of processes
- The rapid growth of new economic models associated with the Internet
- Investments in developing countries and in new technology

This encouraging dynamic hides, however, significant disparities between companies based on size and geographical location.

European & North American Media Companies - Profitability changes (EBITDA / Revenue ratio)



Thus, even though the profitability of the top 10 companies in our sample has stagnated, that of other North American companies has raised by 1.2 points. The profitability of European companies, on the other hand, continues to decline, with a 0.6 point decrease in 2013.

FOCUS ON A RISK FACTOR

RISK OF VIOLATION OF COMPUTER SECURITY AND DATA CONFIDENTIALITY

In 2013, 64% of the sample's Media Groups report being subject to the risk of violation of their computer systems, with an impact on data privacy. Only 54% responded in this way in 2011.

Through our analysis, this change is a result of the development of the use of insecure mobile devices and the development of cloud computing. At the same time, media groups, through their digital activities, are collecting more and more data on their users, meaning that maintaining confidentiality is crucial.

In this environment, companies within the sector are especially susceptible to accidental or criminal disclosure of their data.

34% of these violations are targeted attacks arising from cyber crime:

- In July 2013, Ubisoft, the French video game giant, was the subject of a cyber attack, and its users account information was stolen

- In August 2013, an attack on *The New York Times* website temporarily forced it offline, and another on its Twitter service disrupted its operations.

- In May 2014, eBay also announced that it was the victim of a cyber attack. Hackers managed to obtain the passwords of employees within the group, thus potentially accessing the confidential data of the 145 million users.

These examples illustrate the increased vulnerability of industry stakeholders in the face of this type of threat. Identity theft is still the most worrying phenomenon, especially in the United States, where it is estimated that one identity is usurped every three seconds. However, 29% of data privacy losses are the result of accidental release by the company itself due to technical problems. In June 2013, the confidential data of 6 million Facebook users was disclosed following a glitch in the system.



2.1 MEDIA GIANTS ARE MAINTAINING HIGH LEVELS OF PROFITABILITY AND STRONG GROWTH, WITHIN A DYNAMIC ENVIRONMENT WITH CONTINUOUS TECHNOLOGICAL AND CULTURAL CHANGE

Internet giants have continuously adapted their business models over the last few years, including diversifying into new business activities. And yet, this diversification does not seem to have resulted in significantly reduced profitability.

Google is the perfect example of a company that is able to increase its revenue both organically and externally, as well as diversifying its activities. It does so while staying in control of its profitability. This includes the Android operating system for cell phones and online video sharing site YouTube, as well as a multitude of applications ranging from GPS to price comparison services, access to an extensive digital library, and much more. Nonetheless, Google's profitability dropped by 2% in 2013, as a result of:

- The cost of its diversification projects, such as Google Glass, drones, medical etc. The American giant's expenditure on equipment and content purchases increased significantly in 2013.
- Google's mobile subsidiary, Motorola, experienced an operational loss in 2013 and was sold in 2014 to the Chinese equipment manufacturer, Lenovo.

The profitability of **WPP**, the London-based advertising and communication group, was impacted by a strong pound sterling and the group's operating margin increased by a mere 0.3 points to 15.1%. The profitability of advertising agencies is subject to strong competition. According to Martin Sorell, CEO of WPP, the change in the group's profitability "can be explained by pressure from customers, who want more for less, by competition and by discounted prices."

In spite of increasing competition from digital players such as Netflix, American cable operators maintained their profitability in 2013.

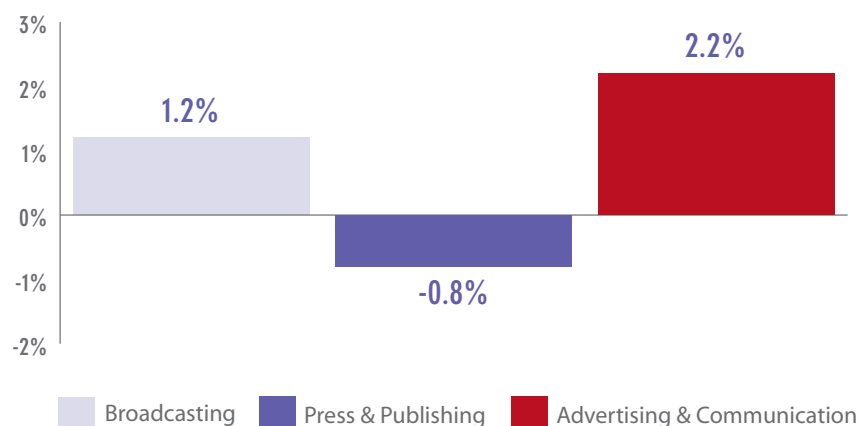
"MOBILE AND TABLET DEVICES HAVE TRANSFORMED THE WAY CONSUMERS ACCESS MEDIA. THERE IS NO DOUBT THAT NEW TECHNOLOGY WILL IMPACT CONSUMER HABITS IN THE COMING YEARS," says Roy Anderson, Partner in US.

2.2 HIGH PROFITABILITY FOR NORTH AMERICAN COMPANIES

After a slight decline in 2012, the average margin for American media groups increased in 2013. This positive change can principally be explained by:

- The progressive transition from traditional models to digital models, with improving profitability.
- The fulfillment of significant acquisitions, which were still being implemented in 2012 and for which increased profitability is being felt in 2013.

Other North American Media Companies - 2013 vs 2012 - Profitability change per segment (EBITDA / Revenue ratio)



Advertising & Communication Sector

Facebook, which celebrated its tenth anniversary in February 2014, has long been the subject of doubts as to its ability to monetize its audience and to generate profitability. In 2013, the group recorded an exceptional profitability ratio of 55%, increasing 27 points compared to 2012, thereby erasing all doubts. This increase in profitability is due to:

- The social network's ability to integrate itself perfectly with mobile technology, considerably increasing its number of users and the frequency of visits.
- The monetization of additional products such as the "like" button, allowing the user to interact with advertising and to spread this advertising to the user's friends.
- The use of cookies tracking the user's key information such as age, sex and interests, as well as geographic location, last websites visited, etc. The major Internet players all use similar tracking techniques.

