TF1 GROUP

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

The consolidated financial statements of the TF1 group for the year ended December 31, 2014 should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2013 and the year ended December 31, 2012, prepared in accordance with international financial reporting standards, as presented in the 2013 French-language *Document de Référence* filed with the *Autorité des Marchés Financiers* (AMF) on March 11, 2014 under reference number D.14-0132. An English-language version of the audited consolidated financial statements for the year ended December 31, 2013 is included in the TF1 Registration Document, available on the TF1 corporate website at https://s.tf1.fr/mmdia/a/53/9/11119539ahpmv.pdf.

The financial statements have been audited, and an unqualified opinion has been issued by the auditors.

CONSOLIDATED BALANCE SHEET

ASSETS (€ million)	*Note*	**Dec. 31, 2014**	**Dec. 31, 2013**
Goodwill	*6*	**473.8**	**473.8**
Intangible assets	*7*	**108.3**	**108.4**
Audiovisual rights		46.8	48.0
Other intangible assets		61.5	60.4
Property, plant and equipment	*8*	**176.3**	**190.0**
Investments in joint ventures and associates	*9*	**581.8**	**83.5**
Non-current financial assets	*11.3*	**29.2**	**17.6**
Non-current tax assets		**-**	**-**
Total non-current assets		**1,369.4**	**873.3**
Inventories		**694.3**	**679.1**
Programmes and broadcasting rights	*10*	678.5	663.1
Other inventories		15.8	16.0
Trade and other debtors	*11.4*	**1,136.6**	**1,126.3**
Current tax assets		**15.0**	**31.7**
Other current financial assets		**7.3**	**-**
Cash and cash equivalents	*11.5*	**501.4**	**289.3**
Total current assets		**2,354.6**	**2,126.4**
Held-for-sale assets	*4*	**-**	**645.6**
TOTAL ASSETS		**3,724.0**	**3,645.3**
Net surplus cash (+) / Net debt (-)		**497.0**	**256.1**
Net surplus cash of continuing operations		***497.0***	***188.9***
Net surplus cash of held-for-sale operations		***-***	***67.2***

CONSOLIDATED BALANCE SHEET (continued)

SHAREHOLDERS' EQUITY AND LIABILITIES (€ million)	*Note*	**Dec. 31, 2014**	**Dec. 31, 2013**
Share capital	*12.1*	42.3	42.2
Share premium and reserves		1,548.4	1,524.5
Net profit/(loss) for the period attributable to the Group		412.7	137.0
Shareholders' equity attributable to the Group		**2,003.4**	**1,703.7**
Non-controlling interests		36.5	130.5
Total shareholders' equity		**2,039.9**	**1,834.2**
Non-current debt	*14*	**-**	**1.2**
Non-current provisions	*15.1*	**48.4**	**40.8**
Non-current tax liabilities	*25.2*	**31.5**	**9.2**
Total non-current liabilities		**79.9**	**51.2**
Current debt	*14*	**4.4**	**99.2**
Trade and other creditors	*13.3*	**1,566.5**	**1,445.0**
Current provisions	*15.2*	**33.3**	**30.0**
Current tax liabilities		**-**	**16.2**
Other current financial liabilities		**-**	**3.8**
Total current liabilities		**1,604.2**	**1,594.2**
Liabilities of held-for-sale operations	*4*	**-**	**165.7**
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES		**3,724.0**	**3,645.3**

CONSOLIDATED INCOME STATEMENT

(€ million)	*Note*	2014	2013
Advertising revenue		1,575.5	1,594.3
Other revenue		516.3	481.0
Revenue	*16*	**2,091.8**	**2,075.3**
Other income from operations		0.3	0.2
Purchased consumed and changes in inventory	*17*	(1,119.1)	(976.4)
Staff costs	*18*	(332.4)	(352.2)
External expenses	*19*	(362.4)	(368.1)
Taxes other than income taxes	*20*	(126.2)	(131.5)
Depreciation and amortisation, net		(55.4)	(61.4)
Provisions and impairment, net		10.0	(32.2)
Other current operating income	*21*	120.8	97.4
Other current operating expenses	*21*	(110.9)	(104.4)
Current operating profit / (loss)		**116.5**	**146.7**
Non-current operating income		-	-
Non-current operating expenses		-	-
Operating profit / (loss)		**116.5**	**146.7**
Income associated with net debt		1.2	0.6
Expenses associated with net debt		(0.1)	(0.2)
Cost of net debt	*22*	**1.1**	**0.4**
Other financial income	*23*	0.6	2.9
Other financial expenses	*23*	(0.3)	(2.1)
Income tax expense	*25*	(29.8)	(45.2)
Share of profits/(losses) of joint ventures and associates		15.0	0.5
Net profit / (loss) from continuing operations		**103.1**	**103.2**
Net profit / (loss) from discontinued or held-for-sale operations	*26*	**315.9**	**48.5**
Net profit / (loss)		**419.0**	**151.7**
attributable to the Group:		***412.7***	***137.0***
Net profit/(loss) from continuing operations		*99.9*	*98.2*
Net profit/(loss) from discontinued or held-for-sale operations		*312.8*	*38.8*
attributable to non-controlling interests:		***6.3***	***14.7***
Net profit/(loss) from continuing operations		*3.2*	*5.0*
Net profit/(loss) from discontinued or held-for-sale operations		*3.1*	*9.7*
Weighted average number of shares outstanding (in ‘000)		211,396	210,645
Basic earnings per share from continuing operations (€)		0.47	0.47
Diluted earnings per share from continuing operations (€)		0.47	0.47
Basic earnings per share from held-for-sale operations (€)		1.48	0.18
Diluted earnings per share from held-for-sale operations (€)		1.47	0.18

STATEMENT OF RECOGNISED INCOME AND EXPENSE

(€ million)	2014	2013
Consolidated net profit / (loss) for period	**419.0**	**151.7**
Items not reclassifiable to profit or loss		
Actuarial gains/losses on employee benefits	(6.3)	(3.0)
Net tax effect of equity items not reclassifiable to profit or loss	2.2	1.0
Share of non-reclassifiable income and expense of joint ventures and associates recognised in equity	-	-
Items reclassifiable to profit or loss		
Remeasurement of hedging instruments [1]	6.9	(5.7)
Remeasurement of available-for-sale financial assets	-	-
Change in cumulative translation adjustment of controlled entities	0.7	-
Net tax effect of equity items reclassifiable to profit or loss	(2.5)	2.1
Share of reclassifiable income and expense of joint ventures and associates recognised in equity	-	-
Income and expense recognised directly in equity [2]	**1.0**	**(5.6)**
Total recognised income and expense	**420.0**	**146.1**
attributable to the Group	413.7	131.4
attributable to non-controlling interests	6.3	14.7

[1] *Includes amounts reclassified to profit or loss: -€0.4 million in 2014, -€2.0 million in 2013*

[2] *Includes -€0.2 million relating to discontinued or held-for sale operations in 2013*

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(€ million)	Share capital	Share premium	Treasury shares	Reserves	Income & expense recognised directly in equity	**Shareholders' equity attributable to the Group**	Non-controlling interests	**Consolidated shareholders' equity**
BALANCE AT DECEMBER 31, 2012	**42.1**	**-**	**-**	**1,635.2**	**(0.2)**	**1,677.1**	**117.0**	**1,794.1**
Capital increase (share options exercised)	0.2	5.8	-	-	-	**6.0**	-	**6.0**
Share-based payment	-	-	-	0.6	-	**0.6**	-	**0.6**
Purchase of treasury shares	-	-	(3.3)	-	-	**(3.3)**	-	**(3.3)**
Cancellation of treasury shares	(0.1)	-	3.3	(3.3)	-	**(0.1)**	-	**(0.1)**
Dividends paid	-	-	-	(115.6)	-	**(115.6)**	**(1.2)**	**(116.8)**
Other transactions with shareholders	-	-	-	7.6	-	**7.6**	**-**	**7.6**
Total transactions with shareholders	**0.1**	**5.8**	**-**	**(110.7)**	**-**	**(104.8)**	**(1.2)**	**(106.0)**
Consolidated net profit / (loss) for period	**-**	**-**	**-**	**137.0**	**-**	**137.0**	**14.7**	**151.7**
Income and expense recognised directly in equity	**-**	**-**	**-**	**-**	**(5.6)**	**(5.6)**	**-**	**(5.6)**
Other movements (changes in accounting policy and scope of consolidation, other items)	-	-	-	-	-	**-**		**-**
BALANCE AT DECEMBER 31, 2013	**42.2**	**5.8**	**-**	**1,661.5**	**(5.8)**	**1,703.7**	**130.5**	**1,834.2**
Capital increase (share options exercised)	0.1	1.5	-	-	-	**1.6**	-	**1.6**
Share-based payment	-	-	-	0.6	-	**0.6**	-	**0.6**
Purchase of treasury shares	-	-	-	-	-	**-**	-	**-**
Cancellation of treasury shares	-	-	-	-	-	**-**	-	**-**
Dividends paid	-	-	-	(116.2)	-	**(116.2)**	(8.7)	**(124.9)**
Other transactions with shareholders	-	-	-	-	-	**-**	-	**-**
Total transactions with shareholders	**0.1**	**1.5**	**-**	**(115.6)**	**-**	**(114.0)**	**(8.7)**	**(122.7)**
Consolidated net profit / (loss) for period	**-**	**-**	**-**	**412.7**	**-**	**412.7**	**6.3**	**419.0**
Income and expense recognised directly in equity	**-**	**-**	**-**	**-**	**1.0**	**1.0**		**1.0**
Other movements (changes in accounting policy and scope of consolidation, other items)	-	-	-	**-**	-	**-**	**(91.6)**	**(91.6)**
BALANCE AT DECEMBER 31, 2014	**42.3**	**7.3**	**-**	**1,958.6**	**(4.8)**	**2,003.4**	**36.5**	**2,039.9**

Refer to Note 12, "Consolidated shareholders' equity", for a breakdown of these changes.

CONSOLIDATED CASH FLOW STATEMENT

(€ million)	Note	2014	2013
Net profit/(loss) from continuing operations (including non-controlling interests)		103.1	103.2
Depreciation, amortisation, provisions & impairment (excluding current assets)		50.1	64.9
Intangible assets and goodwill		*31.5*	*39.0*
Property, plant and equipment		*17.8*	*23.9*
Financial assets		*(0.5)*	*-*
Non-current provisions		*1.3*	*2.0*
Other non-cash income and expenses		(10.4)	(14.1)
Effect of fair value remeasurement		(4.1)	(0.8)
Share-based payment		0.6	0.6
Net (gain)/loss on asset disposals		(31.0)	(18.3)
Share of (profits)/losses and dividends of joint ventures and associates		(8.3)	(0.5)
Dividend income from non-consolidated entities		(0.2)	(1.0)
Sub-total		**99.8**	**134.0**
Cost of net debt		(1.1)	(0.4)
Income tax expense (including deferred taxes)		29.8	45.2
Operating cash flow		**128.5**	**178.8**
Income taxes (paid)/reimbursed		(33.1)	(48.8)
Change in operating working capital needs		12.7	(70.0)
Net cash generated by/(used in) operating activities		**108.1**	**60.0**
Cash outflows on acquisitions of property, plant & equipment and intangible assets		(36.9)	(51.4)
Cash inflows from disposals of property, plant & equipment and intangible assets		0.4	2.0
Cash outflows on acquisitions of financial assets		(9.3)	(3.4)
Cash inflows from disposals of financial assets		-	1.8
Effect of changes in scope of consolidation	*28.2*	306.0	6.0
Purchase price of investments in consolidated activities		*-*	*-*
Proceeds from disposals of consolidated activities		*307.5*	*6.0*
Net liabilities related to consolidated activities		*-*	*-*
Other cash effects of changes in scope of consolidation		*(1.5)*	*-*
Dividends received	*28.2*	30.4	1.0
Other cash flows from investing activities	*28.2*	25.5	53.3
Net cash generated by/(used in) investing activities		**316.1**	**9.3**
Cash received on exercise of share options		1.6	6.0
Purchases and sales of treasury shares		-	(3.3)
Other transactions between shareholders		-	-
Dividends paid during the period		(117.2)	(116.8)
Cash inflows from new debt contracted		-	0.2
Repayment of debt (including finance leases)	*28.3*	(2.6)	(4.6)
Net interest paid (including finance leases)		1.1	0.4
Net cash generated by/(used in) financing activities		**(117.1)**	**(118.1)**
CHANGE IN CASH POSITION – CONTINUING OPERATIONS		**307.1**	**(48.8)**
Cash position at start of period – continuing operations	*28.1*	**191.1**	**239.9**
Change in cash position during the period – continuing operations		307.1	(48.8)
Cash position at end of period – continuing operations	*28.1*	**498.2**	**191.1**

CHANGE IN CASH POSITION – DISCONTINUED/HELD-FOR-SALE OPERATIONS:		2014	2013
Cash position at start of period – Discontinued or held-for-sale operations	*4*	**69.6**	**13.9**
Change in cash position – Discontinued or held-for-sale operations [a]	*4*	(34.5)	55.7
Deconsolidation of held-for-sale operations	*4*	(35.1)	
Cash position at end of period – Discontinued or held-for-sale operations	*4*	**-**	**69.6**

(a) For a breakdown of these cash flows, see Note 4, "Held-for-sale operations".

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 Significant events of 2014

- **Sale of a 31% interest in Eurosport SAS to Discovery Communications**

On May 30, 2014, the TF1 group and Discovery Communications completed the acquisition by Discovery of a controlling interest in Eurosport International, following clearance of the transaction by all the relevant competition authorities. This transaction raised Discovery's stake in Eurosport International from 20% to 51%. Eurosport France continues to be held 80% by the TF1 group and 20% by Discovery Communications.

The TF1 group has a put option to sell its remaining 49% interest in Eurosport SAS to Discovery Communications during specified periods between July 1, 2015 and September 30, 2016, at a price to be determined (depending on the date on which the option is exercised) on the basis of either a pre-determined enterprise value or an expert valuation.

In the consolidated balance sheet, the retained 49% interest in the Eurosport Group was measured at €489.9 million as of May 30, 2014, on the basis of the final fair value used for the sale of the 31% interest.

On finalisation of the sale price during the third quarter of 2014, this sale led to the recognition of the following gains in the consolidated income statement for the year ended December 31, 2014: (i) a gain on the 31% interest sold and (ii) in accordance with the revised IFRS 3, a gain on the remeasurement of the retained 49% interest determined on the basis described above. The total gain of €299.5 million (net of taxes) is reported in "Net profit/loss of discontinued or held-for-sale operations" (for details see Note 26, "Net profit from discontinued or held-for-sale operations").

- **LCI – rejection by CSA of application to switch to freeview**

On July 29, 2014, the CSA (the French audiovisual regulator) announced its decision to reject the application for LCI to switch to freeview. LCI is contesting this decision, and on September 28, 2014 filed an appeal with the *Conseil d'Etat* to have the decision annulled; a ruling on this appeal is expected in the first half of 2015. The appeal was combined with a fast-track application to have the CSA decision suspended with immediate effect, but that application was rejected on October 23, 2014.
Given this annulment appeal pending with the *Conseil d'Etat*, the ongoing discussions on the "new LCI" project and the suspension of negotiations on potential restructuring of the LCI channel, no impact has been recognised in the consolidated financial statements for the year ended December 31, 2014.

- **OneCast**

On October 30, 2014, the TF1 group completed the sale to the ITAS group of the entire share capital of OneCast, a TF1 subsidiary specialising in DTT multiplex transmission.
In the consolidated financial statements for the year ended December 31, 2014, the sale was reflected by the recognition of a gain on disposal in current operating profit, in the "Holding Company & Other" operating segment.

2 Accounting policies

2-1. Declaration of compliance and basis of preparation

The consolidated financial statements of the TF1 group for the year ended December 31, 2014 have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union, as required under EC Regulation 1606/2002 of July 19, 2002.
They include the financial statements of TF1 SA and its subsidiaries and joint ventures, and the TF1 group's interests in associated undertakings. They also reflect the recommendations issued by the ANC (the French national accounting standard-setter) on the presentation of financial statements (recommendation no. 2013-03).

They are presented in millions of euros.

They were adopted by the Board of Directors on February 18, 2015, and will be submitted for approval by the shareholders at the forthcoming Ordinary General Meeting to be held on April 16, 2015.

2-2. New and amended accounting standards and interpretations

2-2-1. New standards, amendments and interpretations effective within the European Union and mandatorily applicable or permitted for early adoption in periods beginning on or after January 1, 2014

In preparing its condensed financial statements for the year ended December 31, 2014, the TF1 group applied the same standards, interpretations and accounting policies as those used in the preparation of its consolidated financial statements for the year ended December 31, 2013, plus any new standards, amendments and interpretations applicable from January 1, 2014.
The principal new standards, amendments and interpretations effective within the European Union and mandatorily applicable or permitted for early adoption in periods beginning on or after January 1, 2014 are:

- **IFRS 10**, "Consolidated Financial Statements", **IFRS 11**, "Joint Arrangements", **IFRS 12**, "Disclosure of Interests in Other Entities", **IAS 27**, "Separate Financial Statements" (as amended in 2011), and **IAS 28**, "Investments in Associates and Joint Ventures": these standards were endorsed by the European Union on December 29, 2012 and are mandatorily applicable from January 1, 2014, with retrospective effect for the comparative period. The main changes and effects are described below.

  - ✓ **IFRS 10** replaces those parts of IAS 27, "Consolidated and Separate Financial Statements" that dealt with consolidated financial statements and SIC 12, "Consolidation – Special Purpose Entities", and redefines the concept of control over an entity.
  - ✓ **IFRS 11** replaces IAS 31, "Interests in Joint Ventures" and SIC 13, "Jointly Controlled Entities – Non-Monetary Contributions by Venturers". This new standard establishes how to account for joint arrangements. Under IFRS 11, joint arrangements over which two or more parties exercise joint control are accounted for on the basis of the rights and obligations of each of the parties to the arrangement, taking account of factors such as the structure and legal form of the arrangement, the rights of each party under the terms of the arrangement and, when relevant, other facts and circumstances:
    - joint ventures, which give the parties rights to the net assets, must be accounted for by the equity method, with the proportionate consolidation method no longer permitted;
    - for joint operations, which give each of the parties direct rights to the assets and obligations for the liabilities, the assets and liabilities (and income and expenses) must be recognised in proportion to the interests held in the joint operation.

  - ✓ **IFRS 12** introduces fuller requirements about disclosures of interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities.

The main effects arise from the application of IFRS 11 to joint arrangements, and more specifically the change to the equity method in accounting for the joint ventures in which the TF1 group has an interest; until now, these have been accounted for using the proportionate consolidation method.

For the TF1 group, this change applies to the three entities (TF6, Série Club and TF6 Gestion) managed under a joint arrangement with M6.

Based on the activities restated with effect from January 1, 2013, the comparative income statements for 2013 presented in 2014 have been restated, the main impacts being as follows:

- a reduction in revenue of €10.0 million for 2013 as a whole;
- an increase in operating profit of €0.3 million for 2013 as a whole;
- a reduction of €0.3 million in the share of profits/losses from joint ventures and associates for 2013 as a whole.

In addition, the change to the equity method in accounting for these entities means that it is no longer possible to include them in the overall impairment tests performed at the level of the cash generating unit (CGU) to which they belong. Consequently, impairment tests were performed at individual entity level as of the date of the change in consolidation method. Based on the business plans prepared at the end of 2012, the value in use of the entities to which this change in consolidation method applies was approximately €7.7 million less than their carrying amount. This amount was therefore recognised as an impairment loss against the equity-accounted entities, as a deduction in consolidated shareholders' equity as of January 1, 2013.

Amendment to IAS 32 – Offsetting Financial Assets and Financial Liabilities: effective date January 1, 2014, no impact on the financial statements.

IFRIC 21 – Levies: effective date January 1, 2015. The main effects of IFRIC 21 relate to the timing of the recognition of certain levies (such as C3S and land taxes) during interim accounting periods. IFRIC 21 was endorsed by the European Union on June 13, 2014; it was not early adopted by the TF1 group with effect from January 1, 2014, but will be adopted from January 1, 2015 with retrospective application to the 2014 comparatives.

The impact of the resulting restatement on the 2014 interim financial statements will be to reduce operating profit by €4.1 million for the first quarter, by €2.5 million for the first half and by €1.1 million for the first nine months, and to increase operating profit by €0.3 million for the full year.

The TF1 group decided not to early adopt any of the pronouncements issued by the IASB and endorsed by the European Union that are permitted for early adoption with effect from January 1, 2014.

