



PRESS RELEASE

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AFP'S 2016 ACCOUNTS APPROVED AT BOARD MEETING ON 20 APRIL 2017

IN A CONTEXT OF RECESSIONARY DOMESTIC AND INTERNATIONAL MARKET ENVIRONMENTS THAT CONTINUED TO WORSEN IN 2016, AGENCE FRANCE-PRESSE GENERATED A POSITIVE OPERATING MARGIN OF 12.4 M€, 1.1 M€ BELOW THE 2015 FIGURE ON A LIKE-FOR-LIKE BASIS.

2016 operating revenues totalled 296.2 M€, showing an increase of 1.3 M€ over 2015. This improvement was the result of a 2.4 M€ increase in revenues from the French State – 1.6 M€ more than the amount forecast by the Contract of Objectives and Means signed with the State in 2015. These revenues consist of the State's subscription to the Agency's services plus a subsidy to offset the net cost of the missions of general interest entrusted to the Agency by law, in compliance with EU legislation.

Strong sales growth for video (+ 7.6 %) and sport (+ 7%) is driving business performance, especially on international markets where sales rose by 0.3 %. These results support the Agency's strategic choices which also target the corporate and institutional markets via the AFP-Services subsidiary. This policy has not yet made it possible to compensate for the severe downturn of the French press and media market and the loss of some significant contracts. It nevertheless continues to bear fruit. Following the adoption at the end of 2016 of the business development plan, whose primary objective is to acquire a net total of 1,000 new customers by 2022, the overall sales figure rose by 2.5 % between February 2016 and February 2017, and new contracts emblematic of the maturity and quality of the Agency's video offering have been signed (including with the BBC who have just made AFPTV one of their key suppliers of video content, and with online video creation platform Wochit).

It should be borne in mind that the economic model of news agencies, characterised by an almost total absence of elasticity in the expenditure / income ratio, does not allow for a return to equilibrium in the short term. AFP operates within a supply side economic environment with high fixed costs – specifically wages – due to its extensive global network. These costs are under control and are rising less rapidly than forecast under the Contract of Objectives and Means signed with the State, even as the Agency is in the midst of building a global video offering and developing its international presence.

Controlling operating costs, which totalled 283.8 M€, is achieved through constant cost management efforts (setting up procedures, creating a procurement department, etc.), which have resulted in a 1.7 % decrease in operating expenses excluding personnel costs since 2014, despite high levels of inflation in many countries where the Agency is present.

The net result, based on this set of performances and non-recurring events that only became known in the course of the financial year, was – 5.5 M€.

About AFP:

AFP is a global news agency delivering fast, accurate, in-depth coverage of the events shaping our world from conflicts to politics, sports, entertainment and the latest breakthroughs in health, science and technology. With 2,300 staff spread across almost every country, AFP covers the world 24 hours a day in six languages. AFP delivers the news in video, text, photos, multimedia and graphics to a wide range of customers including newspapers and magazines, radio and TV channels, web sites and portals, mobile operators, corporate clients as well as public institutions.

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