2014

REGISTRATION DOCUMENT

ANNUAL FINANCIAL REPORT

table of contents

Profile 2

Message from the Chairman and Chief Executive 3

1 PRESENTATION OF THE TF1 GROUP **5**

1.1 Strategy 6
1.2 Group markets 7
1.3 Group activities 22
1.4 Research and Development expenses 26
1.5 TF1 group history and 2014 key events 28
1.6 Group indicators 32
1.7 The management team 35

2 REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS **37**

2.1 Organisation of governance 38
2.2 Chairman's report 49
2.3 Report on remuneration 74
2.4 Risk factors 84

3 MANAGEMENT REPORT OF THE BOARD OF DIRECTORS **93**

3.1 2014 Activity and results 95
3.2 Available information in other part of the registration document 108
3.3 Statement of company operations over the last five business years 109

4 FINANCIAL STATEMENTS 2014 **111**

4.1 Consolidated financial statements 112
4.2 Notes to the consolidated financial statements 118
4.3 Parent company financial statements 177
4.4 Notes to the parent company financial statements 181

5 STATUTORY AUDITORS' REPORT **201**

5.1 Statutory Auditors' report on the report by the Chairman of the Board 202
5.2 Statutory Auditors' report on the Consolidated Financial Statements 203
5.3 Statutory Auditors' report on the Financial Statements 205
5.4 Statutory Auditors' report on Related Party Agreements and Commitments 207
5.5 Statutory Auditors' report on the capital reduction 213
5.6 Statutory Auditors' report on the capital increase reserved for members of an employee savings scheme 214
5.7 Statutory Auditors' report on the issuance of shares and other securities with or without preferential subscription rights 215
5.8 Independent verifier's report on consolidated social, environmental and societal information presented in the management report 217

6 INFORMATION ABOUT THE COMPANY AND ITS CAPITAL **221**

6.1 Information about TF1 222
6.2 Legal framework 233
6.3 Capital 236
6.4 Ownership structure 243
6.5 Stock market information 247

7 CORPORATE SOCIAL RESPONSIBILITY **249**

Foreword 250
7.1 Social information 254
7.2 Environmental information 269
7.3 Societal information 278

8 GENERAL MEETING **293**

8.1 Taking part in the Combined General Meeting of April 16, 2015 294
8.2 Agenda 297
8.3 Report of the Board of Directors on the resolutions submitted 299
8.4 Presentation of the draft resolutions and statement of the reasons for the resolutions 314

9 ADDITIONAL INFORMATION **327**

9.1 Person responsible for the registration document and information concerning the verification of the accounts 328
9.2 Relations with shareholders 330
9.3 2015-2017 Diary dates 331
9.4 Information included by reference 331
9.5 Financial press releases published in 2014 332
9.6 Addresses of main subsidiaries and participations 333
9.7 Registration document and cross-reference table 334
9.8 Table of concordance of the management report 336
9.9 Annual financial report table of concordance 337
9.10 Table showing correspondence with decree no. 2012-557 dated April 24, 2012 (Article 225 of the Grenelle 2 act) 338
9.11 Glossary 341

2014
REGISTRATION DOCUMENT
AND ANNUAL FINANCIAL REPORT

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

The French version of the Annual Report was filed by the "Autorité des Marchés Financiers" (AMF – French stock exchange commission) on March 10, 2015, in accordance with the article 212-13 of the General Regulation of the AMF.

This document may not be used to support a financial operation unless it is accompanied by an operation note certified by the AMF. It was prepared by the issuer and is the responsibility of the person whose signature appears therein.

It is available for consultation and download on the website www.groupe-tf1.fr

This is a free translation into English of the TF1 2014 registration document issued in the French language and is provided solely for the convenience of English speaking readers. In case of discrepancy, the French version prevails.

Profile

TF1 is an **integrated communication group** whose remit is **to inform and entertain.** Producer of France's **leading free-to-air television channel,** the TF1 group proposes an offering adapted to all media.

FREE TV
4
free-to-air channels

GROUP AUDIENCE SHARE 2014
28.7%*

REVENUE 2014
€2,091.8 M

NET CASH 2014
€497.0 M

TF1 is the leading private audiovisual group in **free-to-air television** in France. The Group's four complementary free-to-air channels, TF1, TMC, NT1 and HD1, together claimed an average audience share of 28.7% in 2014.

The Group is strengthening this leadership position by adapting to the new ways in which viewers are consuming content. It has developed a powerful **digital offering** so as to reach all audiences across all fixed and mobile platforms. The TF1 group attracts the greatest number of web users of any French television player with its online video platform, MYTF1.

The Group also produces top-quality theme channels in **pay-TV** – Eurosport, LCI, TV Breizh, Histoire, Ushuaïa – that meet the specific needs of viewers.

TF1's Advertising Department harnesses this class-leading offering to enable advertisers to combine the broad audiences of its television channels with the benefits of personal digital media. The Group also sells advertising space in the free newspaper *Metronews*, on the Indés Radio radio stations, on a range of television channels external to the TF1 group, and on a number of websites.

More broadly, the Group's businesses span the entire **value chain in the broadcasting sector**, from audiovisual and film production to DVD publishing, video on demand and music CDs.

The TF1 group has also created a wide range of **merchandising spin-offs from its main channel**, including home shopping, licences and the production of live shows.

Lastly, the Group has committed to a **social responsibility** policy. It is firmly convinced that this policy will serve to drive competitiveness. The initiatives led by the Group are fuelled by dialogue with stakeholders with a view to ensuring action over the long term and earning the trust of the public.

** Source: Médiamétrie.*

Message from the Chairman and Chief Executive

LADIES, GENTLEMEN, DEAR SHAREHOLDERS,

2014 was a very good year when it came to audience ratings for our channels, innovation and cost control.

On the whole, the TF1 channel maintained its leadership position with 95 of the top 100 audiences of the year. This accomplishment is evidence of TF1's unique ability to bring the French together and the diversity of the channel's line-up: 23 different programme brands were in the top rankings for the year.

TMC had a mixed year but maintained a significant audience share of 3.1% in a fiercely competitive environment. The channel also made substantial progress in prime time, dominating the evening slot 140 times. NT1 continued to grow and became the fourth-ranked DTT channel in the "women purchasing decision-makers under 50" advertising target. HD1 fulfills its promise to be a channel dedicated to dramas is progressively finding its audience.

In parallel, Médiamétrie's first audience ratings for IPTV in October provided confirmation that the strategy of complementarity we have pursued since 2008, based on synergies between TV and digital, is the right one. This is one of our major strengths for the future: content that is watched the most on TV is also the most consumed on IPTV and new uses result in high viewership of our programmes.

The resolution of our dispute with YouTube and the Paris Court of Appeals' ruling in our case against Dailymotion are major victories for the Group in its fight against content piracy. We can now dedicate ourselves, if necessary, to creating specific channels for these platforms and have a reliable guarantee of protection for all our content creators.

In 2014 we also completely revamped our advertising strategy with a new corporate tagline for TF1: *"Partageons des Ondes positives"* (Let's share positive vibes). The campaign has won many accolades from professionals and viewers alike, and reflects the company's *raison d'être*. In that vein, we are now more determined than ever to pursue our strategy of continuous dialogue with all our audiences and our 30-million fans' community on social networks, an outstanding achievement regularly applauded by the experts.

The transformation of the Consumer Products division's activities continued with a primary focus on TF1 Vidéo and Téléshopping. MYTF1VOD delivered another impressive performance with a 36% increase in revenue. Lastly, TF1 Entreprises had a very good year, particularly in the music segment.

Moreover, in 2014, the CSA (French audiovisual industry regulator) blocked our bid to shift LCI to free-to-air. We have initiated summary proceedings before the Council of State and expect a response on the merits in the first half of 2015. In this context, and after DSL operators extended their distribution contracts for 2015, all of LCI's employees deliver an outstanding work.

The year 2015 will also present us with new and exhilarating challenges for value creation. We will have to confirm our multi-channel leadership position in free-to-air channels, develop new digital offerings, adapt to changing customer behaviours and find new sources of growth. All this will play a role in improving the Group's profitability, in what we hope will be a more stable economic environment.

Integrating TMC Régie into our teams after five years of separation due to constraints imposed by the French Competition Authority, following the acquisition of TMC and NT1, should help optimise advertising on our channels.

One of the highlights of the fall 2015 season will be the broadcast of the Rugby World Cup taking place in England from September 18 to October 31.

From a regulatory standpoint, we continue to discuss with the public authorities with the same will: make broadcasting industry more effective.

Given all our accomplishments in TV, digital and diversification over the last seven years, we are poised for a positive future. Our Group is moving forward, with responsive, engaged employees and support from our shareholders.

Boulogne-Billancourt, February 18, 2015

Nonce Paolini, Chairman and CEO

1

Presentation of the TF1 group

1.1	**STRATEGY**	**6**
1.2	**GROUP MARKETS**	**7**
1.2.1	The television market	7
1.2.2	The advertising market	15
1.2.3	Audiovisual production	18
1.2.4	Film production	18
1.2.5	The video market	20
1.2.6	The home-shopping market	20
1.2.7	The board game market	20
1.2.8	The licence market	21
1.2.9	The free press market	21
1.3	**GROUP ACTIVITIES**	**22**
1.3.1	Summary of Group activities at 18/02/2015	22
1.3.2	Group activities by sector	23
1.3.3	Participations	25
1.3.4	Real properties	26
1.4	**RESEARCH AND DEVELOPMENT EXPENSES**	**26**
	R&D expenses linked to programmes	26
	R&D expenses related to technological innovation plans	26
	Development of internal software and systems	27
1.5	**TF1 GROUP HISTORY AND 2014 KEY EVENTS**	**28**
1.5.1	TF1 group history	28
1.5.2	2014 key events	30
1.6	**GROUP INDICATORS**	**32**
1.6.1	Key operating figures	32
1.6.2	Key financial figures	33
1.6.3	Shareholders and stock exchange data	34
1.7	**THE MANAGEMENT TEAM**	**35**
	Executive Committee, TF1 group	35
	Senior Management Committee, TF1 group	35

1.1 STRATEGY

In 2014 the TF1 group operated in an advertising market characterised by intense competition and low visibility, owing notably to the worsened economic environment in France. Against that backdrop, the Group continued to adapt and transform its business model.

Harnessing its numerous strengths, the TF1 group is rolling out its strategy for 2015 and the coming years in four main areas:

- Developing its businesses in the most rigorous management conditions possible while optimising resources

In addition to the optimisation plan – phases I and II – implemented since 2008, the Group will remain continuously vigilant regarding the transformation and adaptation of its business model.

- Maintaining a leadership position in free-to-air channels

With four free-to-air channels – TF1, TMC, NT1 and HD1 – the Group intends to maintain its *leadership* position in freeview television by harnessing the complementary editorial and commercial fit of all its channels and by further enhancing its competitive positions in its markets.

- Seizing growth opportunities with a view to development

The TF1 group is seeking to expand its digital offering in step with changes in content consumption habits and advertising sales approaches. It also aims to strengthen its position in the audiovisual rights market by achieving growth in content.

- Pursuing a structured and ambitious social responsibility policy

Mindful of its responsibilities as a media company, TF1 is committed to maintaining top-quality dialogue with all its stakeholders while striving to ensure transparency and continuously improve its practices. It is convinced that this dialogue is a driver of competitiveness and lasting success.

1.2 GROUP MARKETS

1.2.1 THE TELEVISION MARKET

Television has long been the core business of the TF1 group, which produces four free-to-air channels – TF1, TMC, NT1 and HD1 – and theme channels on pay-TV, including Eurosport, LCI, TV Breizh, Ushuaïa and Serieclub.

Television is the most popular media ahead of radio, press and the Internet: 89% of the French population watches television every day, compared with 78% for radio, 72% for the press and 62% for the Internet[(1)].

Television has changed considerably in the last 15 years and new uses and media have developed:

- TV viewers have gained access to a growing number of channels with the arrival of DTT;
- television equipment has improved significantly with the widespread introduction of flat screens and the development of High Definition (HD);
- the last few years have also seen the arrival of mobile screens, including smartphones and tablets, the uses of which are now converging. These personal, mobile screens have naturally fostered mobile consumption and the personalisation of media content.

With generalised household access to high-speed internet, these new uses have accelerated the delinearisation of content consumption, although linear consumption remains strong.

Lastly, pure player video entities such as YouTube and Dailymotion have emerged, constituting a new way of broadcasting televisual content. These players are also starting to broadcast their services on television, in addition to computers and mobile apps.

1.2.1.1 EQUIPMENT, RECEPTION MODES, THE FRENCH AUDIOVISUAL SECTOR AND CONSUMPTION

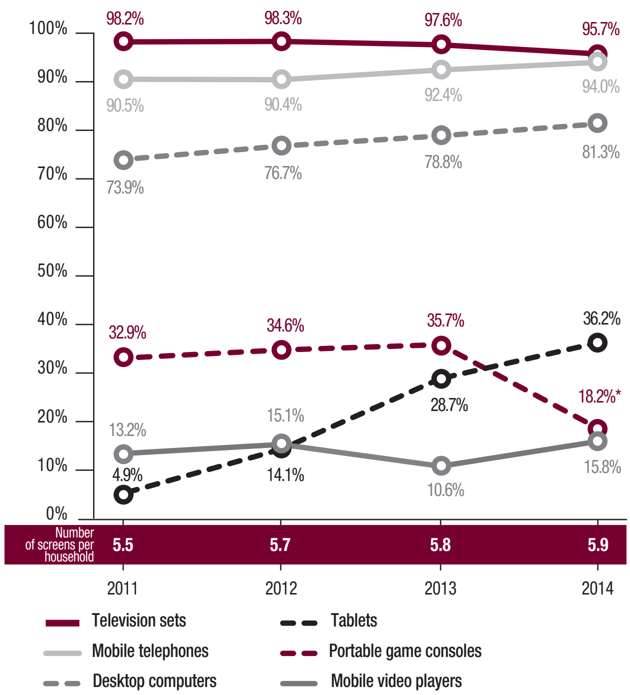
AUDIOVISUAL EQUIPMENT

More and more screens in French households[(2)]

Almost every French household now has a television set. 96% have at least one TV set and 49% have at least two.

Televisions are also becoming increasingly high-tech. 85% of French households have an HD-compatible screen and 54% a television connected to the web *via* Smart TV, a box connection, a game console or a media gateway such as AppleTV or Chromecast.

The number of screens per household is also increasing, driven by the rise in mobile screens.



* *Active game consoles only since 2014.*

(1) Médiamétrie – Media In Life – Aggregate 2013 – 15+ – Monday-Sunday – Midnight to midnight.

(2) Médiamétrie/GfK – Reference of Multimedia Equipment through 2013/Médiamétrie Home Devices starting in 2014.

Internet access increasingly widespread[1]

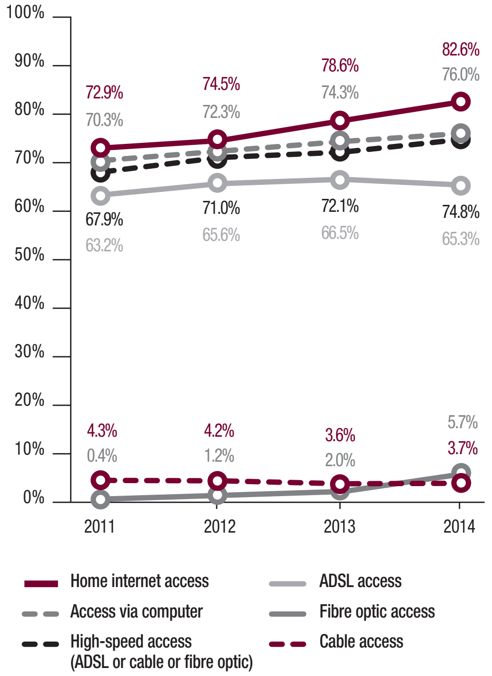
The development of and widespread access to the Internet has led to changes in use.

Some 23.0 million French households were connected to the web in fourth-quarter 2014, for a penetration rate of 83%.

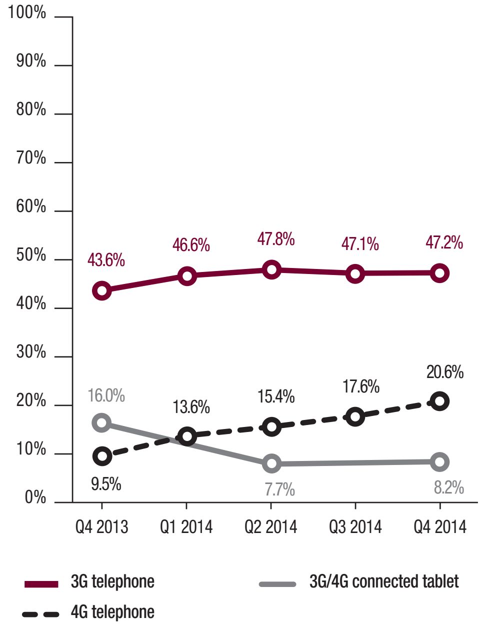
The penetration rate of high-speed internet also continues to increase, with 20.8 million French homes connected to the internal *via* ADSL, cable or fibre optic, or 75% of total households.

Ultra-high-speed internet is developing, with 6% of French households connected *via* fibre optic.

INTERNET ACCESS TYPE (AS OF Q4)



FIXED INTERNET MOBILE INTERNET[2]



RECEPTION MODES[1]

Television reception modes

DTT is the most popular way of receiving television, with 58% of homes connected, *i.e.* with an external or internal decoder combined with a Yagi aerial. Since the end of the switch to all-digital, this TV reception mode has declined slightly, while high-definition reception (HD DTT) is increasing, now accounting for 47% of households.

ADSL/fibre optic ranks second, with 43% of homes connected, and is the fastest-growing reception mode.

Satellite has stabilised. It is now received by 24% of households, of which 12% with a pay subscription and 13% with a free router, such as DTT Sat or Fransat.

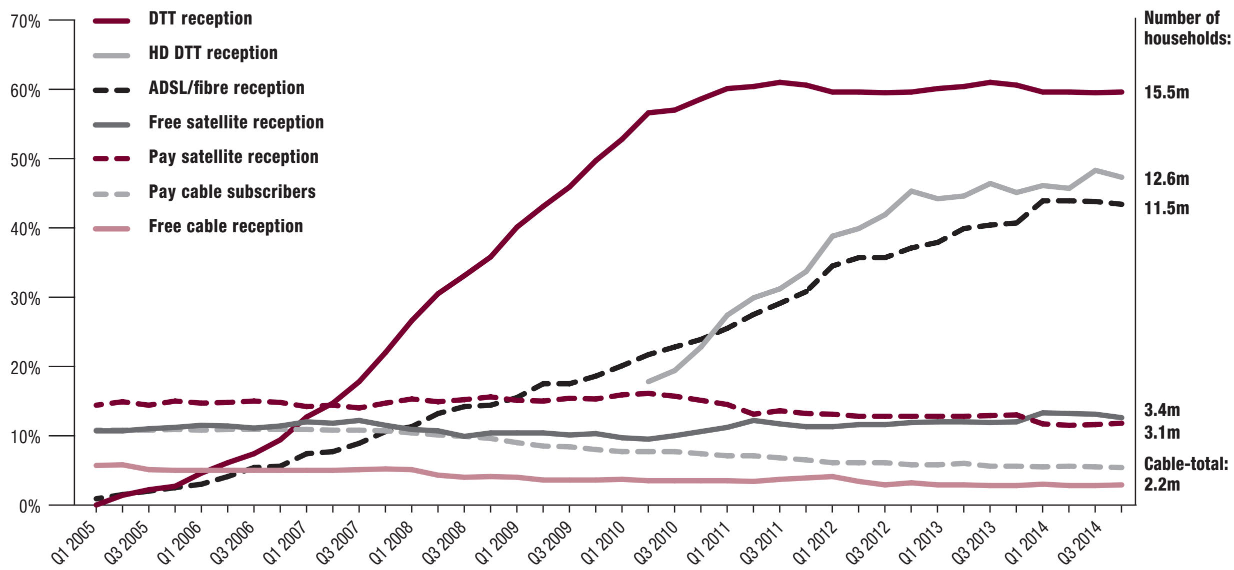
The decrease of cable has stabilised, with a roughly 8% penetration rate, of which 5% *via* a pay subscription and 3% *via* a free offer.

(1) Médiamétrie/GfK – Reference of Multimedia Equipment through 2013/Médiamétrie Home Devices starting in 2014.

(2) Médiamétrie Web Observatory – 15+ individuals.

TRENDS IN TELEVISION RECEPTION MODES

(% of TV-equipped households)[(1)]



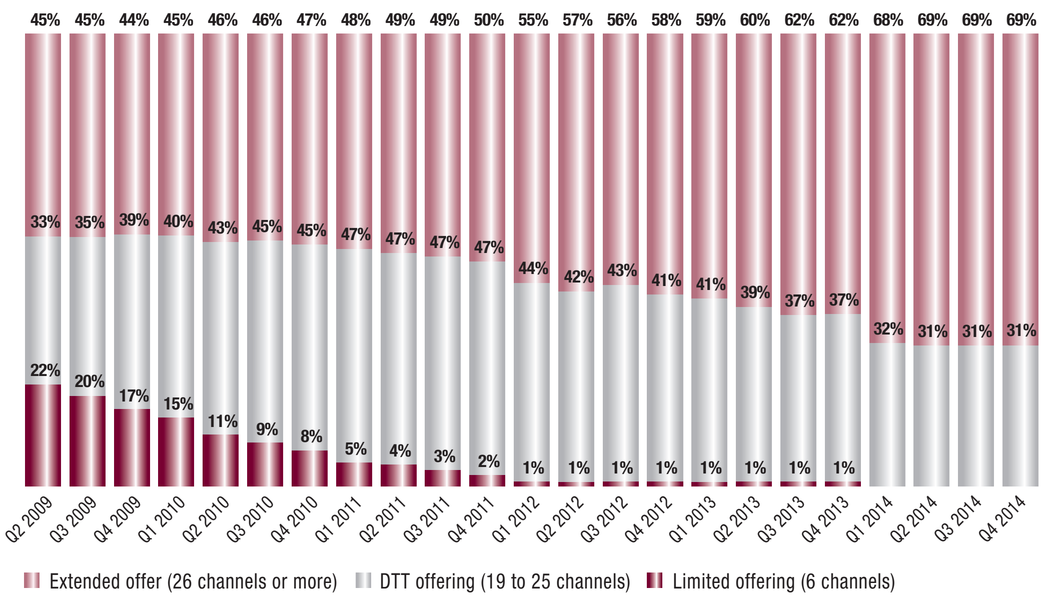
The rise of multi-channel access

At end-2014, all French households received at least the 19 channels of the first wave of free DTT.

Of the total, 80.8% received three or four of the six HD DTT channels launched in December 2012, 74.7% received the six channels and 69% received a broader range of channels *via* ADSL, satellite, cable or pay DTT.

This revolution in the French audiovisual landscape has happened fast. At end-2009, 86% of TV households had access to a multi-channel offering, up from 39% at end-2006, or an increase of 120% in three years.

TREND IN THE MULTI-CHANNEL OFFERING OF TV HOUSEHOLDS[(1)]



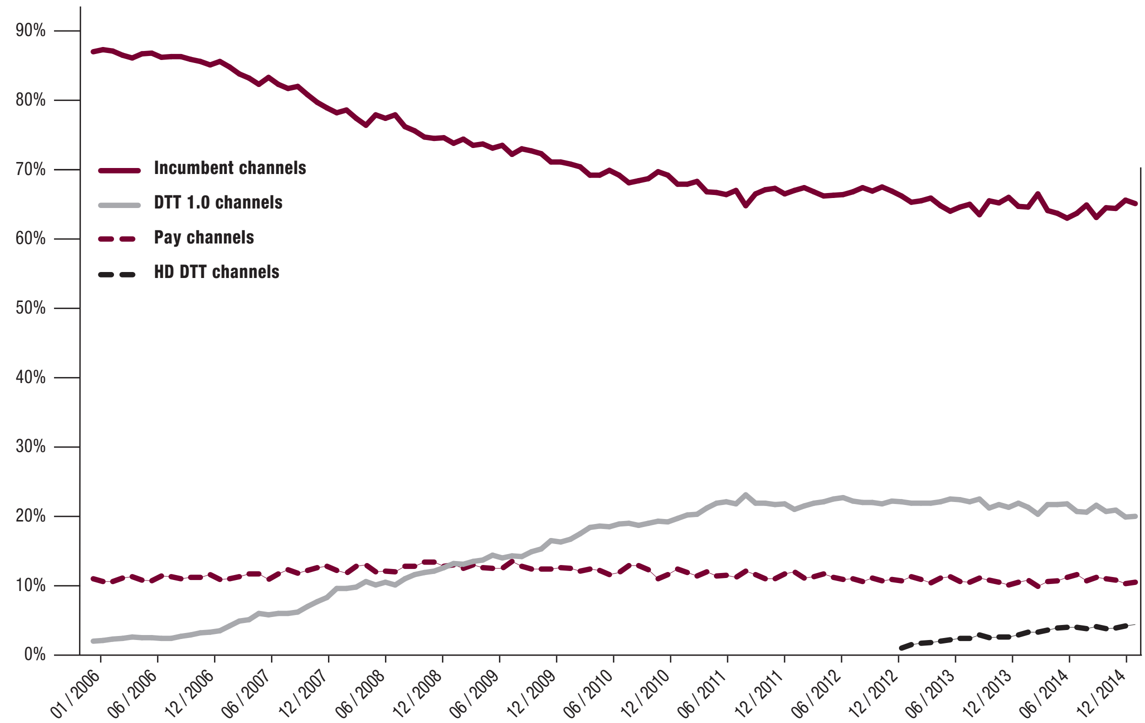
(1) *Médiamétrie/GfK – Reference of Multimedia Equipment through 2013/Médiamétrie Home Devices starting in 2014.*

A changing audiovisual landscape in France

The French audiovisual landscape has changed considerably over the past several years. The number of freeview channels has increased from six in 2005 to 19 at end-2011 and to 25 channels today for 74.7% of the population.

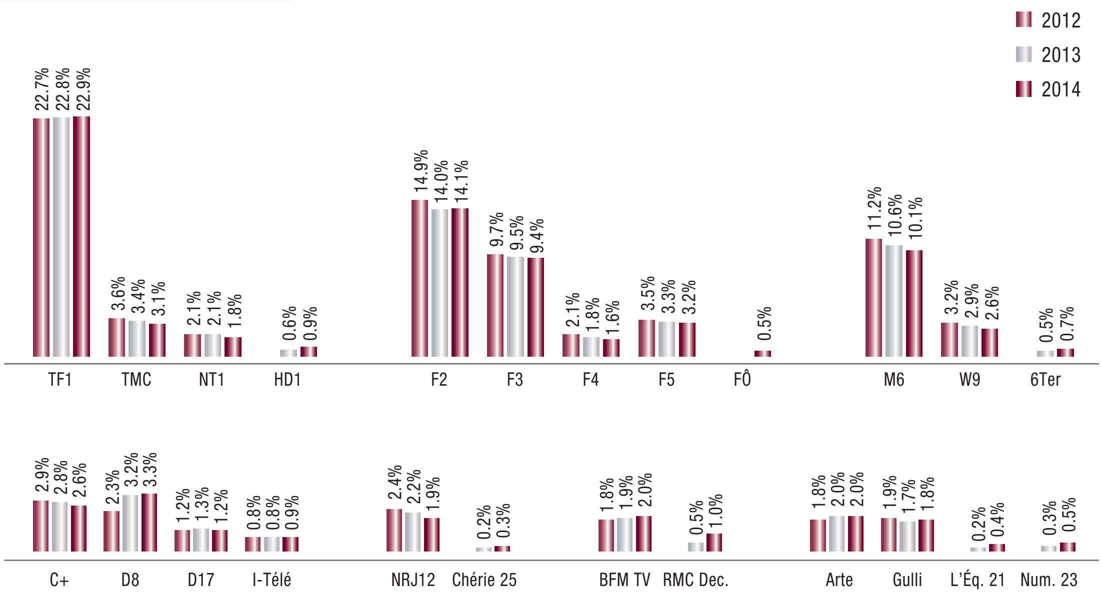
This growth has meant several things. First, new freeview television operators emerged in France (NextRadioTV, NRJ group, Canal+, Lagardère and Amaury). The resulting market fragmentation has shrunk the audiences of the incumbent channels. The incumbent groups have sought to maintain their positions by acquiring more channels, either by bidding for spectrum offered by the French broadcasting regulatory authority (CSA) or buying channels from new entrants.