2-2-2. New standards, amendments and interpretations issued by the IASB but not yet endorsed by the European Union

Standard/Interpretation	IASB effective date	Expected impact on the TF1 group
IFRS 15: Revenue from Contracts with Customers	January 1, 2017	On May 28, 2014, the IASB issued a new standard on revenue recognition intended to replace most of the current stipulations on this subject in IAS 18. The new standard has not yet been endorsed by the European Union and is applicable from January 1, 2017 with early adoption permitted. The impact of IFRS 15 is currently under review.
IFRS 9: Financial Instruments: Classification and Measurement	January 1, 2015	Not quantifiable at present (endorsement process suspended by the European Union)

2-3. Changes in accounting policy

TF1 has not made any changes in accounting policy during 2014 to date, other than those required to comply with IFRS requirements applicable on or after January 1, 2014 (see Note 2-2-1), which have no material impact on the financial statements.

2-4. Selection of accounting treatments, exercise of judgment and use of estimates

Preparation of the consolidated financial statements requires TF1 management to exercise judgement in the selection of accounting treatments and to use estimates for the measurement of assets, liabilities, income and expenses, which may have a material impact on the amounts reported in the financial statements.

2-4-1. Accounting policies

The principal accounting treatments involving the exercise of judgment are listed below, along with a reference to the note that describes the main analytical methods used in applying each treatment:

- Goodwill and impairment testing (Notes 2-7 and 2-10)
- Recognition and measurement of audiovisual rights (Note 2-8-1)
- Recognition and measurement of programmes, broadcasting rights and sports transmission rights (Note 2-12)
- Classification of financial instruments (Notes 2-11 and 2-17)
- Revenue recognition (Note 2-20)

2-4-2. Use of estimates

Preparation of the consolidated financial statements requires the TF1 group to make various estimates and use various assumptions regarded as realistic and reasonable. Subsequent events or circumstances may result in changes to those estimates or assumptions, which could affect the value of the Group's assets, liabilities, equity or net profit.

The principal accounting policies requiring the use of estimates are:

- Impairment of goodwill (Note 6): the carrying amount of goodwill in the TF1 consolidated financial statements is reviewed at least once a year using the method described in Note 2-10-1. These impairment tests are sensitive to medium-term financial forecasts and to the discount rates used to estimate the value in use of cash-generating units (CGUs).

- Impairment of audiovisual rights (Note 7-1): impairment testing of audiovisual rights is based on an analysis of projected future revenues.
- Impairment of programmes and broadcasting rights (Note 10): impairment testing of programmes and broadcasting rights is based on the probability of transmission, assessed mainly on the basis of future programming schedules.
- Measurement of provisions for retirement benefit obligations (Note 15-1-2): these provisions are calculated by the TF1 group itself using the projected unit credit method, as described in Note 2-19-1. This calculation is sensitive to assumptions regarding the discount rate, the salary inflation rate and the staff turnover rate.
- Provisions (Note 15): provisions are established to cover probable outflows of resources to third parties with no corresponding inflow of resources for the Group. They include provisions for all kinds of litigation and claims, the amount of which is estimated based on assumptions regarding the most likely outcomes. In determining those assumptions, TF1 management may rely on the assessments of external advisors.
- Fair value of financial instruments (Notes 11 and 13): the fair value of financial instruments is determined by reference to market prices. In the case of derivatives, market prices are determined and supplied to the TF1 group by its bankers. Where no quoted market price is available, fair value is estimated using other valuation methods such as the discounted cash flow method.

2-5. Consolidation methods

Subsidiaries

Subsidiaries are companies over which TF1 exercises control. Control is presumed to exist where the parent company has the power directly or indirectly to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. Subsidiaries are included in the consolidation from the date on which control is effectively transferred to the Group. Divested subsidiaries are excluded from the consolidation from the date on which the Group ceases to have control.

TF1 accounts for investees over which it exercises exclusive control using the full consolidation method. Under this method, all assets, liabilities, equity, income and expenses of each subsidiary are combined on a line-by-line basis in the consolidated financial statements. Non-controlling interests in equity and in net profit are identified separately under “Non-controlling interests” in the consolidated balance sheet and the consolidated income statement.

Joint arrangements

Joint arrangements, which may be either joint operations or joint ventures, arise where the power to govern the financial and operating policies of an investee is contractually shared by TF1 with one or more other parties, none of which exercises control.

- In the case of joint operations, which give each of the parties direct rights to the assets and obligations for the liabilities, the assets and liabilities (and income and expenses) are recognised in proportion to the interests held by TF1 in the joint operation.
- Joint ventures, which give the parties rights to the net assets, are accounted for by the equity method.

Associates

An associate is an entity over which TF1 exercises significant influence, which means that TF1 has the power to participate in the financial and operating policy decisions of the investee without exercising control. Significant influence is presumed to exist if the parent company holds, directly or indirectly, 20% or more of the voting power of the investee. This presumption is reviewed in light of the way in which the investee is effectively governed and managed.

TF1 accounts for investments in associates using the equity method. Under this method, the investment in the associate is initially recorded in the balance sheet at acquisition cost. The carrying amount is then increased or decreased by the Group’s share of the associate’s profits or losses and of other changes in the equity of the associate subsequent to the acquisition date.

2-6. Foreign currency translation

2-6-1. Translation of the financial statements of foreign entities

The financial statements of foreign operations are translated into euros, the reporting currency of the TF1 group. All assets and liabilities of foreign entities are translated at the closing exchange rate; income and expenses are translated at the average rate for the period. Translation differences arising from this treatment, and from retranslating the opening equity of foreign entities at the closing exchange rate, are taken to equity under “Share premium and reserves”. On disposal of a foreign entity, these differences are taken to profit or loss as part of the gain or loss on disposal.

- **Specific treatment on transition to IFRS**

The TF1 group applied the option allowed under IFRS 1, under which existing cumulative translation differences arising from the translation of the financial statements of foreign subsidiaries into euros were deemed to be zero. The balance as of January 1, 2004 under French generally accepted accounting principles (“French GAAP”) was reclassified to reserves, with no impact on shareholders’ equity attributable to the Group. Consequently, the gain or loss on a subsequent disposal of any consolidated entity or associate will exclude translation differences that arose before the date of transition to IFRS.

2-6-2. Translation of transactions denominated in foreign currencies

Transactions denominated in foreign currencies carried out by subsidiaries are initially translated into the functional currency of the subsidiary or entity using the exchange rate at the transaction date. At the end of the reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the closing exchange rate. Any resulting translation differences are taken to profit or loss. Non-monetary assets and liabilities denominated in a foreign currency are recognised at historical cost and translated using the exchange rate at the transaction date.

2-7. Business combinations, divestments and goodwill

Business combinations are accounted for using the acquisition method in accordance with IFRS 3. A revised version of IFRS 3 became effective on January 1, 2010 without retrospective effect. The main effects of the revision were a tightening of the “control” criterion in accounting for a business combination, and broader use of fair value accounting.

The treatment applied by TF1 to business combinations with effect from January 1, 2010 is as follows:

The cost of a business combination is the fair value, at the date of exchange, of the assets transferred, the liabilities incurred or assumed, and the equity instruments issued by the Group, in exchange for control over the acquiree.

The identifiable assets, liabilities and contingent liabilities of the acquiree that satisfy the IFRS recognition criteria are recognised at their fair value at the acquisition date, except for non-current assets held for sale which are recognised at fair value less costs to sell in accordance with IFRS 5.

Any excess of the cost of a business combination over the acquirer’s interest in the net fair value of the identifiable assets, liabilities and contingent liabilities at the acquisition date is recognised as goodwill. Non-controlling interests may also be measured at fair value (the “full goodwill” method), giving rise to additional goodwill; this option may be elected separately for each business combination.

Subsequent changes in percentage interest with no loss of control over the acquiree are accounted for as transactions between shareholders, with the difference between the purchase price (or sale price) and the carrying amount of the interest acquired (or sold) recognised in equity.

In the case of step acquisitions, equity interests held prior to acquisition of control are remeasured at fair value, with the effect of the remeasurement recognised in profit or loss. The same applies to equity interests retained after loss of control.

Costs directly incurred to effect a business combination are recognised in profit or loss.

If the initial accounting for a business combination can be determined only provisionally by the end of the period in which the combination is effected, the TF1 group recognises any adjustments to these provisional values within twelve months following the acquisition date. If the adjustment between provisional and final fair value accounting materially affects the presentation of the financial statements, the comparative information for the period preceding the final accounting for the combination is restated as though the final accounting had been completed at the acquisition date.

If the share of the fair value of the identifiable assets and liabilities acquired exceeds the cost of the combination, the excess is recognised immediately in the income statement as negative goodwill (i.e. gain from a bargain purchase).

Subsequent to initial recognition, goodwill is measured at cost less any impairment losses, determined using the method described in Note 2-10. Any impairment losses are charged as an operating item in the income statement, and may not be subsequently reversed.

In the event of a partial sale of the component operations, or if a CGU is split up, the TF1 group usually allocates the goodwill of the CGU in proportion to the relative values (as defined in the IFRS 7 hierarchy of valuation methods, see Note 11-2) of the divested, retained or split operations at the sale/split date, unless it can be demonstrated that another method better reflects the goodwill of the divested operation, in accordance with paragraph 86 of IAS 36.

✓ **Specific treatment on transition to IFRS**

In accordance with the option allowed under IFRS 1, the TF1 group elected not to remeasure goodwill arising on business combinations effected prior to January 1, 2004.

✓ **Accounting treatment of business combinations predating January 1, 2010:**

Because the revised IFRS 3 (Business Combinations) was not retrospectively applied, goodwill arising on business combinations predating January 1, 2010 has been maintained at its December 31, 2009 carrying amount. Goodwill on these transactions was determined using the accounting treatments applicable as of the date of the transactions. The main divergences in accounting treatment are as follows:

- In a step acquisition, the previously-held equity interest was not remeasured.
- Costs directly incurred to effect a business combination were included in the cost of the combination, and hence were included in the amount of goodwill recognised prior to January 1, 2010.
- The option to measure non-controlling interests at fair value was not available, which meant that the full goodwill method was not permitted.
- Changes in percentage interest with no change in control over the acquiree generated additional goodwill in the case of an acquisition, and a gain or loss in the event of a disposal.

2-8. Intangible assets

Separately acquired intangible assets are initially recognised at acquisition cost or (if acquired in a business combination) at fair value as of the acquisition date.
Subsequent to the acquisition date, intangible assets are measured at initial recognition cost less accumulated amortisation and impairment losses.
Intangible assets with finite useful lives are amortised over their expected useful lives.
Intangible assets with indefinite useful lives are not amortised.

2-8-1. Audiovisual rights

This item primarily includes shares in films and audiovisual programmes produced or co-produced by TF1 Films Production, TF1 Vidéo and TF1 Production; distribution and trading rights owned by TF1 DA and TF1 Entreprises; and music rights owned by Une Musique.

Audiovisual rights are recognised as an asset in the balance sheet at historical cost under “Audiovisual rights” on the following dates:

- date of end of shooting or censor's certificate for film co-productions;
- date of signature of contract for acquired audiovisual distribution and/or trading rights and music rights.

Amortisation methods for these categories of audiovisual rights are as follows:

- shares in film co-productions: amortised in line with revenues over 8 years;
- audiovisual distribution rights: amortised in line with revenues, with a minimum of 3 years straight-line;
- audiovisual trading rights: straight-line basis over 5 years;
- music rights: amortised over 2 years, 75% in the first year and the remaining 25% in the second year;
- films co-produced by TF1 Films Production: amortised in line with revenues over a limited time-frame, taking account of the timing of revenue sources; this policy is consistent with industry practice.

A provision for impairment is recorded individually if estimated future revenues do not cover the net carrying amount.

2-8-2. Other intangible assets

Other acquired intangible assets are carried at acquisition cost less accumulated amortisation and impairment losses. Such assets mainly comprise operating licences (other than broadcasting licences and audiovisual rights), trademarks and similar rights, and software.
These assets are amortised on a straight-line basis over their expected useful lives, except for certain commercial trademarks owned by the TF1 group and regarded as having an indefinite useful life, which are not amortised. These trademarks are tested for impairment (see Note 2-10-1).

2-9. Property, plant and equipment

2-9-1. Property, plant and equipment owned outright

Property, plant and equipment is carried at acquisition cost net of accumulated depreciation and impairment losses.
Depreciation is charged on a straight-line basis over the expected useful life of the asset, taking account of any residual value of the asset:

Buildings:	25 to 50 years
Technical installations:	3 to 7 years
Other property, plant and equipment:	2 to 10 years

Land is not depreciated.

Where an asset is made up of components with different useful lives, those components are recorded as separate items within property, plant and equipment.

Gains or losses on disposals of property, plant and equipment represent the difference between the sale proceeds and the net carrying amount of the asset, and are included in “Other current operating income and expenses”.

2-9-2. Property, plant and equipment acquired under finance leases

Property, plant and equipment held under leases which transfer substantially all the risks and rewards of ownership of the asset to the TF1 group is recognised as an asset in the balance sheet at the inception date of the lease, at the lower of the fair value of the leased asset or the present value of the minimum lease payments. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability; the finance charge is recognised in the income statement under “Expenses associated with net debt”, a component of “Cost of net debt”.

Assets held under finance leases are depreciated over the same periods as assets of the same type owned outright.

2-10. Impairment of non-current assets

At the end of each reporting period, TF1 assesses whether there are internal or external events or circumstances which indicate that a non-current asset may have been impaired. If there is such an indication, or if the asset is required to be tested for impairment annually (goodwill, and intangible assets with indefinite useful lives), the recoverable amount of the asset is estimated.

2-10-1. Goodwill and indefinite-lived intangible assets

The recoverable amount of an asset is the higher of value in use or fair value less costs to sell. If fair value less costs to sell cannot be reliably measured, the recoverable amount of an asset is its value in use.

The value in use of assets to which independent cash flows can be directly allocated is determined individually. All other assets are grouped within cash-generating units (CGUs) to determine their value in use. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The value in use of an asset or a CGU is measured using the discounted cash flow (DCF) method, based on 3-year cash flow projections approved by TF1 management and the Board of Directors plus a standard annual cash flow figure for the time horizon beyond the 3-year business plan. The cash flows used are determined on an after-tax basis.

These cash flow projections are discounted using an after-tax discount rate, determined on the basis of the weighted average cost of capital (calculated on the basis of market parameters, such as beta and capitalisation) of a sample of companies representative of the business sector to which the asset being tested belongs.

The fair value less costs to sell of an asset or CGU is measured, where possible, by reference to the price in a binding sale agreement in an arm’s length transaction.

An impairment loss is recognised where the recoverable amount of an asset or CGU is less than its carrying amount. Impairment losses on finite-lived and indefinite-lived items of property, plant and equipment and intangible assets may be reversed subsequently if the recoverable amount of the asset becomes greater than its carrying amount again. The only impairment losses that may not be reversed are those relating to goodwill.

2-10-2. Investments in joint ventures and associates

Because goodwill included in the carrying amount of investments in joint ventures and associates is not presented separately, this goodwill is not tested individually for impairment, in accordance with IAS 36. The investment is tested for impairment by comparing its recoverable amount to its total carrying amount, if there is evidence that the investment is impaired.

2-10-3. Other non-current assets

The methods used to test other non-current assets (in particular, audiovisual rights) for impairment are described in the relevant sections.

2-11. Financial assets

Financial assets may be classified in one of four categories: available-for-sale financial assets, loans and receivables measured at amortised cost, held-to-maturity investments, and assets at fair value through profit or loss. In accordance with IAS 1, financial assets are classified as either current assets or non-current assets.
Financial assets are recognised at the settlement date.

2-11-1. Available-for-sale financial assets

These assets are initially recognised at fair value, which corresponds to acquisition cost plus transaction costs. At the end of subsequent reporting periods, available-for-sale financial assets are remeasured at fair value. Changes in fair value are recognised in equity, and are not transferred to the income statement until the asset in question is sold.

The TF1 group classifies in this category equity interests in companies over which the Group exercises neither control nor significant influence. The fair value of listed securities is determined using the fair value measurement principles described in Note 11. Unlisted securities whose fair value cannot be measured reliably are carried at cost.

Available-for-sale financial assets are tested individually for impairment. Unrealised gains and losses are recognised in equity. If there is objective evidence of a significant or prolonged decline in value, an impairment loss is recognised in the income statement.

2-11-2. Loans and receivables

These financial assets are initially recognised at fair value plus directly attributable transaction costs. At the end of each subsequent reporting period, they are measured at amortised cost using the effective interest method.
This category includes trade debtors, other debtors, loans receivable, deposits and caution money, loans and advances to non-consolidated investees, cash, and current account advances to joint ventures, associates and non-consolidated investees.

Loans and receivables are assessed individually for objective evidence of impairment. An asset is regarded as impaired if the carrying amount is greater than the estimated recoverable amount as determined in impairment tests.

Impairment losses are recognised in profit or loss, but may be reversed if the recoverable amount increases in subsequent periods.

2-11-3. Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold until maturity. They are measured and carried at amortised cost calculated using the effective interest method.

Held-to-maturity investments are assessed individually for objective evidence of impairment, and are regarded as impaired if the carrying amount is greater than the estimated recoverable amount as determined in impairment tests. Impairment losses are recognised in profit or loss.

2-11-4. Financial assets at fair value through profit or loss

These assets are measured at fair value, with changes in fair value recognised in profit or loss.

This category includes:

- assets classified as held for trading, which comprise assets acquired for the purpose of reselling them in the near term at a profit or which are part of a portfolio of financial instruments that are managed together and for which there is a pattern of short-term profit taking;
- assets designated by the Group on initial recognition as financial instruments at fair value through profit or loss.

2-12. Programmes and broadcasting rights

In order to secure programming schedules for future years, the TF1 group enters into binding contracts, sometimes for a period of several years, under which the Group acquires (and the other party agrees to deliver) programme rights and sports transmission rights.

A programme is treated as ready for transmission and recognised in inventory under "Programmes and broadcasting rights" when the following two conditions are met: technical acceptance (for in-house and external productions), and opening of rights (for external productions).
In the case of rights and programmes for which these two criteria have not been met (programmes not yet delivered, sports rights for which the right to broadcast is not activated until the date of the event, etc.), the Group takes the view that it does not control the asset, since it has neither the right nor the ability to broadcast the programme. Consequently, such rights are not recognised in the balance sheet.
However, any advance payments made to acquire such rights are recognised as supplier prepayments.

The line "Programmes and broadcasting rights" in the balance sheet includes:

- in-house productions, made by TF1 group companies for TF1 channels;
- external productions, comprising broadcasting rights acquired by the TF1 group's channels and co-production shares of broadcasts made for the TF1 group's channels.

The value of programmes and broadcasting rights is measured as follows:

- in-house production: at overall production cost (direct costs plus a portion of indirect production costs);
- broadcasting rights and co-productions: at purchase cost, less consumption for the year calculated at the end of each reporting period.

TF1 SA programmes (which account for most of the Group's programme inventory) are deemed to have been consumed as transmitted. If they are acquired for a single transmission, they are regarded as having been consumed in full at the time of this transmission. If they are acquired for two or more transmissions, consumption is calculated according to the type of programme using the rules described below, unless otherwise specified in the acquisition contract:

Rules by type of programme			
	Dramas with a running time of at least 52 minutes	Films, TV movies, serials and cartoons	Other programmes and broadcasting rights
1st transmission	80%	50%	100%
2nd transmission	20%	50%	-

"Other programmes and broadcasting rights" in the table above refers to children's programmes (other than cartoons), entertainment shows, plays, factual and documentary programmes, news, sport, and dramas with a running time of less than 52 minutes.

A provision for impairment is recorded once it becomes probable that a programme will not be transmitted, or if the contractual value at which it was recognised in inventory exceeds the value attributable to it using the rules described above. Probability of transmission is assessed on the basis of the most recent programming schedules approved by management. If rights are resold, a provision is recorded once the sale is probable to cover any excess of the value at which the rights were initially recognised in inventory (or the amount of advance payments) over the actual or estimated selling price.

Programmes that have not been transmitted and the rights to which have expired are written off as a component of current operating profit, and any previously-recognised provisions are reversed.

Rights ordered under irrevocable contracts but not yet available for transmission (see above) are disclosed in Note 10, in the section relating to contracts entered into by TF1 to secure future programming schedules, and are priced at the contractual amount (or the estimated future cash outflow in the case of output deal contracts) less any advance payments made.

2-13. Financial assets used for treasury management purposes

Financial assets used for treasury management purposes are securities held for trading purposes which although they are monetary investments do not qualify as cash equivalents. They are classified as financial assets at fair value through profit or loss held for trading.

2-14. Cash and cash equivalents

The line "Cash and cash equivalents" in the balance sheet comprises cash, cash equivalents, and debit balances on treasury current accounts.