Facebook's figures prove the ability of a business model based on free services to generate revenues and profitability. Twitter, which was recently floated on the stock market, is currently trying to follow in their footsteps.

The level of profitability in the advertising sector is bolstered by highly profitable companies such as **Equinix**, the data center operator, whose EBITDA / Sales revenue ratio is 46%, and **Akamai Technologies**, which specializes in making servers available for other companies, whose ratio was 35% in 2013. Nonetheless, these highly capital-dependent activities require strong investments which impact the net income of such companies.

The gaming sector, which has profoundly changed over the last few years in parallel with the growth of the second screen, is now clearly divided into two separate activities whose business models are becoming farther and farther apart: that of games for living room consoles and that of online and/or mobile games.

In this market, **Electronic Arts'** sales revenues continue to decrease and its profitability has somewhat weakened. The group has adopted a restructuring plan, specifically involving the closure of Berlin's Popcap studio and the European Phenomic studio in July, which partially impacted its profitability. These measures should allow it to bounce back more quickly from 2014 onward. "Our industry is undergoing a radical transition, it is not simply changing from one generation of consoles to another," commented Peter Moore, CEO of Electronic Arts. In this context, the group is continuing to adapt its business model with sales revenue (despite a downturn in 2013) generally showing an upward trend, thanks to:

- Digital sales, whose sales revenue has increased by more than \$430 million. For example, 1.6 million copies of the blockbuster SimCity were sold; 50% of those sales were digital.
- Sales generated on mobile platforms that have increased substantially. They generated a \$266 million increase in sales revenues relating to the technological development of cell phones.

The American firm's strategy will henceforth be based on strengthening the software for its mobile activities, as well as on its most profitable licenses, such as FIFA Soccer and the latest version of war game, Battlefield 4. To implement this strategy, Electronic Arts is counting heavily on Origin, its digital distribution platform which allows users to purchase games online for PC and mobile platforms.

Sector leader, **Activision Blizzard**, has once again achieved an excellent year in terms of both activities and profitability. The California-based company generates high profitability based on:

- **A limited number of titles**, with optimal quality level whose budgets sometimes exceed that of cinematic productions.
- **The online video game market:** Activision Blizzard is the leader in this market, primarily thanks to Call of Duty. The group also boasts a base of 9.6 million subscribers at approximately 11 euros per month for its massively multiplayer role playing game, World of Warcraft.
- **Strong marketing innovations** in the products offered, perfectly illustrated by Skylanders. This game incorporates plastic figurines that interact with the games on the screen. Revenues have reached more than 1.5 billion dollars, generated by the sale of more than 100 million figurines and more than 9.5 million titles.

The Broadcasting sector

In 2013, satellite radio supplier **Sirius XM** experienced a year marked by strong growth in both its activities and profitability. Sirius XM, a service initially intended for American cars, succeeded in migrating to digital and their programming will also be available on cell phones and tablets from now on.

In a sector where competition among digital players is fierce, the improvement in **Sirius XM's** profitability is the result of a 12% increase in sales revenue. Meanwhile, operating expenses, of which a large portion are fixed, were kept at 6%. Sirius XM succeeded in resisting competition from free radios because of its development on the car radio market, where its services can be combined with other types of devices. In addition, it delivers a wide range

of services, comprising over 140 networks offering music, sports and talk shows without advertising. Digital radio networks like Pandora have responded by offering two options - free music with limited advertising breaks and subscription services that eliminate advertising.

The distributor of the Twilight saga, **Entertainment One**, has almost doubled its EBITDA and has seen its profitability increase by almost 3% after its acquisition of independent distributor, **Alliance Films**, allowing it to considerably increase its content library. At the same time, the North American group has significantly increased its digital sales, mainly to LoveFilm, Netflix and iTunes, by more than 148%, almost 100 million euros, allowing it to absorb the decrease in DVD revenues. Digital sales now represent more than 20% of the group's total sales revenue.

Loss in profitability for Press and Publishing companies slowed down in 2013

Press and Publishing companies have experienced a reduction in advertising revenues over the past few years due to the emergence of digital distribution. In 2012, according to Pew Research Center, the paper press lost on average 16 dollars in advertising revenue for every dollar earned digitally. The profitability for Press and Publishing companies in our sample decreased by 0.8% between 2012 and 2013. This figure represented a slower rate of decline compared to the substantial reductions in profitability observed in previous years, as a result of numerous measures taken by American press groups.

Refocusing business activities on the most profitable titles

The New York Times group, which owned several newspapers, magazines, television networks, radio stations, and websites such as About.com - as well as being involved with sports clubs such as the Boston Red Sox - has been refocusing on the eponymous newspaper for the past few years:

- In 2011, the group announced it was selling its "regional media" activities, including 16 local newspapers, as well as various other publishing activities and its stake in the Boston baseball team.
- In 2012, the group sold its digital activities included in the About Group subsidiary.
- In 2013, the New York Times group announced it was selling the Boston Globe, for which the number of subscribers had halved since its acquisition in 2013.

The New York Times group is refocusing on one unique brand in order to draw foreign readers to its website and to develop a global multi-platform mobile product offering.