TREND IN AUDIENCE SHARE BY CHANNEL FOR 4+ INDIVIDUALS(1)



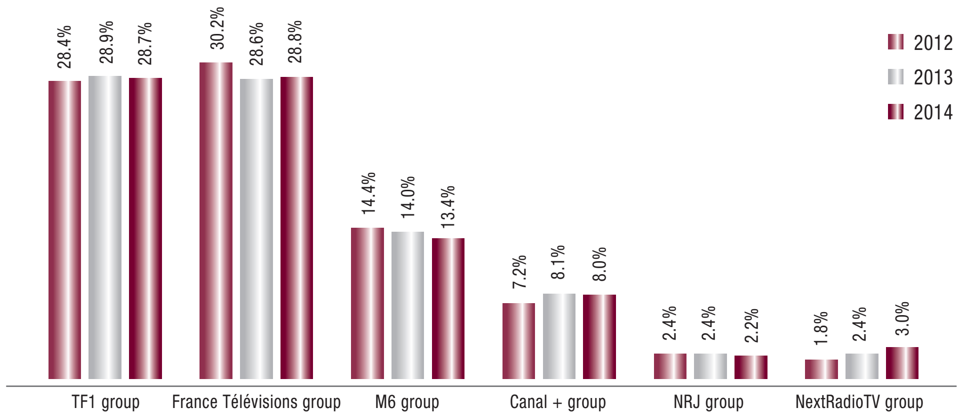
As a result of the larger channel offering and the changing audiovisual landscape, the channels' audience shares have evolved as shown in the graphs below.

AUDIENCE SHARE OF 4+ INDIVIDUALS(1)

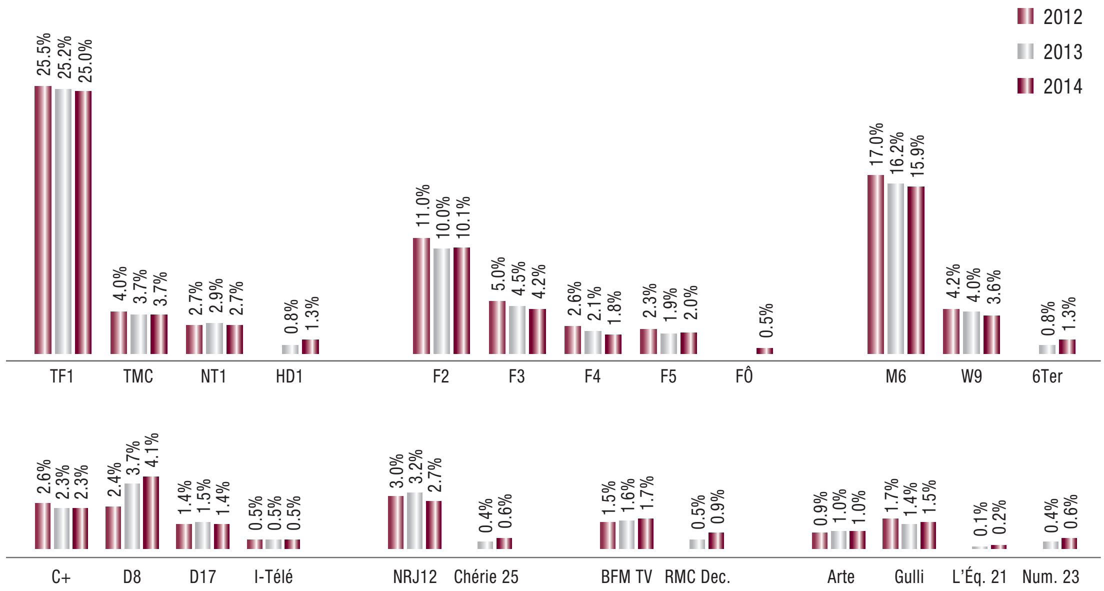


(1) Médiamétrie – Médiamat.

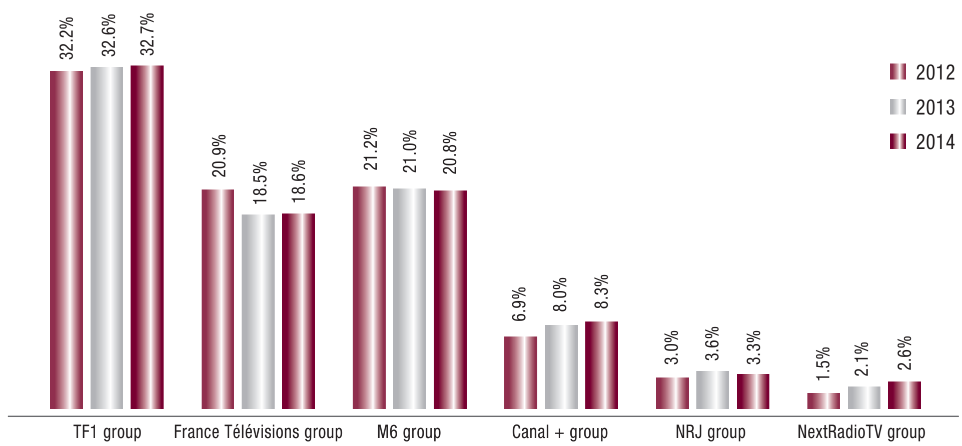
GROUP AUDIENCE SHARE OF 4+ INDIVIDUALS(1)



AUDIENCE SHARE OF WOMEN AGED UNDER 50 PURCHASING DECISION-MAKERS(1)



GROUP AUDIENCE SHARE OF WOMEN AGED UNDER 50 PURCHASING DECISION-MAKERS(1)



At end-2014, the large majority of DTT channels were measured daily by the national Médiamat, the exceptions being LCP, BFM TV, i>Télé and the six new freeview channels launched on December 12, 2012.

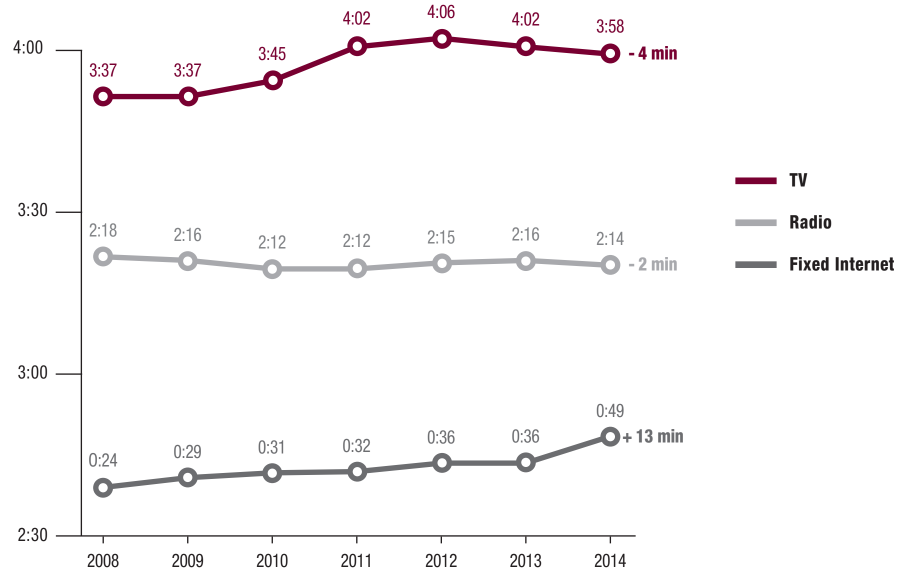
(1) Médiamétrie – Médiamat – 2013.

CONSUMPTION

Television – the top media choice[1]

Television was the number-one media choice of the French population in 2014. The average 15+ individual in France watches an average 3 hours and 58 minutes of television a day, compared with 2 hours and 14 minutes for radio and 49 minutes for fixed internet.

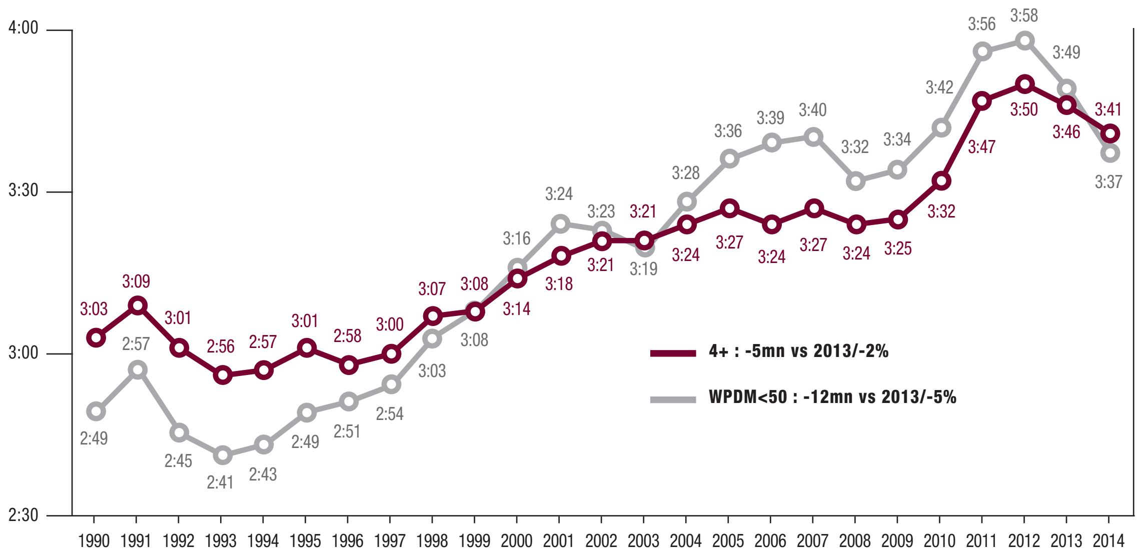
MEDIA CONSUMPTION OF 15+ INDIVIDUALS/2014



TV viewing time remains at high levels[2]

Television consumption remains at a very high level despite a five-minute decrease year on year for 4+ individuals.

INDIVIDUAL VIEWING TIMES FOR 4+ INDIVIDUALS AND WOMEN AGED UNDER 50 PURCHASING DECISION-MAKERS (WPDM < 50)



(1) Médiamétrie – Médiamat/126.000 Radio/NetRatings – Jan-Oct 2014.

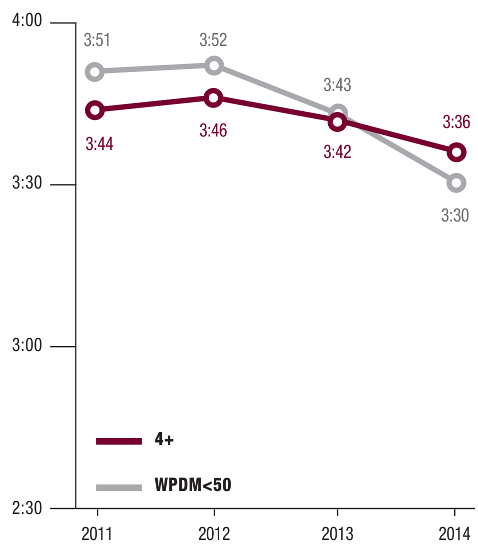
(2) Médiamétrie – Médiamat – Consolidated data since 2011.

The gradual integration of time-shifted viewing[1]

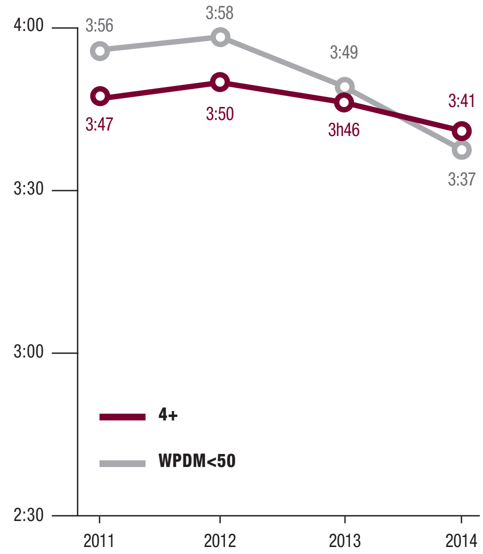
Médiamat audience ratings have since January 2011 integrated private recordings on hard disk, DVD recorders and video cassette recorders. Catch-up TV viewing was included in audience ratings in October 2014.

In all, time-shifted TV viewing on these 2 targets accounts for 2% to 3% of total viewing as measured by Médiamat (5 to 7 minutes a day depending on the target). Time-shifted viewing has not completely offset the decrease in live viewing.

INDIVIDUAL VIEWING TIMES - LIVE



INDIVIDUAL VIEWING TIMES - LIVE + DELAYED



Other TV viewing modes[2]

Other TV viewing modes have yet to be integrated in Médiamat ratings. They account for six minutes of viewing per day, or 2.6% of the total.

- Live viewing outside the home totals two minutes a day, or 0.9% of total Médiamat ratings. This figures does not include viewing at relatives' or friends', which is already included in Médiamat statistics.
- Live viewing on media other than TV sets (computers, smartphones, tablets) stands at two and a half minutes a day, or 1.1% of total Médiamat ratings.
- Catch-up TV viewing on media other than TV sets comes out at 90 seconds a day, or 0.6% of the Médiamat total.

TV viewing with pure players *via* web video is equal to 2.2% of television viewing. The market is dominated by YouTube with 20.6 billion videos watched, ahead of Dailymotion with 3.1 billion, Facebook with 1.3 billion and TF1/WAT with 0.7 billion[3].

In addition, TV channels are making increasing use of web video platforms to broadcast their own content with a range of strategies: to promote their programmes, broadcast content with low viewer potential (concerts, cultural programmes, short films, creative documentaries) and original content (bonuses, cross-media initiatives, comedy programmes), promote new talent (hosts, commentators, comedy artists), provide catch-up TV and develop innovative advertising formats (brand content, etc.).

Dynamic digital uses, increasingly multi-screen

In 2014 France counted 40 million web users, up 2.3% year on year and accounting for nearly 80% of the population. Some 36.6 million people use the internet every day or almost every day, up 5.0%[4].

Web users are adopting increasingly multi-screen behaviour, connecting to the web using a range of devices[5]. Computer connections were down slightly to 95% (-2 points year on year), like smartphone connections, which decreased to 69% (-3 points). On the contrary, tablets are up sharply by 4,5 points to 31%. The share of web users having used all these devices (computer, smartphone, tablet) as well as TV sets to access content on line increased by 1 point to 11%.

(1) Médiamétrie – Médiamat – Live and consolidated data since 2011.
(2) Médiamétrie – Global TV – April/June 2014 – 15+ individuals.
(3) Médiamétrie NetRatings – Ratings for video viewing on computers – August 2013 to July 2014 – 2+ individuals.
(4) Source: Médiamétrie – Internet Use Observatory – Q3 2014 (vs Q3 2013).
(5) Source: Médiamétrie – WebObservatoires – Q4 2014 (vs Q4 2013).

The TF1 group provides access to its content on all these media. It has rolled out MYTF1 content to build a strong position on all these screens. The Group attracts:

- 9.2 million unique web video users a month via computer, making it the number-four group in France behind web giants Google, Facebook and Dailymotion; 11.9 million unique visitors a month on these sites, ranking it number 22 in France[(1)];
- 7.4 million unique visitors a month connecting via smartphone (number 15)[(2)];
- 5 million unique visitors a month connecting via tablet (number 8)[(3)].

Online video and television content viewing continues to rise

More than 32.5 million web users have watched a streaming video on the internet, up 1% year on year. Among them, 83% watched content linked to a televised programme (replay or bonus), for a total of nearly 27 million individuals[(4)].

Computers continue to be used by 60% of web users to watch TV programmes via replay or live, but the proportion has fallen 6 points in one year. The decrease has benefited TV sets, used by nearly 42% of web users to watch these programmes, a sharp increase of 4 points year on year. Tablets account for nearly 17% of use, and smartphones for over 13%[(4)].

96% of web users watching a televised programme do so using replay: 37% of these same individuals also do so live[(4)].

With its digital MYTF1 offering, the TF1 channel scores strong digital ratings on all screens:

- 9.3 million web video users watch digital content on TV sets[(5)];
- 5.1 million unique web video users do so *via* computer[(1)];
- 3.0 million unique visitors do so *via* tablet[(3)];
- 2.2 million unique visitors do so *via* smartphone[(2)].

TF1 is thus the most-watched television channel on computers and tablets and the second most-watched on smartphones.

Improvements are being made in the measurement of online video viewing. Following ratings of videos watched on computers, those of IPTV video views have been measured since October 2014.

Médiamétrie has already introduced a tool to measure the consumption of TV and digital media at home, the Multi-Screen Panel. This measurement system constitutes the first phase in the merging of TV and digital audience data, with the initial results due in early 2015.

TF1 continues to work with the interprofessional organisation and Médiamétrie to refine multi-screen video measurements, with a view to finally obtaining data corresponding to its editorial and advertising objectives.

(1) *Source: Médiamétrie NetRatings – Fixed and video panels, France – November 2014.*

(2) *Source: Médiamétrie NetRatings – Mobile panel, France – November 2014.*

(3) *Source: Médiamétrie NetRatings – Tablet panel, France – Q3 2014.*

(4) *Source: Médiamétrie – WebObservatoires – Q4 2014 (vs Q4 2013).*

(5) *Source: Médiamétrie – Médiamat – November 2014.*

1.2.1.2 TRENDS IN THE TELEVISION MARKET

SLOWDOWN IN THE FRAGMENTATION OF FREE-TO-AIR TELEVISION

The number of free-to-air channels in France is not expected to change significantly in the coming years. In 2012 the World Radiocommunications Conference allocated the 694-790 MHz band to mobile services, thereby limiting the possibilities of allocating frequencies to channels not broadcast on DTT.

"RELINEARISATION" AND PERSONALISATION WITH DIGITAL TECHNOLOGY

Online video players are developing functionalities to simplify viewing of their video catalogue, which are growing year after year in order to increase web-user interest in content (televised programme, creative work, etc.) and enables the players concerned to improve web-user access to:

- the entire breadth of videos available for the same content;
- screens less conducive to browsing, including television.

Two approaches in particular are being used:

- "relinearisation": after the launch of a video, all or part of the videos of a piece of content are lined up one after the other, to enhance editorial consistency and respond to a common interest observed with web users;
- the personalisation of the experience, consisting in offering web users faster and more innovative access to their favourite content *via*:
  - functionalities for subscribing or monitoring content, enabling users to stay informed about the availability of a new video,
  - the compiling of video playlists, automatically updated with each new publication.

In this respect, MYTF1 has developed editorial playlists for some of its video content-rich franchises (including *The Voice*, *Secret Story* and *Danse avec les stars*). These playlists have met with major success, especially on television, where browsing with a remote control is more difficult than on a computer or touchscreen.

MYTF1 app users can also "follow" a programme. This functionality gives them the possibility of subscribing to alerts sent when a new video becomes available and quickly accessing the latest published videos.

THE "HYPER-DISTRIBUTION" OF CONTENT

Video publishers are increasingly "hyper-distributing" their content to take account of new access modes available in the market (including Chromecast and the Android box) and changes in use in France:

- the growing use of video platforms to access all types of content;

- the growing use of video sharing;
- the tendency to watch videos on their destination sites for some types of content, such as news and sport.

As such, more and more publishers are sharing all or part of their videos on their native media. For example:

- the opening of "corners" dedicated to the publisher's videos (on the YouTube and Dailymotion platforms);
- content sharing in dedicated environments (e.g. Facebook fan pages);
- the controlled provision of videos to other publishers (*via* content syndication platforms).

In 2014 the TF1 group rolled out a three-pronged strategy:

- improving the dissemination of videos in the social media, particularly on Facebook;
- opening video content up to rival publishers, notably through the managed syndication of MYTF1News videos;
- integrating new content distribution platforms, for example with the launch of the first Chromecast app dedicated to news with MYTF1News.

ENHANCING LIVE PROGRAMMING

Broadcasting a programme on television brings people together, as witnessed by digital uses. Nearly 6.5 million French people[1] interact on digital platforms about programmes during their broadcast (social TV), up 12% year on year.

Consequently, video players are rebroadcasting more and more live events on their platforms, especially entertainment, concerts and sports competitions. The aim for TV channels is to provide ever more functionalities based on live broadcasts to engage and involve viewers. The last two years have seen the advent of "interactive bricks", enriching non-scripted programming with texts, videos and images, and of "play along", which enables viewers to play in the same conditions as contestants during the broadcast.

MYTF1 upgraded its *Connect* functionality at the start of the year, in particular optimising smartphone and tablet access.

MYTF1 innovated by bringing web users a multicam functionality to access additional live flows and view the action from different camera angles for the matches of the 2014 FIFA World Soccer Cup and the dances on *Danse avec les stars*.

TRENDS IN RECEPTION MODES AND THE SPECTRUM

Trends in reception modes

Television reception modes have changed considerably in French households in the last ten years. Analogue terrestrial reception, previously the most widespread mode with a 70% share in 2005, was gradually replaced by Digital Terrestrial Television between 2005 and 2011. ADSL television was launched in 2002. Since then, this internet protocol broadcasting mode has proved a strong rival to analogue reception owing to an increase in the eligibility of households for triple-play internet offers. Satellite and cable reception modes have remained stable over this period.

The downward trend in DTT penetration is expected to continue in the coming years with the growing strength of ADSL television. The deployment of fibre optic technology, driven in France by the "Fibre 2025" plan (a government plan initiated in 2010 aimed at providing 100% of French households with ultra-high-speed connections by 2025), will favour the increase in the number of households eligible for this reception mode.

Change in DTT platform

The DTT platform, today consisting of 29 national channels divided into eight multiplexers, uses the 470-790 MHz band. In 2012 the World Radiocommunications Conference decided that the 694-790 MHz band would be allocated to mobile services. In December 2014 the French prime minister finalised the two main dates involved in the freeing up of this band. First, the MPEG4 compression standard will be introduced widely in April 2016, enabling the DTT platform to enhance its high-definition offering. At that point, one of several multiplexers will be discontinued, leading to a reshuffle of the channels on the remaining multiplexers. Second, the 700 MHz band will be freed up between October 2017 and June 2019.

1.2.2 THE ADVERTISING MARKET

The slowdown in the advertising market continued in 2014 but at a lesser pace than in 2013.

Estimates are that net advertising revenues decreased by roughly 1.5%[2] on 2013 (compared with a 3% fall between 2012 and 2013).

Changes in gross advertising spend in 2014 are to be analysed with particular precaution. This is because the methodology used by Kantar Media to assess gross investments in internet display changed significantly between 2013 and 2014, making comparisons between the two inconsistent. As such, we will not address changes in internet display revenues and market share.

Gross advertising spend excluding the Internet increased by 3.4%[3] in 2014. As a reminder, gross revenue data are to be considered with caution given the substantial scale of negotiation rates, which vary from one media to the next.

(1) Source: Médiamétrie – WebObservatoires – Q2 2014 (vs Q2 2013).

(2) Net advertising spend – Source: IREP estimates, January 30, 2015 (radio: national radio only).

(3) Gross advertising spend – Source: Kantar Media – Excluding TV sponsorship, self-promotion and subscriptions. 2014 vs. 2013.

TRENDS IN PLURIMEDIA ADVERTISING SPEND IN 2014(1)(2)

Gross advertising revenues excluding the Internet followed the same trend in the first and second halves of the year (rising 3.4%), but the results were contrasted from one medium to the next.

Television (excluding sponsorship) remained the top medium, with 34.1% of gross advertising spend (including the Internet). Gross revenues for this medium rose sharply in 2014, by 9.7% to €10.5 billion.

Within this media category, spend for incumbent television rose by 5.0% to a gross €5.9 billion. The free-to-air DTT channels remain the most dynamic segment, with gross revenues up 19.0% to €3.8 billion. Spend for cable and satellite rose by 6.8% to a gross €850 million.

In net terms, television is estimated to have fallen slightly in 2014 (by 0.5% to 0%) following a 3.5% contraction in 2013.

Press remains the number-two media in gross advertising revenues, down 2.3% in 2014 to €7.3 billion. That trend gathered speed over the course of the year, with a 1.2% decrease in the first half and the second half ending with a 3.4% decrease.

The decrease was more significant in net terms, estimated to have fallen by 8.5% in 2014, following the same trend as in 2013.

The new methodology used by Kantar Media to measure gross spend in internet display provides better coverage of this segment. Gross spend has been reassessed, making internet display the number-three medium with a total €5.3 billion.

In net terms, internet display was up 8% (including mobile).

Gross revenues for radio were up 2.5% to €4.7 billion. Regional stations proved the most dynamic, with gross revenues up 8.5% on 2013.

Net revenues for national radio are expected to be down 2% after a stable 2013.

Outdoor advertising was down slightly (-0.7%) on 2013, with gross revenues totalling €2.7 billion. Following a stable first half, up 0.2%, a change in trend occurred in the second half, when revenues fell by 1.5%.

Net outdoor revenues are expected to be up 1% in 2014 following a 1.7% decrease in 2013.

After a strong year in 2013, cinema took a turn for the worse in 2014 with net revenues down 2.7% to €409 million.

Net revenues for cinema at end-September were stable (no IREP estimate exists for this medium).

PLURIMEDIA ADVERTISING SPEND – GROSS DATA(3)

	Gross revenues 2014	Change in revenues 2014/2013	Market share 2014
Press	**€7,279.5m**	**-2.3%**	**23.5%**
Radio	**€4,742.1m**	**+2.5%**	**15.3%**
Television	**€10,535.2m**	**+9.7%**	**34.1%**
Free-to-air TV	€9,685.5m	+10.0%	31.3%
o/w Incumbent	*€5,925.1m*	*+5.0%*	*19.2%*
o/w DTT	*€3,760.4m*	*+19.0%*	*12.2%*
Cab/sat	€849.7m	+6.8%	2.7%
Outdoor advertising	**€2,677.0m**	**-0.7%**	**8.7%**
Cinema	**€408.8m**	**-2.7%**	**1.3%**
Total excluding internet	**€25,642.7m**	**+3.4%**	**82.9%**
Internet	**€5,295.8m**	**n.d.**	**17.1%**
TOTAL	**€30,938.5m**	**n.d.**	**100.0%**

(1) Net advertising spend – Source: IREP estimates, January 30, 2015 (radio: national radio only).

(2) Gross advertising spend – Source: Kantar Media – Excluding TV sponsorship, self-promotion and subscriptions. 2014 vs. 2013.

(3) Gross advertising spend – Source: Kantar Media – Excluding TV sponsorship, self-promotion and subscriptions.

TELEVISION IN 2014[1]

In television, TF1 was the leading channel in 2014 with gross advertising revenues of €3.5 billion, up 3.9% on 2013. TF1's gross market share (excluding sponsorship) was 33.2%, down 1.9 points on 2013.

M6 was the number-two channel, with gross revenues of €1.8 billion, up 4.7% on 2013 and a gross market share of 16.6% (down 0.8 points on 2013).

TF1 Publicité was the number-one TV advertising airtime sales agency in 2014, with gross revenues of €3.8 billion, up 5.5% on 2013, and a gross market share of 36.4% (down 1.5 points). It ranked ahead of M6 Publicité (22.8% share, down 0.7 points) and Canal+ Régie (14.7% share, up 2.2 points).