Cash consists of liquidity available in bank current accounts and sight deposits. Cash equivalents are assets held in order to meet short-term treasury needs. Investments qualify as cash equivalents if they are readily convertible into cash, are subject to an insignificant risk of changes in value, and have a maturity of less than three months. Treasury current accounts represent cash invested with non-consolidated investees, joint ventures or associates, and current accounts with other Bouygues group entities.

Cash and treasury current accounts are classified in the "Loans and receivables" category and carried at amortised cost.

2-15. Held-for-sale assets

A non-current asset or a group of assets and liabilities is classified as "held-for-sale" if its carrying amount will be recovered principally through a sale transaction rather than through continuing use, and a sale is highly probable.
If material, such assets and asset groups are reported separately from other assets or asset groups, and are measured at the lower of their carrying amount or fair value less costs to sell.

An operation is treated as discontinued or held-for-sale when it is a separate line of business that is material to the Group, and either (i) the criteria for classification as a held-for-sale asset are met or (ii) it has been sold by the TF1 group.

Discontinued or held-for-sale operations are reported in a single line item in the income statement for each period presented, comprising:

- the net profit (or loss) after tax of discontinued or held-for-sale operations until the date of disposal;
- any impairment of net assets held for sale, based on their carrying amount less costs to sell, at the time of initial classification of those net assets as held-for-sale;
- the net gain (or loss) after tax arising from the disposal

If material, cash flows relating to discontinued and held-for-sale operations are shown separately from the consolidated cash flow statement for all the periods reported; details are provided in Note 4, "Held-for-sale operations".

2-16. Treasury shares

Treasury shares acquired by the TF1 group are deducted from consolidated equity. No gains or losses arising on the purchase, sale or cancellation of treasury shares are recognised in the income statement.

2-17. Financial liabilities

Financial liabilities are classified in one of two categories: financial liabilities at fair value through profit or loss, and financial liabilities at amortised cost.

Financial liabilities at fair value through profit or loss comprise:

- liabilities regarded as held for trading, comprising liabilities incurred principally with a view to their redemption in the near term;
- liabilities designated by the Group on initial recognition as financial instruments at fair value through profit or loss.

The TF1 group's non-derivative financial liabilities mainly comprise bond issues, borrowings (including credit facilities contracted with banks or with the Group), treasury current accounts with credit balances, bank overdrafts, and finance lease obligations.

Such liabilities are measured at amortised cost.

Where a financial liability is wholly or partially hedged by an interest rate instrument, the hedged portion is accounted for under hedge accounting rules (see Note 2-18-1).

2-17-1. Bond issues

Bond issues are initially recognised at the amount of the issue proceeds net of issue costs.
Subsequently, bond issues are measured at amortised cost using the effective interest method. The effective interest rate takes account of issue costs and redemption premium, which are recognised in the balance sheet as a deduction from the nominal value of the bond issue and amortised using the effective interest method over the term of the bond issue. Amortisation and interest charges are recognised in the income statement under "Expenses associated with net debt". The portion of accrued interest falling due within less than one year is recorded in "Current debt".

2-17-2. Other financial liabilities

Other current and non-current financial liabilities comprise borrowings, treasury current accounts with credit balances, bank overdrafts and finance lease obligations, and are measured at amortised cost.

- **Commitments to buy out non-controlling interests**

Commitments to buy out non-controlling interests are recognised as a financial liability, in accordance with IAS 32.

Since January 1, 2010, the effective date of the amended IAS 27, TF1 has elected to recognise these financial liabilities by debiting equity, with no impact on the recognition of non-controlling interests. Apart from discounting effects (recognised in "Expenses associated with net debt"), the effects of subsequent changes in the liability are also recognised in equity.

For commitments to buy out non-controlling interests relating to a business combination completed prior to January 1, 2010, TF1 recognised the excess of the amount of the liability over the carrying amount of the related non-controlling interests, and subsequent changes in the fair value of the liability (other than discounting effects), as goodwill.

2-18. Derivative financial instruments

Derivative financial instruments are initially recognised at fair value as of the inception date of the contract, and are subsequently measured at fair value in accordance with IAS 39.

The TF1 group uses derivative financial instruments such as swaps, interest rate options, forward currency purchases and currency options to hedge its exposure to fluctuations in interest rates and exchange rates. Group policy is to trade on the financial markets solely for hedging purposes related to its business activities, and not to trade for speculative purposes.

2-18-1. Derivative financial instruments designated as hedges

For hedge accounting purposes, a hedge may be classified into one of two categories:

- fair value hedges, which hedge the exposure to changes in fair value of a recognised asset or liability, or a firm commitment, such as a fixed-rate loan or borrowing or an asset or liability denominated in a foreign currency;
- cash flow hedges, which hedge the exposure to variability in cash flows attributable to:
    - an asset or liability such as a floating-rate loan or borrowing;
    - a highly probable forecast transaction; or
    - foreign exchange risk relating to a firm commitment.

At the inception of a hedge, TF1 formally designates the financial instrument to which hedge accounting will apply, and documents:

- the hedging relationship;
- the effectiveness of the hedging relationship, by conducting effectiveness tests both at inception and throughout all the financial reporting periods during which the hedge is designated.

Hedging instruments that qualify for hedge accounting are accounted for as follows:

- fair value hedges: changes in the fair value of the hedging instrument are recognised in profit or loss for the period symmetrically with changes in the fair value of the hedged item. The hedging instrument and the hedged item are both recognised in the balance sheet at fair value;
- cash flow hedges: the gain or loss (net of taxes) arising on the effective portion of the hedging instrument is recognised in equity, and the gain or loss on the ineffective portion is recognised in profit or loss. The amounts recognised in equity are taken to profit or loss in the period in which the hedged transaction affects the income statement.

2-18-2. Derivative financial instruments not designated as hedges

Gains and losses arising from changes in the fair value of derivatives not designated as hedges within the meaning of IAS 39 are recognised in the income statement.

2-19. Provisions and contingent liabilities

A provision is recorded when a legal or constructive obligation to a third party arising from a past event will certainly or probably result in an outflow of resources that can be measured reliably. Provisions are reviewed at the end of each reporting period, and adjusted where necessary to reflect the best estimate of the obligation as of that date.
Contingent liabilities are obligations whose existence will be confirmed only by the occurrence of future events or for which the outflow of resources cannot be measured reliably. No provision is recorded for contingent liabilities.

2-19-1. Non-current provisions

The main types of non-current provisions are:

- **Provisions for retirement benefits**

  The Group's employees are entitled to retirement benefits under defined-contribution and defined-benefit plans, which may be partially managed by the Group's pension funds.

  The employees of TF1 group subsidiaries belong to general and top-up French pension schemes. These are defined-contribution plans, under which the TF1 group's obligation is limited to the payment of a periodic contribution based on a specified percentage of staff costs. Those contributions are expensed in profit or loss for the period under "Staff costs".
  The pension cost recognised for defined-benefit plans is determined using the projected unit credit method at the expected retirement date, based on final salary, and taking account of:

  - vested benefit entitlements under collective agreements for each category of employee based on length of service;
  - staff turnover rate, calculated using historical average data for employees leaving the Group;
  - salaries and wages, including a coefficient for employer's social security charges as currently payable;
  - an annual salary inflation rate;
  - life expectancy of employees, determined using statistical tables;
  - a discount rate, applied to the obligation and reviewed annually.

  The Group's obligation is partially covered by an insurance contract. The provision for retirement benefits recognised in the balance sheet represents the total obligation less the value of the contract.

  Actuarial gains and losses arise on defined-benefit post-employment benefit plans as a result of changes in the actuarial assumptions used to measure the obligation and plan assets from one period to the next, and of differences between actual market conditions and the expected market conditions used in the assumptions. Since January 1, 2011 the TF1 group has recognised actuarial gains and losses directly in equity, in accordance with the revised IAS 19.

- **Provisions for litigation, claims and risks**

  These provisions cover litigation, claims and non-recurring risks for which settlement occurs outside the normal operating cycle.
  They are measured as the probable outflow of resources resulting from ongoing litigation or claims arising from an event prior to the end of the reporting period. Provisions for litigation and claims include the estimated amount payable to third parties in respect of litigation and claims. They also include provisions for charges relating to disputes with tax and social security authorities; in such cases, the amount shown on reassessment notices issued by the authorities is provided for unless the company concerned regards it as highly probable that it will successfully defend its position against the authorities.

2-19-2. Current provisions

Current provisions mainly comprise provisions for litigation and claims arising in the normal operating cycle and for which settlement will probably occur within twelve months. They are measured in the same way as non-current provisions (see above).

2-20. Revenue recognition

The TF1 group recognises revenue when:

- it is probable that the economic benefits associated with the transaction will flow to the Group;
- the amount of revenue can be measured reliably;
- at the transaction date, it is probable that the amount of the sale will be recovered.

The specific revenue recognition policies applied to each business line are as follows:

- Sales of advertising airtime are recognised on transmission of the advertisement or commercial:
  - For sales of advertising airtime on media not owned by the Group, TF1 recognises the agency commission as revenue unless it has offered the media owner a recovery guarantee for selling the airtime, in which case TF1 recognises as revenue the gross amount of airtime sales invoiced to the advertisers.
  - The TF1 group makes marginal use of barter transactions involving advertising with media other than television, such as radio or print media. Such transactions, which are exchanges of dissimilar services within the meaning of SIC 31, are reported on a non-netted basis, with matching amounts recognised as income in “Revenue” and as expenses in “External expenses”.

- Fees charged by theme channels to cable and satellite operators that broadcast them are calculated on a per subscriber basis or as a fixed annual fee invoiced to the operator. Subscriber-based fees are recognised monthly on the basis of statements received from the operator. Fixed annual fees are recognised as revenue on a straight-line basis over the course of the year.
- Sales of audiovisual rights under licence are recognised when the licensee has acknowledged that the programme conforms with the terms of the licence (technical acceptance).
- Revenue from sales of merchandise and products by the Group’s publishing and distribution activities is reported net of (i) provisions for expected goods returns and (ii) paybacks made in connection with some distribution contracts.
- In the case of services that require recourse to technical service-providers, the Group recognises as revenue the cost of the service borne by the end user if the Group bears the financial, after-sales and legal risks associated with the service. In other cases, where the Group regards itself as acting purely as agent, only the net fee collected is recognised as revenue.

Other operating revenues mainly comprise sales-based royalties invoiced under licence agreements.

The activities carried on by the TF1 group do not to any material extent include sales comprising separately identifiable components within the meaning of IAS 18.

2-21. Grants

Grants received by the TF1 group mainly comprise grants received by the Group’s production companies from funds set up to support the audiovisual industry (in particular grants awarded by the French National Centre for Cinematography).

Grants awarded by audiovisual industry support funds are initially recorded as deferred income in “Trade and other creditors” on the liabilities side of the balance sheet once the grant has been definitively awarded. They are taken to the income statement under “Other current operating income” in line with the amortisation of the productions to which they relate, starting from the date on which the production is completed or licensed for distribution.

2-22. Non-current operating income and expenses

These lines comprise a very limited number of income and expense items, which are unusual and occur infrequently but are material to the consolidated financial statements. TF1 reports these items separately in its income statement in order to give users of the financial statements a better understanding of the Group's ongoing operational performance.

2-23. Cost of net debt

"Cost of net debt" represents "Expenses associated with net debt", net of "Income associated with net debt".

"Expenses associated with net debt" comprise:

- interest expense on current and non-current debt;
- amortisation of financial assets and liabilities measured at amortised cost;
- expenses arising from interest rate hedges;
- expenses arising from the use of fair value accounting for financial assets and financial liabilities at fair value, such as changes in the fair value of interest rate derivatives, cash equivalents and financial assets used for treasury management purposes;
- expenses arising on the disposal of assets used for treasury management purposes.

Interest expense is recognised in the income statement in the period in which it is incurred.

"Income associated with net debt" comprises:

- interest income associated with cash and cash equivalents and with financial assets used for treasury management purposes;
- income arising from interest rate hedges;
- other revenues generated by cash equivalents and financial assets used for treasury management purposes;
- income arising from the use of fair value accounting for financial assets and financial liabilities at fair value, such as changes in the fair value of interest rate derivatives, cash equivalents and financial assets used for treasury management purposes;
- income generated by the disposal of assets used for treasury management purposes.

2-24. Deferred taxation

Deferred taxation is recognised using the liability method on all temporary differences existing at the end of the reporting period between the carrying amount of assets and liabilities in the consolidated balance sheet and their tax base, except in the specific cases mentioned in IAS 12 (primarily goodwill).

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets arising on deductible temporary differences and on the carry-forward of unused tax losses are recognised only to the extent that it is probable that they can be offset against future taxable profits.

Taxes on items recognised directly in equity are taken to consolidated reserves.

Deferred taxes are presented in the balance sheet in non-current assets or liabilities, after offset of assets and liabilities in each tax jurisdiction.

2-25. Earnings per share

Basic earnings per share is obtained by dividing net profit for the period by the weighted average number of shares outstanding during the period.

All shares conferring unrestricted rights upon the shareholder are included. Shares in the parent company held by the company itself or by consolidated companies are excluded from the average number of shares outstanding.

Diluted earnings per share is calculated by including all financial instruments giving future access to the capital of the parent company, whether these instruments are issued by the parent company itself or by a subsidiary. The dilutive effect is calculated separately for each instrument, based on the conditions prevailing at the end of the reporting period. Anti-dilutive instruments are excluded.

Non-dilutive share subscription option plans are excluded from this calculation.

2-26. Share-based payment

TF1 has awarded share subscription option plans and consideration-free share allotment plans to its employees (see Note 30).

In accordance with IFRS 2, the cost of these equity-settled share-based payment plans is recognised as an expense in “Staff costs”, with the credit entry recognised in equity.

The total expense relating to share subscription option plans is measured at the grant date of the options using the Black-Scholes-Merton model, and is recognised over the vesting period.

The total expense relating to consideration-free shares is measured at the allotment date (taking into account any specific terms and conditions liable to affect fair value), and recognised over the vesting period on a straight line basis.

2-27. Operating segments

With effect from January 1, 2013 the TF1 group changed the presentation of the internal reports used to manage and monitor the performance of its operating activities. The new presentation is a response to the competitive, economic and technological changes that the Group has faced in recent years, and gives a fairer representation of the strategy implemented by the Group to address those changes.

The segment information presented below has been updated to take account of this change in the Group’s internal management reporting. For details of how Group entities are allocated to these segments, refer to Note 36, “Detailed list of companies included in the consolidation”.

TF1 organises its operating activities into strategic business units, each of which is managed appropriately to the nature of the products and services sold. This segmentation serves as the basis for the presentation of internal management data, and is also used by the Group’s operational decision-makers to monitor performance. The operating segments reported by the Group are those reviewed by the chief operational decision-maker; they are not aggregated for segment reporting purposes.

Management assesses performance on the basis of current operating profit. Segmental results, assets and liabilities include items directly or indirectly attributable to the relevant segment. Segmental capital expenditure represents total acquisitions of property, plant and equipment and intangible assets as recognised in the corresponding balance sheet line items. Inter-segment sales and transfers are conducted on an arm’s length basis.

The TF1 group reports the following operating segments:

Broadcasting and Content

The Broadcasting and Content segment includes all services that are accessible to consumers free of charge. These activities generate revenue primarily from the sale of advertising space on broadcast media, the internet, and print media.
This segment also includes activities that generate non-advertising revenue derived directly from programmes broadcast on the Group's free-to-air channels, such as interactivity between viewers and programmes.
Finally, this segment includes content subsidiaries whose activities are primarily intended to produce content for another subsidiary that belongs to the Broadcasting and Content segment, such as the acquisition and exploitation of audiovisual rights, in-house production of programmes, or advertising airtime sales.

Consumer Products

The Consumer Products segment includes all paid-for products and services sold by the Group to consumers, either directly or via an intermediary:

- ✓ distance selling via internet or telephone and in-store sales by the Home Shopping business (Téléshopping group);
- ✓ the activities of the TF1 Entreprises business, including sales of card/board games and exploitation of licences;
- ✓ the acquisition and distribution of video products on physical and digital media.

Pay-TV

This segment includes all paid-for services accessible via third-party operators. Revenues from these activities are generated mainly by the fees negotiated with and collected from cable, satellite and ADSL operators for access to the pay-TV channels produced by the TF1 group. The customer is an operator with whom the revenue is negotiated; the operator is responsible for relations with the end user, and in particular for collecting the price for the provision of the service to the end user.

Holding company and Other

This segment contains entities with no operational activities and entities that carry the Group's property assets. It also includes entities whose activities do not match the business models of any of the other segments but which are insufficiently material to constitute a separate segment.

3 Significant changes in scope of consolidation

The consolidated financial statements of the TF1 group for the year ended December 31, 2014 include the financial statements of the companies listed in Note 36.

3-1. Significant changes in scope of consolidation in 2014

- ✓ **Eurosport SAS**

Following the sale of a 31% interest in Eurosport SAS on May 30, 2014 (see Note 1, "Significant Events of 2014"), the TF1 group no longer exercises exclusive control over Eurosport SAS and its international subsidiaries. Consequently, those entities have been deconsolidated with effect from that date.
The TF1 group retains a 49% interest in Eurosport SAS, giving it significant influence over that entity. Consequently, the Eurosport International group has been accounted for by the equity method with effect from that date (see Note 9, "Investments in joint ventures and associates").

- ✓ **OneCast**

On October 30, 2014, the TF1 group completed the sale of its subsidiary OneCast to the ITAS group (see Note 1, "Significant Events of 2014"). OneCast, previously accounted for by the full consolidation method, has been deconsolidated with effect from that date.

OneCast generated revenue of €7.3 million in the first nine months of 2014 (versus €9.1 million for the year ended December 31, 2013), and operating profit of €2.0 million in the same period (versus €1.9 million for the year ended December 31, 2013).

3-2. Significant changes in scope of consolidation in 2013

- ✓ Sale of Place des Tendances

On November 5, 2013, the TF1 group sold its entire equity interest in Place des Tendances (representing 80% of the capital), and the associated receivables, to Printemps Holding France SAS. The impact of this sale was recognised in current operating profit for the year ended December 31, 2013.

Place des Tendances generated revenue of €8.7 million and an operating profit of €0.3 million in the first ten months of 2013 (versus revenue of €9.4 million and an operating loss of €1.6 million in the year ended December 31, 2012).

4 Held-for-sale operations

Based on a review of the IFRS 5 classification criteria, the TF1 group took the view as of December 31, 2013 that the ongoing transaction involving the Eurosport group (excluding its subsidiary Eurosport France) fell within the scope of IFRS 5.
The materiality of Eurosport International to both the Pay-TV operating segment and the TF1 group consolidated financial statements was such that its operations qualified as “held-for-sale” within the meaning of paragraphs 31 to 33 of IFRS 5.

The consolidated financial statements are presented in accordance with IFRS 5 and with the accounting policy described in Note 2-15:

- In the consolidated balance sheet as of December 31, 2013, the impact of the held-for-sale operation is presented on two separate lines: “Assets of held-for-sale operations” and “Liabilities of held-for-sale operations”.
- In the consolidated income statement, the impact of the held-for-sale operation is presented on a separate line, “Net profit from discontinued or held-for-sale operations”, for the whole of 2013 and for the period until the date of disposal (May 30) in 2014.
- In the cash flow statement, only cash flows from continuing operations are presented; an analysis by type of cash flow from held-for-sale operations is presented below.