The division of press business activities

2013 was marked by a refocusing of business activities for numerous media groups, selling or isolating unprofitable press business activities:

- In February 2013, Time Warner spun off its magazine branch through the Time Inc. subsidiary, whose sales revenues had dropped by 30% over the previous five years. Following this, the group has kept the TNT, TBS, and HBO networks, Warner Brothers Studios and New Line Cinema.
- On June 11, 2013, the shareholders of News Corp voted by an overwhelming majority in favor of splitting the company into two independent firms. The first kept the News Corp name and includes all the group's press and publishing activities including *The Wall Street Journal*, *the Times* and *Harper Collins publishing*. The second company, 21st Century Fox, includes all the more profitable activities including television networks and film studios.
- In August 2014, Gannett announced its intention to separate its newspapers, including the daily *USA Today*, from its broadcasting and digital activities. During the

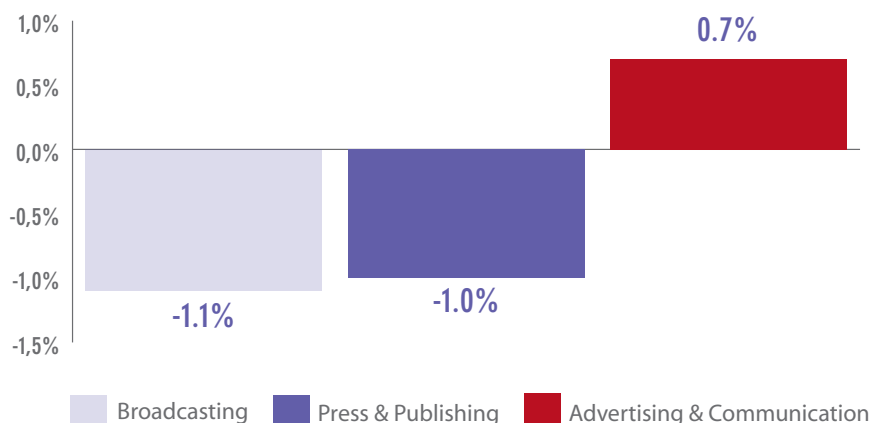
presentation to analysts, the Chairman of the group, Gracia Martore, stressed that "It is the right time to create two separate companies that will have greater growth than what they would experience under the same brand."

- The owner of the *Chicago Tribune* and *Los Angeles Times*, the American Tribune group, separated its radio and television activities from its press activities.

2.3 HAMPERED BY ECONOMIC CONDITIONS AND COMPETITION, PROFITABILITY IS DECREASING SUBSTANTIALLY IN EUROPE

Unlike their American counterparts, European groups have continued to suffer from the economic crisis. Their EBITDA was down in 2013.

Other European Media Companies - 2013 vs 2012 - Profitability change by segment (EBITDA / Revenue ratio)



The Publishing sector

The profitability of companies in the publishing sector decreased by one point in 2013 in a continuation of the trends observed in previous years.

Publishing groups have embarked upon a strategic shift to digital, investing in the technology that will allow them to adapt to both tablet formats as well as cell phones.

The **Schibsted ASA** Group, a Norwegian conglomerate, has been investing in digital over the last few years and is progressively withdrawing from its traditional activities. These investments have allowed the group to grow its business activities pursuant to the strong performance of its online classified advertising activities (Leboncoin, Finn and Blocket). In spite of buoyant business activities, **Schibsted ASA's** profitability went down 4 points in 2013, mainly impacted by:

- The launch of online classified advertising sites in emerging markets, where marketing and startup costs are high.
- Substantial expenses resulting from the development of digital technology such as CRM systems, mobile platforms and Internet TV.
- The generally troubled state of the Spanish economy.

The profitability of German publishing group **Axel Springer** has also been impacted by investments made to accelerate its digitalization on one hand and its restructuring costs on the other hand. The group has also started to sell off its least profitable traditional press activities.

Restructuring costs, which are an essential part of adapting the economic models of companies in the sector, have also impacted the profitability of:

- **Arnoldo Mondadori**, the Italian publishing company period. Its restructuring and expense rationalization plan provides in particular for ceasing the publication of four titles in Italy in order to refocus on the group's flagship products, specifically *Grazia magazine*.
- **Pearson**, the British publisher, which announced that it was refocusing on emerging markets and digital. In addition, the group experienced a decrease in its profitability as a result of weak demand for its educational books in North America and Great Britain, its two main markets.

The European Broadcasting sector impacted by competition

As in the United States, the Broadcasting sector has also been affected by a decrease in profitability in Europe.

The TF1 Group was able to maintain its profitability, in a context of heightened competition and unfavorable economic growth, thanks to a cost optimization plan implemented in 2012. However, its rival, Groupe M6 was able to maintain its sales revenue level, but its EBITDA decreased by 5.6% to 206.2 million euros, as a result of investments in the creation of 6ter and the 6play Internet platform.

The decrease in profitability can also be explained by disappointing returns on certain new digital investments. Furthermore, German media group **Prosiebsat.1**, which owns several television networks, is showing a drop in profitability, specifically in the digital sector. The group's digital activities include several websites such as MyVideo.de, which, despite having approximately 7 million active members in 2013, must continue to develop its monetization, which is primarily financed by advertising.

The largest cable operator in Germany, **Kabel Deutschland**, has seen its profitability drop in 2013, mainly as a result of the costs resulting from a long-term incentive plan, the increase in the price of company stock and new rights acquisitions. The cost tripled between 2012 and 2013.

The Advertising & Communication sector

The emergence of a multitude of social networks, development of digital television and multiplication of channels, has allowed the **Advertising & Communication** sector to develop new products and find new catalysts for growth in the digital economy. For example, Publicis, for whom digital only represented 7% of total revenue in 2006, had digital revenues that amount to 38.4% of total revenue in 2014.

Thus, advertisers have increased their presence in economies experiencing strong growth (which today represents 24.4% of Publicis' revenues in 2013 and 32% for JC Decaux). The development of these digital activities has allowed advertisers to find catalysts for growth and increase their margins.