GROSS MARKET SHARE OF CHANNELS – ALL TV[1]

	2014	2013	2012
TOTAL TELEVISION	**100.0%**	**100.0%**	**100.0%**
Incumbents	**56.2%**	**58.8%**	**60.1%**
TF1	33.2%	35.1%	36.5%
M6	16.6%	17.4%	16.9%
France 2	2.7%	2.6%	2.9%
Canal+	2.0%	1.9%	1.9%
France 3	1.4%	1.4%	1.5%
France 5	0.3%	0.3%	0.4%
Other DTT	**35.7%**	**32.9%**	**30.4%**
Cab/sat	**8.1%**	**8.3%**	**9.5%**

GROSS MARKET SHARE OF FREE-TO-AIR DTT CHANNELS – ALL TV[1]

	2014	2013	2012
Other DTT	**35.7%**	**32.9%**	**30.4%**
DTT 2005	**32.1%**	**30.3%**	**30.4%**
W9/6Ter Puissance TNT	5.2%	5.2%	4.7%
D8	4.2%	3.1%	2.9%
TMC	4.1%	4.5%	4.9%
BFM TV	3.5%	3.5%	3.3%
NRJ12	3.4%	3.6%	3.9%
I>Télé	3.3%	3.1%	3.5%
D17	3.1%	2.0%	1.4%
NT1	3.0%	3.1%	3.2%
Gulli	1.9%	2.0%	2.2%
France 4	0.2%	0.3%	0.3%
HD DTT (excl. 6Ter)	**3.6%**	**2.6%**	
HD1	1.3%	1.1%	
RMC Découverte	0.9%	0.5%	
Équipe 21	0.6%	0.4%	
Numéro 23	0.5%	0.3%	
Chérie 25	0.3%	0.3%	

(1) Gross advertising spend – Source: Kantar Media – Excluding TV sponsorship, self-promotion and subscriptions.

DIGITAL MEDIA IN 2014[1]

According to figures from the SRI group of advertising sales agencies, net advertising revenues for internet display came out at €813 million in 2014, up 8% year on year. Some segments remain particularly dynamic, including video, programmatic buying and mobile display. TF1 Publicité has established strong positions in all three and continues to roll out its offerings.

Video continued to rise sharply (up 65% on 2013), generating €244 million in net revenues.

One of this year's major changes concerned IPTV, with catch-up content viewing measurements *via* operator boxes now included in the Médiamat audience ratings of Médiamétrie. This precise and daily measurement, added to structural advances in uses, optimises the monetisation of this medium. Among the 16 million monthly IPTV viewers, nearly 9 million access MYTF1 *via* this platform every month[2].

Programmatic buying is gaining an increasingly important role in digital advertising. Net advertising revenues generated by real-time bidding in 2014 totalled €195 million, up 66% on 2013. This growth is expected to continue in the coming years, especially in video publishing. The Interactive Advertising Bureau is forecasting growth of 82% in video programmatic buying between now and 2017[3].

TF1 Publicité remains highly dynamic and proactive in these areas. Through La Place Media, a leading premium ad exchange co-founded in 2010, TF1 Publicité sells part of its inventory of display banners *via* real-time bidding.

TF1 Publicité has also launched its own real-time bidding platform to sell part of its video inventory.

The mobile segment continued to lend strong momentum to display in 2014. Up 80% on 2013, it generated €142 million in net revenues.

To take full advantage of the potential of mobile devices and their synergies with TV, TF1 Publicité has positioned itself as a "second screen" leader and continues to develop innovative new systems. Another big event in 2014 was the "Multicam" operation during the FIFA World Soccer Cup (sponsored by VISA). The initiative won "Best Special Operation" prize at the Grand Prix des Médias awards organised by CB News.

THE OUTLOOK FOR 2015

The economic environment may stabilise in 2015. But the television advertising market will continue to be characterised by low visibility, strong volatility and fierce competition.

As such, TF1 Publicité will continue to focus on the three main pillars of its offering:

- content: strong programme brands and major events to attract the broadest audiences and provide advertisers with unique exposure, enabling them to communicate with all their targets;
- efficiency: precise measures of the effectiveness of advertising campaigns and full use of data to optimise the performance of campaigns. To that end, TF1 Publicité will continue to develop the "One Data" label based on three main focuses: optimising targets, strengthening proof of effectiveness and contributing to R&D discussions on data;
- innovation: continued innovation and application in emerging uses emphasising integration, interaction and commitment. "Real-time advertising" offers for television mark a new step forward in this respect.

1.2.3 AUDIOVISUAL PRODUCTION

TF1 operates in television production through its subsidiary TF1 Production.

The production sector is highly fragmented in France, with no body or organisation producing an inventory of companies in the segment.

1.2.4 FILM PRODUCTION

The TF1 group is a major player in cinema in France, present throughout the entire value chain:

- financing and production: TF1 Films Productions; TF1 Droits Audiovisuels;
- theatre distribution: TF1 Droits Audiovisuels;
- physical and digital video distribution: TF1 Vidéo;
- free-to-air television distribution: TF1 – TMC – NT1 – HD1;
- catalogue distribution: TF1 Droits Audiovisuels.

(1) *Net SRI data – 2014.*
(2) *Médiamétrie – Médiamat audience ratings Oct-Dec 2014.*
(3) *IAB-IHS – 2014.*

Through its TF1 Films Production subsidiary, the Group coproduces and pre-buy mostly entertaining films for family, intended for broadcast on its channels and in response to its obligations to invest in French film production as set forth in the agreement with the CSA.

TF1's contribution to film financing is not limited to cinema for the general public. For example, TF1 Droits Audiovisuels co-produced the film *Les Héritiers*, released in 2014.In France, the operating cycle for a work of cinema is regulated by the media chronology below:

MEDIA CHRONOLOGY

TIME AFTER THEATRICAL RELEASE	4 months	10 months	12 months	22 months	24 months	30 months	36 months
	DVD / Blu-ray - Pay VOD						
		1st window pay TV (cinema services) *agreement with professional organisations*					
			1st window pay TV (cinema services) *in other cases*				
				2nd window pay TV (cinema services) *agreement with professional organisations*			
					2nd window pay TV (cinema services) *in other cases*		
				free-to-air TV and pay TV (excluding cinema services) *where the service applies co-production commitments of a minimum 3.2% of revenues*			
						free-to-air TV and pay TV (excluding cinema services) *in other cases*	
							SVOD

At end-June 2014, France had a total of 5,643 cinema screens in activity, up 1.8% year on year. 98.0% of the screens are equipped for digital projection[1].

Film theatre attendance rose by 7.7% in 2014, with 208.4 million tickets sold[2]. The total largely exceeded the average for the past ten years (196.5 million). French films put in strong performances, taking a 44.0% share of the market compared with 33.8% in 2013 and scoring their best result since 2008.

The table below lists the biggest box-office successes in 2014:

Three films sold more than five million tickets, a performance that no film achieved in 2013. Eleven films sold over three million tickets in 2014 (eight in 2013) and 21 sold over two million tickets (19 in 2013). In 2014, 54 films sold over one million tickets (55 in 2013) and 86 over 500,000 tickets (93 in 2013). French films claimed the top three box-office successes of the year – *Qu'est-ce qu'on a fait au bon Dieu?* (12.2 million), *Supercondriaque* (5.3 million) and *Lucy* (5.2 million) – all of them TF1 co-productions.

Film	Country	Tickets sold
Qu'est-ce qu'on a fait au bon Dieu?	France	12.2
Supercondriaque	France	5.3
Lucy	France	5.2
The Hobbit: The Battle of the Five Armies	USA	4.0
Dawn of the Planet of the Apes	USA	3.8
How to Train Your Dragon 2	USA	3.4

In 2014 TF1 Films Production co-produced nine films selling more than one million tickets.

(1) Source: CNC, Quarterly barometer of growth in the number of digital theatres, June 2014.
(2) Source: CNC, movie theatres attendance estimates.

1.2.5 THE VIDEO MARKET[1]

The TF1 group is present in the video market through its subsidiary TF1 Vidéo:

- as a DVD and Blu-ray publisher and with a video-on-demand platform, MYTF1VOD;
- as a rights holder: TF1 Vidéo acquires operating rights for audiovisual content (including films, series and live shows).

The physical video market in France remains in a difficult situation. In 2014 the market was worth €799 million, down 14.0% on €929 million in 2013.

Blu-ray accounted for 23.5% of the physical video market in 2014, up 1.4% year on year despite an 8.2% fall in revenues.

TF1 Vidéo took a 4.1% share of the Blu-ray market, compared with 4.2% at end-December 2013.

The digital video market consists of three distinct consumption channels:

- rental (or video on demand);
- subscription video on demand (SVOD);
- the purchase – by definitive download – of digital-format videos (electronic sell-through, or EST).

TF1 Vidéo operates in the VoD segment as the publisher of the MYTF1VOD platform.

At end-December 2014 the digital market achieved revenues of €259 million, up 8.0% on end-December 2013.

VoD accounts for 69% of revenues, compared with 17% for EST and 14% for SVOD.

1.2.6 THE HOME-SHOPPING MARKET[2]

The TF1 group is present in the home shopping and e-tailing market primarily through its subsidiary Téléshopping.

At end-December 2014, the retail market as a whole was impacted by the macro-economic environment, falling 1.1%.

Internet sales continued to rise in 2014. The French population spent €57 billion on the Internet, up 11% on 2013. The number of transactions increased by 15%.

The French e-tailing market accounts for 9% of the retail market excluding food products.

In 2014, e-commerce (excluding services) increased by 6%, in a home-shopping market (including e-commerce but excluding services) up 3%.

1.2.7 THE BOARD GAME MARKET[3]

The TF1 group operates in the board game market through TF1 Games, a TF1's Entreprises department.

The board game market was worth €230 million in 2014, for a 9.4% share of the toy market.

By value, 66% of board game sales occur in the last three months of the year. The board game market was down 2.1% year on year.

The main player in France is Hasbro (Monopoly, Pay Day) with a 21% share of the market. Hasbro's main competitors are Asmodee (14% market share) and Goliath (9%). TF1 Games ranks fourth with an 8% share of the market (up 1 point).

TF1 Games sells board games based on non-scripted TF1 channel programmes including *Money Drop* and *Vendredi tout est permis*.

The subsidiary publishes French heritage brands such as *Mille Bornes* and *Le cochon qui rit* in France and internationally.

It also successfully develops action games for children including *Vampires Attack*, *Beurky Sneaky and Boom Boom Balloon*. But its biggest success is *Chrono Bomb'*, which won the 2014 Grand Prix du Jouet prize in the "game of skill" category. Developed entirely by TF1 Games, *Chrono Bomb'* was the best new product in 2014 and the third best-selling board game at the end of 2014.

(1) Source: GFK.
(2) Source: Fevad, 2014.
(3) Source: NPD (covering 75% of retailers).

1.2.8 THE LICENCE MARKET

The TF1 group operates in the licence market through TF1 Licences, a TF1's Entreprises department.

The licence market in France features the following players:

- international brand owners (including Disney and Warner) that sell their brands directly and also call on French licence agents to take advantage of their knowledge of local market specifics;
- international brand agents (CPLG, The Licensing Company, etc.);
- French brand agents (TF1 Licences, M6 Licences).

While there are no specific market indicators for licences, the market is correlated to French household consumption and to the ability of rights holders to invest in the promotion of their brands.

TF1 Licences is one of the French leaders in the licence market in France. It brings customers two types of exploitation of their brands:

- industrial licences: the sale of a product associated with a brand (for example, Ushuaïa beauty products) in exchange for royalties;
- promotional licences: associating a brand with a programme to boost visibility, in exchange for a flat-rate fee.

TF1 Licences is an agent for brands appearing on TF1 group channels (including *The Voice* and *Mini Ninjas*) as well as for a range of diverse and powerful brands (*Barbapapa, Hello Kitty,* and the All Blacks rugby team). These brands can be divided into two main categories: "Children" for the youth market and "Family" for a broader public.

1.2.9 THE FREE PRESS MARKET

The TF1 group is present in the press market through the free newspaper *Metronews*.

Overall, press market circulation in France fell by -16% between 2010 and 2014[(1)]. Changes in news consumption are accelerating the digital transformation of press brands. In parallel, media advertising revenues are down, with the market having lost 28% of its value between 2010 and 2014[(2)].

Against this backdrop, numerous press publications are rolling out their news offers on the web and *via* smartphone and tablet apps. The transition is bringing with it a new digital offering featuring a new business model, based primarily on advertising revenues, sometimes combined with premium offers and co-existing with the old model based on circulation and/or subscriptions and advertising.

This transformation fully applies to the free press market, which is also becoming extremely competitive. The market was altered significantly by the arrival of a new player in 2007, and has also been impacted by a decline in advertising revenues for paper copies and the growth of internet revenues.

(1) Source: OJD, total aggregate circulation (national daily press, regional daily press, free news press).

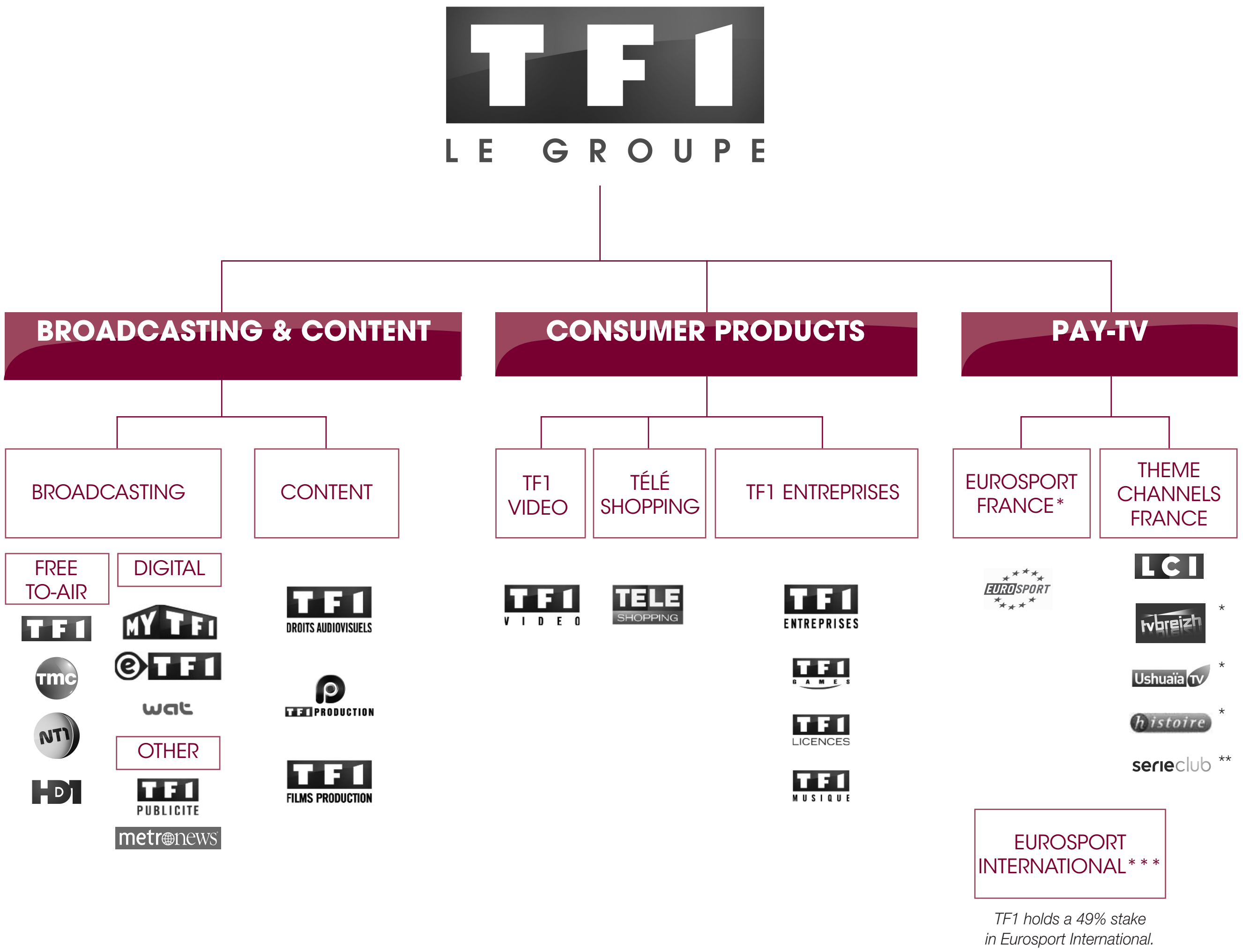
(2) Source: IREP, net advertising revenues (national daily press, regional daily press, free news press).

1.3 GROUP ACTIVITIES

The TF1 group is a television company with four free-to-air channels, six pay channels and a 49% share in Eurosport International. While continuing to build on its core business – television – with freeview and pay channels, the Group has diversified into other areas, including the web, audiovisual rights, production, home shopping, e-commerce, licences, games and free newspapers. The remit of the TF1 group is to use all its channels to inform and entertain.

1.3.1 SUMMARY OF GROUP ACTIVITIES AT 18/02/2015

A simplified organisation chart of the Group's subsidiaries can be found on p. 222 in chapter 6 of this registration document and annual financial report.



* Owned 80% by the TF1 group and 20% by the Discovery Communications group.

** Owned 50% by the TF1 group and 50% by the M6 group.

*** Owned 49% by the TF1 group and 51% by the Discovery Communications group.

1.3.2 GROUP ACTIVITIES BY SECTOR

1.3.2.1 BROADCASTING AND CONTENT

BROADCASTING[1]

The TF1 channel

The TF1 channel offers family-oriented, event-based programming, ranging from news, light entertainment, drama and sports to feature films, youth programmes, magazines and documentaries.

In 2014, in a highly competitive environment (with 25 free-to-air channels available since December 2012), TF1 was the clear leader and posted increases across all viewer categories with a total 22.9% audience share. With women aged under 50 purchase decision-makers (WPDM < 50), the biggest advertising target, the channel took a 25.0% share of the audience. TF1 once again demonstrated the vitality of its programming by scoring 95 of the top 100 ratings of the year and by being the only channel to place all programme categories in its top 100.

TF1 claimed the highest ratings of the year with the 2014 FIFA World Soccer Cup match between France and Germany, drawing 16.9 million viewers for a 72% share of individuals aged four and over.

TF1 also posted the top ratings for a feature film with the broadcast of *The Intouchables* (13.9 million viewers and a 49% audience share).

TMC

TMC was the number-two DTT channel with women viewers in 2014. It is one of the leading free DTT channels with its unique mainstream and family-oriented positioning and programme line-up focused on four main areas: magazines, French drama, cinema and entertainment.

TMC has been owned 20% by the Principality of Monaco and 80% by TF1 since July 1, 2010.

NT1

The number-four DTT channel with women aged under 50 with a 2.7% audience share, NT1 programmes target young and female viewers with a particularly dynamic and positive spirit. In 2014 NT1 placed the emphasis on new and emblematic entertainment shows such as *Super Nanny* and *Le Bachelor.*

NT1 is also the DTT channel with the broadest line-up of first-air series – a favourite of young viewers – with no fewer than 15 new brands including *The Vampire Diaries* and *The Walking Dead*.

NT1 is wholly owned by the TF1 group.

HD1

HD1, launched on December 12, 2012, is fully dedicated to cinema, series, drama and storytelling programmes. The programme grid includes an ambitious selection of films (nearly 250 a year), the best in French drama, and original and first-air international series such as *Suburgatory* and *Marchlands,* as well as the complete seasons of two cult series, *House* and *ER*.

HD1 was the number-one HD DTT channel in 2014 with WPDM < 50, scoring a 1.3% audience share. HD1 has tripled its share of individuals aged four and over in two years, reaching 0.9% in 2014.

e-TF1[2]

The main role of e-TF1 is to develop TF1 group activities across all digital media.

As part of its multi-screen strategy, e-TF1 handles the digital distribution of TF1 channel products through the MYTF1 brand. The offer features an extended range of catch-up programmes available *via* the web, smartphones and tablets and included in the TV offers of the main internet service providers in France.

e-TF1 brings audiences and advertisers a unique and powerful video offering and ranks as the number-four video platform in France in terms of viewing time behind web giants Google/YouTube, Facebook and Dailymotion.

e-TF1 is present on the web with theme sites (including MYTF1News) and an interactive agency that develops bespoke internet products.

In addition, e-TF1 manages interactive systems for the TF1 channel (Audiotel, text messages) in the shape of games and votes.

Lastly, WAT brings web users a high-performance video content-sharing service.

TF1 Publicité – advertising

TF1 Publicité, Europe's number-one plurimedia advertising sales agency, sells advertising space on the channels of the TF1 group (TF1, HD1, LCI, Eurosport, TV Breizh, Stylía, Ushuaïa TV, Histoire, TF6), the Turner group and the Numéro 23, beIN SPORTS, Discovery Channel et Discovery Science channels.

It also sells advertising space on websites, among them MYTF1.fr, MYTF1 News, WAT.tv, Eurosport.fr, TFou.fr, Automoto.fr, and Bouyguestelecom.fr. TF1 Publicité continues to roll out its digital strategy across the five screens of television, IPTV, internet, mobiles and tablets, relying on the brands and audiovisual rights of the TF1 group. TF1 Publicité sells space on the local radio stations of Indés Radio as well as on MFM Radio, and is also present in the free press segment with *Metronews*.

TF1 Publicité draws on its diverse range of advertising media to bring advertisers diverse and bespoke communications solutions.

Metronews

Metronews is a free news media available in France as a free daily paper, a website and mobile and tablet apps. In all, 10 million people access the

(1) Source: Médiamétrie-Médiamat.

(2) Source: Médiamétrie/NetRatings video panel.

various media of *Metronews* every month[1]. *Metronews* is the second most used news app in France. Available in 30 cities, it reaches some 2,334,000 readers every day[2]. Metro France is wholly owned by TF1.

CONTENT

TF1 Droits Audiovisuels

Founded in 1995, the TF1 Droits Audiovisuels subsidiary acquires and distributes audiovisual rights in France and internationally. Its subsidiary, TF1 International, 34% owned by UGC Images, is one of France's main sellers of international rights. It is present in all the main marketplaces, including Los Angeles, Cannes, Berlin, Venice and Toronto.

In France, TF1 Droits Audiovisuels is a distributor of films for the cinema, through its 34% stake in UGC Distribution.

TF1 Droits Audiovisuels has a substantial portfolio of audiovisual rights, marketed through the subsidiary's catalogue of films and TV drama as part of second-cycle sales.

TF1 Production

TF1 Production covers the Group's internal production activities, excluding television news and programmes. The subsidiary is made up of a number of specialist departments, each headed by experienced producers:

- the Magazines Department produces magazine programmes (*50mn Inside*, *Appels d'urgence*, *Confessions intimes*, *90' Enquêtes*, etc.) for the TF1 group's channels;
- the Entertainment, Games and Reality TV Department is responsible for entertainment programming (*Danse avec les stars*, *Bachelor*, *Après le 20h c'est Canteloup*, etc.);
- the Drama Department develops and produces standalone dramas;
- the Sports Department produces sporting events for which TF1 holds the rights as well as sports round-ups aired on Sundays, such as *Automoto* and *Téléfoot*;
- the Short Format Department manages the production of all the trailers for the TF1 channel, designs and shoots adverts, and oversees promotional operations, billboards and short programmes (*Du côté de chez vous*);
- the Animated Film department, which will deliver *Mini Nijas* in 2015, the 1st animated serie produced by TF1 Production.

The subsidiary also implements production processes that meet the quality requirements of Group channels while optimising costs. Equipped with an international monitoring and development unit, the company, relying on its editorial teams, supports creation by acquiring and developing format for the channel's of the Group, and TF1 in particular.

TF1 Films Production

TF1 Films Production co-produces and buys feature films. It acquires broadcasting rights for the TF1 channel as well as co-producer shares, through which it is entitled to a share of the income generated by the films.

Through these investments, TF1 is honouring its commitment to dedicate 3.2% of advertising income to co-producing European films (of which 2.5% for works produced in French).

1.3.2.2 CONSUMER PRODUCTS

TF1 VIDEO

Launched in 1989, TF1 Vidéo is the video publishing subsidiary of the TF1 group. With an editorial line focused on event-based content and strong brands, TF1 Vidéo works successfully across all genres, from French and international cinema to the biggest comedy stars, youth programming and TV series.

TF1 Vidéo also demonstrated its ability to innovate and anticipate new uses by launching its own video on demand (VoD) service, MYTF1VOD, in 2005. MYTF1VOD is now the most widely distributed VoD service in France, available on all IPTV services, online with its website (www.mytf1vod.fr), on tablets and mobiles *via* a dedicated app and on Samsung connected TVs and on the VoD portals of PlayStation and Xbox games consoles. Deploying a service oriented to innovation and new uses, MYTF1VOD continuously enriches consumer experiences, from straightforward viewing to multi-screen streaming. It also created the Premium VoD concept with *En Direct des USA* broadcasts of the leading US series the day after they debut in the United States.

TELESHOPPING

Téléshopping is a leading home shopping player in France. This subsidiary's activities centre around two brands, Téléshopping and Euroshopping: Téléshopping operates teleshopping on TF1 with its programmes broadcast on the channel and its catalogues, website, stores and mass distribution presence thanks to its partnership with Venteo. Téléshopping constantly breaks new ground and has since 2014 offered shopping directly from the remote control by means of the HbbTV standard available on connected televisions sets.

In addition, Téléshopping operates an infomercial activity (under the Euroshopping brand) on a number of freeview DTT, cable and satellite channels (RTL9, NT1, TMC, D8, Eurosport, etc.).

TF1 ENTREPRISES

TF1 Entreprises, a diversification and development subsidiary of the TF1 group, is responsible for publishing and distribution activities.

For over 20 years, TF1 Entreprises has promoted and marketed the channel's and the Group's brands, along with the products in which it has directly acquired the rights. This company is expanding into five areas of activity: music, entertainment, licences, games/toys and collections. It adapts continuously to new consumer uses and develops a broad range of entertainment across all categories for a wide audience. TF1 Entreprises aims to create new products, develop new artists and back innovative and ambitious projects.

(1) Source: Audipresse Brand One global/One 2013-2014/Médiamétrie MNR-PIM April 2014.

(2) Source: LNM 15+ – ONE 2013-2014.

1.3.2.3 PAY-TV

EUROSPORT FRANCE

Eurosport France is the French version of the Eurosport platform (see 1.3.3 – Participations of this reference document and annual financial report).

At February 18, 2015, Eurosport France was held 80% by the TF1 group and 20% by the Discovery Communications group.

THEME CHANNELS IN FRANCE

LCI

Launched in 1994, LCI is the TF1 group's 24-hours news channel. It covers all the main news events live, setting itself apart from the competition through a strong focus on explanation and analysis using its many experts. More than 5,000 invitees take turns each year to comment on news stories.

LCI is also present online through the Group's news website, MYTF1News, featuring its own content along with the best TF1 and LCI news with a powerful video offering.

TV Breizh

Dedicated to series, drama and film, TV Breizh brings viewers a chance to unwind with a range of well-known brands. The channel broadcasts more than 180 films a year. It is the leading pay-to-view channel in France.

Since December 21, 2012, TV Breizh has been owned 80% by the TF1 group and 20% by the Discovery Communications group.

Discovery Division

The Discovery Division comprises the TF1 group's pay-TV documentary channels.

Histoire broadcasts history documentaries and cultural debates that help explain the present day.

Ushuaïa TV explores the planet and the wonders of nature. It has upgraded its programme offering on adventure and the peoples of the world. The channel is also available in High Definition. It will celebrate its 10th birthday in March 2015.

Stylía is a channel dedicated to lifestyle and trends, with strong focuses on fashion, decorating and gastronomy.

Since December 21, 2012, these three channels have been owned 80% by the TF1 group and 20% by the Discovery Communications group. The Group sold Stylía on December 31, 2014.

1.3.3 HOLDINGS

EUROSPORT

TF1 holds 49% of the Eurosport group alongside Discovery Communications, which owns 51%.

The Eurosport group is the leading multimedia sports platform in Europe and the number one in sports entertainment in Europe, having developed a broad channel offering:

- the leading pan-European television channel, Eurosport is available in 20 languages and received in 136 million households in 54 European countries. Eurosport HD is the High Definition simulcast of Eurosport;
- Eurosport 2 is received by 73.0 million households and programmes are available in 18 languages in 51 countries. Launched in August 2009, Eurosport 2 HD is the High Definition simulcast of Eurosport 2;
- Eurosport Asia-Pacific, launched in 2006, is present in 16 countries in the region in two languages;
- finally, Eurosportnews is a sports news channel that provides the latest sports news from around the world.

Eurosport.com, the leading online sports platform in Europe, receives more than 23 million unique visitors a month[1] across the international network of websites in 11 languages, which includes the co-branded sites with Yahoo! in Germany, Spain, Italy and the United Kingdom.