➢ **Balance sheet of Eurosport International, held for sale as of December 31, 2013:**

ASSETS (€ million)	**Dec. 31, 2013**
Goodwill	391.8
Intangible assets	15.3
Property, plant and equipment	14.3
Non-current financial assets	0.6
Non-current tax assets	5.0
Total non-current assets	**427.0**
Inventories	-
Trade and other debtors	115.5
Current tax assets	0.1
Other current financial assets	0.3
Cash and cash equivalents	102.7
Total current assets	**218.6**
TOTAL ASSETS	**645.6**

SHAREHOLDERS’ EQUITY AND LIABILITIES (€ million)	**Dec. 31, 2013**
Share capital, share premium and reserves	431.4
Net profit/(loss) for the period	48.5
Total shareholders’ equity	**479.9**
Non-current debt	0.5
Non-current provisions	3.5
Non-current tax liabilities	0.1
Total non-current liabilities	**4.1**
Current debt	35.0
Trade and other creditors	118.2
Current provisions	5.4
Current tax liabilities	3.0
Other current financial liabilities	-
Total current liabilities	**161.6**
TOTAL SHAREHOLDERS’ EQUITY & LIABILITIES	**645.6**
Net surplus cash (+) / Net debt (-)	**67.2**

➢ **Income statement of Eurosport International, treated as a held-for-sale operation until May 30, 2014:**

(€ million)	5 months 2014	12 months 2013
Advertising revenue	15.7	81.2
Other revenue	143.8	327.1
Revenue	**159.5**	**408.3**
Operating expenses	**(133.7)**	(331.7)
Operating profit / (loss)	**25.8**	**76.6**
Cost of net debt	**-**	**-**
Other financial income and expenses	(0.1)	-
Income tax expense	(9.3)	(28.1)
Net profit / (loss)	**16.4**	**48.5**

➢ **Cash flows of Eurosport International, treated as a held-for-sale operation until May 30, 2014:**

	5 months 2014	12 months 2013
Net cash generated by/(used in) operating activities – held-for-sale operations	5.0	59.7
Net cash generated by/(used in) investing activities – held-for-sale operations	(1.6)	(2.7)
Net cash generated by/(used in) financing activities – held-for-sale operations [a]	(37.9)	(1.3)
Total change in cash position of held-for-sale operations	**(34.5)**	**55.7**
CHANGE IN CASH POSITION – DISCONTINUED OR HELD-FOR-SALE OPERATIONS:		
Cash position at start of period – Discontinued or held-for-sale operations	**69.6**	**13.9**
Change in cash position – Discontinued or held-for-sale operations	(34.5)	55.7
Cash position at end of period – Discontinued or held-for-sale operations	**35.1**	**69.6**

(a) Includes €37.8 million of dividends distributed in the second quarter of 2014

5 Segment information

5-1. Information by operating segment

The contribution of each operating segment to the consolidated financial statements is shown below:

(€ million)	**BROADCASTING AND CONTENT**		**CONSUMER PRODUCTS**		**PAY-TV**		**HOLDING COMPANY AND OTHER**		**TOTAL TF1 GROUP**	
SEGMENTAL INCOME STATEMENT	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
Segment revenue	1,783.5	1,774.1	210.9	206.6	140.9	146.1	34.6	35.6	2,169.9	2,162.4
Elimination of inter-segment transactions	(34.7)	(45.1)	(1.3)	(1.5)	(15.7)	(14.1)	(26.4)	(26.4)	(78.1)	(87.1)
GROUP REVENUE CONTRIBUTION	**1,748.8**	**1,729.0**	**209.6**	**205.1**	**125.2**	**132.0**	**8.2**	**9.2**	**2,091.8**	**2,075.3**
of which Advertising revenue	*1,560.3*	*1,572.1*	*0.0*	*0.0*	*15.2*	*22.2*	*0.0*	*0.0*	*1,575.5*	*1,594.3*
of which Other revenue	*188.5*	*156.9*	*209.6*	*205.1*	*110.0*	*109.8*	*8.2*	*9.2*	*516.3*	*481.0*
OPERATING PROFIT/(LOSS) (5)	**51.7**	**101.6**	**14.8**	**25.3**	**1.5**	**3.1**	**48.5**	**16.7**	**116.5**	**146.7**
% operating margin on Group contribution	*3.0%*	*5.9%*	*7.1%*	*12.3%*	*1.2%*	*2.3%*	*N/S*	*N/S*	*5.6%*	*7.1%*
Share of profits/(losses) of joint ventures and associates (1)	0.5	(0.2)	-	-	13.9	(0.4)	0.6	1.1	15.0	0.5
Net profit/(loss) from discontinued or held-for-sale operations										
BALANCE SHEET DATA										
Segmental assets (2)	541.9	546.4	11.3	11.4	65.1	65.3	140.1	149.1	758.4	772.2
Segmental liabilities (3)	59.5	47.8	7.0	7.9	3.9	3.8	11.3	11.3	81.7	70.8
Investments in joint ventures and associates	-	0.2	1.5	1.5	506.2	1.6	74.1	80.2	581.8	83.5
Capital expenditure (4)	38.0	43.9	2.8	3.6	0.6	(0.2)	1.0	1.6	42.4	48.9

(1) The share of profits/(losses) of joint ventures and associates by segment breaks down as follows:

- Broadcasting & Content: the €0.5 million share of profits in 2014 (€0.2 million share of losses in 2013) is attributable to the investments in UGC Distribution and La Place Médias;

- Pay-TV: the €13.9 million share of profits in 2014 (€0.4 million share of losses in 2013) is attributable mainly to the 49% interest in the Eurosport group, accounted for by the equity method since May 30, 2014 (share of profits: €14.6 million);

- Holding Company & Other: relates mainly to Groupe AB, in both 2014 and 2013.

(2) Segmental assets include audiovisual rights, other intangible assets, goodwill, and property, plant and equipment.

(3) Segmental liabilities include current and non-current provisions.

(4) A reconciliation between capital expenditure and the cash flow statement is provided under "Capital expenditure" below.

(5) The year-on-year change in operating profit for the Holding Company & Other segment is mainly due to the gain on the sale of OneCast, recognised in 2014, while the year-on-year change in operating profit for the Consumer Products segment is mainly due to the recognition in 2013 of the gain on the sale of Place des Tendances.

Capital expenditure

The table below provides, for information purposes, a reconciliation with cash outflows on acquisitions of property, plant & equipment and intangible assets as presented in the consolidated cash flow statement:

(€ million)	2014	2013
Capital expenditure	42.4	48.9
Investment grants received	(9.0)	(11.4)
Change in liabilities relating to acquisitions of intangible assets	4.0	10.4
Change in liabilities relating to acquisitions of property, plant and equipment	(0.5)	3.5
Cash outflows on acquisitions of property, plant & equipment and intangible assets	**36.9**	**51.4**

5-2. Information by geographical segment

For geographical segment reporting purposes, segmental revenue is allocated according to the location of the customer, while segmental assets and capital expenditure are allocated according to the location of the asset.

	France		Continental Europe		Other countries		Total TF1	
(€ million)	2014	2013	2014	2013	2014	2013	2014	2013
Revenue	2,027.0	2,025.7	57.5	41.3	7.3	8.3	2,091.8	2,075.3
Segmental assets	758.4	772.2	-	-	-	-	758.4	772.2
Capital expenditure	41.8	48.6	0.6	0.2	-	0.1	42.4	48.9

6 Goodwill

Goodwill is allocated to cash generating units (CGUs) as follows:

(€ million)	BROADCASTING AND CONTENT	CONSUMER PRODUCTS	PAY-TV	HOLDING COMPANY AND OTHER	Total
Goodwill at January 1, 2014	**408.9**	**-**	**64.9**	**-**	**473.8**
Acquisitions	-	-	-	-	-
Disposals	-	-	-	-	-
Reclassifications					-
Impairment	-	-	-	-	-
Other movements	-	-	-	-	-
Goodwill at December 31, 2014	**408.9**	**-**	**64.9**	**-**	**473.8**
Gross value	*408.9*	*-*	*64.9*	*4.5*	*478.3*
Accumulated impairment	*0.0*	*-*	*-*	*(4.5)*	*(4.5)*

(€ million)	Broadcasting and Content	Consumer Products	Pay-TV	Holding company & Other	Total
Goodwill at January 1, 2013	**408.9**	**-**	**456.7**	**-**	**865.6**
Acquisitions	-	-	-	-	-
Disposals	-	-	-	-	-
Reclassifications					
Impairment	-	-	-	-	-
Held-for-sale operations [1]	-	-	(391.8)	-	(391.8)
Goodwill at December 31, 2013	**408.9**	**-**	**64.9**	**-**	**473.8**
Gross value	*408.9*	*-*	*64.9*	*10.3*	*484.1*
Accumulated impairment	*-*	*-*	*-*	*(10.3)*	*(10.3)*

(1) *Due to the presentation of Eurosport International as "held-for-sale" (see Note 4, "Held-for-sale operations"), the portion of goodwill allocated to that business (€391.8 million) has been reclassified to the line "Assets of held-for-sale operations" in accordance with the policy described in Note 2.7.*

Based on impairment tests conducted using the method described in Note 2-10, no material impairment of goodwill was identified as of December 31, 2014.

Impairment testing of goodwill

The recoverable amounts of each CGU were determined by calculating the value in use using the discounted cash flow (DCF) method, based on three-year cash flow projections compiled from plans and budgets approved by the TF1 Board of Directors. Cash flows beyond the projection time-frame were extrapolated at a perpetual growth rate that reflects past experience and incorporates prudent assumptions about the growth potential of the markets in which each CGU operates, and their competitive positions in those markets.

The business plans used in the tests were prepared on the basis of revenue growth rates and operating margins consistent with actual performances over the previous five years. Those business plans take account of factors including:

- the impacts of the economic situation on advertising spend, in the particularly difficult current environment;
- the expansion of the freeview offer across all media, in particular free-to-air DTT channels and digital activities (MYTF1) driven by new technologies;
- the effects of the adaptation of the TF1 channel business model, in particular those obtained through the optimisation plans implemented since 2007;
- future major sporting events.

The perpetual growth rate used for impairment testing as of December 31, 2014 is 2% for all CGUs; the same rate was used as of December 31, 2013. The after-tax discount rate used as of December 31, 2014 was 8.32% (versus 8.57% as of December 31, 2013); it was determined on the basis of external data sources using the method described in Note 2-10-1.

For the Broadcasting & Content and Pay-TV CGUs, analyses were performed of the sensitivity of the calculations to key assumptions (discount rate, growth rate, normative cash flows), individually and in combination, including reasonably possible changes in those assumptions.

For those CGUS, recoverable amount would equal the carrying amount of the assets tested if the following assumptions (taken individually) were to be applied:

	Change in discount rate		Change in normative cash flows
Broadcasting and Content CGU	+470	bp	-50%
Pay-TV CGU	+240	bp	-35%

For the Broadcasting and Content CGU, in the event of a 10% reduction in normative cash flows combined with an increase of 50 basis points in the discount rate, the recoverable amount would exceed the carrying amount by €500 million.

For the Pay-TV CGU, in the event of a 10% reduction in normative cash flows combined with an increase of 50 basis points in the discount rate, the recoverable amount would exceed the carrying amount by €8 million.

7 Intangible assets

7-1. Audiovisual rights

Movements during the year ended December 31, 2014 were as follows:

2014 *(€ million)*	**Jan. 1**	**Increases**	**Decreases**	**Changes in scope of consolidation, reclassifications**	**Dec. 31**
Gross value	1,154.2	25.6	(0.4)	-	1,179.4
Amortisation	(1,077.6)	(32.8)	0.1	-	(1,110.3)
Impairment	(28.6)	(6.0)	12.3	-	(22.3)
Audiovisual rights	**48.0**	**(13.2)**	**12.0**	**-**	**46.8**

Movements during the year ended December 31, 2013 were as follows:

2013 *(€ million)*	**Jan. 1**	**Increases**	**Decreases**	**Changes in scope of consolidation, reclassifications**	**Dec. 31**
Gross value	1,137.7	32.7	(1.6)	(14.6)	1,154.2
Amortisation	(1,040.7)	(36.9)	1.1	(1.1)	(1,077.6)
Impairment	(41.8)	(15.2)	13.3	15.1	(28.6)
Audiovisual rights	**55.2**	**(19.4)**	**12.8**	**(0.6)**	**48.0**

The table below shows the maturities of audiovisual rights acquisition contracts entered into by TF1 to secure future programming schedules.

Audiovisual rights *(€ million)*	**Less than 1 year**	**1 to 5 years**	**More than 5 years**	**Total**
2014	**14.6**	**0.9**	**-**	**15.5**
2013	19.0	1.0	-	20.0

7-2. Other intangible assets

2014 *(€ million)*	Jan. 1	Increases	Decreases	Changes in scope of consolidation, reclassifications	Held-for-sale operations	Dec. 31
Indefinite-lived trademarks	36.2	-	-	-	-	36.2
Concessions, patents & similar rights	52.2	1.8	(0.8)	4.7	-	57.9
Other movements	10.9	4.4	(0.1)	(4.7)	-	10.5
Gross value	**99.3**	**6.2**	**(0.9)**	**-**	**-**	**104.6**
Impairment of indefinite-lived trademarks	-	-	-	-	-	-
Amortisation	(36.9)	(4.9)	0.8	-	-	(41.0)
Impairment	(2.0)	(0.1)	-	-	-	(2.1)
Amortisation and impairment	**(38.9)**	**(5.0)**	**0.8**	**-**	**-**	**(43.1)**
Other intangible assets	**60.4**	**1.2**	**(0.1)**	**-**	**-**	**61.5**

2013 *(€ million)*	Jan. 1	Increases	Decreases	Changes in scope of consolidation, reclassifications	Held-for-sale operations	Dec. 31
Indefinite-lived trademarks	52.2	-	-	-	(16.0)	36.2
Concessions, patents & similar rights	42.7	2.6	(1.7)	8.6	-	52.2
Other movements	17.3	3.7	(0.6)	(8.6)	(0.9)	10.9
Gross value	**112.2**	**6.3**	**(2.3)**	**-**	**(16.9)**	**99.3**
Impairment of indefinite-lived trademarks	(1.6)	-	-	-	1.6	-
Amortisation	(35.2)	(4.3)	2.1	0.5	-	(36.9)
Impairment	(1.2)	(0.1)	-	(0.7)	-	(2.0)
Amortisation and impairment	**(38.0)**	**(4.4)**	**2.1**	**(0.2)**	**1.6**	**(38.9)**
Other intangible assets	**74.2**	**1.9**	**(0.2)**	**(0.2)**	**(15.3)**	**60.4**

Based on impairment tests conducted using the method described in Note 2-10, no impairment of indefinite-lived trademarks was identified as of December 31, 2014.

8 Property, plant and equipment

The table below shows movements in property, plant and equipment, and in depreciation and impairment, during the year ended December 31, 2014:

2014 (*€ million*)	**Jan. 1**	**Increases**	**Decreases**	**Changes in scope of consolidation, reclassifications**	**Held-for-sale operations**	**Dec. 31**
Land	60.9	-	-	-	-	60.9
Buildings	101.2	-	-	-	-	101.2
Technical facilities	162.1	6.2	(4.0)	(16.0)	-	148.3
Technical facilities held under finance leases	14.2	-	(0.2)	-	-	14.0
Other property, plant and equipment	94.6	6.1	(2.6)	0.6	-	98.7
Property, plant & equipment under construction	1.0	0.4	-	(1.3)	-	0.1
Gross value	**434.0**	**12.7**	**(6.8)**	**(16.7)**	**-**	**423.2**
Buildings	(19.7)	(2.4)	0.1	-	-	(22.0)
Technical facilities	(141.2)	(8.8)	4.0	10.0	-	(136.0)
Technical facilities held under finance leases	(11.0)	(1.1)	0.2	0.1	-	(11.8)
Other property, plant and equipment	(72.1)	(7.5)	2.5	-	-	(77.1)
Depreciation and impairment	**(244.0)**	**(19.8)**	**6.8**	**10.1**	**-**	**(246.9)**
Property, plant and equipment	**190.0**	**(7.1)**	**-**	**(6.6)**	**-**	**176.3**

The table below shows movements in property, plant and equipment, and in depreciation and impairment, during the year ended December 31, 2013:

2013 (*€ million*)	**Jan. 1**	**Increases**	**Decreases**	**Changes in scope of consolidation, reclassifications**	**Held-for-sale operations**	**Dec. 31**
Land	60.9	-	-	-	-	60.9
Buildings	101.3	-	(0.1)	-	-	101.2
Technical facilities	187.3	7.7	(8.2)	0.5	(25.2)	162.1
Technical facilities held under finance leases	30.4	-	(9.0)	-	(7.2)	14.2
Other property, plant and equipment	114.0	4.1	(4.2)	2.2	(21.5)	94.6
Property, plant & equipment under construction	1.2	1.1	-	(1.2)	(0.1)	1.0
Gross value	**495.1**	**12.9**	**(21.5)**	**1.5**	**(54.0)**	**434.0**
Buildings	(17.5)	(2.4)	0.2	-	-	(19.7)
Technical facilities	(156.1)	(11.8)	8.2	0.2	18.3	(141.2)
Technical facilities held under finance leases	(23.7)	(2.9)	8.7	0.1	6.8	(11.0)
Other property, plant and equipment	(81.2)	(9.5)	4.0	-	14.6	(72.1)
Depreciation and impairment	**(278.5)**	**(26.6)**	**21.1**	**0.3**	**39.7**	**(244.0)**
Property, plant and equipment	**216.6**	**(13.7)**	**(0.4)**	**1.8**	**(14.3)**	**190.0**

9 Investments in joint ventures and associates

The table below gives details of investments in associates:

(€ million)	Eurosport group [(1)]	Groupe AB [(2)]	Other [(3)]	Total
Country	**France**	**France**	**France**	
January 1, 2013	**-**	159.5	**1.6**	**161.1**
Share of profit/(loss) for the period	-	1.1	(0.6)	**0.5**
Impairment losses	-	-	-	**-**
Dividends paid	-	-	0.5	**0.5**
Changes in scope of consolidation and reclassifications	-	(80.4)	1.5	**(78.9)**
Provision for risks	-	-	0.3	**0.3**
December 31, 2013	**-**	80.2	**3.3**	**83.5**
January 1, 2014	**-**	80.2	**3.3**	**83.5**
Share of profit/(loss) for the period	14.6	0.6	(0.2)	**15.0**
Impairment losses	-	-	-	**-**
Dividends paid	-	(6.7)	0.6	**(6.1)**
Changes in scope of consolidation and reclassifications	489.9	-	-	**489.9**
Provision for risks	-	-	(0.5)	**(0.5)**
December 31, 2014	**504.5**	**74.1**	**3.2**	**581.8**

(1) *The carrying amount of the Eurosport group includes goodwill measured provisionally at €402.2 million pending final allocation, of which €165.1 million is reported as goodwill in the consolidated financial statements of the Eurosport group (see below).*

(2) *In 2013, Groupe AB carried out a €240 million reduction in share capital. This transaction led to the €80.4 million partial redemption of the value of the shares held by TF1, of which €53.6 million was paid in cash and €26.8 million was converted into a current account receivable, with no impact on the 33.5% percentage interest held by the TF1 group in Groupe AB. The carrying amount of Groupe AB includes goodwill of €44.4 million, all of which is reported as goodwill in the consolidated financial statements of Groupe AB (see below).*

(3) *Primarily a 47.8% equity interest in Direct Optic Participations (€1.5 million in 2014, €1.5 million in 2013).*

No other material income or expenses recognised directly in equity were reported by joint ventures or associates.

The table below gives summary information about material investments in associates:

	Eurosport group		Groupe AB [(2)]	
TF1 group share	*49%*		*33.5%*	*33.5%*
(€ million)	**2014 [(1)]**	**2013 [(1)]**	**2014**	**2013**
Non-current assets [(3)]	180.6	-	100.8	113.5
Current assets	154.7	-	40.4	96.5
TOTAL ASSETS	**335.3**	**-**	**141.2**	**210.0**
Shareholders' equity	267.4	-	74.7	160.8
Non-current liabilities	3.1	-	31.5	15.0
Current liabilities	64.8	-	34.9	34.2
TOTAL LIABILITIES AND EQUITY	**335.3**	**-**	**141.1**	**210.0**
Revenue	**210.5**	**-**	**45.3**	**41.9**
Current operating profit/(loss)	**33.0**	**-**	**9.5**	**11.5**

(1) *The Eurosport International group has been accounted for as an associate by the equity method since May 30, 2014 (see "Significant events").*

(2) *Figures for 2013 and 2014 are based on financial statements to end September (the latest available).*

(3) *Includes goodwill of €165.1 million for the Eurosport group and €44.4 million for Groupe AB.*

Figures relating to other joint ventures and associates are not material for 2014 or 2013.

10 Programmes and broadcasting rights

The table below shows the movement in programme and broadcasting rights inventory, valued in accordance with the accounting policy described in Note 2-12.

(€ million)	Jan. 1, 2013	Net movement	Changes in scope of consolidation and reclassifications	Dec. 31, 2013	Net movement	Changes in scope of consolidation and reclassifications	Dec. 31, 2014
Gross value	**743.2**	48.5	-	**791.7**	7.7	-	**799.4**
Impairment	**(130.1)**	1.5 [1]		**(128.6)**	7.7 [2]	-	**(120.9)**
Inventories	**613.1**	50.0	-	**663.1**	15.4	-	**678.5**

[1] *Includes €59.7 million of impairment losses charged, €61.2 million of impairment losses reversed*

[2] *Includes €53.1 million of impairment losses charged, €60.8 million of impairment losses reversed*

The programme and broadcasting rights inventory reported above is owned primarily by TF1 SA and the TF1 Acquisition de Droits economic interest grouping.

The tables below show the maturity of broadcasting and sports transmission rights acquisition contracts entered into by TF1 to secure future programming schedules.