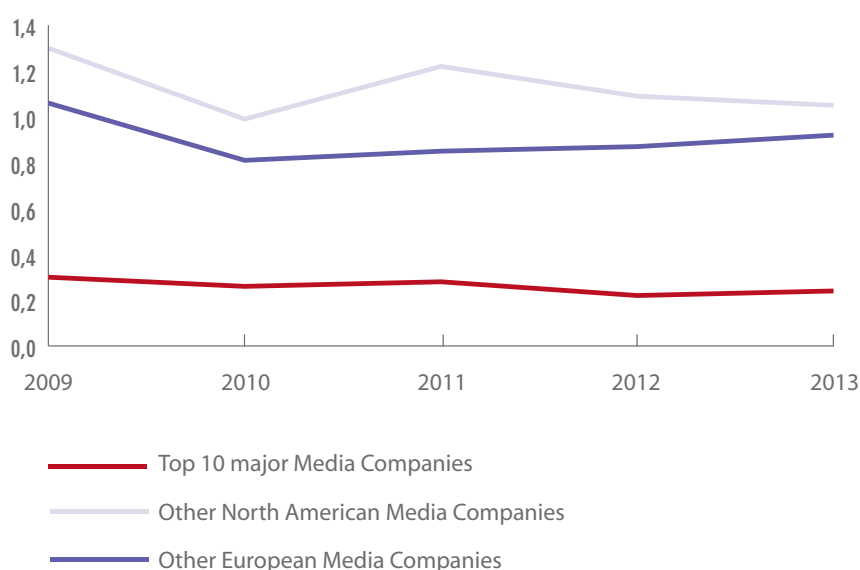
PART 3: HOW ARE MEDIA COMPANIES USING LIQUID ASSETS?

In an uncertain and competitive environment that is still scarred by the 2009 economic crisis, the media sector shows several distinct trends based on geographical area, as well as business sector.

The use of borrowing is an indicator of the companies' confidence in their environment. Cash generated by operations is generally used for investments, paying off debt or paying dividends.

Thus, while some companies opt for an offensive strategy, others, less confident, opt for a defensive position that may allow them to seize opportunities in the near future.

European & North American Media Companies - Profitability change (EBITDA / Revenue ratio)



3.1 INTERNET GIANTS MAINTAIN A LOW LEVEL OF NET INDEBTEDNESS

The companies making up the top 10 in our sample have a low level of indebtedness. This trend must be understood in light of the fact that Google skews sample numbers, and is particularly cash-rich. In fact, except for Google and eBay, all of the top 10 companies have a positive net indebtedness (more debts than cash) and most have increased their debt level in 2013.



Google had a net indebtedness close to 51 billion euros in 2013, which is nearly 25% more than in 2012. The source of Google's cash is primarily advertising revenue from the group's various companies, particularly its search engine. Google, which has never paid cash dividends to its shareholders, has confirmed its intention to keep its future earnings. This cash is intended to strengthen the group's position in several ways:

- **Protecting its place as leader in the Internet world:** In a highly competitive environment where technology is paramount and changes very rapidly, Google needs to be able to carry out strategic acquisitions quickly.
- Facing legal challenges, specifically those stemming from competition authorities.

The available cash amassed by the group includes around 24 million euros from its foreign subsidiaries. If the Internet giant has to use these funds in the United States, it will be required to pay American taxes on them, which would reduce the amount. Nonetheless, the group has clearly stated its intention of permanently reinvesting these funds outside of the United States.

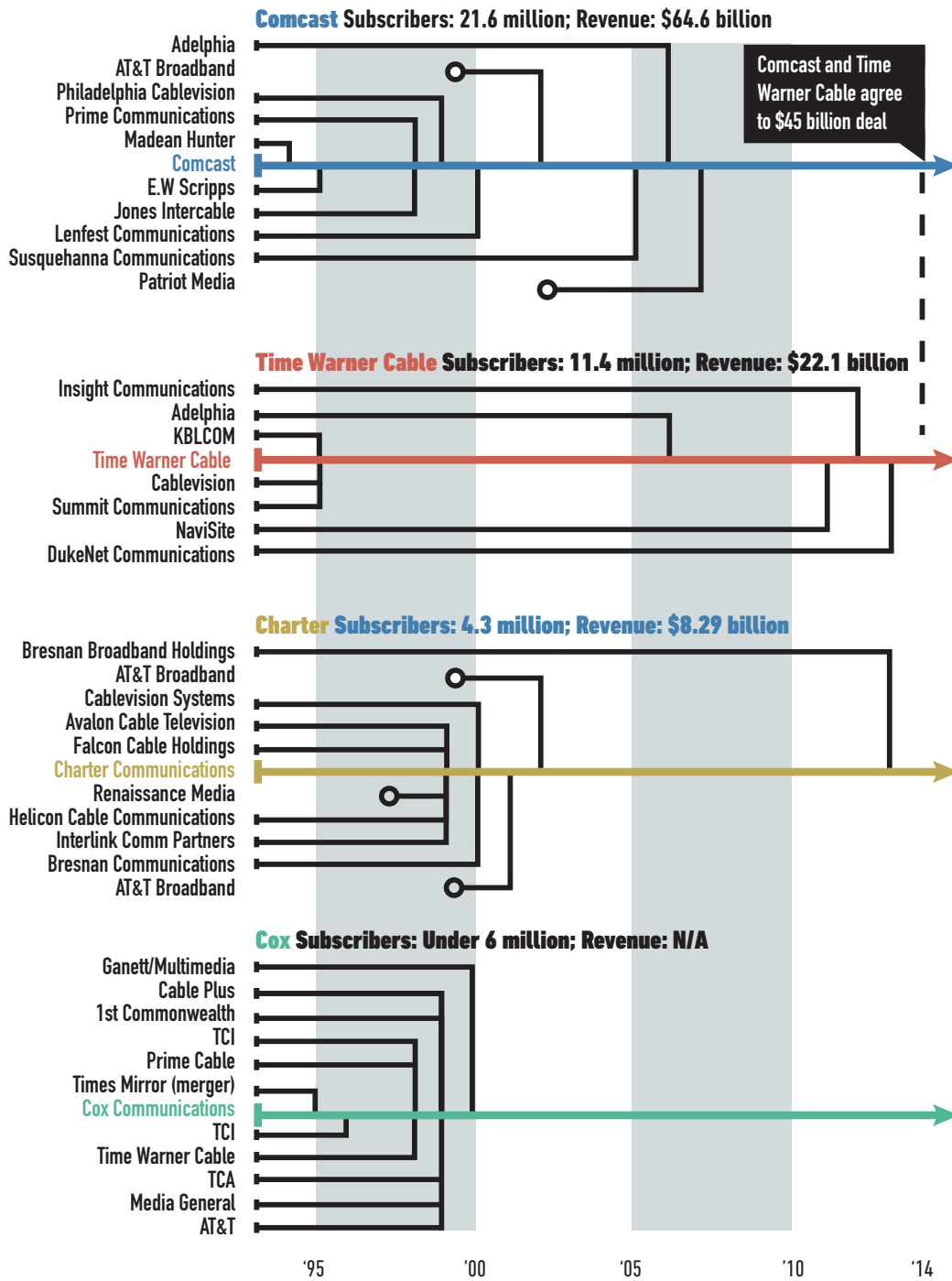
On the other hand, for **Comcast**, the leading American cable operator, the Net Debt / Equity ratio doubled in 2013, from 0.4 to 0.8%. In fact, in a sector experiencing high levels of consolidation for the past few years, Comcast, which acquired 51% of the NBC Universal television network in 2009, acquired the remaining 49% for nearly 17 billion dollars in 2013. This strategic acquisition has allowed the group to offer both the prestigious and popular pro content of the network, to remain attractive compared to cheaper services and to compete with the free website Hulu.