The Eurosport.com free mobile app is available in 10 languages.

Eurosport Player, Eurosport's web TV service, broadcasts sports content live and on demand *via* the laptops of web users in 53 countries. The mobile player app is available in over 34 countries.

The Eurosport Events subsidiary specialises in organising, managing and promoting international sports events.

TF6/SERIECLUB

Serieclub

Serieclub is at all times committed to selecting strong series that are or will become references.

Co-owned 50/50 by TF1 and M6, Serieclub is broadcast *via* cable, satellite and the main independent networks. Most of the channel's programmes are available in multilingual versions.

TF6

TF6 stopped broadcasting on December 31, 2014.

Co-owned 50/50 by TF1 and M6, TF6 was broadcast *via* pay DTT, cable, satellite and the main independent networks. Devoted to entertainment, the channel broadcasts original and generational American series, films and exclusive entertainment programmes.

(1) Source: comScore.

AB GROUP

The AB Group is a French audiovisual group with numerous production and publishing subsidiaries and 20 or so television channels in France, Belgium and Luxembourg. Founded by Claude Berda, the group is the leading independent French publisher of theme channels and holds the largest catalogue of programmes in Europe. In 2007 TF1 acquired a minority participation of 33.5% in the group. In 2010 the AB Group finalised the sale of 100% of the NT1 channel and 40% of TMC to TF1, thus refocusing its activities on its catalogue of programmes and its pay-TV channels.

1.3.4 REAL PROPERTIES

The TF1 group mainly operates in the buildings listed below. TF1 owns one of them for 35,167 m² located in Boulogne-Billancourt.

Main sites	Location	Surface area	Environmental label	Owned by TF1 group
TF1	1 quai du Point du Jour, 92100 Boulogne-Billancourt	35,167 m²	Na	Yes
	6 place Abel Gance, 92100 Boulogne-Billancourt	20,220 m²	Na	No

1.4 RESEARCH AND DEVELOPMENT EXPENSES

Research and Development (R&D) activities at TF1 ensue mainly from activities involving experimental development and making 'pilots'. These expenses are generally incurred with a view to marketing a new product or service or broadcasting a new programme.

TF1 also develops, in parallel, software and systems with a view to gaining efficiency and contemplating specialised infrastructure so that it can innovate for new markets.

In 2014 the amount of R&D expenses for the TF1 group was €4.4 million.

For the TF1 group, these new products, services and programmes can be identified as follows.

R&D EXPENSES LINKED TO PROGRAMMES

The TF1 group's activity comprises a very sizeable share of creation and innovation in entertainment and fiction programmes and production of films whose results can be uncertain. This activity of innovating and creating new programming concepts involves the following stages:

- purchase of a format, a programming concept, a literary convention;
- completion of a sociological study of these new programmes with viewers;
- provision of a consultancy service;
- tracking down of places, casting, set design and production of an episode.

The R&D expenses linked to programmes therefore include:

- the various costs of these new formats of fiction, variety and entertainment that have never been broadcast in this form on the channel, whether or not they can be broadcast and as they impact the charges for the period (scrapped or broadcast);
- the cost of literary conventions related to new concepts (never broadcast on the channel) scrapped during the period.

R&D EXPENSES RELATED TO TECHNOLOGICAL INNOVATION PLANS

The Group constantly adapts its offering to new ways of consuming audiovisual content. This positioning requires R&D expenses with a view to developing the following digital services and technological tools:

DIGITAL SERVICES

- the facilitation of teleshopping, making order taking interactive *via* HbbTV;

- developed at the time of the FIFA 2014 World Cup, the multi-camera system accessible on PCs, mobiles or tablets and on the television set *via* Orange boxes, enables viewers to review an action by choosing the viewing angle;
- broadcasting programmes live on digital platforms only (MyTéléfoot, events before the NRJ Music Awards, concerts, etc.);
- within the *Connect* second screen app, the development of interactive applications for certain programmes (*The Voice*, *Danse avec les stars*, etc.) to enable viewers to participate, give their advice or play live during the programme;
- development of video players for automatic chaining of videos;
- adaptation of the *TFOU* app to smartphones and Android tablets;
- adaptation of the MYTF1 service to make it available on television sets equipped with the Android TV system or on Xbox home consoles;
- development of a replay subtitling system was started in 2014 and will continue in 2015;

TOOLS

- putting in place of an automatic system for producing replay video files, corresponding to the content broadcast live with frame accuracy, intended for the various digital broadcasting platforms;
- integration of an imperceptible sound mark for the viewer ("watermark") for replay video files, making it possible to count the replay viewing audience within the TV audience monitored by Médiamétrie's Médiamat;
- overhaul of the content management system (CMS) infrastructure of the digital platforms.

DEVELOPMENT OF INTERNAL SOFTWARE AND SYSTEMS

Continuing the work carried out since 2012 on the Media-Factory, TF1 completed the standardisation of its tools and systems. The Boulogne and Monaco centres are now consistent and make it possible to industrialise exchanges of media and optimise broadcasting rights across all the Group's channels (TF1, TMC, NT1, HD1, TV Breizh, Ushuaïa, Histoire) in accordance with the commitments made to the Competition Authority concerning the TMC and NT1 channels, in force until January 26, 2015.

The production and post-production of trailers is now fully digitised (tapeless workflow). A Trailers-Factory supplies all the Group's channels.

So that the Group's operational reactivity can be increased, a file exchange acceleration platform was put in place between the sites a long way from the Boulogne-Billancourt head office (Monaco and Téléshopping). This platform also makes it possible to respond to the demands of the Group's programme suppliers. This is because, in the years to come, American studios will transmit their programmes on distributors in the form of files and with strong security requirements. In 2015 this platform will be extended to the Group's News-Factory to enable the exchange of topics of information and thus save satellite capacity rented from telecoms operators.

The anticipated deployment of 4G telephony technology enabled TF1 to cover the news from the FIFA 2014 World Cup. The reporting teams carrying this compact equipment benefited from the great flexibility of use when covering news in High Definition. This technology has made it possible to limit satellite resources, which are more costly and take time to implement. Such systems are usually used for the news programmes on the Group's channels.

In 2014 a programme was put in place with the aim of rethinking the Group's antenna systems. This programme relies on new architecture, making it possible to meet new challenges on a 10-year horizon (UHD, digital integration, dynamic channels, new advertising formats, new networks, etc.). The first stage of this programme will bear fruit in 2015 as media asset management (MAM) is put in place to enable the Group's video programmes to be viewed on all media (Vision 360°) and to combine them with a wide choice of existing and future services (multilingual, subtitling, photos, articles, links with document bases, etc.). 2015 will also see the first stage of an industrialisation of processes, with business process management (BPM) bricks put in place.

TF1 is continuing to invest in 'after HD'. As regards increasing image definition, in 2014 TF1 continued to experiment with 4K broadcasting of football matches and the production of a trailer with a view to testing the technologies of the new television sets available. Concerning the other challenges (UHD, increase in frequencies and ranges of colours, image width, etc.), TF1 has been working on the most promising technology, which is high dynamic range (HDR), making it possible to render high-contrast scenes. The aim is to enrich the image with a greater dynamic of luminosity and thus to get as close as possible to human vision.

In 2014 TF1 continued its research into new uses and markets. The Group was the first to offer contextual ads in France (FIFA World Cup, sports betting, etc.) and invite viewers to take part in the creation of advertising spots.

Furthermore, TF1 realised its efforts to control energy by deploying virtualisation technologies that optimise the number of servers in the Group's data centres. As use of files has become more widespread, the number of video tape recorders (VTRs) has been considerably reduced.

TF1 continued its policy of deploying mobile applications on portable computers, smartphones and tablets. In 2014 it was the salesforces that benefited from such applications, using those dedicated to advertising, human resources, information and antennas.

1.5 TF1 GROUP HISTORY AND 2014 KEY EVENTS

1.5.1 TF1 GROUP HISTORY

1974
"Channel One" becomes TF1 following ORTF's split into six television companies and one radio company.

1987
The Bouygues group becomes the operator of the TF1 channel, which is privatised and floated on the market on 24 July. Francis Bouygues is the Chairman and CEO.

1988
Patrick Le Lay is named Chairman and CEO of TF1.

1989
The TF1 group develops by creating TF1 Entreprises (video, telematics, licences and merchandising).

1990
New blue, white and red TF1 logo.

TF1 creates Banco Production, which produces made-for-television films, and buys Protecrea.

1991
Eurosport, the first pan-European sports channel, joins the TF1 group.

1992
TF1 opens its new headquarters in Boulogne-Billancourt.

1993
The networks of Eurosport and The European Sport Network (operated by Canal+ and ESPN) join forces to produce and market a single sports channel in Europe: Eurosport.

1994
The Bouygues group increases its stake in TF1 from 25% to 34%.

The news channel LCI is launched on cable on 24 June.

1995
The TF1.fr website is launched – to instant success.

Eurosport becomes the leading pan-European channel, covering 66 million households and drawing nearly 15 million TV viewers a day.

1996
Creation and launch of TPS, short for *Télévision Par Satellite*, in partnership with France Télévisions, France Télécom, CLT, M6 and Lyonnaise des Eaux.

1999
The new site and mainstream portal, TF1.fr, is launched in May, while Eurosport creates its own website, Eurosport.com, and launches British Eurosport.

2001

In January, TF1 acquires 50% of Serieclub and raises its stake in Eurosport to 100% by buying the shares of Canal+ and Havas.

2002

TPS is owned 66% by TF1 and 34% by M6 following the purchase of the shares held by France Télévisions Entreprise, France Télécom and Suez.

In September, TF1 takes a 34.3% share in Publications Metro France, publisher of the free daily *Metro*.

2004

TF1 raises its stake in TV Breizh to 67% in March and 71.1% in April.

The TF1 group finalises the acquisition of 100% of the capital of Histoire in late June.

2005

The Eurosport group launches a new channel, Eurosport 2, in January.

TF1 and Groupe AB finalise the takeover of TMC from the Pathé group in February. TF1 and Groupe AB each hold 40% of the channel, with the Principality of Monaco holding the remaining 20%.

Digital Terrestrial Television (DTT) arrives in France in March.

2007

On 4 January, TF1, M6 and Vivendi sign a definitive agreement on the alliance of the French pay-TV businesses of the Canal+ group and TPS, as part of Canal+ France, a new entity controlled by Vivendi.

On 2 April, TF1 and the Groupe AB finalise TF1's minority share acquisition of 33.5% in the Groupe AB

Nonce Paolini is named CEO of TF1 on 22 May and Chairman and CEO on 31 July.

2008

TF1 is now available in HD on DTT.

Focused on professional diversity and integration, the TF1 company foundation recruits its first class.

2009

TF1 and UGC sign an agreement on pooling the skills of the two groups in the acquisition of film rights, film distribution in French cinemas and the international sales of audiovisual rights.

2010

In June 2010, the Groupe AB and TF1 finalise the transaction aimed at TF1's acquisition of the 100% stake in the NT1 channel and 40% stake in the TMC channel held by the Groupe AB.

The Diversity Label is awarded to all TF1 group companies.

2011

TF1 launches its app for iPads and iPhones.

The TF1 group increases its stake in Publications Metro France to 100%.

TF1 groups its digital offer around the unifying brand of MYTF1, available on all screens.

2012

TF1 Vidéo and Paramount Home Media Distribution France sign an agreement on DVD and Blu-ray™ sales in France.

In December, the TF1 group launches HD1, the Group's fourth unscrambled channel.

TF1 and the Discovery Communications group sign a strategic partnership in December aimed at creating value in the complementary activities of the two companies.

2013

TF1 launches its second-screen application, *Connect*.

TF1 is the leading television group in France with a 28.9% audience share.

2014

TF1 becomes a 49% shareholder in Eurosport and sells the controlling majority to the Discovery Communication group.

1.5.2 2014 KEY EVENTS

JANUARY

January 15, 2014:

Launch of the digital version of *Metronews* on Apple Newsstand.

January 21, 2014:

Signing of an agreement between TF1 and Discovery Communications, enabling Discovery to increase its participation in Eurosport International in advance from 20% to 51%.

January 27, 2014:

The ‘Responsible Supplier Relationships’ label is accorded to TF1, the first group in the audiovisual sector to receive this label, which distinguishes French enterprises that have shown sustainable and balanced relationships with their suppliers.

FEBRUARY

February 15, 2014:

Start of the *Star Wars Identities* exhibition, produced by the Entertainment Division of TF1 Musique. Organised at the Cité du Cinéma and presented for the first time in Europe, this exhibition provides the French public with an interactive voyage to the heart of the *Star Wars* saga.

MARCH

March 1, 2014:

Téléshopping opens its fourth store in the Evry 2 shopping centre in the Paris suburbs.

March 3, 2014:

TF1 Licences becomes agent of two mythical brands: *Bécassine*, the most famous female Breton, and *Solex*, who, thanks to a recent makeover, is finding a second youth.

March 6, 2014:

The Media CSR Forum, a collective bringing together the CSR managers of French media led by TF1, publishes the first edition of its practical guide ‘CSR in the media sector’.

March 13, 2014:

Following the request for expressions of interested put on the market in November 2013, the TF1 group, exclusive holder of the rights for the FIFA 2014 World Cup, retroceded to beIN SPORTS the right to broadcast all 64 matches in the competition, 36 of them exclusively. TF1 keeps the 28 League 1 football matches, exclusively and unencrypted, including the Équipe de France matches, the round of 16, the quarter-finals, the semi-finals and the final.

March 21, 2014:

At the time of the 21st *Anime & Manga Grand Prix* ceremony, organised by the magazine *AnimeLand*, *Les Mystérieuses Cités d’Or* were rewarded in the category of best international animation. Produced by Blue Spirit Productions, in partnership with TF1, the animation series has been broadcast on TFou since December 9, 2012. This series has obtained excellent audience results with the young viewing public.

APRIL

April 1, 2014:

The Licences subsidiary of the TF1 group received three prizes in the *Trophées des Marques* ceremony in the categories of best Sport licence, best Brand licence and best Innovation.

April 13, 2014:

Broadcast of TF1’s new advertising campaign: *Partageons des ondes positives (Let’s share positive waves)*.

April 16, 2014:

MYTF1VOD now ranks second among declared VoD services used.

April 16, 2014:

Cinema release of the film *Qu’est-ce qu’on a fait au bon Dieu ?*, coproduced by TF1 Films Production and TF1 Droits Audiovisuels.

MAY

May 7, 2014:

Public hearing before the Higher Audiovisual Council (CSA) on the application for unencrypted broadcasting of the LCI channel.

May 14, 2014:

With the selection of the film *Grace of Monaco* at the official opening of the Cannes Film Festival, the Group benefits from excellent exposure in Cannes.

May 30, 2014:

Finalisation of the acquisition by Discovery Communications of a controlling participation in Eurosport International. The participation of Discovery Communications in Eurosport International thus increases from 20% to 51%.

JUNE

June 12, 2014:

TF1 broadcasts live the 20th FIFA World Cup in Brazil with an exceptional package put in place for the occasion.

June 24, 2014:

LCI celebrates its 20th birthday.

June 24, 2014:

The 2014 edition of *TV Notes*, organised by puremedias.com, 20 Minutes and RTL, voted TF1 the preferred historical channel of French people for the second year running.

JULY

July 4, 2014:

The France-Germany quarter-final saw 16.9 million viewers, the best World Cup audience and a historical record for a sports retransmission not broadcast in prime time.

July 11, 2014:

Téléshopping signs a strategic agreement with Venteo for the mass market distribution of its products. Téléshopping is thus combining with a specialist in video in-store sales, present in more than 2,700 points of sales and equipped with a salesforce some 40 strong.

July 29, 2014:

The Higher Audiovisual Council (CSA) notifies its refusal to authorise the unencrypted broadcasting of LCI.

AUGUST

August 25, 2014:

The TF1 group signs an agreement with The Walt Disney Company France concerning the new productions of the Marvel studios and the next films linked to the *Star Wars* saga. This agreement includes broadcasting rights *via* new mobile broadcasting media and will benefit all the Group's channels.

SEPTEMBER

September 5, 2014:

On the occasion of the 16th edition of the *Grand Prix des Médias CB News*, the TF1 group was amply rewarded by industry professionals, with seven distinctions including the prestigious Trophée Grand Prix des Médias 2014 and that of the best TV channel. At the time of this edition, TF1 also received:

- the prize for best TV entertainment broadcast with *The Voice*, season 3;
- the prize for best media advertising campaign with *Les Ondes positives*;
- the prize for the best editorial or journalistic coup with the exclusive interview with Vladimir Putin (in partnership with Europe 1);
- the prize for the best advertising coup/special operation with the Multicam Visa system, deployed by TF1 Publicité and the MEC agency during the FIFA 2014 World Cup;
- a mention attributed to *Sacrifice* for TV news and documentary broadcasting.

September 10, 2014:

The TF1 and ITAS groups enter into exclusive negotiations, with the aim of acquisition by ITAS TIM, a subsidiary of the ITAS group, of OneCast, a subsidiary of the TF1 group active in the sector for broadcasting to TNT multiplexes.

September 12, 2014:

Koh Lanta makes a great comeback on TF1. The great family adventure game made an excellent start with 6.9 million viewers, *i.e.* an audience share of 32% of individuals aged 4 and over. The broadcast recorded a peak audience of almost 8 million viewers at 21:50. This is the best launch of *Koh Lanta* in terms of audience share since 2009.

September 22, 2014:

To help advertisers to go further in the impact of their campaign, TF1 Publicité launches an offer called 'real time advertising'. This innovation enables advertisers to enrich and personalise their advertising campaign almost instantaneously. This means that the advertiser can modify an existing spot by replacing certain elements such as texts, photos, videos, colours, etc.

OCTOBER

October 8, 2014:

TF1 wins the Grand Prix de la Transparence 2014 in recognition of the quality of the regulated information disseminated (reference document, half-year financial report, website and notice to attend the Annual General Meeting).

October 13, 2014:

The 10th International Diversity Meetings (IDM) rewards the Purchasing Division of TF1, in the category 'Responsible purchases and diversity'.

October 15, 2014:

The TF1 group announces that it is taking part in the pan-European Media for Equity alliance, around the German ProsiebenSat.1 group.

October 21, 2014:

At the Trophée des Apps ceremony, TF1 received the prize for the best second screen app for MYTF1 and *Metronews* that of the best news app.

October 23, 2014:

LCI notes the decision of the interim relief judge with the Council of State rejecting its appeal to suspend the decision handed down on July 29, 2014 by the Higher Audiovisual Council (CSA), refusing to approve its unencrypted broadcasting with effect from January 1, 2015.

October 30, 2014:

The TF1 group finalises the sale to the ITAS group of all the capital in its OneCast subsidiary, which specialises in broadcasting for TNT multiplexes.

NOVEMBER

November 14, 2014:

TF1 and YouTube announce that they have ended their litigation of the past few years concerning the presence on YouTube of the TF1 group's content and programmes posted by users.

November 28, 2014:

Continuing its CSR approach, TF1 adopts a Code of Ethics for the Group.

DECEMBER

December 2, 2014:

The Paris Court of First Instance orders Dailymotion to pay TF1, LCI, TF1 Vidéo and e-TF1 a total sum in excess of €1.3 million in damages to redress numerous breaches of its obligations under the Law on Confidence in the Digital Economy (LCEN).

December 16, 2014:

The *Social media awards* jury award two prizes to TF1, one for the special broadcast on (November 6, 2014) with François Hollande broadcast on MYTF1News, the other for the multicam system on MYTF1 during the last World Cup.

December 19, 2014:

The TF1 Corporate Foundation signs with the minister for town planning, youth and sport and the prefect of the Val d'Oise an agreement promoting the occupational inclusion of young people from urban districts.

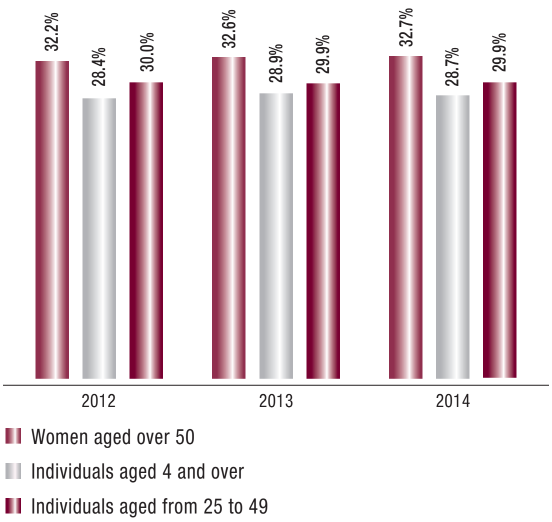
December 31, 2014:

TF1 scores 95 of the 100 best audiences in 2014.

1.6 GROUP INDICATORS

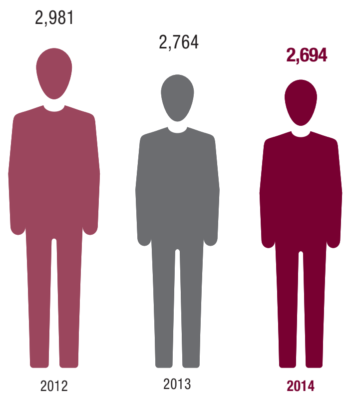
1.6.1 KEY OPERATING FIGURES

TF1 GROUP AUDIENCE SHARE



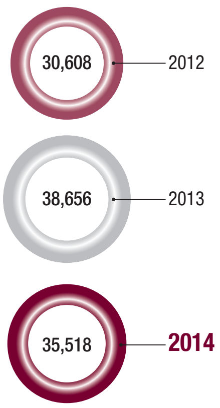
Source: Médiamétrie Médiamat.

NUMBER OF EMPLOYEES ON PERMANENT CONTRACTS*



* excluding employees of Eurosport International

VALUATIONS OF COMMUNITY ACTIONS (€ THOUSANDS)



1.6.2 KEY FINANCIAL FIGURES

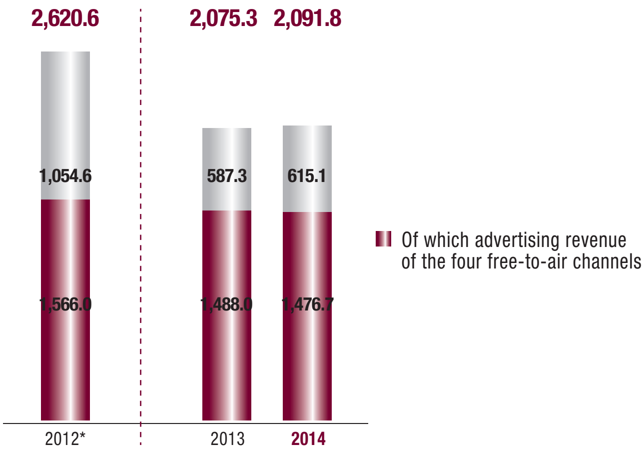
The results presented below comply with international financial reporting standards (IFRS). As a result of applying IFRS 5 and IFRS 11, the 2013 financial statements have been restated. Consequently, detailed contributions from the entities mentioned below are no longer included in the figures presented, and:

- the net profit of Eurosport International is reported in "Net profit/loss from discontinued or held-for-sale operations" for the period until May 30, 2014, and the TF1 group's 49% share of that entity's net profit is reported in "Share of profits/losses from joint ventures and associates" from June 1, 2014;
- the TF1 group's 50% share of the net profits/losses of TF6 and Serieclub is reported in "Share of profits/losses from joint ventures and associates".

For details of how IFRS 5 and IFRS 11 are applied, see the notes to the consolidated financial statements.

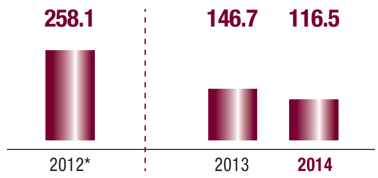
The FY 2012 figures include the Eurosport International, TF6 and Serieclub's financial flows.

REVENUE (€M)



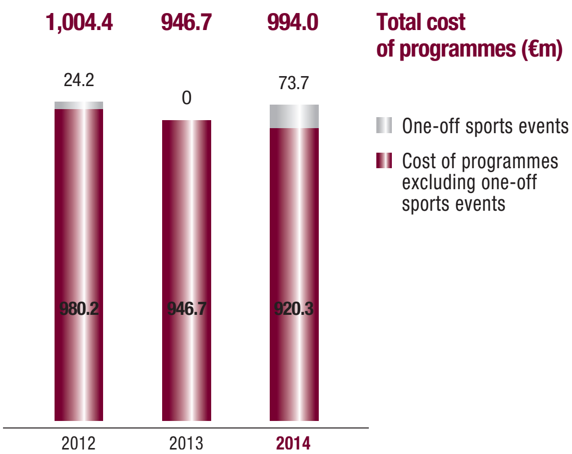
** including Eurosport International.*

CURRENT OPERATING PROFIT (€M)

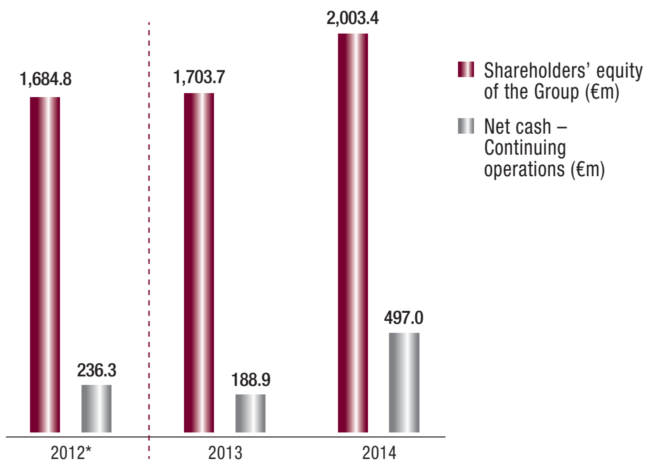


** including Eurosport International.*

COST OF PROGRAMMES OF THE TF1 GROUP'S FOUR FREE-TO-AIR CHANNELS (€M)



SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP NET CASH/NET DEBT (€M)



** including Eurosport International.*

1.6.3 SHAREHOLDERS AND STOCK EXCHANGE DATA

IDENTIFICATION SHEET

LISTING: Euronext Paris

MARKET: Compartment A

ISIN CODE: FR0000054900

MAIN INDICES: SBF 120, Euro STOXX® TMI Media, STOXX® Europe 600, CAC MID 60, NEXT 150® and CAC Média.

SRI INDICES: Dow Jones Sustainability World Index, Dow Jones Sustainability Europe Index, FTSE4Good Index series, Euronext Vigeo World 120, Euronext Vigeo Eurozone 20, Euronext Vigeo France 20, Ethibel Sustainability Index Excellence Europe.

Eligibility of securities for equity savings plans and the deferred settlement service for long positions.

FINANCIAL CALENDAR

APRIL 16, 2015:
Shareholders' General Meeting

APRIL 24, 2015:
Ex-dividend date

APRIL 27, 2015:
Positions closed for payment of the dividend

APRIL 28, 2015:
Payment of dividend

APRIL 29, 2015:
Revenue and accounts for the first quarter of 2015

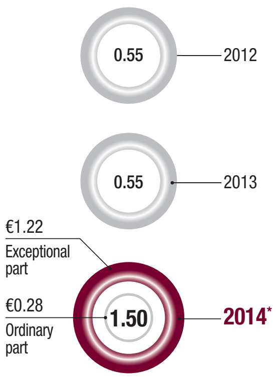
JULY 23, 2015:
Revenue and accounts for the first six months of 2015

OCTOBER 28, 2015:
Revenue and accounts for the first nine months of 2015

18 FEBRUARY 2016:
Annual revenue and accounts for 2015

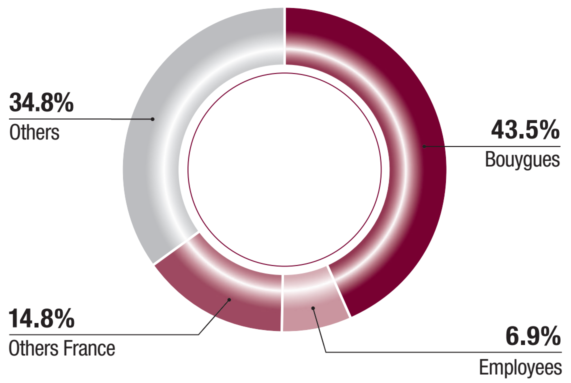
APRIL 14, 2016:
Shareholders' General Meeting

DIVIDEND FOR THE PERIOD (€)



* subject to approval on 16 April 2015.