2014 *(€ million)*	Less than 1 year	1 to 5 years	More than 5 years	Total
Programmes and broadcasting rights [1]	504.6	652.2	15.0	**1,171.8**
Sports transmission rights [1]	78.1	112.7	-	**190.8**
TOTAL	**582.7**	**764.9**	**15.0**	**1,362.6**

[1] *Contracts expressed in foreign currencies: €156.1 million in U.S. dollars.*

2013 *(€ million)*	Less than 1 year	1 to 5 years	More than 5 years	Total
Programmes and broadcasting rights [1]	602.6	613.1	69.0	**1,284.7**
Sports transmission rights [1] [2]	242.5	394.9	64.6	**702.0**
TOTAL	**845.1**	**1,008.0**	**133.6**	**1,986.7**

[1] *Contracts expressed in foreign currencies: €8.0 million in Swiss francs, €6.2 million in pounds sterling, and €282.9 million in U.S. dollars.*

[2] *Includes €407.9 million relating to held-for-sale operations, of which €91.6 million matured within less than 1 year and €64.6 million after more than 5 years.*

In 2014, programmes and broadcasting rights related mainly to TF1 SA (€261.9 million, versus €352.3 million in 2013) and to the Acquisition de Droits economic interest grouping (€828.5 million, versus €819.3 million in 2013).

Sports transmission rights commitments related mainly to TF1 SA and TF1 DS (€134 million in 2014, €274.7 million in 2013).

11 Financial assets

11-1. Categories of financial assets

The table below shows financial assets by category:

2014 (€ million)	Financial assets at fair value through profit or loss: Designated at fair value on initial recognition [2]	Financial assets at fair value through profit or loss: Held for trading	Level [1]	Available-for-sale financial assets	Loans and receivables	Held-to-maturity investments	Total
Other non-current financial assets	6.8	-	III	18.6	3.8	-	29.2
Trade and other debtors	-	-		-	1,136.6	-	1,136.6
Other current financial assets	-	7.3		-	-	-	7.3
Currency derivatives	-	*7.3*	II	-	-	-	*7.3*
Interest rate derivatives	-	-		-	-	-	-
Financial assets used for treasury management purposes	-	-		-	-	-	-
Cash and cash equivalents	-	-		-	501.4	-	501.4

(1) *See the section on "Fair value measurement methods for financial assets" below.*

(2) *In 2014, financial assets designated at fair value through profit or loss on initial recognition mainly comprise 1,534 ITAS group share warrants. These warrants are exercisable at the end of a five-year period subject to certain conditions, and are linked to a potential possible earnout.*

2013 (€ million)	Financial assets at fair value through profit or loss: Designated at fair value on initial recognition	Financial assets at fair value through profit or loss: Held for trading	Level [1]	Available-for-sale financial assets	Loans and receivables	Held-to-maturity investments	Total
Other non-current financial assets		-		15.1	2.5	-	17.6
Trade and other debtors	-	-		-	1,126.3	-	1,126.3
Other current financial assets	-	-		-	-	-	-
Currency derivatives	-	-		-	-	-	-
Interest rate derivatives	-	-		-	-	-	-
Financial assets used for treasury management purposes	-	-		-	-	-	-
Cash and cash equivalents	-	-		-	289.3	-	289.3

(1) *See the section on "Fair value measurement methods for financial assets" below.*

11-2. Fair value measurement methods for financial assets

The amended IFRS 7 establishes a three-level hierarchy of fair value measurement methods for financial instruments:

- Level I: measurement based on quoted prices in active markets
- Level II: measurement based on observable market parameters
- Level III: measurement based on non-observable market parameters

No transfers between these levels were made in either 2014 or 2013.

The methods used by the TF1 group are as follows:

The fair value of financial instruments is where possible measured by reference to the market price derived from trading on a national stock exchange or over-the-counter market. Where no quoted market price is available, fair value is estimated using other valuation methods such as the actual valuation of comparable transactions or the discounted cash flow method, which relies on observable (level II) or non-observable (level III) parameters.

- Other non-current financial assets comprise:
  - investments in non-consolidated entities, which are classified as available-for-sale financial assets, and which are carried at cost if their fair value cannot be measured reliably;
  - share warrants, which are measured using the Black & Scholes method based on available valuation parameters;
- interest rate derivatives and currency derivatives, whose fair value is estimated using valuations obtained from bank counterparties or from financial models generally used in the financial markets, on the basis of market data at the end of the reporting period (level II method);
- trade and other debtors, cash, and treasury current accounts: because of their short maturities, the carrying amount of these assets is regarded as the best approximation of their fair value.

11-3. Other non-current financial assets

Other non-current financial assets break down as follows:

(€ million)	2014	2013
Equity investments in non-consolidated entities	18.6	15.1
Loans and advances to non-consolidated investees [1]	7.5	0.7
Loans	-	-
Deposits and caution money	3.1	1.8
Other financial assets - continuing operations	**29.2**	**17.6**

[3] *In 2014, this item mainly comprises 1,534 ITAS group share warrants. These warrants are exercisable at the end of a five-year period subject to certain conditions, and are linked to a potential possible earnout.*

11-3-1. Equity investments in non-consolidated entities

The main equity investments in non-consolidated entities break down as follows:

(€ million)	% interest at year-end	Gross value 2014	Gross value 2013	Impairment 2014	Impairment 2013	Carrying amount 2014	Carrying amount 2013
A1 International	50%	**12.8**	12.8	**(12.8)**	(12.8)	**-**	-
En Direct Avec	13%	**4.0**	4.0	**(4.0)**	(4.0)	**-**	-
Teads	7.2%	**3.5**	3.5	**-**	-	**3.5**	3.5
SHIP	27%	**0.8**	0.8	**(0.8)**	(0.8)	**-**	-
Sofica valor 7	59%	**9.9**	6.8	**-**	-	**9.9**	6.8
Soread	12%	**1.6**	1.6	**(1.6)**	(1.6)	**-**	-
Sylver	49%	**3.7**	3.7	**-**	-	**3.7**	3.7
TF1 Publications	100%	**-**	0.5	**-**	(0.5)	**-**	-
Other		**3.6**	3.2	**(2.1)**	(2.1)	**1.5**	1.1
Equity investments in non-consolidated entities		**39.9**	**36.9**	**(21.3)**	**(21.8)**	**18.6**	**15.1**

Impairment tests were performed on all these investments, and indicated no evidence of impairment in 2014 or 2013.

11-4. Trade and other debtors

(€ million)	Gross value 2014	Impairment 2014	Carrying amount 2014	Carrying amount 2013
Trade debtors	651.1	(13.3)	637.8	630.5
Supplier prepayments [(1)]	207.3	(14.2)	193.1	218.0
Other operating debtors [(2)]	217.2	-	217.2	187.9
Other debtors	188.9	(110.8)	78.1	79.9
Prepayments	10.4	-	10.4	10.0
Trade and other debtors – continuing operations	**1,274.9**	**(138.3)**	**1,136.6**	**1,126.3**
Trade and other debtors – held-for-sale operations				**115.5**

[(1)] *This line includes advance payments in respect of acquisitions of programmes and sports transmission rights.*

[(2)] *Primarily amounts due to the government, local authorities, employees and social security bodies.*

(€ million)	2014	2013
Impairment as of January 1	**(149.2)**	**(130.6)**
Additional provisions booked during the year	(31.6)	(48.5)
Reversals for debts written off during the year	39.6	18.4
Recovered during the year	6.3	3.0
Held-for-sale operations	-	8.3
Changes in scope of consolidation and reclassifications	(3.4)	0.2
Impairment as of December 31 - continuing operations	**(138.3)**	**(149.2)**
Impairment as of December 31 - held-for-sale operations		**(8.3)**

11-5. Cash and cash equivalents

Cash and cash equivalents consists of the following items:

(€ million)	2014	2013
Cash	23.3	10.6
Treasury current accounts [(1)]	478.1	278.7
Cash and cash equivalents of continuing operations	**501.4**	**289.3**

[(1)] *These accounts are with associates, joint ventures, non-consolidated investees and Bouygues group companies (including €477 million with Bouygues Relais). As a result of the application of IFRS 5, treasury current accounts as of December 31, 2013 also include Eurosport France's treasury current account with Eurosport SAS, amounting to €34.6 million.*

12 Consolidated shareholders' equity

12-1. Share capital

As of December 31, 2014, the share capital of TF1 SA consisted of 211,528,764 fully paid ordinary shares. Movements in share capital during 2014 were as follows:

Number of shares	Number of shares outstanding	Number of treasury shares	Total number of shares
January 1, 2013	**210,624,321**	**-**	**210,624,321**
Capital increases	1,004,376	-	1,004,376
Purchases of treasury shares	(368,684)	368,684	-
Cancellation of treasury shares	-	(368,684)	(368,684)
January 1, 2014	**211,260,013**	**-**	**211,260,013**
Capital increases	268,751	-	268,751
Purchases of treasury shares (1)	-	-	-
Cancellation of treasury shares	-	-	-
December 31, 2014	**211,528,764**	**-**	**211,528,764**
Par value	*€0.20*	*€0.20*	*€0.20*

(1) Treasury shares: see Note 12-3-3 on share buybacks below

12-2. Non-controlling interests

The movement reported on the "Other transactions (changes in accounting policy and scope of consolidation, other items)" line in the consolidated statement of changes in shareholders' equity relates to the deconsolidation, effective May 30, 2014, of the 20% interest held by Discovery Communications in the Eurosport International group. This deconsolidation reflects the fact that following the acquisition of an additional 31% interest (see Note 1, "Significant Events of 2014"), Discovery Communications has exercised control over the Eurosport International group since that date.

12-3. Changes in equity not affecting the income statement

12-3-1. Dividends

The table below shows the amount of dividend paid by the TF1 group in respect of previous years, and the amount of dividend in respect of the year ended December 31, 2014 that will be submitted by the Board of Directors for approval by the Ordinary General Meeting of shareholders to be held on April 16, 2015.

	To be paid in 2015*	Paid in 2014	Paid in 2013	Paid in 2012
Total dividend (€ million)	317.3	116.2	115.6	116.0
Dividend per ordinary share (€)	1.50	0.55	0.55	0.55

** Proposed dividend.*

The proposed dividend in respect of the 2014 financial year, to be paid in 2015, consists of an ordinary dividend of €0.28 per share and an exceptional dividend of €1.22 per share following the TF1 group's sale of a controlling interest in its Eurosport International subsidiary.

Because the 2014 dividend is subject to approval by the shareholders, it has not been recognised as a liability in the consolidated financial statements as at December 31, 2014.

12-3-2. Share-based payment

The matching entry for the movement in this reserve during the period is charged to "Staff costs" in the income statement (see Note 18).

12-3-3. Share buybacks

The TF1 group did not repurchase any of its own shares during 2014.

In 2013, under the authorisations granted by the shareholders at the Annual General Meeting of April 19, 2012 and renewed on April 18, 2013, the TF1 group (i) repurchased 368,684 of its own shares for a total of €3.3 million with a view to their cancellation and (ii) cancelled all 368,864 of those shares.

12-3-4. Put options granted to non-controlling interests

The TF1 group has no commitments in place as of December 31, 2014 that constitute a put option exercisable by non-controlling interests.

12-4. Cash flow hedge reserve

(€ million)	2014	2013
Reserve as of January 1	**(3.6)**	**2.1**
Cash flow hedges reclassified to profit or loss during the period [1]	(0.4)	(2.0)
Change in fair value of new cash flow hedges contracted during the period	4.5	(2.7)
Change in fair value of existing portfolio of cash flow hedges during the period	2.8	(1.0)
Reserve as of December 31	**3.3**	**(3.6)**

[1] *Amounts reclassified from equity to profit or loss are recognised as a component of operating profit.*

13 Financial liabilities

13-1. Categories of financial liabilities

The table below shows financial liabilities by category:

	Financial liabilities at fair value through profit or loss				
2014 (€ million)	**Designated at fair value on initial recognition**	**Held for trading**	**Level [1]**	**Financial liabilities at amortised cost**	**Total**
Non-current debt	-	-		-	**-**
Current debt	-	-		4.4	**4.4**
Trade and other creditors	-			1,566.5	**1,566.5**
Other current financial liabilities	-	-		-	**-**
Currency derivatives	-	-		-	-
Interest rate derivatives	-	-		-	-

(1) See Note 11-2, "Fair value measurement methods for financial assets"

2013 (€ million)	Financial liabilities at fair value through profit or loss: Designated at fair value on initial recognition	Held for trading	Level (1)	Financial liabilities at amortised cost	Total
Non-current debt	-	-		1.2	**1.2**
Current debt	-	-		99.2	**99.2**
Trade and other creditors	-	-		1,445.0	**1,445.0**
Other current financial liabilities	-	3.8		-	**3.8**
Currency derivatives	*-*	*3.8*	II	*-*	*3.8*
Interest rate derivatives	*-*	*-*		*-*	*-*

(1) See Note 11-2, "Fair value measurement methods for financial assets"

13-2. Fair value of financial liabilities

Because of their short maturities, the carrying amount of bank overdrafts, trade and other creditors and current debt is regarded as an approximation of their fair value.

The fair value of derivatives is estimated using valuations obtained from bank counterparties or from financial models generally used in the financial markets on the basis of market data at the end of the reporting period (level II method), except for the transactions described below which are measured using Level III criteria as defined in Note 11-2, "Fair value measurement methods for financial assets".

13-3. Breakdown of trade and other creditors

(€ million)	2014	2013
Trade creditors	738.0	767.9
Advance payments received	4.1	3.8
Tax and employee-related liabilities (1)	352.5	323.5
Creditors related to acquisitions of non-current assets (2)	102.5	16.3
Other creditors	341.7	312.8
Audiovisual industry support fund grants (3)	8.1	7.9
Current accounts with credit balances	-	-
Deferred and prepaid income and similar items (4)	19.6	12.8
Trade and other creditors – continuing operations	**1,566.5**	**1,445.0**
Trade and other creditors – held-for-sale operations		**118.2**

(1) Mainly comprises VAT payable, and amounts owed to employees and social security bodies.

(2) In 2014, includes the €90.3 million liability to Eurosport SAS relating to the holding in Eurosport France.

(3) Audiovisual industry support fund grants included in creditors mainly comprise grants awarded by the French National Centre for Cinematography (CNC) to TF1 Films Production, TF1 Production and TF1 Droits Audiovisuels.

(4) Mainly comprises prepaid income.

14 Net debt

Net debt as reported by the TF1 group comprises the following items:

(€ million)	2014	2013
Cash and cash equivalents	501.4	289.3
Financial assets used for treasury management purposes	-	-
Total cash and cash equivalents	**501.4**	**289.3**
Fair value of interest rate derivatives	**-**	**-**
Non-current debt	-	(1.2)
Current debt [1]	(4.4)	(99.2)
Total debt	**(4.4)**	**(100.4)**
Net surplus cash (+) / Net debt (-) – continuing operations	**497.0**	**188.9**
Net surplus cash (+) / Net debt (-) – held-for-sale operations		**67.2**

[1] *In 2013, includes €94.4 million of debt owed to the Group's held-for-sale operations.*

15 Provisions

15-1. Non-current provisions

15-1-1. Breakdown of non-current provisions

The table below shows movements in non-current provisions during 2014 and 2013:

2014 *(€ million)*	**Jan. 1**	**Charges**	**Reversals: used**	**Reversals: unused**	**Changes in scope of consolidation, reclassifications**	**Held-for-sale operations**	**Dec. 31**
Provisions for:							
Retirement benefit obligations	28.4	3.0	(0.6)	(1.3)	6.1	-	35.6
Commitments	12.4	0.9	-	(0.6)	-	-	12.7
TOTAL NON-CURRENT PROVISIONS	**40.8**	**3.9**	**(0.6)**	**(1.9)**	**6.1**	**-**	**48.3**

2013 *(€ million)*	**Jan. 1**	**Charges**	**Reversals: used**	**Reversals: unused**	**Changes in scope of consolidation, reclassifications**	**Held-for-sale operations**	**Dec. 31**
Provisions for:							
Retirement benefit obligations	27.3	3.0	-	(1.7)	2.7	(2.9)	28.4
Commitments	11.5	1.2	(0.2)	-	-	(0.1)	12.4
Other	0.4	0.1	-	-	-	(0.5)	-
TOTAL NON-CURRENT PROVISIONS	**39.2**	**4.3**	**(0.2)**	**(1.7)**	**2.7**	**(3.5)**	**40.8**

Provisions for commitments relate to the risk of loss on audiovisual assets that the Group has committed to acquire.

Other movements in provisions for retirement benefit obligations mainly comprise actuarial gains and losses on those obligations, which are recognised directly in equity. The amount recognised directly in equity during 2014 was a net loss of €6.3 million (2013: €3 million).

15-1-2. Provisions for retirement benefit obligations

Main actuarial assumptions

	2014	2013	2012	2011	2010
Discount rate (Iboxx A10)	2.0%	3.2%	3.3%	5.5%	4.6%
Expected rate of return on plan assets	2.0%	3.2%	3.1%	3.4%	3.7%
Expected salary inflation rate	2.0%	2.0%	2.0%	2.0%	2.0%
Life table	INSEE	INSEE	INSEE	INSEE	INSEE

The staff turnover rate used in calculating the provision at December 31, 2014 was 6.6%, unchanged from 2013.

A reduction of 50 basis points in the discount rate applied would increase the obligation by €2.4 million. Under the accounting policies applied by the TF1 group, the resulting actuarial losses would be recognised directly in equity.

Expense recognised in the income statement for retirement benefit obligations

(€ million)	2014	2013
Current service cost	(2.1)	(2.1)
Interest expense on the obligation	(1.1)	(1.1)
Expected return on plan assets	0.2	0.2
Past service cost	-	-
Expense recognised	**(3.0)**	**(3.0)**
net change in provisions	*(1.1)*	*(1.3)*
amount recognised in "Staff costs"	*(1.9)*	*(1.7)*
Actual return on plan assets	**0.2**	**0.2**

Amounts recognised in the balance sheet for retirement benefit obligations

The amount recognised in the balance sheet for the TF1 group's retirement benefit obligations breaks down as follows:

(€ million)	2014	2013	2012	2011	2010
Present value of obligation	41.7	34.3	33.0	26.4	27.9
Fair value of plan assets	(6.1)	(5.9)	(5.7)	(5.5)	(5.2)
Unfunded obligation provided for	**35.6**	**28.4**	**27.3**	**20.9**	**22.7**

Changes in the present value of the retirement benefit obligation

(€ million)	2014	2013
Defined-benefit plan obligation at start of period	**34.3**	**33.0**
Current service cost for the period	2.1	2.1
Interest cost (unwinding of discount)	1.1	1.1
Benefits paid	(1.9)	(1.7)
Actuarial (gains)/losses	6.2	3.0
Changes in scope of consolidation and reclassifications	(0.1)	(0.3)
Held-for-sale operations	-	(2.9)
Defined-benefit plan obligation at end of period	**41.7**	**34.3**

Changes in the fair value of plan assets

(€ million)	2014	2013
Fair value of insurance policy assets at start of period	**5.9**	**5.7**
Employer's contributions	-	-
Benefits paid	-	-
Expected return on plan assets	0.2	0.2
Actuarial gains/(losses)	-	-
Fair value of insurance policy assets at end of period	**6.1**	**5.9**

Plan assets are in the form of contributions paid into "Fonds Club no.1", a mutual fund denominated in euros and managed by an independent financial institution. Based on financial information supplied by the fund manager, the gross return was 2% in 2014. As of December 31, 2014, the fund had an estimated fair value of €6.1 million.

15-2. Current provisions

The table below shows movements in current provisions during 2014:

2014 *(€ million)*	Jan. 1	Charges	Reversals: used	Reversals: unused	Changes in scope of consolidation, reclassifications	Dec. 31
Provisions for:						
Litigation and claims: governmental & public bodies	0.3	0.2	-	(0.3)	(0.2)	-
Litigation and claims: employees	2.6	2.1	(0.8)	(0.2)	(0.1)	3.6
Litigation and claims: commercial	10.4	3.5	(1.9)	(1.3)	-	10.7
Other contractual litigation, claims, and risks	13.2	-	(0.3)	(0.3)	-	12.6
Other	3.5	4.9	(0.8)	(0.6)	(0.6)	6.4
TOTAL CURRENT PROVISIONS	**30.0**	**10.7**	**(3.8)**	**(2.7)**	**(0.9)**	**33.3**

No material contingent liabilities had been identified as of the date of preparation of the financial statements.

Provisions for commercial litigation and claims mainly relate to ongoing disputes with customers, producers and rights-holders.
Provisions for other contractual litigation, claims and risks are intended to cover risks of claims from other third parties with contractual relations with TF1, including guarantees given by TF1 in connection with divestments of equity interests.