At the beginning of 2014, American cable operators **Comcast** and **Time Warner Cable** announced their merger. If the FCC (Federal Communications Commission) and the United States Department of Justice give their approval, this would create an American cable giant. The consolidation of American cable companies has been ongoing since the 1990s:

Cable-Company Consolidation

Major acquisitions and mergers by the top 4 U.S. cable-TV providers

— Company predates '93
○ Company formed



Source : Wall Street Journal reporting, the companies; data from latest reported quarter - Rani Molla / The Wall Street Journal

FOCUS ON A RISK FACTOR



RISK TO INTELLECTUAL PROPERTY RIGHTS

In the digital age, protection of intellectual property rights is a major challenge for media groups. In 2013, 54% of companies studied in our panel reported being concerned about violation of their rights, against 48% in 2011.

The activity of media companies is based in part on the possession and use of copyrights, patents, licensing agreements and royalties.

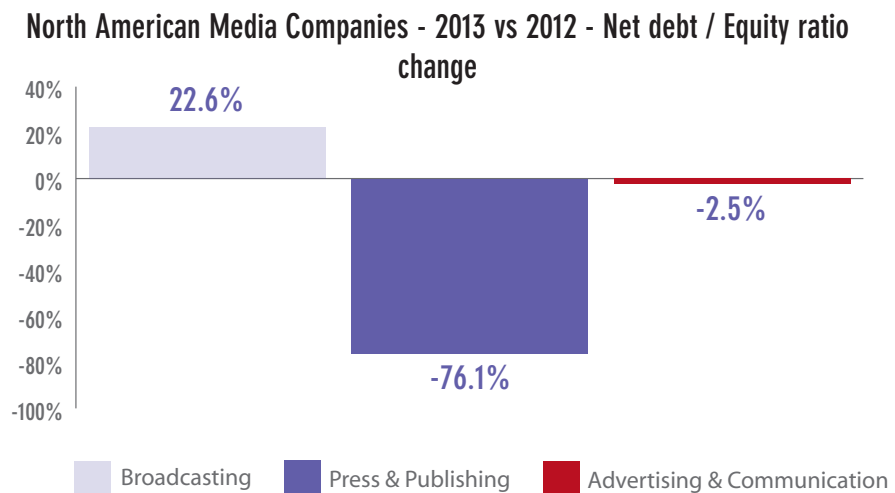
While consumption of digital media is growing rapidly and connected platforms are multiplying, content management and protection are major issues for the

sector. The principle of free access has also become part of the consumption of content across all digital sectors: from software for streaming music, to video, press, radio and television programs.

Management of intellectual property rights for media companies thus requires a truly logistical approach. They cannot afford to neglect it, at the risk of losing control of their content.

3.2 NORTH AMERICA

There are significant disparities in North American media companies depending on the sector.



The Broadcasting sector mainly finances its consolidation operations

The broadcasting sector in North America increased its indebtedness in 2013, particularly as a result of its borrowing requirements:

- **Consolidations in the sector:**

The **Liberty Media** group, led by John Malone, acquired in 2013 a 27.3% interest in the 4th largest American cable operator, **Charter Communications** for approximately 2.62 billion dollars. This acquisition has allowed **Liberty Media** to control four seats on Charter's board of directors and to appoint John Malone as chairman.

Liberty Media has agreed to refrain from acquiring more than a 35% stake in Charter Communications until January 2016.

Discovery Communications, whose net debt increased by 2 billion euros, purchased subsidiary SBS Nordic, which owns television networks in Norway, Sweden, Denmark and Finland from the German group **ProSiebenSat.1** for almost 1.5 billion euros.

At the same time, the American group **Liberty Global Plc**, one of the world leaders in cable and satellite TV acquired **Virgin Media** in Europe for nearly 17 billion dollars in 2013. In January 2014, the group continued its external growth transactions specifically through the acquisition of **Ziggo**, the Dutch cable operator for 10 billion euros.

- **Financing stock buybacks:** For example, **Viacom**, owner of television channels such as Nickelodeon, Comedy Central, and MTV as well as Paramount Pictures, increased its debt by nearly 2.7 billion euros to finance its stock buyback program set for a total of 20 billion euros.