OWNERSHIP STRUCTURE AT DECEMBER 31, 2014(1)



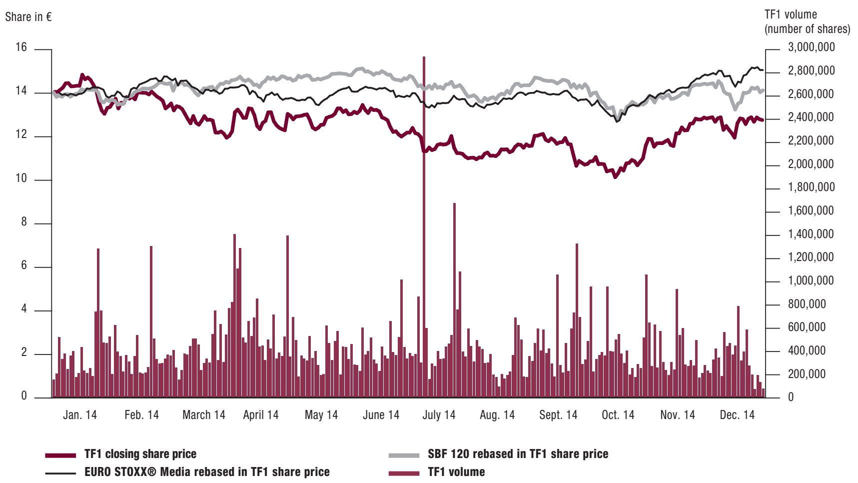
(1) Euroclear estimates at 31 December 2014, unidentified holders included.

STOCK MARKET DATA

Share price	2014	2013	2012
Highest(1)	14.80	14.40	9.57
Lowest (1)	10.63	7.51	5.3
Price at end of year	12.72	14.01	8.85
Change over the year	-9.2%	+58.3%	+17.3%
Change in the CAC 40 over the year	-0.5%	+18.0%	+15.2%
Change in the SBF 120 over the year	+0.7%	+19.5%	+16.5%
Market capitalisation at 31 December *(€m)*	2,690.6	2,957.0	1,864.0
Annual volume *(in thousands of securities)* (2)	442.7	335.6	499.0
Number of securities comprising the capital at 31 December *(€m)*	211.5	211.3	210.6
Rate of annual rotation of capital	0.21%	0.16%	0.24%

(1) *Extreme values achieved at close of trading.*
(2) *Average volume exchanged on Euronext.*

CHANGE IN TF1 SHARE PRICE



1.7 THE MANAGEMENT TEAM

February 2015

EXECUTIVE COMMITTEE, TF1 GROUP

Nonce Paolini
Chairman and Chief Executive, TF1 group

Arnaud Bosom
Executive Vice President, Human Relations and Organisation

Jean-Michel Counillon
General Counsel

Philippe Denery
Executive Vice President, Group Strategy, Purchasing and Finance, Chairman of Eurosport France

Jean-François Lancelier
Chief Executive, Broadcasting, Programmes and Production, TF1 group, and Chairman of HD1

Laurent-Éric Le Lay
Chairman of TF1 Publicité

Catherine Nayl
Executive Vice President, News and Information, TF1 group

Régis Ravanas
Executive Vice President, Group Diversification and Development, Chairman of TF1 Entreprises, e-TF1, TF1 Vidéo and Téléshopping

SENIOR MANAGEMENT COMMITTEE, TF1 GROUP

The TF1 group Senior Management Committee is composed of the Executive Committee members and the following senior managers:

Philippe Balland
Chairman of TF1 Production, Advisor to the Chief Executive, Broadcasting, Programmes and Productions, TF1 group

Frédéric Ivernel
Central Director of Group External Communication and Marketing

Benoît Louvet
Executive Vice President, Audiovisual Rights Acquisition and Distribution. Chairman of TF1 Droits Audiovisuels and TF1 Films Production

Hervé Pavard
Director of Technologies, Information Systems, Internal Resources and Security for the TF1 group

Éric Revel
Chief Executive of LCI

Sophie Sachnine
Chairman of Publications Metro France

2

Report of the Chairman of the Board of Directors

2.1 ORGANISATION OF GOVERNANCE 38

2.1.1 Composition of the Board of Directors and its committees at February 18, 2015 38

2.1.2 Proposal on the composition of the Board of Directors submitted to the General Meeting on April 16, 2015 39

2.1.3 Terms of office and functions of the Board members at February 18, 2015 40

2.2 CHAIRMAN'S REPORT 49

2.2.1 Chairman's report on corporate governance 49

2.2.2 Chairman's report on internal control procedures 62

2.3 REPORT ON REMUNERATION 74

2.3.1 Remuneration of executive and non-Executive Directors 74

2.3.2 Stock options and performance shares 79

2.3.3 Other information on the Executive Director 83

2.4 RISK FACTORS 84

2.4.1 Operational risks 84

2.4.2 Industrial and environmental risks 85

2.4.3 Legal risks 87

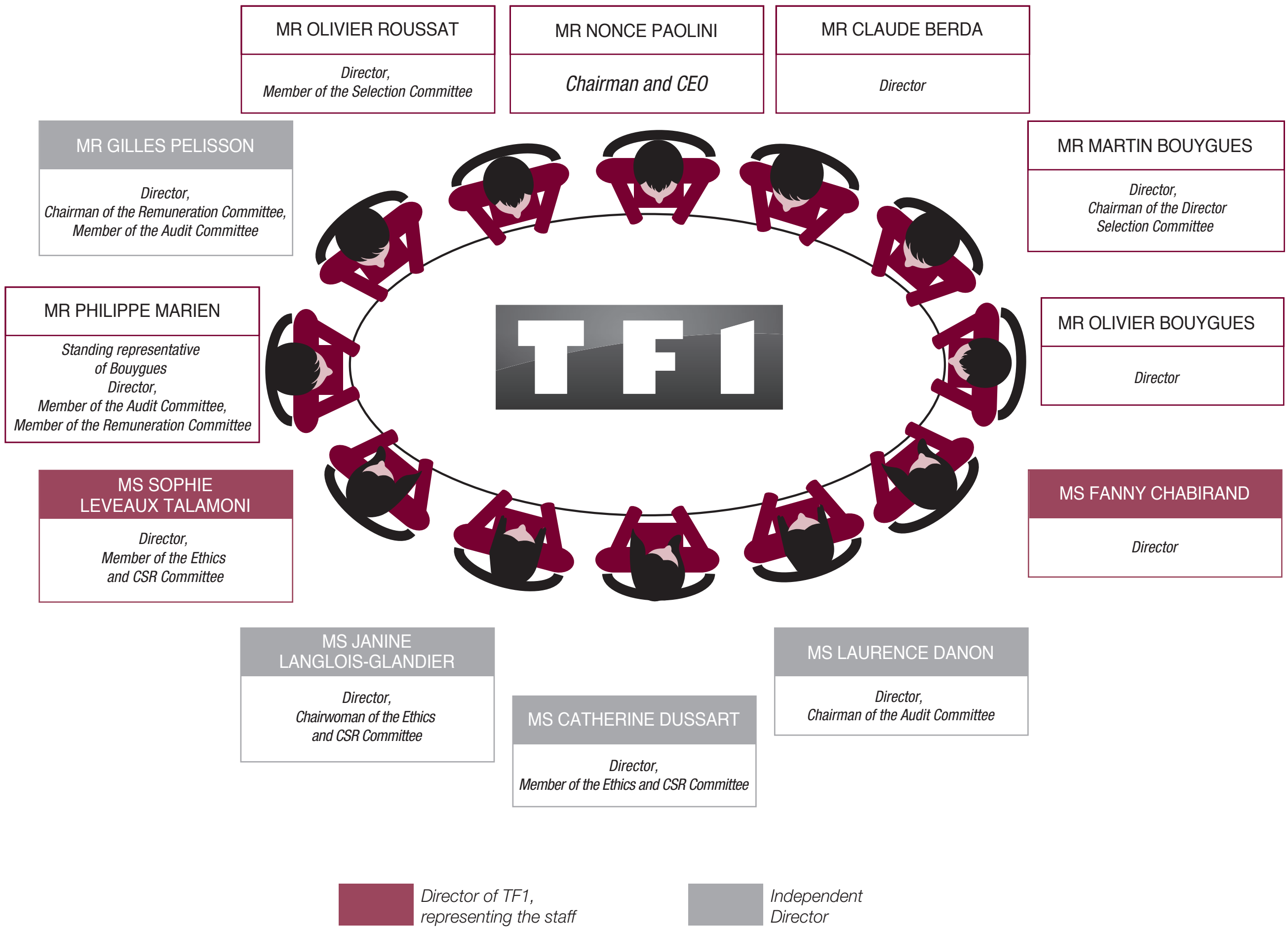
2.4.4 Corporate social responsibility risks (labour, social and environmental) 91

2.4.5 Credit and/or counterparty risks 91

2.4.6 Financial risks 91

2.1 ORGANISATION OF GOVERNANCE

2.1.1 COMPOSITION OF THE BOARD OF DIRECTORS AND ITS COMMITTEES AT FEBRUARY 18, 2015



2.1.2 PROPOSAL ON THE COMPOSITION OF THE BOARD OF DIRECTORS SUBMITTED TO THE GENERAL MEETING ON APRIL 16, 2015

The improvement and effectiveness of the Board's governance depend on its composition and diversity, the Directors' skills, experience, availability, and full accountability as well as compliance with the required percentage of independent Directors, gender equality, and appropriate choices for the Board's organization and functioning.

Accordingly, on February 18, 2015 the Board of Directors reviewed the directorships that would expire at the next Annual General Meeting. Thus, after hearing the recommendations of the Selection Committee and taking into account both the current Directors' expertise and the need to continue increasing the proportion of women on the Board, the Board of Directors proposed that shareholders renew the terms of office of Claude Berda, Martin Bouygues, Olivier Bouygues, Laurence Danon, Catherine Dussart, Nonce Paolini, Gilles Pélisson, Olivier Roussat and Bouygues SA, represented by Philippe Marien.

In order to enable a phased renewal of the mandates of the Directors who do not represent the workforce, in line with the AFEP/MEDEF corporate governance code recommendations, the Board of Directors, based on a proposal of the Selection Committee, has decided to ask the shareholders to approve a proposed lengthening of the duration of their mandates from 2 to 3 years, subject to the proviso that exceptionally, as part of the renewal of the Directors' mandates at this General Meeting, the duration of the mandates of three of the Directors shall be limited to one year, and those of three other Directors shall be limited to two years.

It is proposed that Claude Berda, Gilles Pélisson and Olivier Roussat be reappointed for a 1-year term of office (until the 2016 Annual General Meeting); that Olivier Bouygues, Catherine Dussart and Nonce Paolini be reappointed for a 2-year term of office (until the 2017 Annual General Meeting); and that Martin Bouygues, Laurence Danon and Bouygues SA be reappointed for a 3-year term of office (until the 2018 Annual General Meeting).

The duration of the terms of the Directors who represent the workforce shall be maintained at two years.

Approval of these nominations would mean that the twelve-member Board would continue to have four independent Directors and five women Directors, of which three women Directors not representing the staff and two women Directors representing the staff.

The Board of Directors reiterated its intention of continuing to improve its governance in terms of Director independence and diversity as well as the proportion of women on the Board.

2.1.3 TERMS OF OFFICE AND FUNCTIONS OF THE BOARD MEMBERS AT FEBRUARY 18, 2015

Listed below are the terms of office and functions exercised by the Directors of TF1 in any company, in 2014 and over the past five years.

NONCE PAOLINI

Born April 1, 1949 – French citizenship

CEO of TF1 since May 22, 2007

Chairman and CEO of TF1 since July 31, 2008

Director of TF1 since May 22, 2007

Most recent renewal: April 18, 2013, expiring 2015

Holds 4,050 shares in TF1

Business address: 1, Quai du Point du Jour – 92100 Boulogne-Billancourt

Nonce Paolini holds a Master of Arts degree and is a graduate of Sciences Po Paris (1972). He began his career at EDF-GDF, where he worked first in operational positions (customer relations/sales), and then in senior management (organisation, training, human resources, corporate communications). He joined the Bouygues group in 1988 as Human Resources Development Director, and became the Group Corporate Communications Director in 1990. He joined TF1 in 1993 as Human Resources Director, and became Deputy CEO of the TF1 group in 1999. In January 2002 he was appointed Senior Vice President of Bouygues Telecom in charge of sales and marketing, customer relations, and human resources. He became Deputy CEO and Director in April 2005.

OTHER APPOINTMENTS WITHIN THE TF1 GROUP

In France: Chairman and Director of TF1 Fondation d'Entreprise and Monte-Carlo Participation; Standing Representative of TF1; Director of Groupe AB, GIE TF1 Acquisitions de Droits and Extension TV

Outside France: Vice Chairman – Director of Télé Monte-Carlo (TMC) (Monaco)

APPOINTMENTS HELD OUTSIDE THE TF1 GROUP

In France: Director of Bouygues*, Bouygues Telecom and Groupe FNAC*; Representative of TF1; member of the Board of Directors of l'École de la Cité, du cinéma et de la télévision (Association)

OTHER APPOINTMENTS HELD WITHIN THE LAST FIVE YEARS

2015 – Representative of TF1, Director of TF6 Gestion

2014 – Chairman of Holding Omega Participations – HOP

2013 – President of NT1

2012 – Chairman of TF1 Management, Programmes européens francophones audiovisuels spéciaux 4 and HD1; Representative of TF1 Management; manager of La Chaîne Info; Representative of TF1 Management; manager of TF1 DS

2010 – Chairman of TF1 Publicité; Director of TF1 Thématiques; Representative of TF1; Director of Médiamétrie

* *Listed company.*

CLAUDE BERDA

Born February 3, 1947 – French citizenship

Director of TF1 since February 17, 2010

Most recent renewal: April 18, 2013, expiring 2015

Holds 100 shares in TF1

Business address: 132, avenue du Président Wilson – 93210 La Plaine Saint Denis

Claude Berda founded the independent record label AB Productions in 1977. In 1987 he decided to diversify into audiovisual production. His group quickly became market leader and added a new business: the distribution of TV programme rights. In 1996 Claude Berda floated Groupe AB on the New York Stock Exchange to finance growth in the new market for satellite-borne digital TV in France. He then positioned the Group to benefit from the creation of freeview Digital Terrestrial Television by founding NT1 in 2002 and acquiring TMC, alongside TF1, in 2005. In parallel, Claude Berda diversified his wealth management business, moving into real estate. In 2007 he sold 33.5% of Groupe AB to TF1. In 2010 he finalised an agreement for the sale of NT1 and TMC to TF1, thus refocusing Groupe AB on its catalogue and pay-TV channels.

APPOINTMENTS HELD OUTSIDE THE TF1 GROUP

In France: Chairman and non-Executive Director of Groupe AB; Manager of Port Noir Investment; Chairman and CEO of RTL 9; Director of WB Télévision and BTV

OTHER APPOINTMENTS HELD WITHIN THE LAST FIVE YEARS

2010 – Chairman of Monte-Carlo Participation (MCP); Executive Vice President and Director of Télé Monte-Carlo (TMC); Chairman and non-Executive Director of Holding Omega Participations – HOP (formerly Groupe AB)

MARTIN BOUYGUES

Born May 3, 1952 – French citizenship

Director of TF1 since September 1, 1987

Most recent renewal: April 18, 2013, expiring 2015

Chairman of the Selection Committee of TF1

Holds 100 shares in TF1

Business address: 32, avenue Hoche – 75008 Paris

Martin Bouygues joined the Bouygues group in 1974 as works supervisor. In 1978 he founded Maison Bouygues, a company specialising in the sale of catalogue single-family homes. A Director of Bouygues since 1982, Martin Bouygues was appointed Vice Chairman in 1987. On September 5, 1989 he succeeded Francis Bouygues as Chairman and CEO of Bouygues. Under his direction, the Group pursued its development in construction and the media (TF1), and launched Bouygues Telecom in 1996. In 2006 Bouygues acquired a stake in Alstom.

APPOINTMENTS HELD OUTSIDE THE TF1 GROUP

In France: Chairman and CEO and Director of Bouygues SA*; member of the Supervisory Board of Paris Orléans (SADCS)*; Chairman of SCDM; Permanent Representative of SCDM; Chairman of ACTIBY, SCDM Participations and SCDM Invest – 3; member of the Board of Directors of the Francis Bouygues Foundation and the Skolkovo Foundation

OTHER APPOINTMENTS HELD WITHIN THE LAST FIVE YEARS

2010 – Representative of SCDM; Chairman of F1 Participations; Director of SODECI* (Côte d'Ivoire); Director of Compagnie Ivoirienne d'Électricité (CIE)

* *Listed company.*

OLIVIER BOUYGUES

Born September 14, 1950 – French citizenship

Director of TF1 since April 12, 2005

Most recent renewal: April 18, 2013, expiring 2015

Holds 100 shares in TF1

Business address: 32, avenue Hoche – 75008 Paris

Olivier Bouygues, a graduate of École Nationale Supérieure du Pétrole (ENSPM), joined the Bouygues group in 1974. He began his career in the Group civil works branch. From 1983 to 1988 at Bouygues Offshore, he held the posts of Director of Boscam, a Cameroon subsidiary, then Director of the France Works and Special Projects Division. From 1988 to 1992 he was Chairman and CEO of Maison Bouygues. In 1992 he became Group Executive Vice President of Utilities Management, which grouped the international and French activities of Saur. In 2002 Olivier Bouygues was appointed Deputy CEO of Bouygues.

APPOINTMENTS HELD OUTSIDE THE TF1 GROUP

In France: Deputy CEO of Bouygues*; Standing Representative of SCDM; Director of Bouygues*; CEO of SCDM; Director of Colas*, Bouygues Telecom, Bouygues Construction, Alstom* and ERANOVE; Chairman of SAGRI-E and SAGRI-F; Chairman of SCDM Énergie; Manager (non-partner) of SIR

Outside France: Chairman of the Board and Director of Bouygues Europe (Belgium); Chairman and CEO and Director of SECI (Côte d'Ivoire); Director of Sénégalaise des Eaux (SDE) (Senegal), Société de Distribution d'Eau de la Côte d'Ivoire* (SODECI) (Côte d'Ivoire), and Compagnie Ivoirienne d'Électricité* (CIE) (Côte d'Ivoire)

OTHER APPOINTMENTS HELD WITHIN THE LAST FIVE YEARS

2014 – Director of Eurosport

2011 – Representative of SCDM; Chairman of SCDM Énergie; Manager (non-partner) of SIB

2010 – Member of the Management Committee of Cefina; Representative of SCDM; Chairman of SCDM Investur and SCDM Investcan

* *Listed company.*

FANNY CHABIRAND

Born September 14, 1976 – French citizenship

Staff representative Director of TF1 since March 13, 2012

Most recent renewal: April 3, 2014, expiring 2016

Holds 20 shares in TF1

Business address: 1, Quai du Point du Jour – 92100 Boulogne-Billancourt

Holder of a Masters in Sciences and Techniques in Tourism, Fanny Chabirand joined TF1 on January 1, 2007 and since then has acted as Commercial Assistant of the TF1 Works Council.

APPOINTMENTS HELD OUTSIDE THE TF1 GROUP

None

OTHER APPOINTMENTS HELD WITHIN THE LAST FIVE YEARS

None

LAURENCE DANON

Born January 6, 1956 – French citizenship

Director of TF1 since July 22, 2010 – independent

Most recent renewal: April 18, 2013, expiring 2015

Chairwoman of the TF1 Audit Committee

Holds 100 shares in TF1

Business address: 32, rue de Lisbonne – 75008 Paris

A graduate of École Normale Supérieure (Ulm) and of the Corps des Mines, Laurence Danon holds a teaching qualification in physics and a post-graduate diploma in organic chemistry. She began her career in 1984 at the French Ministry of Industry as head of the Industrial Development Division working in industry and research for the Picardy region. In 1987 she joined the Hydrocarbons Division of the Ministry of Industry, as head of the Exploration-Production Department.

In 1989 she joined the Elf group, where she exercised commercial responsibilities within the Polymers Division. In 1991 she became Director of the Industrial Specialties Division, and in 1994 Director of the Global Division of Functional Polymers. In 1996 she became CEO of Ato Findley Adhesives, which became Bostik following the merger with Total in 1999. Bostik is world no. 2 in adhesives.

In 2001 she was appointed Chairman and CEO of Printemps. Following the successful sale of Printemps in October 2006, she left her job in February 2007.

Laurence Danon then joined Edmond de Rothschild Corporate Finance in 2007, as member of the Executive Committee, and then became Chairman of the Executive Committee until December 2012.

Since January 1, 2013, she has been Chairman of the Board of Directors of the investment bank Leonardo & Co.

Laurence Danon also chaired the “Prospectives” (outlook) commission of the MEDEF from 2005 to 2013

.

APPOINTMENTS HELD OUTSIDE THE TF1 GROUP

In France: Chairman of the Board of Directors of Leonardo & Co.

Outside France: Director of Diageo plc (UK)

OTHER APPOINTMENTS HELD WITHIN THE LAST FIVE YEARS

2013 – Member of the Supervisory Board of BPCE (Banques Populaires – Caisse d’Épargne); Director of Banque Leonardo (Private Bank in France).

2012 – Chairman of the Executive Committee of Edmond de Rothschild Corporate Finance

2011 – Director of Rhodia

2010 – Director of Plastic Omnium

CATHERINE DUSSART

Born July 18, 1953 – French citizenship

Director of TF1 since April, 18, 2013 – independent

Next renewal: 2015

Member of the Ethics and CSR Comittee

Holds 100 shares in TF1

Business address: 25, rue Gambetta – 92100 Boulogne Billancourt

After studying management, Catherine Dussart began her career as a press officer and then became a producer.

She started out with short films, before moving naturally on to feature films and long-format documentaries for the cinema and television with the creation of Les Productions Dussart in 1992 and CDP in 1994. She is currently a member of the European Producers Club and a consultant for Ateliers du Cinéma Européen (ACE). She was a member of the Board of Directors of the Franco-Russian Cinema Academy and a member of the Committee on Aid to World Cinema organised by Centre National de la Cinématographie. She was also a member of the CNC's Committee on advances on takings for two years and Vice Chair in 2004, as well as a member of the CNC's Distribution Aid Committee.

Her most recent productions include: The Missing Picture by Rithy Panh, which won both the Un Certain Regard award at the 2013 Cannes Film Festival and the Prix Italia, and was also an Academy Award nominee for best foreign film; In This Land Lay Graves of Mine by Lebanese Director Reine Mitri (DIFF Dubai); 9 fingers by F.J Ossang, winner of the 2014 Rome Eurimages award; and France Is Our Mother Country by Rithy Panh (Fipa 2015).

APPOINTMENTS HELD OUTSIDE THE TF1 GROUP

In France: Manager of Catherine Dussart Production-CDP; Consultant for Ateliers du Cinéma Européen; member of the European Producers Club

OTHER APPOINTMENTS HELD WITHIN THE LAST FIVE YEARS

2014 – Member of the Board of Directors of the Franco-Russian Cinema Academy; member of the Committee on Aid to World Cinema organised by Centre National de la Cinématographie

JANINE LANGLOIS-GLANDIER

Born May 16, 1939 – French citizenship

Director of TF1 since April 19, 2012 – independent

Next renewal: 2016

Chairwoman of the Ethics and CSR Comittee

Holds 100 shares in TF1

Business address: 17, rue de l'Amiral Hamelin – 75016 Paris

Janine Langlois-Glandier is a graduate of Institut d'Études Politiques de Paris, holds a post-graduate diploma in private law and is a qualified lawyer with the Paris bar.

She joined ORTF in 1967, working in the Management Control and Finance Department and then in the Staff Department, where she managed art and production employees.

In 1975 she joined Radio France, and then Société Française de Production (SFP), where she was named Corporate Secretary in 1981.

She became Managing Director of Société Française de Production and SFPC, the film subsidiary of SFP, in 1983.

She was appointed Chair of FR3 in 1985 and Chair of La Sept (later ARTE) in 1986.

From 1987 to 1990 she chaired the National Audiovisual Institute (INA).

She is also a Director of Agence France-Presse (AFP) and Comité de Conservation des Archives Audiovisuelles.

She served as Managing Director of Pathé Cinéma and Chair of Pathé Télévision and Pathé Interactive (a Pathé/Philips subsidiary) from 1991 to 1997.

She also sits on the Boards of the newspaper Libération and Cinémathèque Française.

From 1997 to 2002 she worked for Conseil Supérieur de l'Audiovisuel (CSA), in charge of cinema, advertising and sport.

She has chaired Forum des Médias Mobiles since 2005.

APPOINTMENTS HELD OUTSIDE THE TF1 GROUP

In France: Chair of Forum des Médias Mobiles; Director of Fransat; member of Conseil Culturel de la Monnaie de Paris.

OTHER APPOINTMENTS HELD WITHIN THE LAST FIVE YEARS

2013 – Vice Chair of Fonds d'action de la Société des Auteurs Compositeurs et Éditeurs de Musique (SACEM)

SOPHIE LEVEAUX TALAMONI

Born December 11, 1964 – French citizenship

Staff representative Director of TF1 since April 3, 2014

Member of the Ethics and CSR Comittee

Holds 10 shares in TF1

Business address: 1, Quai du Point du Jour – 92100 Boulogne-Billancourt

Sophie Leveaux Talamoni has been TF1's Artistic Director of Acquisitions and international development manager since July 2008. She joined the Acquisitions Department of the TF1 group in 1993 and was appointed Artistic Manager in 1995. Over time, her responsibilities have come to include all Group Acquisitions Department activities.

APPOINTMENTS HELD OUTSIDE THE TF1 GROUP

None

OTHER APPOINTMENTS HELD WITHIN THE LAST FIVE YEARS

None

PHILIPPE MARIEN

Born June 18, 1956 – French citizenship

Standing representative of Bouygues – Director of TF1 since February 20, 2008

Most recent renewal: April 18, 2013, expiring 2015

Member of the Audit Committee of TF1

Member of the Remuneration Committee of TF1

Business address: 32, avenue Hoche – 75008 Paris

A graduate of École des Hautes Études Commerciales (HEC), Philippe Marien joined the Bouygues group in 1980 as international finance manager. He was special advisor in 1984 for the takeover of the AMREP oil services group before being named Finance Director of Technigaz, a liquefied gas engineering contractor, in 1985.

In 1986 he joined the Group's Finance Division to take responsibility for the financial aspects of the takeover of Screg. He was successively head of finance and cash management of Screg in 1987 and Finance Director of Bouygues Offshore in 1991.

He was appointed Senior Vice President for Finance and Administration of Bouygues Offshore in 1998, before moving to Bouygues Bâtiment in 2000 as Chief Financial Officer.

In March 2003 Philippe Marien became Chief Financial Officer of the Saur group. He managed the sale of Saur by Bouygues to PAI partners, then by PAI partners to a new group of shareholders led by Caisse des Dépôts et Consignations. He was named Chief Financial Officer of the Bouygues group in September 2007. On February 18, 2009 Philippe Marien was appointed Chairman of Bouygues Telecom's Board of Directors, function he exercised until April 26, 2013.