Competition law risks:

On January 12, 2009, the investigative department of the French Competition Authority notified TF1 of complaints relating to practices in the pay-TV sector. One complaint against TF1 was retained, alleging anti-competitive practices in respect of the exclusive distribution of some of its pay-TV theme channels.
In a ruling of November 16, 2010 the authority rejected the complaint of anti-competitive practices on the grounds that the decision to authorise the CERES deal, under which TF1 had granted these exclusivity clauses, gave the parties rights which could not be challenged retrospectively.
However, the authority decided to refer some issues back to its investigative department:
• the definition of the relevant fibre optic and catch-up TV markets;
• whether or not the cumulative effect of these exclusive arrangements was to block access to the pay-TV market.

In a ruling of September 20, 2011, the French competition authority withdrew its authorisation for the 2006 takeover of TPS by Vivendi and the Canal Plus group due to failure of the Canal Plus group to fulfil a number of the commitments made at the time of the takeover.

Following renotification of this transaction, the authority authorised the merger of CanalSat and TPS on July 23, 2012, subject to compliance with various injunctions.

The Canal Plus group has appealed this decision to the *Conseil d'Etat*. Reversal of this decision, and of the obligations that it imposes on the Canal Plus group (especially as regards broadcasters of independent theme channels, such as the TF1 group), could pose a risk to the business model of those channels when their distribution contracts are renewed.

These risks are not at present covered by any provision in the TF1 consolidated financial statements.

16 Operating revenues

Operating revenues comprise:

(€ million)	2014	2013
Advertising revenue	1,575.5	1,594.3
Distribution of consumer products	209.6	205.0
Cable and satellite revenue	122.0	121.3
Production/distribution of audiovisual rights	78.5	72.9
Revenue from other activities	106.2	81.8
Revenue	**2,091.8**	**2,075.3**
Royalty income	0.3	0.2
Operating revenues	**2,092.1**	**2,075.5**

17 Purchases consumed and changes in inventory

This item breaks down as follows:

(€ million)	2014	2013
External production consumed (1)	(767.6)	(763.0)
Purchases of services (2)	(262.5)	(138.7)
Purchases of broadcasting rights	(16.2)	(11.2)
Purchases of goods	(42.9)	(35.0)
Other items	(29.9)	(28.5)
Purchases consumed and changes in inventory	**(1,119.1)**	**(976.4)**

(1) "External production consumed" relates to programmes acquired from third parties and broadcast by TF1, TMC, NT1 and HD1, and by the theme channels (TV Breizh, TF6, Série Club, Stylía, Histoire and Ushuaïa TV).

(2) In 2014, the "Purchases of services" line includes the cost of the broadcasting rights for the 2014 FIFA World Cup.

18 Staff costs

Staff costs break down as follows:

(€ million)	2014	2013
Staff remuneration	(227.8)	(243.5)
Social security charges	(97.2)	(103.5)
Other staff costs	(2.0)	-
Statutory employee profit-sharing	(4.8)	(4.6)
Share-based payment expense	(0.6)	(0.6)
Staff costs	**(332.4)**	**(352.2)**

Defined-contribution plan expenses are included in “Social security charges”, and totalled €32 million in 2014 (2013: €33 million).

Expenses relating to retirement benefits under the collective agreements applicable to TF1 group companies are recognised as part of the net change in non-current provisions (see Note 15-1). Retirement benefits paid during the period are recorded in “Staff remuneration”.

Share-based payment expense includes the cost of share option plans and consideration-free share allotment plans, calculated in accordance with IFRS 2.

18-1. Cost of TF1 share option plans

The cost of share option plans recognised in “Staff costs” breaks down as follows:

(€ million)	Date of grant	Lock-up period	Total fair value	Staff costs	
				2014	2013
Plan no. 10	March 20, 2008	3 years	2.8	-	-
Plan no. 11	March 20, 2009	3 years	1.6	-	-
Plan no. 12	June 10, 2011	4 years	1.8	0.4	0.4
Plan no. 13	June 12, 2012	4 years	0.7	0.2	0.2
Total				**0.6**	**0.6**

The cost of share option plans was computed using the Black-Scholes model and the following assumptions:

	Reference share price	Exercise price	Expected volatility	Average maturity	Risk-free rate	Payout ratio	Liquidity discount	Fair value per option
Plan no. 10	€13.60	€15.35	31%	5.0 years	3.67%	6.25%	-15%	€1.49
Plan no. 11	€5.71	€5.98	49%	5.2 years	2.75%	8.98%	-15%	€0.86
Plan no. 12	€12.40	€12.47	31%	5.2 years	2.61%	4.64%	-15%	€1.18
Plan no. 13	€5.72	€6.17	40%	5.2 years	1.63%	7.65%	-15%	€0.70

The average maturity used is less than the contractual life of the option in order to take account of exercises by grantees ahead of the contractual expiry date. The volatility assumptions used are consistent with the implied volatility reflected in the price offered at the date of grant by leading banks for TF1 share options with the same maturity.

18-2. Cost of employee benefit plans awarded by the Bouygues group

The cost of plans awarded by the Bouygues group to TF1 employees was not material for 2014.

19 External expenses

External expenses break down as follows:

(€ million)	2014	2013
Subcontracting	(138.4)	(139.9)
Rent and associated charges	(30.9)	(33.8)
Agents' fees and professional fees	(70.0)	(70.9)
Advertising, promotion and public relations	(53.6)	(54.4)
Other external expenses	(69.5)	(69.1)
External expenses	**(362.4)**	**(368.1)**

20 Taxes other than income taxes

Taxes other than income taxes break down as follows:

(rounded to the nearest €m)	2014	2013
Audiovisual taxes	(90.1)	(85.1)
- of which CNC (French National Centre for Cinematography) taxes	*(74.5)*	*(77.2)*
Other taxes	(36.1)	(46.4)
- of which local business taxes	*(10.7)*	*(12.5)*
- of which payroll-based taxes	*(12.3)*	*(12.8)*
Taxes other than income taxes	**(126.2)**	**(131.5)**

21 Other current operating income and expenses

Other current operating income and expenses consist of the following items:

(€ million)	2014	2013
Reversals of unused provisions	9.1	14.5
In-house production capitalised, and cost transfers	24.1	21.7
Operating grants	0.3	2.3
Investment grants	8.8	12.7
Foreign exchange gains	15.0	22.1
Other income *(including proceeds from divestments of consolidated entities)*	63.5	24.1
Other current operating income	**120.8**	**97.4**
Royalties and paybacks to rights-holders	(74.9)	(77.6)
Bad debts written off	(4.7)	(4.9)
Foreign exchange losses	(20.8)	(23.3)
Other expenses *(including carrying amount of divested consolidated entities)*	(10.5)	1.4
Other current operating expenses	**(110.9)**	**(104.4)**

22 Cost of net debt

Cost of net debt breaks down as follows:

(€ million)	2014	2013
Interest income	1.1	0.5
Change in fair value of the hedged portion of the bond issue	-	-
Change in fair value of interest rate derivatives	-	-
Income and revenues from financial assets	0.1	0.1
Income associated with net debt	**1.2**	**0.6**
Interest expense on debt	(0.1)	(0.2)
Change in fair value of interest rate derivatives	-	-
Expenses associated with net debt	**(0.1)**	**(0.2)**
Cost of net debt	**1.1**	**0.4**

23 Other financial income and expenses

Other financial income and expenses break down as follows:

(€ million)	2014	2013
Dividend income	0.2	1.0
Gains on financial assets	0.1	1.8
Gains arising from changes in value of forward currency purchase contracts	0.2	-
Other income	0.1	0.1
Other financial income	**0.6**	**2.9**
Losses on financial assets	(0.2)	(1.8)
Losses arising from changes in value of forward currency purchase contracts	-	(0.1)
Other expenses	(0.1)	(0.2)
Other financial expenses	**(0.3)**	**(2.1)**

24 Net income and expense on financial assets and financial liabilities

The table below shows income, expenses, gains and losses arising on financial assets and liabilities by category, split between items affecting financial income/expense and items affecting operating profit:

(€ million)	Financial 2014	Financial 2013	Operating 2014	Operating 2013
Net income/(expense) on loans and receivables at amortised cost	1.2	0.3	(6.0)	(34.9)
Net income/(expense) on financial assets at fair value	0.2	-	-	-
financial assets designated at fair value through profit or loss	-	-	-	-
financial assets held for trading	*0.2*	-	-	-
Net income/(expense) on available-for-sale financial assets	-	1.3	0.2	-
Net income/(expense) on financial liabilities at amortised cost	(0.2)	(0.4)	-	-
Net income/(expense) on derivatives	0.2	-	3.9	0.8
Net income and expense on financial assets and financial liabilities	**1.4**	**1.2**	**(1.9)**	**(34.1)**

25 Income taxes

25-1. Current and deferred taxes

25-1-1. Income statement

(€ million)	2014	2013
Current taxes	(25.9)	(36.5)
Deferred taxes	(3.9)	(8.7)
Income tax expense	**(29.8)**	**(45.2)**

The current tax rates used were 38% for the years ended December 31, 2014 and December 31, 2013.

The tax rate used to measure deferred tax assets and liabilities was 38% for temporary differences expected to reverse before December 31, 2015, and 34.43% for temporary differences expected to reverse subsequently.

25-1-2. Tax proof

(€ million)	2014	2013
Net profit attributable to the Group	**412.7**	**137.0**
Income tax expense	29.8	45.2
Net profit from discontinued or held-for-sale operations	(315.9)	(48.5)
Non-controlling interests	6.3	14.7
Net profit from continuing operations before tax and non-controlling interests	**132.9**	**148.4**
Standard tax rate in France	**38.0%**	**38.0%**
Impact of fair value adjustments not recognised for tax purposes	0.0%	0.0%
Impairment of goodwill	0.0%	0.0%
Impact of tax losses	(1.1%)	(0.6%)
Offset of tax credits	(1.8%)	(1.0%)
Share of profits and losses of joint ventures and associates	(4.6%)	(0.2%)
Reduced-rate taxes on securities transactions (1)	(7.6%)	(3.9%)
Tax rate differential (change in tax rate, and rates applicable to foreign subsidiaries)	(0.5%)	(0.2%)
Other differences, net	0.0%	(1.6%)
Effective tax rate	**22.4%**	**30.5%**

(1) *Includes the effect of the sale of OneCast (see Note 1, "Significant events of 2014").*

TF1 made a group tax election on January 1, 1989, and has renewed this election regularly since that date.

25-2. Deferred tax assets and liabilities

25-2-1. Change in net deferred tax position

(€ million)	2014	2013
Net deferred tax asset/(liability) at January 1	**(9.2)**	**0.8**
Recognised in equity	(0.3)	3.1
Recognised in profit or loss	(3.9)	(8.7)
Held-for-sale operations	(18.0)	(4.8)
Changes in scope of consolidation and other items	(0.1)	0.4
Net deferred tax asset/(liability) at December 31	**(31.5)**	**(9.2)**

25-2-2. Principal sources of deferred taxation

The principal sources of deferred taxation are as follows:

(€ million)	2014	2013
Provisions		
Provisions for programmes	2.2	3.4
Provisions for retirement benefit obligations	11.3	8.9
Provisions for impairment of audiovisual rights	0.6	0.3
Provisions for trade debtors	0.8	1.4
Other provisions	12.3	15.8
Statutory employee profit-sharing scheme	2.2	2.0
Tax losses available for carry-forward	1.4	0.9
Other deferred tax assets	1.7	3.6
Offset of deferred tax assets and liabilities	(32.5)	(36.3)
Deferred tax assets	**-**	**-**
Accelerated tax depreciation	(18.2)	(20.1)
Depreciation of head office building	(8.5)	(8.6)
Remeasurement of assets	(32.8)	(13.2)
Other deferred tax liabilities	(4.5)	(3.6)
Offset of deferred tax assets and liabilities	32.5	36.3
Deferred tax liabilities	**(31.5)**	**(9.2)**
Net deferred tax asset/(liability) at December 31	**(31.5)**	**(9.2)**

Unrecognised deferred tax assets totalled €18.6 million (versus €20.0 million as of December 31, 2013), and comprised tax losses and deferred tax depreciation available for indefinite carry-forward, the recovery of which is not sufficiently probable to justify recognition.

25-2-3. Period to recovery of deferred tax assets

(€ million)	Less than 2 years	2 to 5 years	More than 5 years	Offset of deferred tax assets and liabilities	Total
Deferred tax assets	**21.2**	**-**	**11.3**	**(32.5)**	**-**

Deferred tax assets recoverable after more than five years relate to temporary differences on provisions for retirement benefit obligations.

26 Net profit from discontinued/held-for-sale operations

(€ million)	2014 5 months	2013 12 months
Net profit from the operations of Eurosport International, before taxes	25.7	76.6
Income taxes on the operations of Eurosport International	(9.3)	(28.1)
Net profit from the operations of Eurosport International	**16.4**	**48.5**
Gain on disposal and remeasurement, before taxes	328.5	-
Current and deferred taxes on gain on disposal and remeasurement	(29.0)	-
Net gain on disposal and remeasurement	**299.5**	**-**
Net profit from held-for-sale operations	**315.9**	**48.5**

Net profit from held-for-sale operations for the year ended December 31, 2014 consists of (i) the net profit from the operations of Eurosport International for the five months from January to May 2014 (€16.4 million) and (ii) the gain arising on disposal and remeasurement (€299.5 million).

27 Earnings per share

Basic earnings per share is calculated on the basis of net profit for the year attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding during the year.

Because potentially dilutive ordinary shares have no adjusting effect on net profit for the year, diluted earnings per share is calculated on the basis of net profit for the year attributable to ordinary shareholders and of the weighted average number of ordinary shares outstanding during the year, adjusted for the effects of all potentially dilutive ordinary shares. Diluted earnings per share takes account of the dilutive effect of consideration-free share allotment plans, and of share subscription option plans where the exercise price is lower than the average quoted market price of TF1 shares over the period.

	2014	2013
Net profit/(loss) for the year (€m)		
Net profit/(loss) from continuing operations (attributable to the Group)	99.9	98.2
Net profit/(loss) from discontinued or held-for-sale operations	312.8	38.8
Net profit/(loss) attributable to the Group	412.7	137.0
Weighted average number of ordinary shares	**211,395,763**	**210,645,472**
Basic earnings per share (in euros)		
Basic earnings per share from continuing operations	0.47	0.47
Basic earnings per share from discontinued/held-for-sale operations	1.48	0.18
Basic earnings per share	1.95	0.65
Average number of ordinary shares after dilution	**212,262,155**	**211,837,361**
Diluted earnings per share (in euros)		
Diluted earnings per share from continuing operations	0.47	0.47
Diluted earnings per share from discontinued/held-for-sale operations	1.47	0.18
Diluted earnings per share	1.94	0.65

The average number of ordinary shares after dilution is obtained by taking account of the following dilutive effects:

(number of shares)	**2014**	**2013**
Weighted average number of ordinary shares for the period	211,395,763	210,645,472
Dilutive effect of share subscription option plans	866,392	1,191,889
Dilutive effect of consideration-free share allotment plan	-	-
Average number of ordinary shares after dilution	212,262,155	211,837,361

In 2014, share subscription option plans no. 11 (awarded March 20, 2009) and no. 13 (awarded June 12, 2012) had an adjusted exercise price lower than the average quoted market price over the period.

In 2013, share subscription option plans no. 11 (awarded March 20, 2009), no.12 (awarded June 10, 2011) and no. 13 (awarded June 12, 2012) had an adjusted exercise price lower than the average quoted market price over the period.

28 Notes to the consolidated cash flow statement

28-1. Definition of cash position

The cash flow statement analyses changes in the cash position of continuing operations only. Changes in the cash position of discontinued and held-for-sale operations are presented in Note 4, “Held-for-sale operations”.
The cash position analysed in the cash flow statement comprises cash and cash equivalents, treasury current accounts (debit and credit balances), and bank overdrafts. A reconciliation between the cash position in the cash flow statement and the “Cash and cash equivalents” line in the balance sheet is presented below:

(€ million)	2014	2013
Cash and cash equivalents in the balance sheet	501.4	289.3
Cash relating to held-for-sale assets	-	
Treasury current account credit balances [1]	(3.2)	(98.2)
Bank overdrafts	-	-
Closing cash position per the cash flow statement	**498.2**	**191.1**

[1] Due to the application of IFRS 5 (see Note 4), treasury current account credit balances at December 31, 2013 include the €94.4 million balance on the current account between TF1 SA and Eurosport SAS, given that the corresponding receivable is classified as a held-for-sale asset.

28-2. Net cash generated by/(used in) investing activities

28-2-1. Effect of changes in scope of consolidation

The “Effect of changes in scope of consolidation” line consists of the following items:

(€ million)	2014	2013
Net cash outflows on acquisitions	-	-
Net cash inflows from disposals	306.0	6.0
Effect of changes in scope of consolidation	**306.0**	**6.0**

The table below shows the cash flow effects of disposals of subsidiaries:

(€ million)	2014	2013
Cash received	307.5	6.0
Cash divested	(1.5)	-
Subscriptions to capital increases carried out by subsidiaries	-	-
Net cash inflow	**306.0**	**6.0**

In 2014, cash received consisted of the proceeds from the disposals of the Eurosport group and OneCast, and the balance of the sales proceeds for Place des Tendances.
Cash divested related to the deconsolidation of OneCast.
In 2013, cash received consisted of part of the proceeds from the disposal of Place des Tendances.

28-2-2. Dividends received

Dividends received comprise the dividends paid by Eurosport SAS in the second quarter of 2014.

28-2-3. Other cash flows from investing activities

Other cash flows from investing activities include the effects in 2013 and 2014 of the capital redemption carried out by Groupe AB (see Note 9, footnote 2).

28-3. Change in debt

The impact of changes in debt on the TF1 group's cash position is shown below:

(€ million)	2014	2013
Finance lease payments made during the period	(2.6)	(4.6)
Net change in borrowings	-	0.2
Loans received from associates	-	-
Other movements	-	-
Net change in the period	**(2.6)**	**(4.4)**

29 Risk management

29-1. Capital management strategy

The TF1 group has a policy of maintaining a stable capital base, apart from share buybacks (see the present Annual Financial Report and Registration Document).

In terms of equity capital, TF1 uses various indicators, including gearing (defined as the ratio of net debt to equity). Gearing provides investors with an indication of the Group's level of indebtedness relative to the level of equity capital. It is calculated on the basis of net debt as defined in Note 14 and of shareholders' equity, including reserves used to recognise changes in the fair value of cash flow hedges and of available-for-sale financial assets.
As of December 31, 2014 and December 31, 2013, the Group had net surplus cash of €497.0 million and €188.9 million respectively, so gearing was zero.

29-2. Financial risk management strategy

Liquidity risk and market risk (interest rate risk, foreign exchange risk and own equity risk) are managed centrally by the TF1 group's Financing, Treasury and Investor Relations department. The Group also has policies in place to limit the risk of dependence on counterparties.

29-2-1. Liquidity risk

The Banking Operations Unit and the Financing, Treasury and Investor Relations Department are responsible for ensuring that the TF1 group always has access to adequate, sustainable and appropriate sources of financing. This involves:

- daily multi-currency pooling of surplus cash held by all Group entities, to minimise the need for external funding;
- analysis and periodic updating of cash flow projections for all Group entities;
- negotiating credit facilities with phased maturities, and ensuring that such facilities are in place at all times.

The Group assesses liquidity risk by reference to the global drawdown on its confirmed credit facilities, net of available cash.

Financing risk:

The TF1 group's financing strategy is based on its ability to cope with market fluctuations and a deteriorating economy while retaining its financial autonomy vis-à-vis the financial and banking markets. The strategy is devised so as to retain the possibility of seizing opportunities for organic growth or acquisitions, while at the same time optimizing the cost of financing by actively managing and renewing the portfolio of credit facilities. The Group's credit facilities are spread among a significant number of French and international banks. They are bilateral facilities and are not subject to covenants regarding financial ratios.

As of December 31, 2014, TF1 had:

- Confirmed bilateral bank facilities of €905.0 million, backed up by a cash pooling agreement with the Bouygues Group. As of December 31, 2014, nothing was drawn down under this cash pooling agreement.
- A residual finance lease obligation of €1.1 million relating to the financing of technical plant and equipment.