A divided Advertising & Communications sector

Overall, the Advertising sector in North America was stable between 2012 and 2013. This apparent stability hides two opposite effects:

- The Facebook group in a negative net indebtedness position (more cash than debt) saw its cash increase by 3.7 billion euros thanks to its activities, confirming the solidity of the business model and its ability to monetize its audience.

- Following Facebook's example, LinkedIn also generated cash and increased its negative indebtedness by 1.6 billion euros, going from 700 million euros in 2012 to 2.3 billion euros in 2013.
- On the other hand, Yahoo!, which, in spite of an increase in its traffic in 2013, was not able to generate any additional advertising revenues, saw its negative net indebtedness decrease during the year by 1.9 billion euros, going from 4.1 billion euros in 2012 to 2.3 billion euros in 2013. This variation in cash is explained in part by the implementation of its external growth strategy. More than thirty companies were acquired in 2013, including, in particular, the microblogging platform Tumblr, for 1.1 billion euros in May 2013. Marissa Mayer, CEO of Yahoo! stated, "Between now and the end of this year, we will have more mobile users and mobile traffic (Internet) than we have PC traffic. "
- Equinix continued its investments in data centers in 2013 and saw its debt increase by 900 million euros in 2013.

Losses impact the Net Debt / Equity ratio in the Publishing sector

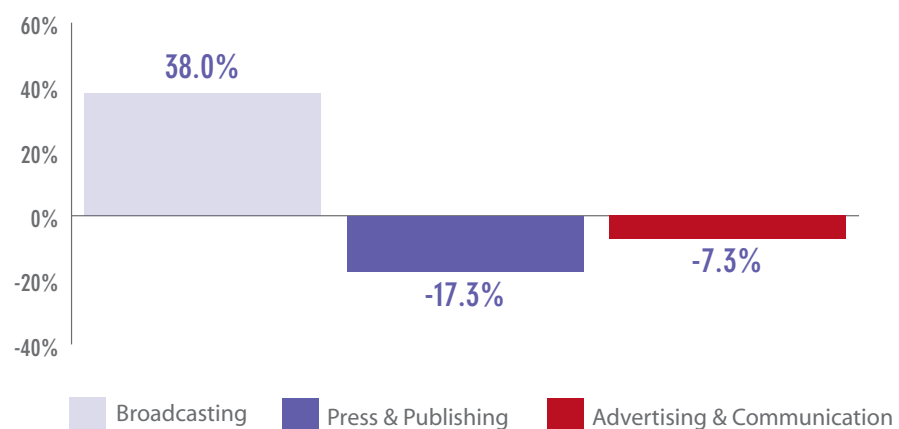
The Net Debt / Equity ratio in the Publishing sector dropped sharply due to:

- The implementation of a recovery plan by the **Tribune Company** with the conversion of a very significant portion of its debts into stocks and other securities in the group. This debt restructuring resulted in a reduction of more than 7 billion euros in debt, and allowed it to finance the acquisition of 19 local television networks.
- A generalized reduction in shareholders' equity for companies in the sector marked by losses.

3.3 EUROPE

The Net Debt / Equity ratio for Media companies in our sample was similar to the North American companies.

European Media Companies - 2013 vs 2012
Net debt / Equity ratio change





Restructuring in the Broadcasting sector, as in North America.

The Net Debt / Equity ratio for Broadcasting companies increased by 38% between 2012 and 2013. As in North America, this variation can mainly be explained by the financing of consolidations during this period:

- 3.1 billion euros in additional debt for Altice in 2013 (parent company of Numéricable) allowing it to finance the acquisitions of Outremer Telecom and ONI SGPS in June and July, 2013. In November 2013, a new loan was taken out to finance future acquisitions.

The variation noted for the segment is essentially explained by **Activision Blizzard's** buy-back of its own stock from **Vivendi** for 5.8 billion euros, after the latter decided to sell its participating interest in 2013.

The European Publishing sector stabilizes its sources of financing

The analysis of media companies shows a reduction in the Net Debt / Equity ratio for the Publishing sector. This variation was mainly generated by the **Lagardère** group who reimbursed 2.8 billion dollars in debt as a result of the sale of its minority interest in EADS and Canal+ France.

RCS Mediagroup, an Italian press group, also had its Net Debt / Equity ratio decrease as a result of a global restructuring carried out in 2013, resulting in the sale of numerous press securities, an increase in share capital and refinancing of its debt.

Advertising

The Net Debt / Equity ratio for advertising in Europe dropped by 7.3% between 2012 and 2013. This is essentially explained by the conversion of bonds into shares, mainly by:

- Havas, which reimbursed the third and last portion of the OBSAARs.
- Publicis, which converted in advance its OCEANEs maturing in January 2018.
- WPP, which converted bonds into shares.

In addition, the ratio of the companies on our panel was impacted by United Internet, whose equity significantly increased as a result of the voiding of self-held shares, in a quest for optimization of the group's capital structure.

WHAT DOES THE FUTURE HOLD? INCREASED CONVERGENCE BETWEEN ACTIVITIES IN THE MEDIA WORLD

New digital revolution: More and more mobility due to the Internet of things

The quest for mobility and improvement of media companies' capability in terms of multiple supports, will continue to be major issues for the next few years. Over the past few months, this mobility has grown with the emergence of "the Internet of things" - objects that have the ability to send and receive information through a computer. There are already 15 million of these objects in existence, but the Institut de l'audiovisuel et des télécommunications (Idate), a think tank specializing in the digital economy, forecasts that there will be 80 billion of them by 2020.

While sales of smartphones and tablets have begun to slow down, the Internet of things is the new digital revolution, and will considerably foster users' mobility and the volume of data collected. Apple, for example, is developing "Healthkit" products, aimed at connected health and the "Homekit" home solution, whose purpose is to network all the devices in the house.