APPOINTMENTS HELD OUTSIDE THE TF1 GROUP

In France: Director of Bouygues Telecom; Standing Representative of Bouygues*; Director of Colas*, Alstom*, C2S, Bouygues Immobilier and Bouygues Construction; CEO of SCDM; Liquidator of Finamag

Outside France: Director of Bouygues Europe (Belgium); Director of Uniservice (Switzerland)

OTHER APPOINTMENTS HELD WITHIN THE LAST FIVE YEARS

2013 – Chairman of the Board of Bouygues Telecom

* *Listed company.*

BOUYGUES

RCS Paris 572,015,246

Director of TF1, represented by Philippe Marien since February 20, 2008

Most recent renewal: April 18, 2013, expiring 2015

Holds 91,946,297 shares in TF1

Business address: 32, avenue Hoche – 75008 Paris

APPOINTMENTS HELD OUTSIDE THE TF1 GROUP

Director of Bouygues Telecom, Colas*, Alstom*, Bouygues Immobilier, GIE 32 Hoche, C2S, Bouygues Construction; associate member and Director of Organisme Gestionnaire du Centre Gustave Eiffel (Association loi 1901 – not-for-profit organisation); member of the Board of Directors of the Fondation Dauphine and of the EIG Registar

OTHER APPOINTMENTS HELD WITHIN THE LAST FIVE YEARS

None

GILLES PÉLISSON

Born May 26, 1957 – French citizenship

Director of TF1 since February 18, 2009 – independent

Most recent renewal: April 18, 2013, expiring 2015

Chairman of the Remuneration Committee of TF1

Member of the Audit Committee of TF1

Holds 3,000 shares in TF1

Business address: avenue Molière 143, 1190 Brussels, Belgium

A graduate of ESSEC and holder of an MBA from the Harvard Business School, Gilles Pélisson started his career in 1983 with the Accor group, first in the United States and then in Asia-Pacific. At Accor he served as the co-Chairman of the Novotel hotel chain. He was named CEO of Euro Disney in 1995 and Chairman and CEO in 1997. He moved to the Suez group in 2000 and then to Bouygues Telecom in June 2001, where he served as CEO before being appointed Chairman and CEO in February 2004. He was appointed CEO of Accor in January 2006, then Chairman and CEO up to December 2010.

APPOINTMENTS HELD OUTSIDE THE TF1 GROUP

In France: Director of Groupe Lucien Barrière

Outside France: Director of Accenture PLC (USA); Director of Sun Resorts International (Mauritius); Senior Advisor at Jefferies group Inc. (New York, USA)

OTHER APPOINTMENTS HELD WITHIN THE LAST FIVE YEARS

2014 – Director and member of the Global Advisory Board of NH Hoteles

2013 – Director of BIC

2012 – Director of the Global Business Coalition on HIV/AIDS, Tuberculosis and Malaria, Inc. (USA)

2011 – Chairman of the Board of Directors of Accor*; Representative of Accor on the Supervisory Board of Lenôtre

2010 – Chairman and CEO and Director of Accor*; Chairman of Fondation Accor; Vice Chairman and member of the Supervisory Board of Groupe Lucien Barrière; Chairman of the Supervisory Board of Lenôtre; Representative of Accor on the Board of Directors of ASM; Director of Accor Partecipazione Italia (Italy), Sofitel Italia (Italy), and Accor Hospitality Italia (Italy)

* *Listed company.*

OLIVIER ROUSSAT

Born October 13, 1964 – French citizenship

Director of TF1 since April 18, 2013

Former standing representative of Société Française de Participation et de Gestion (SFPG), Director of TF1 until 2013.

Next renewal: 2015

Member of the Selection Committee of TF1

Holds 100 shares in TF1

Business address: 37-39 rue Boissière – 75116 Paris

A graduate of INSA in Lyon, Olivier Roussat began his career in 1988 at IBM, where he occupied a number of positions in data network services, service delivery, and pre-sales. He joined Bouygues Telecom in 1995 to set up the network management centre and network processes. He then became head of network operations and telecoms and IT service delivery.

In May 2003 he was appointed network manager and became a member of the Executive Committee. In January 2007 Olivier Roussat took charge of the performance and technology unit which combines Bouygues Telecom's cross-functional technical and IT Departments, including networks, information systems, process engineering, purchasing, corporate services and property development. He was also given responsibility for Bouygues Telecom's new headquarters and technical centre.

Olivier Roussat became Deputy Chief Executive Officer on February 20, 2007. He was appointed Chief Executive Officer on November 29, 2007 and then Chairman and CEO as of April 26, 2013.

APPOINTMENTS HELD OUTSIDE THE TF1 GROUP

In France: Chairman and CEO and Director of Bouygues Telecom; member of the Strategy Committee of Bouygues Énergies & Services; member of the Board of Directors of Fondation d'entreprise Bouygues Telecom

OTHER APPOINTMENTS HELD WITHIN THE LAST FIVE YEARS

2014 – Director of Bouygues Énergies & Services

2013 – Representative of Société Française de Participation et de Gestion (SFPG); Director of TF1

2012 – Director of Extenso Telecom and Réseau Clubs Bouygues Telecom (RCBT)

2.2 CHAIRMAN'S REPORT

In this report, which is provided in addition to the Board of Directors' Management report, the Chairman of the Board of Directors reviews the Board's composition, the application of the principle of gender equality, the preparation and organisation of the Board's work, corporate governance procedures, the principles and rules by which the Board decides the corporate officers' remuneration and benefits, procedures for shareholders' participation in General Meetings, and the company's internal control and risk management procedures. The Chairman's report was prepared in accordance with laws and regulations and approved by the Board of Directors at its Meeting on February 18, 2015.

2.2.1 CHAIRMAN'S REPORT ON CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

REVIEW OF 2014 - OUTLOOK 2015

In 2014, the TF1 Board of Directors met seven times and set up one *ad hoc* committee. The Directors were closely involved in the Board's activities as well as those of the standing committees. Their active involvement is one of the guarantees that your company is being governed to the highest standards.

The Board is committed to improving its governance and thus continued to make adjustments in 2014 in accordance with AMF recommendations and changing practices. The measures included:

- adoption of the "say on pay" principle. In accordance with the AFEP/MEDEF corporate governance code published in June 2013, TF1 shareholders will vote each year on the remuneration payable or allocated to corporate officers for the previous year;
- an increase in the variable component of the fees paid to members of the Board based on attendance. The proportion was increased from 50% to 70% on January 1, 2014;
- the creation of an Ethics and CSR Committee in July 2014. The role of this committee, whose remit is defined in the Board's Rules of Procedure and also stated on page 59 of this annual registration document and financial report, is to provide guidance on issues concerning ethics and environmental, social and societal responsibility. This committee is composed of two independent Directors and one Director representing the staff. All three are women;
- adoption of the Code of Ethics in July 2014. The Code sets forth the fundamental values of the TF1 group: respect, fairness, honesty and transparency among all stakeholders (employees, partners, audiences and shareholders) along with the protection of the higher interests of the Group, its clients and its tangible and intangible assets. All Group employees are expected to observe, maintain and share these values. In addition, the Board has adopted four compliance programmes in the following areas: Competition, Anti-corruption, Conflicts of interest and Compliance in securities trading. These programmes, which are in line with the Code of Ethics and Rules of Procedure, are intended to serve as guides for senior executives in their work. The Code introduces a whistleblowing procedure in these areas to allow any employee to bring a matter to the attention of the Group's Ethics Officer.

In 2015, in order to enable a smooth renewal of the mandates of the Directors who do not represent the workforce, in line with the AFEP/MEDEF corporate governance code recommendations, the Board of Directors, based on a proposal of the Selection Committee, has decided to ask the shareholders to approve a proposed lengthening of the duration of their mandates from 2 to 3 years, subject to the proviso that exceptionally, as part of the renewal of the Directors' mandates at this General Meeting, the duration of the mandates of three of the Directors shall be limited to one year, and those of three other Directors shall be limited to two years.

The duration of the terms of the Directors who represent the workforce shall be maintained at two years.

CHANGES IN GOVERNANCE PROCEDURES

The Board of Directors is responsible for the administration of the company. The general management of the company has been the responsibility of the Chairman of the Board since 1988[1].

The Directors deliberate on the company's governance, ensure equal treatment of shareholders, and see that the Board performs efficiently.

The Directors continually seek to improve governance practices.

The following table lists the key milestones in TF1's governance.

(1) *Except during the period between May 2007 and July 2008, when the functions of Chairman and Chief Executive Officer were separated to allow a smooth, operational transition of the company's management between Patrick Le Lay and Nonce Paolini.*

1987-1988	■ Privatisation. ■ Creation of a College determining the remuneration of the Executive Directors (future Remuneration Committee). ■ The terms of office of Directors and the Chairman and CEO are set at two years.
2003	■ Adoption of the Rules of Procedure of the Board of Directors. These include new obligations for Directors as well as a number of ethics rules (holding Directors' shares in registered form, reporting transactions in TF1 shares, regular attendance at Board Meetings, attendance at the General Meeting, disclosure of conflicts of interest, etc.). ■ Creation of the Audit Committee and Selection Committee. ■ Appointment of independent Directors.
2007	■ Inclusion in the Rules of Procedure of the Board and the Selection Committee of the MEDEF and AFEP recommendations on the remuneration of the corporate officers of listed companies issued on January 9, 2007.
2008	■ Revision of the Rules of Procedure: ■ arranging for the Board to determine the number of bonus shares or options that the Chairman and the CEO are required to hold throughout their term of office; ■ adding provisions prohibiting grants of options or bonus shares on the departure of an executive and the use of risk hedging for the purpose of exercising options or selling bonus shares; ■ referencing of the Corporate Governance Code resulting from the consolidation of the joint reports of the AFEP and MEDEF of October 2003, January 2007 and October 2008.
2010	■ Revision of the Audit Committee's rules of procedure. ■ Harmonisation of its black-out schedule for employees to comply with the AMF recommendations published on November 3, 2010 in its "Guide to preventing insider misconduct by the executives of publicly listed companies". Black-out periods begin 30 calendar days before the publication of annual, half-yearly and quarterly financial statements and run until the day of publication.
2011	■ Revision of the Rules of Procedure to take into account the most recent provisions on equal opportunity and pay, social and environmental information, the functioning of the Audit Committee, and AMF recommendations on the prevention of insider misconduct. ■ Approval by the Board of the Directors' Charter, which is appended to the Rules of Procedure of the Board of Directors. ■ Appointment by the Board of the Group Legal and Business Affairs Director and Board Secretary, as Compliance Officer.
2012	■ Further progress in adding women Board members and diversifying the Board. ■ Increased independence of the Board.
2013	■ Increased independence of the Board committees with the appointment of independent Directors as Chairman of the Remuneration Committee and Chairman of the Audit Committee, and of one more independent Director as member of the Audit Committee. ■ Further progress in adding women Board members and diversifying the Board. ■ Adoption of the AFEP/MEDEF corporate governance code of June 2013, which includes a stricter definition of the "apply or explain" principle, places a lower limit on directorships that may be held by corporate officers simultaneously, and introduces an annual advisory vote by shareholders on the various components of the remuneration paid to corporate officers. ■ Introduction of a year-end Board Meeting specifically for the presentation of the three-year plan, with a focus on strategy and risk mapping.

APPLICATION OF THE AFEP/MEDEF CORPORATE GOVERNANCE CODE

Most of the recommendations of the Association Française des Entreprises Privées (AFEP) and the Mouvement des Entreprises de France (MEDEF) have long been implemented at TF1.

The Board of Directors decided that the company would refer on a voluntary basis to the AFEP/MEDEF corporate governance code. These recommendations are listed in an appendix to the Board's Rules of Procedure. The Code is also found on the MEDEF website at www.medef.com.

However, some of the Code's provisions may have been disregarded or judged inappropriate for the functioning of the company given its particular circumstances. Under the Privatisation Act of September 30, 1986, a group of investors led by Bouygues was assigned 50% of the capital of TF1 on April 4, 1987. Since January 27, 2006, Bouygues has been the last and sole participant in the privatisation of TF1. In that capacity, it is responsible for honouring the commitments made by the group of investors, particularly with regard to the business continuity.

It should be noted that none of TF1's independent Directors exceed the 12-year limit on directorships, which is intended to ensure the Directors' independence. Half of the Directors (six) joined the Board in the past five years, and four other Directors have served for less than ten years. The following table indicates the provisions of the AFEP/MEDEF corporate governance code that the company has chosen not to apply, with an explanation of the reason.

Provisions of AFEP/ MEDEF corporate governance code not applied	Reason
Article 10.2: The assessment shall in particular measure the effective contribution of each Director to the work of the Board through his or her skills and involvement in the deliberations.	All the Directors demonstrate a high level of commitment throughout the year at both Board and Board committee level. Each Director's actual contribution to the work of the Board is discussed when Directors and committee members are nominated for reappointment. Given the collegial nature of the Board, an aspect on which TF1 places great importance, the assessment questionnaire focuses on the collective contribution of the Directors to the work of the Board.
Article 14: Directorships shall be staggered so as not change too many Directors at the same time and to foster the harmonious renewal of Directors.	The company has thus far favoured appointing Directors for two-year terms. The April 16, 2015 General Meeting is called to approve a proposed lengthening of the duration of the mandates of Directors not representing the staff from 2 to 3 years and to reappoint those Directors whose terms of office expire at that Meeting, in order to stagger the terms of office of Directors, in line with the AFEP/MEDEF corporate governance code recommendations. Exceptionally, as part of the renewal of the Directors' mandates at this General Meeting, the duration of the mandates of three of the Directors shall be limited to one year, and those of three other Directors shall be limited to two years in order to implement the staggering. This provision of the AFEP/ MEDEF corporate governance code, subject to the vote of the resolution by shareholders, should therefore be satisfied in 2015.
Article 17.1 (referring to Article 18.1): A majority of the Selection Committee's members shall be independent Directors.	The composition of the committee takes into account that under the privatisation law, Bouygues became the main party in TF1's privatisation and as such is responsible for respecting the obligations accepted by the group of investors, in particular the obligation concerning business continuity.

COMPOSITION OF THE BOARD OF DIRECTORS

The Articles of Association stipulate that the company shall have a Board of Directors with twelve members, ten of whom are appointed by the General Meeting of Shareholders.

Two Directors are selected by electoral colleges of employees in accordance with Article 66 of Act 86-1067 of September 30, 1986 on freedom of communication, which stipulates that at least one-sixth of the Board shall be made up of representatives of the staff, with one seat reserved for engineers, executives and employees in similar categories.

The Directors' term of office is two years, a proposed lengthening of the duration of the mandates of Directors not representing the staff from 2 to 3 years as of 2015 being submitted to the vote of shareholders.

The composition of the Board of Directors at February 18, 2015 is described in detail on page 38 of this registration document and annual financial report.

COMPOSITION OF THE COMMITTEES

Audit Committee

In accordance with the AFEP/MEDEF corporate governance code, two thirds of the committee's members are independent and none is a corporate officer. Since the Audit Committee was formed on February 24, 2003, its members have always been chosen for their expertise in finance or accounting

At February 18, 2015, the committee's members were **Laurence Danon,** Chairman (independent Director), **Gilles Pelisson** (independent Director) and **Philippe Marien**. Throughout their careers, the members have gained a wealth of experience in corporate management as well as in economics and finance. Their biographies are found on page 40, section 2.1.3 of this registration document and annual financial report.

Remuneration Committee

In accordance with the AFEP/MEDEF corporate governance code, the Remuneration Committee is chaired by an independent Director and none of its members is a corporate officer. The Remuneration Committee was created in 1988.

At February 18, 2015, the committee's members were **Gilles Pelisson**, Chairman (independent Director) and **Philippe Marien**. Their biographies are found on page 40, section 2.1.3 of this registration document and annual financial report.

Director Selection Committee

The Director Selection Committee was created on February 24, 2003. Since April 19, 2012, its members have been **Martin Bouygues**, Chairman, and **Olivier Roussat**. Their biographies are found on page 40, section 2.1.3 of this registration document and annual financial report.

Ethics and CSR Committee

The Ethics and CSR (Corporate Social Responsibility) Committee was created on July 24, 2014. Its members are **Janine Langlois-Glandier**, Chairman (independent Director), **Catherine Dussart** (independent Director), and **Sophie Leveaux Talamoni**, Director representing the staff. Their biographies are found on page 40, section 2.1.3 of this registration document and annual financial report.

GENERAL MANAGEMENT

The balance of powers maintained between the Board of Directors and the General Management in the TF1 group contributes to its good governance.

Organisation

As required by law, the Board elects from among its members a Chairman (a natural person) who organises and guides its work and ensures that all parts of the company function properly. The Board entrusts the company's general management to the Chairman of the Board or to another natural person who may or may not be a Director and who has the title of Chief Executive Officer.

At its Meeting on July 31, 2008, the Board of Directors ended the separation of the Chairman and Chief Executive Officer functions and appointed Nonce Paolini Chairman and Chief Executive Officer. Since then, the Board has confirmed its decision to combine the two functions, notably at its Meeting on April 18, 2013.

This decision is a factor of efficient governance, especially given the TF1 group's organisation, which relies on an Executive Committee comprised of eight senior executives of the TF1 group, which meets weekly, as well as a Senior Management Committee, comprised of the Directors of each division of the Group and the functional Directors, which meets once a month. These committees coordinate the implementation of strategic policies and monitor the achievement of objectives.

Limits on the powers of the Chief Executive Officer

As required by law, the Chief Executive Officer is vested with the widest powers to act on behalf of the company in all circumstances. He exercises these powers within the limits of the corporate purpose and subject to the powers expressly granted to Shareholders' Meetings and the Board of Directors.

The Board's Rules of Procedure specify the important decisions that are to be taken by the Board. These include the adoption of strategic priorities, business plans and the policy for financing the Group and its businesses; the approval of major and truly strategic operations; the authorisation of operations considered significant at the Group level concerning investments in organic growth, external acquisitions, disposals and internal restructurings, particularly if the operation does not fit with the company's announced strategy; the authorisation of major financing operations through public offerings; and the authorisation of the main guarantees and major commitments.

In 2014, the Board of Directors approved all the operations, acquisitions and disposals notably, that could substantially affect the Group's results, balance sheet structure and risk profile.

On February 18, 2014, the Board of Directors gave the Chief Executive Officer authorisation for one year to provide in the company's name sureties, deposits or guaranties up to a total amount of €50 million. The same Board of Directors gave the Chief Executive Officer authorisation for one year to provide in the company's name an unlimited amount of sureties, deposits or guaranties to tax and customs authorities.

DIRECTORS REPRESENTING THE STAFF

Since the company's privatisation, TF1's employees have been represented by two Directors, as provided for by Article 66 of Act 86-1067 of September 30, 1986. These Directors are elected by the employees of TF1 SA. One is elected from among managers and journalists and the other from among administrative and technical staff and supervisors. All employees who have had an employment contract for at least three months at the date of an election are entitled to vote. All employees who have had an employment contract for at least two years at the date of an election are eligible to stand for election.

Directors representing the staff have the same powers and responsibilities as the other Directors. Directors who represent the staff have the same two-year term of office as the other Directors. The duties of the Directors representing the staff terminate upon the announcement of votes by the electoral colleges choosing representatives of the staff; the appointment is generally made within the two weeks preceding the General Meeting at which the Director's term of office expires. If one or both seats held by Directors representing the staff become vacant as a result of death, resignation, dismissal or termination of employment, the vacant seat is filled by the designated alternate.

Directors representing the staff are required to hold a minimum number of shares in the company throughout their term of office, though this minimum is lower than that required of members who are not representatives of the staff, *i.e.* 10 instead of 100.

It shall be noted that TF1 is not subject to the Employment Security Act of June 14, 2013 which introduced into the Commercial Code compulsory employee representation rules for Boards of Directors of public limited companies above a certain size. However, Directors representing the staff serve under the conditions laid down in this Act.

MEANS OF GOVERNANCE

Since the TF1 group's privatisation, the Board of Directors has regularly provided itself with the means to perform its governance role. The TF1 Board of Directors functions in compliance with laws and regulations. Its rules are defined by the company's Articles of Association, the Rules of Procedure of the Board of Directors, and the recommendations of the AFEP/MEDEF corporate governance code.

All Directors have the same powers and the same duties. Decisions are taken collectively by the Directors.

BOARD COMMITTEES

The Board of Directors may create one or more specialised committees, which function under its responsibility. The Board determines their composition and remit. These committees are composed exclusively of Directors and assist the Board in its tasks.

Each committee issues proposals, recommendations and opinions, and it reports on its activities to the Board of Directors.

The four specialised committees that work with the Board of Directors are the Audit Committee, the Remuneration Committee, the Director Selection Committee, and the Ethics and CSR Committee.

These committees are composed of two or three Directors. The person serving as Chairman, Chief Executive Officer, or Chief Operating Officer may not be a member of these committees. The Directors believe that these rules ensure the committees' independence and efficiency. The Chairman of each committee, who has the casting vote, may not be a member of the company's management or administrative bodies. The chairmen of the Audit Committee, the Ethics and CSR Committee and the Remuneration Committee are independent Directors.

The committees may validly meet on the initiative of their respective Chairman or at the request of the Chairman of the Board of Directors if all their members are present. Decisions are made by a simple majority vote of their members, and they report on their work at the next Meeting of the Board of Directors.

Before undertaking deliberations on a subject in the area of a committee's competence, the Board of Directors asks the committee for a report on the subject.

The Board of Directors regularly sets up *ad hoc* committees specifically tasked with examining acquisitions or development matters. The independent Directors in particular appreciate the opportunity to meet with these committees and hear their reports.

RULES OF PROCEDURE OF THE BOARD OF DIRECTORS AND THE DIRECTOR'S CHARTER

The Rules of Procedure of the Board of Directors, adopted at the Board Meeting of February 24, 2003, sets forth how the Board of Directors is to operate. It describes the operation of the Accounts Committee (which became the Audit Committee in 2003) and Director Selection Committee, and it extends the responsibilities of the Remuneration Committee, in place since 1988 (originally set up as a College). It indicates the rights and duties of Directors in an appendix titled "TF1 Directors' Charter".

Since their initial adoption, the Rules of Procedure have been amended regularly to take into account governance best practice. In particular, the latest version of the AFEP/MEDEF corporate governance code (dated June 2013) has been added to the Rules of Procedure.

The Board created an Ethics and CSR Committee in July 2014.

The main provisions in the Rules of Procedure of the Board of Directors concern the powers, duties and tasks of the Board and its committees. The rules also set forth the principles for the annual assessment of the Board's functioning.

The rules of procedure and the Directors' Charter are found on the company's website: http://www.groupe-tf1.fr/sites/default/files/mediatheque/2014_reglement_interieur_du_24_07_2014_y_c_code_afep_medef_vuk.pdf

REVIEW OF DIRECTORS' INDEPENDENCE, QUALIFICATIONS AND EXPERTISE

The Board of Directors reviews annually and on an individual basis, taking into account the opinion of its Director Selection Committee, the situation of each Director with respect to all independence rules of the AFEP/MEDEF corporate governance code.

The AFEP/MEDEF corporate governance code considers a Director independent when "he or she has no relationship of any kind with the company, its Group or its Management that could compromise the independence of his or her judgement" and sets forth the following independence criteria. A Director shall:

- not be an employee or an officer of TF1 or an employee or Director of its parent company or of one of its consolidated subsidiaries, and shall not have been one within the last five years;
- not be a corporate officer of a company in which TF1 holds a directorship, directly or indirectly, or in which an employee appointed as such or a corporate officer of the company (currently in office or having held such office within the past five years) is a Director;
- not be a customer, supplier, investment banker or commercial banker of material importance to the company or its Group, or for which TF1 or its Group generates a material portion of its business;
- not be related by close family ties to a corporate officer;
- not have been a Statutory Auditor of TF1 within the last five years;
- not have been a TF1 Director for more than 12 years.

The Board of Directors, taking into account the opinion of the Director Selection Committee, proposes the appointment and/or renewal of Directors at the Annual General Meeting of Shareholders.

Under Article 9.3 of the AFEP/MEDEF corporate governance code, the Board of Directors may decide that a Director who does not fulfil all the independence criteria in the Code is nevertheless independent given his or her particular situation or that of his or her company, in respect of its shareholders or for any other reason.

The Board paid particular attention to Directors who are or have been Directors in the Bouygues group to determine whether these duties, either because of their importance or nature, were such that the Director's independent judgement might be affected or that he or she might face a real or potential conflict of interest.

Apart from Nonce Paolini, the Executive Directors are Martin Bouygues, Olivier Bouygues, Philippe Marien (permanent representative of Bouygues) and Olivier Roussat.

Claude Berda is not an independent Director. The Directors considered that the arrival of Claude Berda, co-opted on February 17, 2010, would enhance the Board's expertise because of his extensive knowledge of the TV industry.

The independent Directors are Laurence Danon, Catherine Dussart, Janine Langlois-Glandier and Gilles Pelisson.

The composition of the TF1 Board of Directors at the end of the General Meeting of April 16, 2015 (if all reappointments are approved) is shown in the table below.

	AFEP/MEDEF Corporate Governance Independence Criteria									
	Has been an employee or Executive Director of TF1 or the Bouygues group during previous five years	Holds cross-Directorships	Has significant business relationships	Is a close relative of a corporate officer	Has not been an auditor of the company during the previous five years	Has not been a Director of the company for more than 12 years	Is not a major shareholder (10% of capital/voting rights)	Age	Committees	End of term of office
EXECUTIVE DIRECTOR										
Nonce Paolini	Yes	Yes	Yes	No	Respected	22/05/2007	Respected	66		2017
Independent Directors										
Laurence Danon	No	No	No	No	Respected	22/07/2010	Respected	59	Chairwoman of the Audit Committee	2018
Catherine Dussart	No	No	No	No	Respected	18/04/2013	Respected	61	Member of the Ethics and CSR Committee	2017
Janine Langlois-Glandier	No	No	No	No	Respected	19/04/2012	Respected	75	Chairwoman of the Ethics and CSR Committee	2016
Gilles Pelisson	No	No	No	No	Respected	18/02/2009	Respected	57	Chairman of the Remuneration Committee and member of the Audit Committee	2016
DIRECTORS REPRESENTING THE STAFF										
Fanny Chabirand	Yes	No	No	No	Respected	13/03/2012	Respected	38		2016
Sophie Leveaux Talamoni	Yes	No	No	No	Respected	03/04/2014	Respected	50	Member of the Ethics and CSR Committee	2016
NON-INDEPENDANT DIRECTORS										
Claude Berda	No	Yes	Yes	No	Respected	17/02/2010	Respected	68		2016
Martin Bouygues	Yes	Yes	Yes	Yes	Respected	01/09/1987	Not respected	62	Chairman of the Selection Committee	2018
Olivier Bouygues	Yes	Yes	Yes	Yes	Respected	12/04/2005	Not respected	64		2017
Bouygues (represented by Philippe Marien)	Yes	No	Yes	No	Respected	20/02/2008	Not respected	58	Member of the Audit Committee and the Selection Committee	2018
Olivier Roussat	Yes	No	Yes	No	Respected	09/04/2009	Not respected	50	Member of the Selection Committee	2016

AVERAGE LENGTH OF SERVICE OF THE DIRECTORS: 7 years.

AVERAGE AGE OF THE DIRECTORS: 59 years.

PERCENTAGE OF WOMEN: 30%*.

PERCENTAGE OF INDEPENDENT DIRECTORS: 40%*.

* *Excluding Directors representing the staff.*

DIRECTORS' SKILLS AND EXPERTISE

As part of its assessment, the Board of Directors places particular emphasis on the training, skills and experience of each of its members, as well as their knowledge of the Group's business lines, which will enable them to make an effective contribution to the work of the Board and to that of the three committees that assist it, *i.e.* the Audit Committee, the Remuneration Committee, the Director Selection Committee, and the Ethics and CSR Committee.

Seven Directors work in the French television or telecommunications sectors. The other five have very good knowledge of the audiovisual industry. Details of the Directors' careers are set out in the biographical information on page 40 to 48 of the registration documents and annual financial report.

The expertise of the Directors, based on their experience, ability to understand the challenges and risks facing Group businesses, their complementary backgrounds and training as well as their involvement, ensure a high standard of debate and deliberation within the Board. The Board of Directors is balanced, diversified, experienced and accountable.

The Board has not appointed any non-voting Directors.

DIRECTORS' TRAINING

On being appointed to the Board, each TF1 Director is given a presentation on the company, its business lines and sectors of activity and meets with the heads of the Group's main divisions. During their terms of office, Directors can obtain additional training from key managers of TF1 and its subsidiaries.

Each Director may also seek additional information on his or her own initiative and the Chairman and CEO is permanently available to the Board to provide explanations and substantive information.

INFORMATION PROVIDED TO DIRECTORS

In general, the Directors get the information ahead of time that they need to make decisions. Recommendations are made after due deliberation and decisions are taken on a collegial basis.