2014	**Authorised facilities**			**Drawdowns**			**Available facilities**
(€ million)	Less than 1 year	1 to 5 years	**Total**	Less than 1 year	1 to 5 years	**Total**	
Confirmed bilateral facilities	130.0	775.0	**905.0**	-	-	**-**	**905.0**
Finance leases	1.1		**1.1**	1.1	-	**1.1**	**-**
Bouygues cash pooling agreement	-	-	**-**	-	-	**-**	**-**
TOTAL	**131.1**	**775.0**	**906.1**	**1.1**	**-**	**1.1**	**905.0**

2013	**Authorised facilities**			**Drawdowns**			**Available facilities**
(€ million)	Less than 1 year	1 to 5 years	**Total**	Less than 1 year	1 to 5 years	**Total**	
Confirmed bilateral facilities	200.0	825.0	**1,025.0**	-	-	**-**	**1,025.0**
Finance leases (1)	3.6	1.5	**5.1**	3.6	1.5	**5.1**	**-**
Bouygues cash pooling agreement	-	-	**-**	-	-	**-**	**-**
TOTAL	**203.6**	**826.5**	**1,030.1**	**3.6**	**1.5**	**5.1**	**1,025.0**

(1) Includes €1.3 million relating to held-for-sale operations

Credit rating:

The TF1 group has a credit rating from Standard & Poor's, which currently stands at BBB+/stable/A-2.

Maturity of non-derivative financial liabilities

The tables below provide a schedule of undiscounted future repayments (principal and interest) of financial liabilities, based on residual contractual maturities:

2014 (€ million)	**Carrying amount**	**Residual contractual amount**		
		Less than 1 year	1 to 5 years	Total
Finance leases	1.1	1.1	-	1.1
Trade and other creditors	1,566.5	1,566.5	-	1,566.5
Other financial liabilities	3.3	3.3	-	3.3
TOTAL – continuing operations	**1,570.9**	**1,570.9**	**-**	**1,570.9**

2013 (€ million)	Carrying amount	Residual contractual amount		
		Less than 1 year	1 to 5 years	Total
Finance leases	3.8	2.6	1.2	3.8
Trade and other creditors	1,445.0	1,445.0	-	1,445.0
Other financial liabilities	96.6	96.6	-	96.6
TOTAL	**1,545.4**	**1,544.2**	**1.2**	**1,545.4**
TOTAL – held-for-sale operations	**153.7**	**153.2**	**0.5**	**153.7**

Investment of surplus cash

The TF1 group exercises great care in choosing the vehicles in which it invests temporary or structural cash surpluses. Group policy requires such investment vehicles to be:

- liquid, i.e. immediately accessible (current accounts, interest-bearing instant access accounts, etc), with a maturity of no more than 3 months;
- paid interest on the basis of money-market indices, with no capital risk other than counterparty risk;
- contracted with high-grade counterparties.

As of December 31, 2014, €477.0 million out of the €501.4 million of net surplus cash was invested with Bouygues Relais under the terms of the cash pooling arrangement between the two entities.

(€ million)	**2014**	**2013**
Interest-bearing bank account	10.7	1.2
Bouygues Relais cash pooling agreement	477.0	243.0
Other treasury current accounts	13.7	45.1
TOTAL – CONTINUING OPERATIONS	**501.4**	**289.3**
TOTAL – HELD-FOR-SALE OPERATIONS	**-**	**102.7**

In 2013, cash balances were determined before elimination of reciprocal balances on current accounts between continuing operations and held-for-sale operations.

29-2-2. Market risk

The TF1 group manages its exposure to interest rate and exchange rate risk by using hedging instruments such as swap contracts, forward purchases and sales, and interest rate and currency options. Derivatives are used solely for hedging purposes and are never used for speculative purposes.

The Financing, Treasury and Investor Relations Department manages interest rate and currency hedges centrally for the Group. It tracks the financial markets on a daily basis, and periodically updates the positions to be hedged after netting similar types of exposures between Group entities. It submits hedging scenarios to the Strategy/Purchasing/Finance directorate for approval; once they have been approved, it executes and administers the relevant market transactions.

29-2-2-1. Interest rate risk

The TF1 group is exposed to interest rate risk as a result of its financing needs. The objective of the interest rate risk management strategy is to lock in a fixed rate, or to a guarantee a maximum rate, for cost of net debt over the short and medium term.

Exposure and sensitivity to interest rate risk

No interest rate hedges were in place as of December 31, 2014 or December 31, 2013. The schedules below break down financial assets and financial liabilities, and the net exposure, by interest rate type and maturity.

	Financial assets		Financial liabilities		Net pre-hedging exposure		Hedging instruments		Net post-hedging exposure	
2014 *(€ million)*	**Fixed rate**	**Floating rate**	**Fixed rate**	**Floating rate**	**Fixed rate**	**Floating rate**	**Fixed rate**	**Floating rate**	**Fixed rate**	**Floating rate**
Less than 1 year	10.7	490.7	(1.1)	(3.3)	9.6	487.4	-	-	9.6	487.4
1 to 5 years	-	-	-	-	-	-	-	-	-	-
TOTAL	**10.7**	**490.7**	**(1.1)**	**(3.3)**	**9.6**	**487.4**	**-**	**-**	**9.6**	**487.4**

	Financial assets		Financial liabilities		Net pre-hedging exposure		Hedging instruments		Net post-hedging exposure	
2013 *(€ million)*	**Fixed rate**	**Floating rate**	**Fixed rate**	**Floating rate**	**Fixed rate**	**Floating rate**	**Fixed rate**	**Floating rate**	**Fixed rate**	**Floating rate**
Less than 1 year	1.2	288.1	(2.6)	(96.6)	(1.4)	191.5	-	-	(1.4)	191.5
1 to 5 years	-	-	(1.2)	-	(1.2)	-	-	-	(1.2)	-
TOTAL – continuing operations	**1.2**	**288.1**	**(3.8)**	**(96.6)**	**(2.6)**	**191.5**	**-**	**-**	**(2.6)**	**191.5**
TOTAL – held-for-sale operations	**-**	**102.7**	**(1.3)**	**(34.2)**	**(1.3)**	**68.5**	**-**	**-**	**(1.3)**	**68.5**

The sensitivity shown below measures the theoretical impact on cost of net debt of an immediate and constant movement of 1% across the entire yield curve for 2013 and 2014.

It is defined as the impact of applying this 1% movement to the net floating-rate exposure (this exposure being assumed to be constant over one year).

	2014		2013	
(€ million)	**Pre-tax impact on profit or loss**	**Pre-tax impact on equity**	**Pre-tax impact on profit or loss**	**Pre-tax impact on equity**
Impact of a movement of +1% in interest rates	4.9	-	2.6	-
Impact of a movement of -1% in interest rates	ns (1)	-	ns (1)	-

(1) As of December 31, 2014 and December 31, 2013, the level of short-term interest rates is such that TF1 has no material exposure as a result of its positive net cash position.

Interest rate derivatives

The TF1 group has not held any interest rate derivatives since 2011.

29-2-2-2. Foreign exchange risk

Risk of significant fluctuations in the euro/dollar exchange rate, and techniques used to manage that risk

The TF1 group is exposed to the risk of fluctuations in the exchange rate between the euro and the U.S. dollar because it acquires American programmes and pays for them in U.S. dollars.

Consequently, any significant appreciation in the U.S. dollar could have a negative effect on the Group's results.

Over a twelve-month time horizon, the risk is managed using appropriate hedging instruments that provide protection against a deterioration in the exchange rate position and eliminate the cash effect over the duration of the hedge.

At the same time, the TF1 group is committed to reducing its exposure to the U.S. dollar by increasing the extent to which it uses the euro as the currency of payment in programme acquisition contracts.

Multi-currency foreign exchange risk

The TF1 group's exposure to foreign exchange risk is of an operational nature. It derives from recurring cash flows under long-term broadcasting and sports transmission rights acquisition contracts (primarily in the U.S. dollar, pound sterling and Swiss franc).

During 2014, over 98% of the Group's cash inflows were in euros, 1% were in Swiss francs, and 1% in sterling and U.S. dollars. 95% of cash outflows (including acquisitions of audiovisual rights) were in euros, 4% in U.S. dollars, and 1% in sterling and Swiss francs.

The objective of the Group's foreign exchange risk management strategy is to lock in or guarantee a maximum exchange rate on its net long position and a minimum exchange rate on its net short position in each of the currencies used, over a rolling 12-to-18-month period.

Exposure and sensitivity to foreign exchange risk

The table below shows the Group's exposure to foreign exchange risk at December 31, 2014:

Equivalent value in euros at 2014 closing exchange rates (€ million)	USD (1)	GBP	CHF (2)	Other currencies	Total
Assets	7.8	0.5	2.9	0.1	11.3
Liabilities	(7.8)	-	(0.6)	(0.1)	(8.5)
Off balance sheet commitments	(126.7)	-	-	-	(126.7)
Pre-hedging position	**(126.7)**	**0.5**	**2.3**	**0.0**	**(123.9)**
Forwards and futures	101.4	-	-	-	101.4
Currency swaps	(0.1)	12.6	12.2	-	24.7
Net post-hedging position	**(25.4)**	**13.1**	**14.5**	**0.0**	**2.2**

(1) Net exposure in USD: Some Group entities (TF1, GIE AD, TF1 Droits Audiovisuels) enter into long-term rights acquisition contracts in the course of their ordinary activities that give rise to off balance sheet commitments.

(2) Net exposure in CHF: This mainly relates to the ordinary activities of TF1.

The table below shows the Group's exposure to foreign exchange risk at December 31, 2013:

Equivalent value in euros at 2013 closing exchange rates (€ million)	USD (1)	GBP (2)	CHF (3)	Other currencies (4)	Total
Assets	3.3	1.1	2.8	0.4	7.6
Liabilities	(45.1)	(0.2)	(2.7)	-	(48.0)
Off balance sheet commitments	(134.5)	-	-	0.1	(134.4)
Pre-hedging position	**(176.3)**	**0.9**	**0.1**	**0.5**	**(174.8)**
Forwards and futures	101.2	-	-	(0.1)	101.1
Currency swaps	0.9	14.6	5.7	-	21.2
Net post-hedging position - continuing operations	**(74.2)**	**15.5**	**5.8**	**0.4**	**(52.5)**
Net post-hedging position - held-for-sale operations	**(67.2)**	**(21.0)**	**(12.3)**	**11.7**	**(88.8)**

(1) Net exposure in USD: Some Group entities (TF1, Eurosport, TF1 Droits Audiovisuels) enter into long-term rights acquisition contracts in the course of their ordinary activities that give rise to off balance sheet commitments, which are partially matched against future recurring USD revenue streams.

(2) Net exposure in GBP: This mainly relates to the ordinary activities of Eurosport in the United Kingdom.

(3) Net exposure in CHF: This mainly relates to the ordinary activities of Eurosport France and TF1.

(4) The main currencies involved are the Norwegian krone (NOK), the Swedish krona (SEK), the Danish krone (DKK) and the Australian dollar (AUD). The net post-hedging position is matched by future revenue streams in the relevant currency.

The sensitivity analysis shown below measures the impact on profit or loss and equity of an immediate unfavourable uniform movement of 1% in the rate of the euro against all the other currencies involved, and represents the sum total of:

- the impact of applying this 1% movement to the net pre-hedging positions presented above;
- the change in the fair value of the portfolio of foreign exchange instruments in place at the balance sheet date, applying the accounting treatments specified in IAS 39.

(€ million)	2014				2013			
	Pre-tax impact on profit or loss		Pre-tax impact on equity		Pre-tax impact on profit or loss		Pre-tax impact on equity	
	+1%	-1%	+1%	-1%	+1%	-1%	+1%	-1%
USD	0.3	(0.3)	(1.0)	1.0	0.7	(0.7)	(1.0)	1.0
GBP	(0.1)	0.1	-	-	(0.1)	0.1	-	-
CHF	(0.1)	0.1	-	-	-	-	-	-
Other currencies	-	-	-	-	-	-	-	-
TOTAL – CONTINUING OPERATIONS	**0.1**	**(0.1)**	**(1.0)**	**1.0**	**0.6**	**(0.6)**	**(1.0)**	**1.0**
TOTAL – HELD-FOR-SALE OPERATIONS					**0.9**	**(0.9)**	**0.1**	**(0.1)**

As of December 31, 2014, the sensitivity of the TF1 group's equity (including net profit for the period) to changes in the net foreign-currency accounting position arising from a uniform unfavourable movement of 1% in the rate of the euro against all the currencies involved would be +€0.9 million, before taking account of the effects of such a movement on the Group's future foreign-currency cash flows. The comparable figure at end 2013 was +€0.4 million.

Analysis of foreign exchange derivative instruments by currency

The tables below give a breakdown of foreign exchange hedging instruments by currency:

December 31, 2014 ***(in millions)***	**Currency**	**Nominal amount of hedges**				**Fair value (in euros)**	
		Total foreign-currency amount	**Amount in euros**				
			Total	**Less than 1 year**	**1 to 5 years**	**Total amount**	**Of which designated as cash flow hedges**
Currency swaps	USD	(0.1)	(0.1)	(0.1)	-	-	-
	GBP	9.8	12.6	12.6	-	0.1	-
	CHF	14.7	12.2	12.2	-	-	-
	NOK, SEK, DKK, AUD		-	-	-	-	-
Forward purchases	USD	123.1	101.4	84.1	17.3	7.2	7.1
Forward sales	NOK, SEK, DKK, AUD		-	-	-	-	-
TOTAL			**126.1**	**108.8**	**17.3**	**7.3**	**7.1**

December 31, 2013 ***(in millions)***	**Currency**	**Nominal amount of hedges**				**Fair value (in euros)**	
		Total foreign-currency amount	**Amount in euros**				
			Total	**Less than 1 year**	**1 to 5 years**	**Total amount**	**Of which designated as cash flow hedges**
Currency swaps	USD	1.3	0.9	0.9	-	-	-
	GBP	12.2	14.6	14.6	-	-	-
	CHF	7.0	5.7	5.7	-	-	-
	NOK, SEK, DKK, AUD	-	-	-	-	-	-
Forward purchases	USD	139.5	101.2	80.7	20.5	(3.8)	(3.8)
Forward sales	NOK, SEK, DKK, AUD	-	-	-	-	-	-
TOTAL – continuing operations			**122.3**	**101.9**	**20.5**	**(3.8)**	**(3.8)**
TOTAL – held-for-sale operations [1]			**18.7**	**18.7**	**-**	**0.3**	**0.2**

(1) *Mainly attributable to fluctuations in the NOK, SEK and DKK.*

The nominal amount represents the amount sold or purchased forward in the currency.

Fair value is the difference between (i) the nominal amount translated into euros at a forward rate recalibrated to reflect closing exchange rates and (ii) the nominal amount translated into euros at closing exchange rates.

Accounting classification and treatment

All foreign exchange instruments used by the TF1 group are contracted to hedge its exposure to financial risks. In accordance with IAS 39, they are classified as fair value hedges or cash flow hedges depending on the strategy applied. However, some instruments are ineligible for hedge accounting because they do not meet the IAS 39 criteria, in particular where there has been a reversal of the initial strategy.

Transactions designated as cash flow hedges are used by TF1 SA to hedge sport transmission rights and audiovisual rights acquisition contracts, on which the amount and timing of payments are precisely agreed on a contractual basis.

(€ million)	Ineligible for hedge accounting	Designated as fair value hedges	Designated as cash flow hedges	TOTAL Fair value of financial instruments
2014				
Foreign exchange instruments – assets	0.2	-	7.1	**7.3**
Foreign exchange instruments – liabilities	-	-	-	**-**
TOTAL	**0.2**	**-**	**7.1**	**7.3**
2013				
Foreign exchange instruments – assets	-	-	-	**-**
Foreign exchange instruments – liabilities	-	-	(3.8)	**(3.8)**
TOTAL – CONTINUING OPERATIONS	**-**	**-**	**(3.8)**	**(3.8)**
TOTAL – HELD-FOR-SALE OPERATIONS	**0.1**	**-**	**0.2**	**0.3**

Change in fair value of foreign exchange instruments

Changes in the fair value of foreign exchange instruments that qualify for hedge accounting consist of two elements:

- ✓ an effective portion (i.e. the portion closely correlated to changes in the fair value of the hedged items), which is recognised in remeasurement reserves as a component of equity);
- ✓ an ineffective portion.

The table below shows changes in the fair value of foreign exchange instruments during 2013 and 2014:

(€ million)	Ineligible for hedge accounting	Designated as fair value hedges	Designated as cash flow hedges [1]	TOTAL
2014	0.2	-	10.9	**11.1**
effective portion	-		11.2	
ineffective portion	-		(0.3)	
2013	-	-	(5.0)	**(5.0)**
effective portion	-		(5.7)	
ineffective portion	-		0.7	

Counterparty risk

The TF1 group applies policies designed to limit its exposure to counterparty risk, and in particular (i) the risk of non-recovery of trade debtors in connection with its ordinary activities, (ii) the risk of being unable to recover assets held by financial counterparties and (iii) the risk that financial counterparties will default on their commitments to the Group.

The TF1 group believes that its exposure is limited, given that the cost of such risks has historically been immaterial both in overall terms and for each business segment.

In 2014, no single customer of the TF1 group represented more than 5% of consolidated revenue.
The five largest customers represented no more than 12% of consolidated revenue.
The ten largest customers represented no more than 18% of consolidated revenue.

In 2014, no single supplier of the TF1 group represented more than 5% of consolidated revenue.
The five largest suppliers represented no more than 20% of consolidated revenue.
The ten largest suppliers represented no more than 30% of consolidated revenue; this figure reflects the specialised nature of some suppliers within the audiovisual industry, such as copyright-holder organisations and production studios.

Risk of non-recovery of debtors

2014	Carrying amount	Not past due	Past due			
(€ million)			Total	< 6 months	6-12 months	> 12 months
Trade debtors	651.1	550.4	100.7	72.2	5.0	23.5
Provisions for impairment of trade debtors	(13.3)	-	(13.3)	(2.2)	(1.7)	(9.4)
TRADE DEBTORS, NET	**637.8**	**550.4**	**87.4**	**70.0**	**3.3**	**14.1**

2013	Carrying amount	Not past due	Past due			
(€ million)			Total	< 6 months	6-12 months	> 12 months
Trade debtors	645.5	544.4	101.1	67.0	12.5	21.6
Provisions for impairment of trade debtors	(15.0)	(0.8)	(14.2)	(1.0)	(4.8)	(8.4)
TRADE DEBTORS, NET – CONTINUING OPERATIONS	**630.5**	**543.6**	**86.9**	**66.0**	**7.7**	**13.2**
TRADE DEBTORS, NET – HELD-FOR-SALE OPERATIONS	**97.0**	**56.3**	**40.7**	**33.1**	**5.0**	**2.6**

Advertising airtime sales

TF1 Publicité sells advertising airtime on media for which it acts as agent (TV channels, radio stations and websites) to advertisers who over the years have often become regular airtime buyers, developing well-established partnerships. TF1 Publicité applies risk management policies adapted to the profile of its customer base.

The policy used to manage the underlying counterparty risk relies on the operating terms of TF1 Publicité, of which its customers are aware. Those terms include:

- Upfront payment in advance of broadcast for airtime orders placed by a new advertiser.
- Upfront payment for new advertising campaigns from any advertiser with a track record of payment incidents. If those payment terms are rejected, TF1 Publicité may refuse to sell airtime to the buyer.

• Payment of annual rebates in the form of “end-of-order” credit notes issued at the start of the following year, the final amount of which is contingent on the buyer paying its invoices on time.

On top of these procedures, TF1 Publicité has a Credit Management department which performs regular financial health checks on advertisers, issues preventive payment reminders to agencies and advertisers, and (in the event of late payment) systematically issues graded reminders, charges late payment interest, and prepares legal recovery proceedings.

Those procedures have helped keep the risk of non-payment by advertisers to less than 0.15% of total annual billings (inclusive of VAT).

Subscriptions to Pay-TV segment channels

There is no significant risk of non-recovery as regards revenues payable by cable operators in France.

Consumer Products activities

TF1 Entreprises uses credit insurance to protect against the risk of non-payment by customers.

The home shopping business is not exposed to major non-payment risks, given that payment is usually required prior to the delivery of goods or services.

There are no other significant exposures to individual customers in other Group subsidiaries that might have a lasting adverse impact on the Group’s profitability.

Financial counterparties

In investing surplus cash, the TF1 group applies a policy of selecting only high-grade banks and financial institutions that meet minimum rating criteria and with which the Group has well-established relationships, including the provision of credit facilities to the Group (see Note 29-2-1 on liquidity risk).