Due to the rising prominence of the Internet of things, the media world will once more have to adapt in order to offer a format that is adaptable to all users' devices and that delivers content, which takes full advantage of the possibilities.

For the Advertising industry, this will result in an as-yet unheard of quantity of information collected and unprecedented insights in terms of knowledge of consumers, customizing of ads offered and a more efficient balance between needs and services.

Acceleration of convergence among media


Connected objects will also result in an acceleration of the convergence among players in the media world. The coming together of content publishers and infrastructures could intensify, along the same lines as the acquisition of NBC by Comcast.

At the same time, the various types of content offered by the media will become more and more alike. The written press illustrates this trend perfectly because digital devices are introducing more and more audio/video content from partner sites and progressively leveraging social network discussions.

Worldwide economic and technological changes will have a marked influence on the pace of change in this fascinating sector.

COMPANIES REPRESENTED











NORTH AMERICA



Advertising & Communication		Revenue (M\$)
Aimia Inc. (TSX:AIM)	🇨🇦	1 223
Akamai Technologies, Inc. (NasdaqGS:AKAM)	🇺🇸	1 578
AOL Inc. (NYSE:AOL)	🇺🇸	2 264
CBS Outdoor Americas Inc. (NYSE:CBSO)	🇺🇸	1 294
Clear Channel Outdoor Holdings Inc. (NYSE:CCO)	🇺🇸	2 946
eBay Inc. (NasdaqGS:EBAY)	🇺🇸	16 047
Equinix, Inc. (NasdaqGS:EQIX)	🇺🇸	2 153
Facebook, Inc. (NasdaqGS:FB)	🇺🇸	7 872
Google Inc. (NasdaqGS:GOOGL)	🇺🇸	59 825
IAC/InterActiveCorp (NasdaqGS:IACI)	🇺🇸	3 023
Lamar Advertising Co. (NasdaqGS:LAMR)	🇺🇸	1 246
LinkedIn Corporation (NYSE:LNKD)	🇺🇸	1 529
Omnicom Group Inc. (NYSE:OMC)	🇺🇸	14 585
Rackspace Hosting, Inc. (NYSE:RAX)	🇺🇸	1 535
The Interpublic Group of Companies, Inc. (NYSE:IPG)	🇺🇸	7 122
Yahoo! Inc. (NasdaqGS:YHOO)	🇺🇸	4 680
Broadcasting		
Activision Blizzard, Inc. (NasdaqGS:ATVI)	🇺🇸	4 583
AMC Entertainment Holdings, Inc. (NYSE:AMC)	🇺🇸	2 634
AMC Networks Inc. (NasdaqGS:AMCX)	🇺🇸	1 592
Cablevision Systems Corporation (NYSE:CVC)	🇺🇸	6 232
CBS Corporation (NYSE:CBS)	🇺🇸	15 284
CC Media Holdings, Inc. (OTCPK:CCMO)	🇺🇸	6 243
Charter Communications, Inc. (NasdaqGS:CHTR)	🇺🇸	8 155
Cinemark Holdings Inc. (NYSE:CNK)	🇺🇸	2 551
COGECO Inc. (TSX:CGO)	🇨🇦	1 450
Comcast Corporation (NasdaqGS:CMCS.A)	🇺🇸	64 657
DIRECTV (NasdaqGS:DTV)	🇺🇸	31 754
Discovery Communications, Inc. (NasdaqGS:DISC.A)	🇺🇸	5 275
Dish Network Corp. (NasdaqGS:DISH)	🇺🇸	13 905
Electronic Arts Inc. (NasdaqGS:EA)	🇺🇸	3 661
Entertainment One Ltd. (LSE:ETO)	🇨🇦	741
Grupo Televisa, S.A.B. (NYSE:TV)	🇲🇽	4 351
Liberty Global plc (NasdaqGS:LBTY.A)	🇺🇸	14 474
Liberty Media Corporation (NasdaqGS:LMCA)	🇺🇸	3 131
Lions Gate Entertainment Corp. (NYSE:LGF)	🇺🇸	2 694
Live Nation Entertainment, Inc. (NYSE:LYV)	🇺🇸	6 479
MGM Holdings Inc. (OTCPK:MGMB)	🇺🇸	1 527
Quebecor Inc. (TSX:QBR.B)	🇨🇦	3 126
Regal Entertainment Group (NYSE:RGC)	🇺🇸	2 877
Scripps Networks Interactive, Inc. (NYSE:SNI)	🇺🇸	2 476
Shaw Communications, Inc. (TSX:SJR.B)	🇨🇦	3 789
Sinclair Broadcast Group Inc. (NasdaqGS:SBGI)	🇺🇸	1 306
Sirius XM Holdings Inc. (NasdaqGS:SIRI)	🇺🇸	3 455
Starz (NasdaqGS:STRZ.A)	🇺🇸	1 778
Take-Two Interactive Software Inc. (NasdaqGS:TTWO)	🇺🇸	2 455
The Madison Square Garden Company (NasdaqGS:MSG)	🇺🇸	1 474
The Walt Disney Company (NYSE:DIS)	🇺🇸	46 009
Time Warner Cable Inc. (NYSE:TWC)	🇺🇸	22 120
Time Warner Inc. (NYSE:TWX)	🇺🇸	28 945
Twenty-First Century Fox, Inc. (NasdaqGS:FOXA)	🇺🇸	27 675
Viacom, Inc. (NasdaqGS:VIAB)	🇺🇸	13 677

NORTH AMERICA








Press & Publishing

Dex Media, Inc. (NasdaqGS:DXM)		1 444
Gannett Co., Inc. (NYSE:GCI)		4 911
John Wiley & Sons Inc. (NYSE:JW.A)		1 764
Meredith Corporation (NYSE:MDP)		1 114
News Corporation (NasdaqGS:NWSA)		8 891
Scholastic Corporation (NasdaqGS:SCHL)		1 785
The McClatchy Company (NYSE:MNI)		1 192
The New York Times Company (NYSE:NYT)		1 491
Thomson Reuters Corporation (TSX:TRI)		12 702
Tribune Company (OTCPK:TRBA.A)		2 903





