Each Director has one vote. In the case of a tie, the Chairman of the Meeting has the casting vote. The staff representatives designated by the Works Council, the Corporate Secretary, the Executive Vice President, Group Strategy, Finance and Purchasing, the Executive Vice President Human Relations and Organisation, the Director of Broadcasting, Programming and Production, the Chairman of TF1 Publicité and the Group Legal Affairs Director all attend Board Meetings. The Statutory Auditors are invited to all Board Meetings convened to examine the financial statements. Group senior executives regularly participate in Board Meetings to help Directors understand the situation in the Group's market and businesses and provide information about developments and strategy.

The role of the Board Secretary is to ensure that the Board operates smoothly. The Secretary draws up the Board's Meetings schedule, prepares the agendas and organises Meetings with the Chairman and CEO. The Secretary also prepares the draft minutes that are submitted for Directors' approval at the following Meeting. The Secretary organises the Board assessment process, helps to prepare the documents provided to shareholders ahead of the General Meeting and looks after relations with individual shareholders. The Secretary also acts as the Board's compliance officer.

Directors receive a Notice of Meeting about two weeks before each scheduled Meeting, together with the minutes of the previous Meeting. During the Meeting, Directors are provided with all relevant documents and information, together with a list of any risks that have been identified, in accordance with regulatory requirements and in the company's interest. They also receive the minutes of the Meetings of the committees.

Directors periodically receive information about the company and the Group, including strategic and business plans, information for monitoring businesses and their revenues, the financial position, cash flow and liabilities of the company, events affecting or likely to significantly affect the Group's consolidated profits, and the main events pertaining to human resources and staffing levels.

DIRECTORS' CONDUCT AND OTHER INFORMATION

Conflicts of interest – regulated agreements – convictions

To the knowledge of TF1, in the last five years no member of a Board body has been:

- convicted of fraud; associated with a bankruptcy, compulsory administration or liquidation;
- incriminated or publicly sanctioned by any statutory or regulatory authority, including professional organisations;
- prevented by a court from acting as a member of a Board of Directors, a Management Board or a Supervisory Board of a publicly listed company or from running such a company.

No restrictions are imposed on the members of the Board of Directors concerning the disposal of their holdings of the issuer's shares, with two exceptions:

- the Chairman and CEO is required to hold a minimum number of bonus shares or option shares exercised throughout his or her term of office;
- each Director is required to own at least ten shares in the company. The rules of procedure of the Board of Directors recommend that each Director not representing the staff should own at least 100 shares for the duration of his or her term in office and respect the rules to prevent insider trading.

Directors are regularly reminded of the obligation placed upon them to declare any trading in TF1 shares by themselves or by persons with close personal ties to them. Such trading must be reported within five days of the trade in accordance with Article 223-22 of the General Regulation of the French securities regulator, Autorité des Marchés Financiers (AMF).

TF1 reports this information, which includes the individual's name, to the AMF and makes it public in a press release. Directors wishing to trade in TF1 shares have the option of using a regulated trading agreement, under which they have the benefit of a rebuttable presumption that they have not engaged in insider trading, or consulting the compliance officer to check that they are not engaging in insider trading. Under the Board Rules of Procedure, such consultation is mandatory for Executive Directors and Directors representing the staff.

Article 5 of the Code of Ethics contains detailed provisions aimed at preventing conflicts of interest: "*Directors must ensure that they do not perform an activity that would place them in a conflict of interest with the company. In particular, Directors shall not seek to hold an interest or invest in a company, whether a customer, supplier or competitor of the company, if this interest or investment could influence their actions in their role as a Director. Directors undertake to inform the Chairman of any conflict of interest, even of a potential nature, between their duties in relation to the company and their private interests and/or other duties, and not to take part in voting on any resolution directly or indirectly affecting them. If the situation requires, Directors may be obliged not to attend Board Meetings during deliberations and not to take part in any voting on a resolution and not to have access to documents and information brought to the attention of the other Directors concerning the subject in question. The Chairman of the Board may ask Directors at any time to confirm in writing that they are not subject to any conflict of interest.*"

The company is currently aware of the following potential conflicts of interest:

- Bouygues, the majority shareholder, is represented on the Board of Directors by Martin Bouygues, Olivier Bouygues, Philippe Marien and Olivier Roussat. Nonce Paolini has a relationship with Bouygues through an employment contract. He is also a Director of Bouygues;
- Claude Berda is an indirect shareholder and Chairman of Groupe AB, a company 33.5% owned by TF1;
- Fanny Chabirand and Sophie Leveaux Talamoni have employment contracts with the company.

To the company's knowledge, none of the members of the Board of Directors is linked to TF1 or to any of its subsidiaries by a service contract that provides for the granting of benefits.

To the company's knowledge, no potential conflicts of interest currently exist between the duties toward the company of the members of the Board of Directors and their private interests or other duties.

The Statutory Auditors' special report dealing with regulated agreements and undertakings (see page 207) assesses the agreements and undertakings submitted to the Board for approval and concerning which the Directors refrained from voting on given the existence of real or potential conflicts of interest.

ASSESSMENT OF THE BOARD OF DIRECTORS

In accordance with the AFEP/MEDEF corporate governance code and the Board's Rules of Procedure, the Directors examine each year their practices and in particular the composition, organisation and functioning of the Board and its committees. They assess their role and the adequacy of their organisation. The internal rules also require that the Director Selection Committee periodically review the issues related to the composition, organisation and functioning of the Board with a view to making recommendations to it.

The objectives of the annual assessment are to review the Board's operating procedures, to see that important issues are being suitably prepared and discussed, and to measure the actual contribution of each Director to the Board's work. So far, this assessment has not been made with the assistance of outside consultants.

The assessment looks in particular at the frequency and length of the Meetings, the subjects dealt with, the quality of the discussions, the work of the committees and the information provided to the Directors.

In preparation for the discussion of the Board's organisation and functioning, the assessment is made using a detailed questionnaire that is sent beforehand to the Directors. As TF1 encourages a collegial approach, the questionnaires focus on the Directors and committee members' collective contribution to the Board's work.

On the whole, the responses indicate that the Directors' assessment of the composition, organisation and functioning of the Board and its committees is positive or very positive.

Observations made in the assessment of the Board's composition:

- concerning independent Directors :

  A large majority of the Directors regard the balance between executive and independent Directors to be adequately respected, with 40% of the Directors being independent (excluding the Directors representing the staff). However, one Director suggested that an additional independent Director would be a plus;

- concerning the balance between women and men on the Board and the committees:

  At present five of the twelve Board members are women, of which 3 are Directors non-representing the staff (one third of the Board). The Directors believe that this is a good balance, but indicate that the matter will be reviewed with regard to the recommendations of the AFEP/MEDEF corporate governance code so that at least 40% of the Directors (excluding Directors representing the staff) will be women no later than the Ordinary General Meeting of Shareholders in 2016.

The overall assessment and suggestions concerning the Board's functioning:

Generally speaking, the Directors believe the Board functions very efficiently. Discussions of important matters are well prepared and issues are given ample consideration owing especially to the contributions and responsiveness of the company's departments present at the Meetings. They also note that Directors take part actively and contribute productively to the discussions.

The Directors judge the work of the committees good and even very good: matters are discussed in depth and clear responses are given.

The Board's deliberations are considered very open, and the Directors appreciate the freedom they have to express their points of view.

The assessment system (the use of a questionnaire) is judged satisfactory. Some Directors think that interviews of the Director Selection or Remuneration Committee by the Chairman could contribute to this process.

Some Directors would like to see even more discussion of the long-term strategy, particularly with Meetings between the Strategy Committee and the independent Directors to consider the long-term vision of the company's future and, with regard to new technology-related issues, to discuss the technical developments presented at TF1's innovation showroom.

IMPLEMENTATION OF GOVERNANCE

MISSIONS OF THE BOARD OF DIRECTORS

The Board of Directors has a key role in defining the strategy and major focuses of the company and its Group and in monitoring their implementation.

The Board of Directors is thus involved in the following areas:

- the strategic priorities of the company and the Group;
- significant transactions, internal restructuring and major investments, including acquisitions and disposals likely to materially affect the Group's earnings, balance sheet structure or risk profile;
- monitoring their execution;
- the information supplied to shareholders and the financial market;
- the controls and verifications it considers appropriate;
- setting the remuneration of corporate officers.

A review is made at each Board Meeting of the operations and events having occurred since the previous Meeting and of the main projects under way and likely to be completed before the next Meeting. The Board of Directors is informed at least once every quarter by the Executive Committee of the financial situation, cash situation and commitments of the company.

Between Board Meetings, the Directors receive all the useful information on significant Group events and operations. More generally speaking, they may at any moment receive from the Chairman all the information and documents they consider useful to the achievement of their duties.

MISSIONS OF THE COMMITTEES

Audit Committee

The Audit Committee is governed by rules of procedure that set forth its tasks and duties. The rules of procedure are regularly modified by the Board of Directors.

During each of the four Meetings planned every year, the Audit Committee reviews the quarterly, half-year and annual financial statements, the cash situation and the conclusions of the Internal Audit and Internal Control Departments before they are submitted to the Board.

The committee is tasked with follow-up on issues concerning the preparation and monitoring of accounting and financial information. It is notably responsible for:

- the process for preparing financial disclosures. As such, it:
  - examines the parent company financial statements and consolidated financial statements at least two days before they are presented to the Board,
  - ensures the appropriateness and consistency of the accounting methods adopted to prepare the accounts,
  - examines the internal control procedures for the preparation of the financial statements, with the assistance of Internal Departments and competent advisors,
  - examines changes that may have a material impact of the financial statements,
  - examines the principal estimates and judgements and options for closing the accounts, as well as the main changes in the scope of consolidation,
  - reviews the annual Internal Audit plan and its implementation during the year,
  - disposes of the Internal Audit missions' restitutions and of their follow-up,
  - validates the financial communication items and takes notice of the reaction of the financial markets;
- the effectiveness of the internal control and risk management systems;
- the audit of the consolidated and parent company accounts by the Statutory Auditors;
- the independence of the Statutory Auditors. As such, it:
  - examines in detail the fees paid by the company and the Group to the Statutory Auditors and checks that the proportion of these fees in the revenues of each audit firm will not affect its independence,
  - directs the procedure for selecting and reappointing the Statutory Auditors;
  - makes a recommendation on the Statutory Auditors proposed to the General Meeting for appointment;
- issuing reports and recommendations to the Board of Directors on the foregoing matters, not only on a periodic basis and at the balance sheet date, but whenever a noteworthy event occurs.

To carry out its duties, the committee has access to all the accounting and financial documents it deems useful. It can also consult, without the presence of the executives, the employees of the company responsible for financial statements, cash flow and Internal Audit, as well as external auditors. As provided for in the AFEP/MEDEF corporate governance code, the committee can also call on the services of external experts. The committee may take note of the observations of Statutory Auditors, without the presence of company representatives, so as to ensure that they have access to all the information and that they are in possession of all the resources necessary to the exercise of their functions. The Statutory Auditors present the committee with a summary of their work and the accounting options selected for the financial statements.

The committee reports on its work at the next following Meeting of the Board of Directors and informs the Board without delay of any problems it may encounter. The deliberations of the Audit Committee and the information communicated to it are extremely confidential and may not be included in any communication external to the Board of Directors. However, this rule does not constitute an obstacle to the mandatory financial information requirements of listed companies.

Remuneration Committee

The Remuneration Committee is governed by rules of procedure that set forth its tasks and duties. The rules of procedure are regularly modified by the Board of Directors.

The committee's remit is to:

- propose to the Board of Directors the compensation for corporate officers and the benefits of whatever kind made available to them;
- examine stock option plans for corporate officers and employees;
- make proposals for remuneration and incentive systems for Group executives;
- submit to the Board of Directors the draft report required under the French Commercial Code on:
  - compensation and benefits of all kinds granted to the corporate officers by the company and controlled companies,
  - stock options granted to and exercised by the corporate officers and the ten company employees receiving the highest grants,
  - options granted to and exercised by employees of companies that are majority controlled by TF1.

Director Selection Committee

The Director Selection Committee is governed by rules of procedure that set forth its tasks and duties. The rules of procedure are regularly modified by the Board of Directors:

The committee's remit is to:

- periodically examine questions concerning the composition, organisation and operation of the Board of Directors and to make recommendations to the Board;
- examine:
  - possible candidates for directorships, ensuring that independent persons sit on the Board of Directors,
  - plans to create Board committees and proposals concerning their responsibilities and members,
  - all measures to be taken to fill any executive posts that become vacant.

Ethics and CSR Committee

The Ethic and CSR Committee is governed by the rules of procedure, which set forth its tasks and duties.

The committee's remit is:

- in the sphere of ethics:
  - to contribute to the definition of a Code of Conduct or rules to guide the behaviour of executives and all employees,
  - to propose or offer an opinion on ways to promote exemplary professional behavior,
  - to see that the values and Code of Conduct thus defined are followed;
- in the sphere of CSR:
  - to examine at least once a year issues the Group is facing in the areas of environmental, social and societal responsibility,
  - to transmit to the Board an opinion on the CSR report provided for by L. 225-102-1 of the Commercial Code.

The Ethics and CSR Committee is composed of at least two Directors. It does not include any corporate officers. The committee's Chairman is an independent Director, as defined by the AFEP/MEDEF corporate governance code and the European Recommendation of February 15, 2005. A Director may not be appointed to the Ethics and CSR Committee if a corporate officer of TF1 is a member of an analogous committee at a company in which this Director is himself or herself a corporate officer.

To carry out its duties, the committee can hear from the Chairman of the Board of Directors or another person designated by him. The committee reports on its work at the next-held Board Meeting.

WORK OF THE BOARD IN 2014

In principle, the Board meets quarterly. Additional Meetings may be held for special presentations or to address exceptional issues.

The TF1 Board of Directors met seven times in 2014. The average length of each Meeting was about 2 hours and 30 minutes. Furthermore, the Board formed a special *ad hoc* committee in May.

The quality of the Board's work is ensured by its members' active involvement and the role of the permanent and *ad hoc* committees.

The Board's work involved the following:

- **monitoring the day-to-day management of the Group.** This includes in-depth quarterly reviews of the activities and outlook of TF1 and its key subsidiaries; analysing changes in the competitive environment; signing off on the annual company and consolidated financial statements and reviewing the quarterly, half-year and annual financial statements with the Statutory Auditors; reviewing the Group's results; reviewing the Group's financial position, including the hedging of financial risk and financial commitments (bonds and guarantees); regularly reviewing disclosures on the Group's internal control and risk management systems and reviewing the Group's risks in light of the work of the Audit Committee, including risk mapping; monitoring legislative and regulatory changes and the progress of litigation; making decisions concerning, in particular, investments required for the Group's development; reviewing, at each Meeting, reports on acquisitions, disposals and major current issues; and matters relating to employees, including in particular company policy on professional and pay equality;

- **monitoring the Group's major strategic orientations:** the Board of Directors has been involved in defining the Group's strategy and reviewing and implementing its strategic plan. Board discussions cover the acquisition of broadcasting rights, development strategy, Group growth drivers and planned acquisitions;
- **corporate governance:** issues addressed included changes in governance rules and best practice, Board composition and changes in the composition of Board committees, particularly as regards gender equality and Board independence and diversity of membership and skills, self-assessment of the Board of Directors, and the Annual Report on the Board's operation; preparations for the Annual General Meeting (agenda, draft resolutions, annual management report and other Board reports); reviewing the amount of Directors' fees paid; decisions on the terms of the remuneration paid to the Chairman and Chief Executive Officer at the proposal of the Remuneration Committee; setting annual performance objectives for the coming year and checking that they have been achieved for the previous year; and authorising regulated agreements.

The Board's main decisions in 2014 and the attendance rate at Board Meetings are presented in the table below.

Board Meeting	Principal decisions of the Board of Directors	Attendance rate
18 February*	Reviewed 2013 activity and 2014 outlook; close off 2014 parent company and consolidated statements examined and approved accounting and forecasting documents; reviewed legal issues; reviewed the 2014 finance law and the amended 2013 finance law; reviewed the request to broadcast LCI free to air submitted to the CSA on 23 January, the sale of broadcasting rights for the 2014 FIFA World Cup, and litigation in progress; reviewed the situation of subsidiaries; reviewed corporate governance issues, with a report from the Director Selection Committee; examined a report from the Remuneration Committee; reviewed the Code of Ethics; proposed the renewal of the term of office for two years of Janine Langlois-Glandier; reviewed resolutions concerning the renewal of financial authorisations; notice of the Combined General Meeting of Shareholders on April 17, 2014.	92%
17 April	Noted the renewal of the term of office of Fanny Chabirand, Director representing the staff, and the appointment of Sophie Leveaux Talamoni as a Director representing the staff; reviewed current matters, including Discovery's additional investment in Eurosport, the calls to tender for sports broadcasting rights, the 2014 FIFA World Cup, TF6, and Serieclub; authorisation to negotiate a new profit-sharing agreement for the employees of the TF1 group.	83%
30 April*	Review of operations and consolidated financial statements for the first quarter of 2014; review of current matters, including the negotiations related to Discovery increasing its stake in Eurosport SAS to 51%, LCI's transition to free-to-air transmission, the shutting down of TF6 on December 31, 2014, the law on employment security dated June 14, 2013; authorisation of a stock buy-back programme.	100%
24 July*	Review of operations and the accounts for the first half of 2014; updating of accounting and forecasting documents, outlook and strategic priorities; reviewed the legal and regulatory environment, current matters including the sale by TF1 of a 31% interest in Eurosport to Discovery on May 30, 2014, litigation, presentation of the TF1 group's Code of Ethics and adoption of compliance programmes; creation of an Ethics and CSR Committee; review of various options concerning the application for LCI to switch to freeview.	83%
25 September	Approval of the restructuring plan for LCI, overview of TF6 and Eurosport France DTT licences abrogation, authorisation of the possible sale of OneCast.	92%
29 October*	Review of operations and the accounts for the third quarter of 2014; outlook for the advertising market in 2014; review of the legal environment and in particular legislation and regulations, pending matters, litigation, projects, the outlook for certain subsidiaries; reviewed equal opportunity and salary policies; assessed the conditions for preparing and organising the Board's work, its functioning, and corporate governance practices; reviewed the report of the Remuneration Committee; approved regulated agreements.	83%
16 December	Overview of LCI and Eurosport France distribution and of the implementation of the agreements concluded with Discovery; end of the legal dispute with YouTube by a transactional agreement; analysed operations and projected results for 2014; reviewed the three-year plan, major risks, development and strategy.	83%

* *The Board reviewed the Audit Committee report.*

In 2014, the average attendance rate for Directors was 88%.

As regards the undertaking of significant projects, the Directors may ask some Board members to form an *ad hoc* committee to validate such projects and assess their impact on the Group's accounts and financial situation.

An *ad hoc* committee therefore met on May 26, 2014, in order to examine a development opportunity.

WORK OF BOARD COMMITTEES IN 2014

Audit Committee

The Audit Committee met four times in 2014 and once in the first two months of 2015. Each Meeting was attended by the Executive Vice President, Group Strategy, Purchasing and Finance, the Director of Accounting, Tax and Finance Information Systems, the head of Financing, Treasury and Investor Relations, the head of Internal Audit, the head of Internal Control, and the Statutory Auditors. The attendance rate was 92%. Minutes were taken of each Meeting and subsequently sent to the Directors.

When examining the accounts, the Statutory Auditors provide the committee with a memo underlining key aspects of the company's consolidation scope, results and adopted accounting options. The Executive Vice President, Group Strategy, Finance and Purchasing, also submits a memo describing risk exposure and the company's major off balance sheet commitments. The main recommendations of the Statutory Auditors give rise to an action plan and a monitoring procedure.

In particular, the Audit Committee monitored progress in the 2014 Audit plan, analysed the year-on-year change in the share price, reviewed key lawsuits and financial and legal risks.

Remuneration Committee

The Remuneration Committee met twice in 2014 and once during the first two months of 2015. The attendance rate was 100%. The committee provided the Board with an opinion on setting the remuneration of TF1's corporate officer. It also met to examine the conditions of exercise of share options allotted under the share option plan 12 in light of an analysis of performance criteria. The committee also set out its views on the allocation of attendance fees to the members of the Ethics and CSR Committee, from October 1st, 2014. Minutes were taken of each Meeting and sent to the Directors.

Selection Committee

The Selection Committee met twice in 2014 and once during the first two months of 2015. The status of independent Director was debated by the committee and reviewed by the Board of Directors prior to publication of the Annual Report. The attendance rate was 100%. In particular, the committee gave its position on the composition of the Board and recommended the renewal of the term of office of Janine Langlois-Glandier for two years. The committee also reviewed and recommended the plan to create the Ethics and CSR Committee, the consequent amendment of the Board's Rules of Procedure and the appointment of Janine Langlois-Glandier as Chairman and Catherine Dussart and Sophie Leveaux Talamoni as members of this committee. Minutes were taken of each Meeting and subsequently sent to the Directors.

Ethics and CSR Committee

Since its creation in July 2014, the Committee focused on the organisation and the definition of its action plan. During the Board held on February 18th 2015, the Committee gave its first report on the 2014 main actions and key events about ethics, the project of a three-year action plan, the CSR policy led in 2014, and the CSR information required by article R.225-105-1 of the French Commercial Code, which appear in the management report.

PROCEDURES FOR THE PARTICIPATION OF SHAREHOLDERS IN THE GENERAL MEETING

Detailed procedures for the participation of shareholders in the General Meeting are provided in chapter 8.1, page 294 of this registration document and annual financial report.

MATTERS LIKELY TO HAVE AN IMPACT IN THE EVENT OF A PUBLIC OFFER

Matters likely to have an impact in the event of a public offer are addressed in chapter 6.1.10, page 224 of this document.

2.2.2 CHAIRMAN'S REPORT ON INTERNAL CONTROL PROCEDURES

INTRODUCTION

BACKGROUND

The purpose of this report is to describe the internal control procedures set up by the company. It covers TF1 SA as well as the subsidiaries over which it exercises exclusive or majority control.

TF1 monitors the harmonisation of the main financial procedures of the entire Group while respecting the specific characteristics of each business to preserve appropriate analysis and responsive decision-making. It also implements risk identification procedures across its scope of responsibility in order to establish appropriate procedures and controls for each business-critical cycle. The TF1 group is particularly sensitive to the importance of internal controls, especially concerning accounting or financial matters, where reliability of information is crucial.

This report is compiled from information and analyses performed in cooperation with the various contributors to internal control in TF1 and its subsidiaries, resulting in a factual description of the control environment and the procedures in place.

Coordinated by the Internal Control Division, the report has been subjected to an approval process by the Group Strategy, Finance and Purchasing Division (DGASFA) and the Legal Affairs Division (DAJ). It was also sent to the Statutory Auditors and subsequently presented to the Audit Committee and to the Board for approval.

INTERNAL CONTROL OBJECTIVES AND PRINCIPLES

To analyse its internal control system and prepare its report on internal control procedures, TF1 has used since 2007 the internal control framework published on January 22, 2007 subsequent to the work carried out by the task force set up by the French securities regulator, the AMF. The revision of the AMF reference framework took place in 2010, in particular in order to integrate the legal and regulatory changes in terms of risk management as well as the AMF recommendation regarding Audit Committees.

According to that framework, which is compatible with the benchmark of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) used by TF1 in previous years, internal controls are defined as a method to ensure:

- compliance with laws and regulations;
- enforcement of the instructions and policies of governance bodies;
- the proper functioning of the company's internal processes, particularly those concerned with safeguarding assets;
- the reliability of financial reporting (details of key controls can be found in the "Application Guide on Control of Accounting and Financial Information Published by Issuers").

This system should also contribute to monitoring the activity, effectiveness of operations and efficient use of the company's resources. However, no such system can provide an absolute guarantee of achieving targets and overall control of the risks to which the Group might be exposed.

The TF1 group is committed to a process of continuously and dynamically adapting its internal control system to its activities and to changes in its business model and its strategic goals, with the ultimate aim of assessing the system's appropriateness and efficiency.

ENVIRONMENT AND GENERAL PRINCIPLES OF INTERNAL CONTROL

ORGANISATION AND OPERATING PROCEDURES

The basis for the general Internal Audit environment consists of the Group's corporate governance principles, its organisational structure, notably as regards operating procedures, and widespread dissemination of its values and rules.

Organisation

The organisation, composition and functioning of the Board of Directors and specialised committees which assist it (the Audit Committee, Remuneration Committee, Director Selection Committee and, since 2014, the Ethics and CSR Committee), as described in the section of the Chairman's report on corporate governance, comply with corporate governance rules and are conducive to effective internal controls.

The Board, under the authority of its Chairman, determines the company's policies and, with the help of the Audit Committee, ensures that appropriate internal control systems are set up within the Group. Key decisions, such as the acquisition of programmes (sport events rights, contracts with major film studios, etc.) are subject to clear approval processes, with decisions being taken by senior management based on recommendations of the different *ad hoc* committees. The Board is kept regularly informed. As Chairman and CEO of the TF1 group, Nonce Paolini has line and staff responsibility for implementing the strategy established by the Board of Directors for Group activities. Specifically, he arranges for internal control systems to be implemented in the Group. In this he is supported by the Executive Committee, which comprises the eight senior executives of the TF1 group and meets weekly, as well as by the Senior Management Committee, which brings together the Directors of each Group division and function and meets monthly. These committees enable the CEO to pass along the key internal control policies and to make executives accountable for implementing and monitoring the internal control systems in their area of responsibility.

Powers are delegated on the basis of guidelines set by the Group to achieve the twin objectives of making operational staff accountable and controlling commitments at the appropriate level. On the latter point, the company is organised in such a way as to allow for independent control by separating operational functions from those involving the protection of assets and accounting recognition of operations.

Objectives

The three-year plan reflects the mid-term strategic policies and determines the budget for the coming year. It represents the commitments made by the managers of the various Group entities.

As such, this plan is also a key element of the internal control environment. It is aligned with the business model development objectives identified and defined by the Group with the agreement of the Board of Directors. It defines the objectives in terms of sales levels and costs, as well as the resources, entities and organisation to achieve those objectives.

The process of developing the three-year plan forms part of a structured approach aimed at ensuring that the Group's objectives are appropriate. The approach is organised by the TF1 Strategy and Planning Division. The plans from the various TF1 group entities and companies are subject to a validation process led by the Group Strategy, Finance and Purchasing Division (DGASFA).

A summary of these plans is presented to the Chairman and CEO and to the TF1 Board. During the final quarter of the year, a document summarising the whole of the TF1 group three-year plan process is presented to the Board of Directors, which approves the budget.

Rules and principles

The TF1 group focuses on compliance with the rules and values disseminated through its Code of Ethics and the Rules of Procedure of TF1 SA and its subsidiaries as well as operating guidelines applied in the Group. Since October 2009, the Corporate Secretary of TF1 has also been the Group Ethics Officer. He is charged with reporting regularly to the Chairman and CEO and now to the newly created Ethics and CSR Committee on any problems encountered in business practices, proposing modifications appropriate to the Group's business lines and responding to employees' queries on these issues.

TF1 has decided to put in place its own Code of Ethics, under the responsibility of its Corporate Secretary, with the aim of encouraging managers and staff to adopt a common set of values. The Code was approved by the Board of Directors in 2014. It includes strict rules for the conduct of business and a whistleblowing mechanism to enable employees to alert the Ethics Officer to any violations of the Code of Ethics they become aware of in the course of their work.

In parallel, the Board of Directors decided to create an Ethics and CSR Committee whose role would be to ensure observance of the Code of Ethics and the application of ethics and compliance rules as well as to oversee the Group's CSR policy.

- In the sphere of ethics, it ensures that:
  - the Group abides by the laws and regulations in force as well as the agreements and commitments made with administrative authorities and more generally shows loyalty, honesty, sincerity and fairness in its internal and external relations,
  - rules based on trust, mutual respect, dignity and fairness, all in line with the principles set forth in the Code of Ethics, are maintained in the company.
- In the sphere of Corporate Social Responsibility, it ensures that:
  - the Group is committed to and has a relevant vision of Corporate Social Responsibility by orienting the efforts to better understand the expectations of customers and other stakeholders and by taking into account CSR principles in the Group's global strategy.