30 Share option plans

30-1. Details of share subscription/purchase option plans

	Plan no. 10	Plan no. 11	Plan no. 12	Plan no. 13
Date of Shareholders' Meeting	April 17, 2007	April 17, 2007	April 14, 2011	April 14, 2011
Date of Board meeting	Feb. 20, 2008	Feb. 18, 2009	May 12, 2011 and July 25, 2011	May 14, 2012
Date of grant	March 20, 2008	March 20, 2009	June 10, 2011	June 12, 2012
Type of plan	subscription	subscription	subscription	subscription
Total number of options granted	2,000,000	2,000,000	1,500,000	1,437,200
- to corporate officers	*56,000*	*56,000*	*7,200*	*7,200*
- to the 10 employees granted the most options	*340,000*	*340,000*	*272,000*	*302,000*
Total number of options granted subject to performance conditions	0	50,000	1,500,000	1,437,200
Start date of exercise period	March 20, 2011	March 20, 2012	June 10, 2015	June 12, 2016
Expiration date	March 20, 2015	March 20, 2016	June 10, 2018	June 12, 2019
Subscription price	€15.35	€5.98	€12.47	€6.17
Terms of exercise	May be exercised from 3rd anniversary of date of grant and sold from 4th anniversary of date of grant		May be exercised and sold from 4th anniversary of date of grant	
Number of shares subscribed at December 31, 2014	-	1,287,238	-	-
Cumulative number of options cancelled, not awarded, or forfeited	295,500	275,000	142,400	117,200
Number of options outstanding at the end of the period	1,704,500	437,762	1,357,600	1,320,000

30-2. Movement in number of options outstanding

	2014		2013	
	Number of options	**Weighted average subscription/purchase price (€)**	**Number of options**	**Weighted average subscription/purchase price (€)**
Options outstanding at January 1	**5,157,013**	**10.87**	**6,349,089**	**10.09**
Options granted	-	-	-	-
Options cancelled, not awarded, or forfeited	(68,400)	8.52	(187,700)	10.62
Options exercised	(268,751)	5.98	(1,004,376)	5.98
Options expired	-	-	-	-
Options outstanding at December 31	**4,819,862**	**11.17**	**5,157,013**	**10.87**
Options exercisable at December 31	*2,142,262*	*13.44*	*2,417,013*	*12.61*

A total of 268,751 options were exercised during 2014. The average residual life of options outstanding as of December 31, 2014 was 29 months (compared with 41 months as of December 31, 2013).

31 Off balance sheet commitments

The off balance sheet commitments reported below comprise guarantee commitments given and received by the Group; reciprocal commitments not associated with the Group's operating cycles; and operating and finance lease commitments.
A commitment is reciprocal if the future commitment given by the TF1 group is inseparable from the commitment given by the other party or parties to the contract. Reciprocal commitments given and received in connection with the Group's operating cycles are reported in the note relating to the relevant balance sheet item: Note 10 ("Programmes and broadcasting rights") for purchase contracts designed to secure future programming schedules, and Note 29-2-1 ("Liquidity risk") for confirmed bank credit facilities.

Off balance sheet commitments are stated at the amount of the outflow or inflow of resources specified in the contract. In the case of renewable contracts, the commitment is measured on the basis of the period until the next renewal date.
In the case of reciprocal commitments, the commitment given and the commitment received are measured on the basis of the net cash outflow or inflow for the TF1 group.

The various types of commitments given and received by the TF1 group are described below:

- Guarantee commitments:
This item comprises guarantees provided in connection with commercial contracts or leases.
None of the non-current assets held by TF1 (intangible assets, property, plant and equipment or financial assets) is subject to any pledge or mortgage.

- Reciprocal contractual commitments:

Image transmission:
Image transmission commitments relate to the supply of television transmission services (Télédiffusion de France), and to the leasing of satellite capacity and transponders from private-sector companies.

Commitments relating to equity interests:
This item comprises firm or optional commitments to deliver or receive securities.

Following the acquisition by Discovery Communications of an additional 31% interest in Eurosport SAS, the parent company of the Eurosport group, the off balance sheet commitments between Discovery Communications and the TF1 group are now as follows:

• Eurosport group:

a) In association with the sale of an additional 31% equity interest in Eurosport SAS (see Note 1, "Significant events of 2014") and further to the repurchase on May 14, 2014 by the TF1 group of 80% of the shares of Eurosport France, the TF1 group granted Eurosport SAS a call option over all of the shares of Eurosport France, exercisable between January 1, 2015 and December 31, 2017.
b) Symmetrically with the commitment described in a) above, TF1 has a put option to sell its entire interest in Eurosport France to Eurosport SAS during the same period.
c) Further to the sale of the additional 31% equity interest in Eurosport SAS, TF1 has an option to sell its remaining 49% equity interest in Eurosport SAS to Discovery Communications during specified periods between July 1, 2015 and September 30, 2016.

• Pay-TV theme channels:

d) Further to the acquisition by Discovery Communications of an additional 31% equity interest in Eurosport SAS (see Note 1, "Significant events of 2014"), TF1 can sell to Discovery Communications, at any time up to and including November 26, 2015, an additional 15% equity interest in the pay-theme channels, raising the percentage interest held by Discovery Communications to 35%.

e) If TF1 withdraws completely from the Eurosport group, Discovery Communications can its entire equity interest in the theme channels to TF1 during a one-year period commencing December 21, 2018.

The amounts reported in the contractual commitments schedule below correspond to the commitments described in points a), b), c) and d) above, measured on the basis of the latest enterprise values. Because the commitment described in point e) above is subject to conditions that have not yet been met, it has not been included in the schedule.

(€ million)	*2014 reference*	**2014**	**2013**
Total call options granted by TF1	*a)*	*68.0*	*367.8*
Total put options granted by TF1	*a)*	*-*	*68.0*
Total commitments under options granted by TF1		**68.0**	**435.8**
Total call options granted to TF1		*-*	*-*
Total put options granted to TF1	*b), c), d)*	*544.0*	*68.0*
Total commitments under options granted to TF1		**544.0**	**68.0**
Total TF1/Discovery commitments relating to equity interests		**612.0**	**503.8**

Other reciprocal contractual commitments:

This comprises commitments given or received under various contracts not associated with the recurring operations of Group companies.

Operating leases:

This item shows (in both commitments given and commitments received) the minimum future lease payments under non-cancellable operating leases in place at the balance sheet date. Only leases that are material to the consolidated financial statements are included. Most of the leases included relate to property, in particular the premises occupied by TF1 subsidiaries and by the French companies of the Eurosport group.

- Finance leases:

This item shows the minimum future lease payments under finance leases outstanding at the balance sheet date.

No material off balance sheet commitments, as defined in the applicable accounting standards, are omitted from the disclosures below.

31-1. Guarantee commitments:

(€ million)	Less than 1 year	1 to 5 years	More than 5 years	Total 2014	Total 2013
Guarantee commitments					
Pledges, mortgages and collateral	-	-	-	-	-
Guarantees and endorsements given	3.1	-	-	3.1	4.4
Guarantee commitments given [1]	**3.1**	**-**	**-**	**3.1**	**4.4**
Pledges, mortgages and collateral	-	-	-	-	-
Guarantees and endorsements received	-	0.1	-	0.1	1.9
Guarantee commitments received [2]	**-**	**0.1**	**-**	**0.1**	**1.9**
Guarantee commitments, net	**3.1**	**-0.1**	**-**	**3.0**	**2.5**

[1] *Includes €1.2 million relating to held-for-sale operations in 2013*
[2] *Includes €1.9 million relating to held-for-sale operations in 2013*

31-2. Reciprocal contractual commitments

(€ million)	Less than 1 year	1 to 5 years	More than 5 years	Total 2014	Total 2013
Miscellaneous contractual commitments					
Image transmission	43.1	66.9	5.7	115.7	146.8
Commitments relating to equity interests [1]	605.6	34.7	-	640.3	515.9
Other commitments	5.6	1.9	-	7.5	16.0
Miscellaneous contractual commitments given [2]	**654.3**	**103.5**	**5.7**	**763.5**	**678.7**
Image transmission	43.1	66.9	5.7	115.7	146.8
Commitments relating to equity interests [1]	605.6	34.7	-	640.3	515.9
Other commitments	5.6	1.9	-	7.5	16.0
Miscellaneous contractual commitments received [2]	**654.3**	**103.5**	**5.7**	**763.5**	**678.7**
Miscellaneous contractual commitments, net	**-**	**-**	**-**	**-**	**-**

[1] *Commitments relating to equity interests include the commitments to Discovery Communications described above, and commitments to the ITAS group in connection with the share warrants held by the TF1 group (see Note 11, "Financial Assets").*

31-3. Operating leases

(€ million)	Less than 1 year	1 to 5 years	More than 5 years	Total 2014	Total 2013
Operating leases					
Operating lease commitments given [1]	9.0	22.3	0.2	31.5	104.1
Operating lease commitments received [1]	9.0	22.3	0.2	31.5	104.1
Operating lease commitments, net	**-**	**-**	**-**	**-**	**-**

[1] *Includes €58.3 million relating to held-for-sale operations in 2013*

31-4. Finance leases:

(€ million)	Less than 1 year	1 to 5 years	More than 5 years	Total 2014	Total 2013
Finance leases (already recognised in the balance sheet) [1]	**1.2**	**-**	**-**	**1.2**	**5.1**

[1] *Includes €1.3 million relating to held-for-sale operations in 2013*

32 Related party information

32-1. Executive remuneration

Total remuneration paid during 2014 to key executives of the Group (i.e. the 14 members of the TF1 Management Committee mentioned in the Registration Document) was €8.6 million, comprising:

(€ million)	2014	2013
Fixed remuneration	5.8	6.3
Variable remuneration and benefits in kind	2.8	2.7

Additional information:

- The portion of total share option expense and consideration-free share expense for the year relating to these key executives was €0.1 million.
- The portion of the total obligation in respect of retirement and other post-employment benefits relating to these key executives was €3.3 million.

The Bouygues Group offers the members of its Executive Committee, who include Nonce Paolini, a top-up pension of 0.92% of the reference salary for each year of service in the scheme, which represents a post-employment benefit. The expense (invoiced to TF1 by Bouygues) relating to the contribution paid in 2014 to the investment fund of the insurance company which manages the scheme was €0.6 million.

Apart from loans of shares made to key executives who are also members of the Board of Directors in connection with their duties, no material loans or guarantees were extended to key executives or members of the Board of Directors.

Excluding corporate officers, remuneration paid to key executives of the TF1 group fell by 12.9% in 2014.

32-2. Transactions with other related parties

Transactions with other related parties are summarised in the table below:

	Income		Expenses		Debtors		Creditors	
(€ million)	2014	2013	2014	2013	2014	2013	2014	2013
Parties with an ownership interest	48.0	53.3	(12.6)	(12.7)	493.8 [1]	262.1 [1]	5.7	7.8
Joint ventures	1.7	1.3	(2.8)	(3.1)	1.2	1.0	4.3	1.7
Associates	7.3	5.6	(11.1)	(11.5)	9.2	32.4	8.0	9.0
Other related parties	-	0.9	-	-	-	-	-	-
TOTAL	**57.0**	**61.1**	**(26.5)**	**(27.3)**	**504.2**	**295.5**	**18.0**	**18.5**

[1] Primarily the Bouygues Relais cash pooling agreement (see Note 29-2-1).

Agreements entered into with joint ventures and associates relate primarily to operational transactions in the course of ordinary business in the audiovisual sector, recharges of head office administrative expenses, and income and expenses arising from short-term cash pooling transactions.

Agreements entered into with parties with an ownership interest mainly comprise agreements with Bouygues SA and with other Bouygues group companies that are subsidiaries of Bouygues SA. Those agreements are of an ordinary commercial nature, except in the case of transactions with Bouygues Relais under the short-term cash pooling agreement.

The off balance sheet commitments reported in Note 31 do not include any material commitments to related parties.

33 Auditors' fees

The table below shows fees paid by the TF1 group to its auditors:

	Mazars				KPMG				Other audit firms			
	Amount		%		Amount		%		Amount		%	
(in € '000)	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Audit of consolidated and individual company financial statements	**(778)**	**(826)**	**100%**	**100%**	**(555)**	**(880)**	**99%**	**97%**	**(63)**	**(64)**	**62%**	**71%**
- TF1 SA	*(214)*	*(224)*			*(214)*	*(224)*			-	-		
- Subsidiaries	*(564)*	*(602)*			*(341)*	*(656)*			*(63)*	*(64)*		
Other procedures and services directly related to the audit engagement	**(3)**	**-**	**0%**	**0%**	**(5)**	**(3)**	**1%**	**0%**	**-**	**-**	**-**	**-**
- TF1 SA	-	-			-	-			-	-		
- Subsidiaries	*(3)*	-			*(5)*	*(3)*			-	-		
Audit-related fees	**(781)**	**(826)**	**100%**	**100%**	**(560)**	**(883)**	**100%**	**97%**	**(63)**	**(64)**	**62%**	**71%**
Other services provided by audit firms to fully consolidated subsidiaries												
Company law, tax and employment law	-	-	-	-	-	(30)	0%	3%	(15)	(26)	15%	29%
Other (if > 10% of audit-related fees)	-	-	-	-	-	-	0%	-	(24)	-	23%	-
Other fees	**-**	**-**	**-**	**-**	**-**	**(30)**	**0%**	**3%**	**(39)**	**(26)**	**38%**	**29%**
TOTAL AUDITORS' FEES	**(781)**	**(826)**	**100%**	**100%**	**(560)**	**(913)**	**100%**	**100%**	**(102)**	**(90)**	**100%**	**100%**

34 Dependence on licences

TF1 requires a licence to carry on its activities as a broadcaster.

The law of September 30, 1986, as amended by Law 2007-309 of March 5, 2007, stipulates that subject to certain conditions, a company's broadcasting licence may be automatically renewed. TF1 has signed the necessary agreements and provided the necessary undertakings to retain its broadcasting licence until 2022.

In addition, the following subsidiaries or joint ventures were awarded a terrestrial broadcasting licence for a 10-year period issued on June 10, 2003: LCI, Eurosport France, TMC, NT1 and TF6. That period was extended for a further five years following an undertaking by the channels to extend their DTT coverage to more than 95% of the population, in accordance with Article 97 of the law of September 30, 1986.

35 Events after the reporting period

There are no material events after the reporting period to disclose.

36 Detailed list of companies included in the consolidation

COMPANY	COUNTRY	ACTIVITY	December 2014 % CONTROL (1)	December 2014 METHOD	December 2013 % CONTROL (1)	December 2013 METHOD
Broadcasting and Content						
TF1 SA	***France***	***Broadcasting***	***Parent company***		***Parent company***	
TELE MONTE CARLO	Monaco	Theme channel	80.00%	Full	80.00%	Full
NT1	France	Theme channel	100.00%	Full	100.00%	Full
HD1	France	Theme channel	100.00%	Full	100.00%	Full
e-TF1	France	Internet/TV content & broadcasting	100.00%	Full	100.00%	Full
WAT	France	Internet content & services	100.00%	Full	100.00%	Full
METRO FRANCE PUBLICATIONS	France	Print media publishing	100.00%	Full	100.00%	Full
TMC REGIE	France	TMC advertising airtime sales	80.00%	Full	80.00%	Full
TF1 PUBLICITE	France	TF1 advertising airtime sales	100.00%	Full	100.00%	Full
LA PLACE MEDIA	France	Advertising airtime sales	24.70%	Equity	24.70%	Equity
OUEST INFO	France	TV news images agency	100.00%	Full	100.00%	Full
TF1 Films Production	France	Movie co-production	100.00%	Full	100.00%	Full
TF1 Production	France	Programme production	100.00%	Full	100.00%	Full
GIE TF1 Acquisitions de droits	France	Acquisition/sale of audiovisual rights	100.00%	Full	100.00%	Full
TF1 DS	France	Acquisition/sale of audiovisual rights	100.00%	Full	100.00%	Full
CIBY 2000	France	Exploitation of audiovisual rights	100.00%	Full	100.00%	Full
TF1 DROITS AUDIOVISUELS	France	Exploitation of audiovisual rights	100.00%	Full	100.00%	Full
TF1 INTERNATIONAL	France	Exploitation of audiovisual rights	66.00%	Full	66.00%	Full
UGC DISTRIBUTION	France	Exploitation of audiovisual rights	34.00%	Equity	34.00%	Equity
Consumer Products						
TELESHOPPING	France	Home shopping	100.00%	Full	100.00%	Full
TOP SHOPPING	France	Retail distribution	100.00%	Full	100.00%	Full
DIRECT OPTIC PARTICIPATIONS	France	e-Commerce	47.85%	Equity	47.85%	Equity
TF1 VIDEO	France	Exploitation of video rights	100.00%	Full	100.00%	Full
TF1 ENTREPRISES	France	Telematics, spin-off rights	100.00%	Full	100.00%	Full
DUJARDIN	France	Producer of board/card games	100.00%	Full	100.00%	Full
SF2J	France	Producer of board/card games	100.00%	Full	100.00%	Full
UNE MUSIQUE	France	Music publishing	100.00%	Full	100.00%	Full
SKY ART MEDIA	United States	Print media publishing	-	-	27.54%	Equity

COMPANY	COUNTRY	ACTIVITY	December 2014		December 2013	
			% CONTROL (1)	METHOD	% CONTROL (1)	METHOD
Pay-TV						
EUROSPORT France SA	France	Theme channel	80.00%	Full	80.00%	Full
EUROSPORT GROUP	France	Audiovisual production, scheduling & broadcasting	49.00%	Equity	-	-
EUROSPORT SAS	France	Marketing of Eurosport channel outside France	-	-	80.00%	Full
EUROSPORT BV	Netherlands	Marketing of Eurosport channel in the Netherlands	-	-	80.00%	Full
EUROSPORT TELEVISION LTD	United Kingdom	Marketing of Eurosport channel in the UK	-	-	80.00%	Full
EUROSPORT TV AB	Sweden	Marketing of the Eurosport channel in Sweden	-	-	80.00%	Full
EUROSPORT MEDIA GMBH	Germany	Marketing of the Eurosport channel in Germany	-	-	80.00%	Full
EUROSPORT EVENT LTD	United Kingdom	Motor race organiser	-	-	80.00%	Full
EUROSPORT ITALIA	Italy	Marketing of Eurosport channel in Italy	-	-	80.00%	Full
EUROSPORT ASIA-PACIFIC	Hong Kong	Marketing of Eurosport channel in Asia	-	-	80.00%	Full
EUROSPORT MEDIA SA	Switzerland	Marketing of Eurosport channel in Switzerland	-	-	80.00%	Full
EUROSPORT SA SPAIN	Spain	Marketing of Eurosport channel in Spain	-	-	80.00%	Full
EUROSPORT FINLAND	Finland	Marketing of Eurosport channel in Finland	-	-	80.00%	Full
EUROSPORTNEWS DISTRIBUTION LTD	Hong Kong	Marketing of Eurosport channel in Asia	-	-	80.00%	Full
EUROSPORT NORVEGE AS	Norway	Marketing of Eurosport channel in Norway	-	-	80.00%	Full
EUROSPORT POLSKA	Poland	Marketing of Eurosport channel in Poland	-	-	80.00%	Full
EUROSPORT DANMARK APS	Denmark	Marketing of Eurosport channel in Denmark	-	-	80.00%	Full
EUROSPORT ARABIA FZ LLC	United Arab Emirates	Marketing of Eurosport channel in the Middle East	-	-	80.00%	Full
EUROSPORT MEDIA DISTRIBUTION Portugal	Portugal	Marketing of Eurosport channel in Portugal	-	-	80.00%	Full
TV BREIZH	France	Theme channel	80.00%	Full	80.00%	Full
TF6	France	Theme channel	50.00%	Equity	50.00%	Equity
LA CHAINE INFO	France	Theme channel	100.00%	Full	100.00%	Full
TF6 GESTION	France	TF6 management company	50.00%	Equity	50.00%	Equity
SERIE CLUB	France	Theme channel	50.00%	Equity	50.00%	Equity
STYLIA	France	Theme channel	80.00%	Full	80.00%	Full
HISTOIRE	France	Theme channel	80.00%	Full	80.00%	Full
USHUAIA TV	France	Theme channel	80.00%	Full	80.00%	Full
TF1 DISTRIBUTION	France	Distribution of TV channels	100.00%	Full	100.00%	Full
Holding company and Other						
TF1 THEMATIQUES	France	Theme channels holding company	100.00%	Full	100.00%	Full
MONTE CARLO PARTICIPATIONS	France	TMC holding company	100.00%	Full	100.00%	Full
HOLDING OMEGA PARTICIPATIONS	France	Holding company	-	-	100.00%	Full
PREFAS 18	France	Holding company	80.00%	Full	80.00%	Full
TF1 EXPANSION	France	Holding company	100.00%	Full	100.00%	Full
APHELIE	France	Real estate company	100.00%	Full	100.00%	Full
FIRELIE	France	Real estate company	100.00%	Full	100.00%	Full
PERELIE	France	Real estate company	100.00%	Full	100.00%	Full
ONECAST	France	Audiovisual broadcasting/ transmission service	-	-	100.00%	Full
GROUPE AB	France	Audiovisual production, scheduling & broadcasting	33.50%	Equity	33.50%	Equity

(1) *There is no difference between the percentage control as shown here and percentage interest for any entity included in the consolidation.*