EUROPE

Advertising & Communication













Revenue (M\$)

GfK SE (XTRA:GFK)		1 985
Havas (ENXTPA:HAV)		2 353
Ipsos SA (ENXTPA:IPS)		2 273
JCDecaux SA (ENXTPA:DEC)		3 553
Publicis Groupe SA (ENXTPA:PUB)		9 231
United Internet AG (DB:UTDI)		3 526
WPP plc (LSE:WPP)		12 975

Broadcasting

Altice S.A. (ENXTAM:ATC)		1 708
British Sky Broadcasting Group plc (LSE:BSY)		8 783
Eutelsat Communications Société Anonyme (ENXTPA:ETL)		1 723
ITV plc (LSE:ITV)		2 813
Kabel Deutschland Holding AG (DB:KD8)		2 504
Mediaset SpA (BIT:MS)		4 458
Métropole Télévision SA (ENXTPA:MMT)		1 679
Modern Times Group Mtg AB (OM:MTG B)		1 633
Numericable Group (ENXTPA:NUM)		1 745
Promotora de Informaciones, S.A. (CATS:PRS)		3 558
ProSiebenSat.1 Media AG (DB:PSM)		3 459
RTL Group SA (BDL:006146252)		7 818
SES, S.A. (BDL:008808732)		2 473
Sky Deutschland AG (XTRA:SKYD)		2 053
Societe d'Edition de Canal Plus S.A. (ENXTPA:AN)		2 499
Technicolor SA (ENXTPA:TCH)		4 580
Telenet Group Holding NV (ENXTBR:TNET)		2 179
TF1 Group (ENXTPA:TFI)		2 768
Ubisoft Entertainment SA (ENXTPA:UBI)		1 450
Zon Optimus SGPS SA (ENXTLS:ZONOP)		1 303

Press & Publishing

Arnoldo Mondadori Editore SpA (BIT:MN)		1 694
Axel Springer AG (DB:SPR)		3 719
Daily Mail and General Trust plc (LSE:DMGT)		2 122
Informa plc (LSE:INF)		1 333
Lagardere SCA (ENXTPA:MMB)		9 580
Pearson plc (LSE:PSON)		5 969
RCS MediaGroup S.p.A. (BIT:RCS)		1 746
Sanoma Oyj (HLSE:SAA1V)		2 946
Schibsted ASA (OB:SCH)		1 951
Solocal Group SA (ENXTPA:LOCAL)		1 326
UBM plc (LSE:UBM)		935
Wolters Kluwer NV (ENXTAM:WKL)		4 733

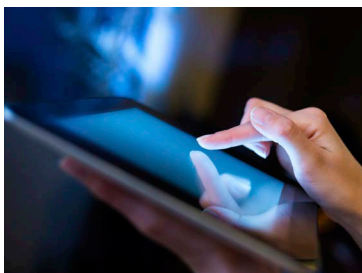
2012



2013



2014



2015



“WE ARE SURE THAT NEXT YEAR WILL BRING ITS SHARE OF SURPRISES AND TRANSFORMATION FOR THE MEDIA INDUSTRY. WE LOOK FORWARD TO PRESENTING ALL OF THE NEW DEVELOPMENTS AND CHALLENGES FACING THE INDUSTRY IN OUR FOURTH EDITION OF THE BAROMETER.”

Mazars is present on 5 continents.

CONTACTS

GROUP

Bruno Balaire
**Head of Mazars' Global Media
Information & Entertainment
Department**
Tel: +33 (0) 1 49 97 60 00
Email: bruno.balaire@mazars.fr

FRANCE

Simon Beillevaire
Tel: +33 (0) 1 49 97 60 00
Email: simon.beillevaire@mazars.fr

Guillaume Devaux
Tel: +33 (0) 1 49 97 60 00
Email: guillaume.devaux@mazars.fr

Romain Maudry
Tel: +33 (0) 1 49 97 60 00
Email: romain.maudry@mazars.com

GERMANY

Pierre Zapp
Tel: +49 30 200 774-0
Email: pierre.zapp@mazars.de

IRELAND

Mark Kennedy
Tel: +353 1 449 44 00
Email: mkennedy@mazars.ie

ITALY

Simone Del Bianco
Tel: +39 02 58 20 10
Email: simone.delbianco@mazars.it

SPAIN

José Luis Bueno
Tel: +34 915 624 030
Email: joseluis.bueno@mazars.es

SWEDEN

Bo Holmström
Tel: +46 8 796 37 00
Email: bo.holmstrom@mazars.se

SWITZERLAND

Jean-Philippe Keil
Tel: +41 44 384 84 44
Email: jean-philippe.keil@mazars.ch

THE NETHERLANDS

Joeri Galas
Tel: +31(0)88 277 24 00
Email: joeri.galas@mazars.nl

UNITED KINGDOM

David Herbinet
Tel: +44 (0) 20 7063 4000
Email: david.herbinet@mazars.co.uk

Claire Larquetoux
Tel: +44 (0) 20 7063 4000
Email: claire.larquetoux@mazars.co.uk

UNITED STATES

Roy Anderson
Tel: +1 212 812 7000
Email: roy.anderson@weisermazars.com

Richard S. Faltin
Tel: +1 212 812 7000
Email: richard.faltin@weisermazars.com

Barbara Israel
Tel: +1 212 812 7000
Email: barbara.israel@weisermazars.com

Pierre-Marie Lagnaud
Tel: +1 212 812 7000
Email: pierre-marie.lagnaud@weisermazars.com

Charles Tropiano
Tel: +1 212 812 7000
Email: charles.tropiano@weisermazars.com

Victor Wahba
Tel: +1 212 812 7000
Email: victor.wahba@weisermazars.com