Similarly, in 2006, TF1 joined the United Nations' Global Compact, demonstrating its determination to adopt and promote respect for the principles and values of human rights, environmental protection, working standards and the fight against corruption. In 2010 TF1 became the first media group to be awarded the Diversity label, an accreditation given to companies that take affirmative action to promote diversity and prevent discrimination. The award, which is based on stringent criteria and regularly monitored, constitutes formal recognition by an independent body – AFNOR Certification – that TF1's equality-promotion and anti-discrimination procedures are compliant and effective in the fields of hiring, career management, training, communication and relations with customers and service providers. TF1 published its third Diversity Annual Report in 2013, addressing trade unions, staff representatives and employees and assessing the effectiveness of Group efforts with indicators on four key priorities: disability, seniors, gender equality and ethnic diversity. In late 2012, an audit of compliance with Diversity label specifications confirmed that TF1 had met its commitments. On this topic, the TF1 group intends to pursue its active and voluntary approach.

The industry in which TF1 operates is constantly changing, primarily as a result of technological advances. TF1 therefore seeks to maintain a high level of workforce skills through an ambitious programme of recruiting and ongoing training that helps employees keep abreast of operational requirements.

Furthermore the Bouygues Management Institute regularly organises seminars in which TF1 executives participate. The objective is to encourage managers to reflect on their role, responsibilities and the respect of ethical principles in their daily work, and also to unite Group senior management around common values.

Group-wide system and standards

Aside from the various control processes in place, the Group makes a constant effort to continuously improve its internal control system, maintaining close alignment with its goals. Since 2007 the TF1 group has followed an approach initiated by Bouygues for its main business lines, including TF1. The purpose is to build an internal control system based on the AMF reference framework and incorporating the best practices which, for the past several years, the Group has committed itself to follow in each of its businesses. This effort culminated in identifying and determining simple, measurable principles covering the company's key businesses.

The system is based around two main components:

- accounting and financial principles of internal control relating to the coordination, organisation and preparation of financial and accounting information; and
- general principles of internal control covering the five key elements of internal control specified in the AMF reference framework, encompassing all of the company's key processes.

This approach also involved establishing a structured organisation that enables representatives from each business line to meet regularly to organise the monitoring of the system and to adapt it in response to regulatory requirements or when significant complementary principles emerge from assessment campaigns. This common system is regularly supplemented with internal control principles specific to TF1's business and changes in its business model, strategic goals and operating environment.

Work to create and apply a common set of Internal Control principles is closely linked to work on risk mapping, with the two processes reinforcing each other. In September 2014, Internal Audit, internal control and risk mapping were brought together in the Audit and Internal Control Division (DACI), which will also improve risk control and management in the Group.

Assessing improvement

The internal control system is assessed every year across a broad spectrum that fully represents the TF1 group in terms of revenue and the issues and risks inherent in its activities.

The assessment campaigns are based on a rigorous and uniform self-assessment methodology. Within each entity, the person responsible for day-to-day application of the process being tested establishes and produces supporting arguments for his or her assessment of the application of internal control principles, and then submits it for approval by a person in a position to provide a critical perspective on the outcome (a line manager and/or business unit manager).

The assessment has several components, including a numerical four-tier scale, a description of operating procedures and a commentary on any discrepancies between operating procedures and best practice. The assessment is supplemented by proposed action plans to ensure that the annual assessment campaigns result in tangible improvements in the management and security of processes.

The Chief Executive Officer and the Finance Director of each assessed entity draw up a summary of the level of internal control within their entity. The consolidated results of these campaigns are distilled into an aggregate summary by topic and business area that serves to alert senior management if a deficiency is detected in certain processes and to guide and prioritise action plans. The results are also regularly presented to the TF1 Audit Committee, which reports in turn to the Board.

The method, which is based on self-assessment, entails a decentralised organisation involving many participants who assess the application of the principles within their specific areas of expertise. This method facilitates a streamlined central organisation that consolidates and distils the results, monitors action plans, disseminates the methodology and coordinates the approach.

The aim of the assessment campaigns is to assess progress in the application of internal control principles over time and limit the subjectivity of self-assessments. For this reason, the decision on the annual scope of campaigns takes into account not only criteria relating to the representative/business critical nature of entities (with assessments weighted according to the genuine challenges facing each entity), but also a recurrence criterion. Thus, an entity that is covered by a campaign will be assessed over at least three years to ensure a dynamic perspective.

New businesses are incorporated in the assessment campaigns in a manner that reflects the gradual introduction of Group-wide processes, tools and methods to control, steer and oversee activities within these entities. Internal control campaigns show whether these processes have been correctly implemented, in accordance with the deployment policy described above.

In 2014, the assessment campaign covered all internal control principles across entities generating revenue within the TF1 group, excepted Eurosport and TF1 Films Production.

The Group's internal control principles have been made available to Finance Division staff *via* a business portal, as well as to all employees contacted in the context of the assessment campaigns.

Since 2012, TF1 has been using a system to manage internal control campaigns and monitor action plans. This system enables the Group to secure and systematise its approach as well as maintaining a history of all campaigns and associated plans. The system is used by all companies forming part of the Bouygues group.

INTERNAL DISSEMINATION OF INFORMATION

To ensure that staff receive information on the Group and its development, the Human Resources and Internal Communication Division distributes a magazine, *Regards*, issued three times a year, and a monthly video magazine called *TF1 Inside*.

In addition, an intranet portal, *Déclic*, helps employees understand the environment in which they and the Group operate. It enables them to obtain information on the Group (organisation, programmes, etc.) and material about the audiovisual sector published in the press, and also find out about opportunities for promotion and training, common operating procedures, and the intranet sites of the other companies in the Group or the parent company. It also features portals for each function (Legal, Human Resources, Finance, etc.) designed to improve networking and the dissemination of information. The tool also enables managers to gather the information necessary for managing their teams, notably on skills training or for preparing annual performance appraisals.

Other ways of passing on and sharing information on trends, topical issues and strategy pertaining to all or part of the Group are one-off conventions and seminars for staff within a given business area or subsidiary and Meetings of the Group's 150 senior executives following each quarterly Meeting of the TF1 group's Board of Directors.

The IT Department of TF1 SA's Technical and IT Division, together with the line and staff divisions, determines the information systems needed to generate information and manage operations securely and efficiently.

TF1 uses both proprietary and off-the-peg software. Applications are analysed, monitored and operated rigorously to ensure their availability, integrity, security and compliance with legal obligations.

Work on applications for financial and accounting data is carried out in close cooperation with the Accounting, Tax and IS Finance Division, the Finance, Treasury and Investor Relations Division, the Strategic Planning and Internal Control Department and the Management Control Division.

RISK IDENTIFICATION AND MANAGEMENT

In 2007 a working group composed of representatives of TF1's principal businesses started developing proposals to improve the organisation and systems for risk management and monitoring across all the businesses of the TF1 group. In 2008 the first stage – identifying and characterising the major risks based on a methodology defined in collaboration with the Bouygues group – was conducted through a series of interviews with some 100 Group managers.

Since 2009, this initiative has resulted in the development of a risk ranking system and an operational overview of the principal risks to which the TF1 group is exposed.

Risk identification

Based on the work of the operational committees that meet regularly within the Group's various entities, the Group risk map lists the main events that could have an adverse impact on the achievement of objectives over the plan's timeframe.

These risks are regularly monitored through half-yearly committees involving each Group entity and quarterly functional committees. The purpose of these committees is to identify emerging risks relating to the Group's mid- and long-term goals approved by its Board of Directors, to systematically review all risks identified during previous years, to update residual risks and to remove any risks that no longer apply.

All of these risks are described and scenarios are prepared by their business owners, who also assess their likelihood of occurrence. Potential financial impacts are assessed so that risks can be prioritised, and specific risk mitigation measures are identified. These measures are reported separately according to whether they are designed to lessen the likelihood of a risk occurring or to mitigate its impact, and according to their progress.

Risk Committees also monitor progress in relation to resources put in place to mitigate risk and propose additional action plans as necessary.

These committees are decentralised to ensure that responsibility for action plans lies as close as possible to the risks in question. The Audit and Internal Control Division coordinates the committees and ensures that a uniform methodology is applied and all risks are covered.

The main risks and the systems designed to control them are described below in section 2.4 of this report, "Risk factors", which also describes the Group's policies concerning insurance. Financial market risks (interest rate and foreign exchange risk, etc.) are also covered in note 29 of the consolidated financial statements of the present registration document and annual financial report.

Risk management

The risk management system has three main components:

- **a systematic approach to managing operational and functional risks** identified and regularly updated under the Group risk mapping process, as it applies to each entity. Entities are responsible for describing, owning and coordinating risk mitigation measures and action plans in relation to internal control and risk mapping;
- **a business continuity approach** initiated in 2004. This approach is specifically aimed at identifying major risks that could affect day-to-day business. The goal is to develop a decision-making system for crisis management purposes and to define the required processes. The initial work on this programme led to the creation of the "Réagir" programme, which seeks to devise and regularly update plans for restoring business-critical processes after an incident. In 2009-2010, in addition to conducting regular tests of processes and back-up tools, the "Réagir" plan was updated to include an H_1N_1 flu scenario. In 2010 a business continuity audit identified measures for improving the system, which were implemented during the year. Particular attention was paid to extending the processes covered by the back-up site and broadening the scope of risk analysis to cover the activities of TMC, NT1 and TMC Broadcasting. In 2012, steps were taken to provide the back-up site with simple news production tools consistent with those of the head office and to enhance the back-up system for Eurosport channels, which is divided between the London location and the TF1 back-up facility;
- **an information systems security approach**. For the past several years, the Central Information Systems Division has been working to formalise a Data Security Policy to lay down common security standards for the Group. This effort continues on a daily basis as the constant technology advances are factored into security principles and rules. In 2014, security efforts focused more specifically on access control (network and workstations) and on the backup plan for financial IS, HR and advertising invoicing.

The main business risks that TF1 has identified and seeks to cover on a constant basis are those linked to major processes, *i.e.* acquisition and compliance control of audiovisual content, and control of broadcasting and activities.

Purchasing processes

TF1 signs contracts for the purchase of broadcasting rights to secure programming for future years. These contracts are legally and economically complex and involve substantial sums. Investment projects are initiated based on the channels' editorial policies and the requirements arising from an analysis of programme inventory; they are subject to an investment authorisation procedure for each type of programme.

Furthermore, and where possible, framework agreements are signed ahead of the procurement process in order to control the costs of certain programmes and to ensure supply. The Group centralises and shares its multi-channel rights (freeview, DTT, cable and satellite, video and new media including VoD and replay) as much as possible.

Sports rights are acquired by the department responsible for sports, usually through calls for tender initiated by the rights-holders (federations, rights agencies, etc.). These consultations, which are generally open to all broadcasters, are governed by European and domestic regulations (the French Sports Code). The most significant projects are submitted for review to an *ad hoc* committee appointed by the Group's Board of Directors.

TF1 Acquisitions de droits, which encompasses all of the Group's channels, and the DGAAN, which is responsible for acquiring rights and optimising their circulation within the Group, buy rights to feature films and series and sell unused rights to third parties in order to optimise inventory management.

Each channel submits firm procurement requests to its representative within TF1 Acquisition de droits and to senior management. A committee, made up of representatives of channels that are members of TF1 Acquisition de droits, is tasked with securing approval from all members of the overall breakdown of requested rights. This committee then forwards the requests and the overall breakdown to the DGAAN so it can acquire the programmes in question.

The Group calls on a broad range of producers. Acquisition decisions are based on the artistic quality of programmes and on the editorial policy of the Group's channels, in accordance with principles of pluralism laid down in the Group's Diversity Charter.

Acquisitions are signed off by *ad hoc* committees that bring together all the decision-makers, on the basis of predefined objective criteria:

- the DGAAN presents the key characteristics of each project: unit price, number of broadcasts, rights conversion procedures, programming slots within the requesting channel's schedule, period of use and duration of rights, any sublicenses, geographical scope of rights, secondary use and payment terms;
- the Artistic Department checks that the programme complies with editorial policy;
- the Programming Department checks that the rights are aligned with the programming schedules of the Group's various channels, as well as with each channel's audience and inventory management targets;
- the Group Strategy, Finance and Purchasing Division approves inclusion of the acquisition within the forecast programming cost and investment budget of the Programme Unit, the forecast profitability of the acquisition and the level of inventory, and checks that the purchase price is in line with market prices and prices laid down in the plan.

Commitments are ultimately signed off by either the Group Chairman and CEO or the Chief Executive Officer of the ordering channel, in accordance with delegations of power in place.

Control of programming and advertising compliance

Programmes broadcast by the Group's free-to-air channels are subject to control by the CSA under agreements signed by the channels. Consequently, TF1 has set up a Programme Compliance Department which controls programmes before they are aired on these channels. This effort, which in some cases relies on advice from the Legal Affairs Department, also helps to minimise the legal risks inherent in broadcasting television programmes.

Furthermore, programmes targeting children are submitted to psychologists who are responsible for previewing the most sensitive ones.

Staff at TF1 Publicité and TMC Régie preview all advertising spots intended for the channels on which they sell space, notably the free-to-air channels TF1 and HD1 for TF1 Publicité, and TMC and NT1 for TMC Régie. They also ensure that all the spots have been reviewed and approved for broadcast by the advertising watchdog ARPP. TF1 Publicité and TMC Régie ensure that laws and regulations covering the broadcasting of advertising on the various media are respected and that the advertising complies with regulations and the editorial policy of each medium. Staff at each of the broadcasters see that the maximum daily and hourly broadcast time for advertising is respected.

Control of broadcasting and other activities

TF1's Technological and IT Division (DTSI) is responsible for making the programmes assigned to it as well as for programme broadcasting and the broadcast network. It is also in charge of designing, implementing and maintaining technical and information systems, and for managing real estate, logistics and general services.

The DTSI guarantees broadcasting continuity by assuring that the necessary human and technical resources are available and deployed as needed.

For several years, the DTSI has also been responsible for managing the identification, control and prevention of major risks that could impact service continuity, in terms of signal broadcasting as well as the company's activity, premises and IT systems. As such, it analyses and manages risks on an operational basis, for example through the "Réagir" Committee.

The "Réagir" Committee monitors and prevents major risks associated with the Group's key processes. It maintains and upgrades procedures based on the principle of continuous improvement in the security of people, assets, infrastructure, systems and data. It also updates and regularly tests plans for rapid resumption of activities that may be discontinued as the result of an exceptional event such as a signal outage or the inaccessibility of the TF1 building.

An external, secure back-up site has been operational since 2001 for broadcasting programmes, producing TV newscasts (TF1) and organising advertising slots for the TF1 channel.

In 2006 this back-up facility was improved when a digital process similar to that used at the main broadcasting facility was installed at a new external site. This installation and the associated procedures make it possible, if necessary, to switch over from the main site with no noticeable interruption of programmes. In 2008 all back-up resources were amalgamated at this single new external site.

As part of the major revamp of the TMC and NT1 broadcasting facilities in Monaco in December 2014, a real-time, high-availability back-up system using technologies similar to those in Monaco and those used by the other Group channels was installed at the TF1 back-up site. Thus, TV viewers should not be affected by the temporary unavailability of the Monaco site.

The company's vital functions are included in the security plan through a business resumption process, in particular for the departments concerned with broadcasting, space selling, accounting, treasury, payroll and IT operations. Procedures are tested from time to time so as to upgrade the system if necessary.

The team in charge of this project also extended the range of risk factors to include health risks that could hamper normal operations. These risks have been quantified, their impact assessed, and the associated safety procedures tested. In 2009 the skills, procedures and preventive measures needed to address the threat of H_1N_1 flu were marshalled under the "Réagir" programme.

Furthermore, a website and a toll-free telephone number enable employees to be informed in real time in case of an emergency and to keep in touch with the company where necessary.

CONTROL ACTIVITIES

In addition to the risk management mechanism, the TF1 group deploys a number of processes and systems that contribute to implementing senior management policies and enable goals to be achieved.

The Group pays particular attention to financial, legal and human resources processes by focusing on the assignments carried out by TF1 SA's functional divisions. Each division supervises and assists TF1 entities in its fields of expertise. The divisions also disseminate cross-functional procedures and ensure compliance with them, while helping to approve specific procedures for the Group's business lines.

Strategy, Finance and Purchasing Division (DGASFA)

The DGASFA comprises the Group's Financial Departments and performs a control function through cross-Group procedures, methods and principles that it implements throughout the Group. The DGASFA is organised in such a way as to enhance medium-term visibility in relation to the Group's businesses, notably by distinguishing the process of medium- and long-term strategic planning from the short-term running of the company.

Central Strategy and Planning Division (DSP)

The DSP supports Group senior management in setting medium- and long-term strategic objectives and establishes the framework and resources to achieve these goals according to a timetable and milestones determined with Group operational managers.

This exercise forms part of an annual cycle punctuated by strategy workshops held over the course of the year. These workshops are structured around the Group's main medium- and long-term goals and cover subjects suggested by operational managers.

Strategic planning is based on an analysis of market developments, usages and the competitive environment, as well as the Risk Mapping approach.

The DSP performs strategy and competition monitoring, tracking long-term trends in the media, internet and telecoms sectors, and within this setting prepares scenarios of long-term trends and changes to TF1 group activities.

Once the strategic priorities are signed off in July every year and Group senior management has aligned itself with these priorities, strategic guidance memos are prepared and sent to all Group entities, which use them to develop their three-year plans.

Preparation of the three-year plans is decentralised and conducted at the level of each company and/or entity. The DSP organises and coordinates these activities through a standardised process.

The first year of the strategic plan represents a firm commitment to senior Group management on the part of the heads of the various entities. The plan that is approved by the Board of Directors in the final quarter of each year is updated when the strategic priorities are signed off in July every year.

The DSP bears responsibility, on behalf of the Finance Division, for developing decision support tools that will help enhance control of the Group's business model and improve the ability to adjust this model in line with strategic guidelines.

Audit and Internal Control Division (DACI)

The TF1 group's Internal Audit Division conducts financial, operational and organisational audits in the Group's entities. Excluded from its remit are audits of the reliability, security and operation of the information systems, which are performed by the Bouygues group's Central Audit Department.

All of these audits are conducted according to an annual plan validated by the General Management and the TF1 group Audit Committee. Progress in the plan and the principal conclusions and recommendations of audits already carried out are presented at the quarterly Meetings of the Audit Committee.

Audits are performed according to a strict methodology aimed at meeting the standards of the IFACI (Institut Français des Auditeurs et Contrôleurs Internes). The audit report is prepared containing recommendations that are systematically incorporated in an action plan drawn up by the entity audited and monitored by the Audit Department.

In addition to carrying out the annual audit plan validated by the General Management and the Audit Committee, the DACI is responsible for Internal Control and Risk Management. It alerts the General Management to risks and seeks to give it the means to prioritise action plans. The DACI sees that all risks have been identified and notified to the General Management and that the relevance of the major risks presented to the Audit Committee and the Board of Directors is clear. It consolidates the main results of the internal control campaigns and provides a summary to the Group's governance bodies. It also ensures that uniform methods are used throughout the Group and that policies are consistent with the strategic planning process.

Accounting, Tax and IS Finance Division (DCFSIF)

The DCFSIF is responsible for applying the Group's accounting principles. It ensures that the processes used to collate and process financial information are reliable and that accounting methods are appropriate and stable.

It ensures that parent company and consolidated financial statements provide a true and fair view of the activity of Group companies and comply with existing standards and regulations. The DCFSIF ensures that this information is supplied in the correct format and in a sufficiently timely manner for effective use.

The DCFSIF includes the TF1 SA Accounting Department, shared Accounting Departments (including in particular supplier accounting) and the Consolidation Department. It also provides functional supervision to the subsidiaries' Accounting Departments.

It helps to coordinate and constantly update the teams by setting and disseminating rules, procedures and methods applicable throughout the Group. The DCFSIF applies the principle that the tasks of ordering and payment should be separate.

Project Management Finance and Procurement Division and Data Management Unit

The DGAAF has cross-functional structures in place to coordinate its Financial Information System, which mainly consists of the financial modules of the SAP package:

- a Project Management Finance and Procurement Division (MOAdFA) to operate and maintain all the applications making up the Finance-Procurement Information System, including SAP, and monitor the implementation of the Finance-Procurement Information master plan;
- a SAP Data Management Unit, in charge of managing the Guidelines databases of the Financial Information System, approving access rights, and strengthening the internal control over accounting and finance activities in the use of these applications.

Finance, Treasury and Investor Relations Division

The Finance, Treasury and Investor Relations Division is responsible for monitoring all the financial resources of the TF1 group.

The Finance and Treasury Department manages the company's financing needs. It ensures that the Group has permanent, diversified and sufficient sources of financing to meet its needs. It does this by:

- conducting analyses and regular updates of cash forecasts, which it reports to senior management;
- maintaining sufficient lines of back-up financing with an average of two to three years' maturity, by establishing or renewing bilateral lines of credit with banks, while optimising financing costs.

Finance and Treasury is also responsible for centralised management of the Group's cash and for cash movements between the subsidiaries both in France and abroad, with the exception of a few entities over which TF1 does not have exclusive or majority control. In this capacity, it handles:

- management of bank accounts and optimisation of payment instruments;
- management of the Group's cash pool in euros and foreign currencies;
- consolidation and global management of interest rate and exchange rate risks;
- delegation of powers to a limited number of employees who alone are authorised by senior management to handle a limited number of financial operations for all Group companies, based on authorisation thresholds and procedures.

Finance and Treasury additionally oversees the terms for the issuance of bank guarantees and maintains best practices in terms of financial security and information systems. It ensures compliance with the basic rules of prudent management adopted by the Group, particularly in the areas of:

- internal security (two signatures for payments, etc.);
- external security (secure cheques, payment by promissory note);
- liquidity (confirmed credit lines, cash investment, etc.);
- quality of counterparties;
- legal documentation on credit agreements;
- assessment and hedging, where appropriate, of interest rate and currency risks.

Through press releases, press conferences, news published on the Group's website (www.groupe-tf1.fr) and regular Meetings with financial analysts, the Investor Relations Department ensures that the market and the financial community are kept continuously and comprehensively abreast of the company's latest news and financial position. This department is always listening to shareholders, investors and analysts.

Financial disclosures are disseminated in strict compliance with market operating rules and the principle of fair treatment for investors.

This department is also in charge of coordinating the registration document and relations with the Corporate Finance Division of the AMF, France's securities regulator.

Starting in 2013, the two departments making up Finance, Treasury and Investor Relations prepare a dossier every year for Standard and Poor's, the credit rating agency that rates the TF1 group. This dossier contains market information and data about the medium-term financial performances of Group entities as validated in the three-year plan and updated based on the year-end financial statement.

Management Control Division

The Management Control Division steers activities based on the Board-approved budget. It ensures that the short-term milestones under the Group's medium- and long-term objectives are met, notably through:

- a monthly consolidated dashboard, which distils and annotates, at Group level, key financial and operational items for Group entities, along with events whose current or future impacts are explained.

  This dashboard is based on monthly reports prepared by each structure and business, including a financial statement, an end-of-year forecast and performance indicators. Each entity presents its own dashboard to the Management Control Division in Meetings scheduled according to a calendar established at the beginning of each year. After controlling, validating and analysing the presentations, the Management Control Division generates a consolidated Group dashboard, which it presents to senior management with comments.

  Each quarter, the Management Control Division and the Accounting, Tax and IS Finance Division jointly make sure that all income and expense items for the period are properly attributed, either by having teams share information or during Meetings on the closing options;
- two updates to adjust estimates of year-end results and to re-orient action plans in line with the objectives set;
- rolling forecasting to make monthly updates of the impact that events and ongoing projects will have on end-of-year financial statements;
- monthly operational indicators reflecting short-term management objectives for the various businesses and designed to support action plans. This set of indicators constitutes the Group's management "cockpit", used to measure performance; these visual indicators are regularly presented to the TF1 group's senior management. This approach promotes a common and shared understanding of challenges and circumstances and the development of cross-cutting solutions. It has been introduced in most subsidiaries. These indicators can be used to track all existing dimensions of performance at all levels of operational responsibility;
- a weekly dashboard analysing TF1's actual and forecast programming margin.

Group Purchasing Division (excluding audiovisual rights)

Through the standardisation of its purchasing processes and purchasing contracts, TF1 secures its supplies (tangible, intangible and services) and the financial terms and conditions for their purchase and guarantees the continuity and quality of service through insurance taken out by its suppliers.

It relies as much as possible on framework contracts and suppliers approved at the TF1 group level, as this provides economies of scale and ensures more efficient management of the purchasing processes and relations with suppliers.

The TF1 Purchasing Division is tasked with optimising the performance of purchasing processes cross-functionally, in line with the Purchasing Charter drawn up by the Bouygues group and through a TF1 group purchasing policy based on six key components:

- a clear and objective purchasing process: purchasing decisions are documented and clearly justified, and supplier offers are reviewed on the basis of objective criteria established ahead of the tender;
- the global management of supplier relations: the Purchasing Department is the unique entry point for suppliers, excluding audiovisual rights, at the TF1 group;
- a Responsible Purchasing policy that fosters diversity: TF1 encourages extensive use of the sheltered sector and has its strategic suppliers assessed on CSR by an independent body (Ecovadis). In this regard, in January 2012 the TF1 group committed to comply with the Responsible Supplier Relations Charter drawn up under the aegis of the national intercompany mediation service. Then, this commitment resulted in the label "Responsible Supplier Relations" awarded in January 2014, and renewed in January 2015. TF1 also factors Diversity label criteria into its purchases and includes clauses on sustainable development and diversity in most of its procurement contracts and its general conditions of purchase;
- ethics: the Purchasing policy is secure and TF1 is mindful of any conflicts of interest that may arise during calls for tender. Particular attention is paid to the reciprocal respect of contractual commitments with our suppliers in line with the "Responsible Supplier Relations" label and Charter;
- the implementation of framework contracts at TF1 group level, notably through the formation of technical partnerships with strategic suppliers;
- securing supply, assessing economic dependency risks and social risks, and validating the respect of prevailing regulations, insurance policies, etc.

Human Resources and Internal Communication Division

The Human Resources and Internal Communication Division plays a key role in the selection, hiring, and development of human resources necessary for the efficient functioning of the various TF1 group entities.

It monitors compliance with the French Labour Code and changes in labour policy in conjunction with the various employee representative bodies. It also coordinates the Group's professional training, which has the objective of developing the technical, interpersonal and managerial skills required in the exercise of each employee's responsibilities. TF1 cares about developing the skills of its staff and encourages job mobility between Group companies and divisions. In 2014, more than half of all positions were filled through internal transfers.

Within the framework of the management cycle, the Human Resources Division, together with operational and functional departments, plans human resources needs. These needs are formalised and are an integral part of the three-year financial and strategic planning process fixed by senior management. Replacement tables for the top 50 executives are regularly updated. Any request to hire or promote a permanent employee is subject to a formal approval procedure.

To disseminate best practices in the field of diversity to all TF1 group companies and employees, two training programmes have been launched. The first, introduced in 2010, is aimed at the 400 top managers; the other, which was started in 2011, is for 400 journalists, technicians and programme advisers who contribute to ensuring that diversity is well represented on-screen. These two programmes were completed in 2012, with a total of more than a thousand employees receiving training. Both new hires and promoted staff now have the benefit of these programmes. Finally, the second three-year disability agreement (2011-2013), accredited by DIRRECTE, included the ambitious target of recruiting 27 employees with disabilities onto either permanent contracts or fixed-term contracts of more than six months. This target was exceeded and a third three-year agreement (2014-2017) was signed in June 2014.

General Secretariat and Legal Affairs Division

The Group General Secretariat leads and coordinates the following two functions:

- the General Secretariat, directly responsible for:
  - monitoring relations with external bodies and authorities (such as the CSA, the French competition authorities, government and parliament, and the European Commission) with the Institutional Relations and Regulatory Affairs Department,
  - monitoring laws, rules and decrees concerning the audiovisual sector,
  - monitoring the respect of regulatory requirements (production obligations, CSA report, etc.) and competition requirements (representatives following the acquisition of TMC and NT1),
  - monitoring relations with inter-professional organisations in the audiovisual sector (including SACD and USPA) and major inter-professional agreements (broadcasting, production),
  - the major concentration transactions having structured the Group, with the competent authorities (notably the buy-out of TMC and NT1),
  - coordinating all Group pay-to-view channels in their negotiations with the main pay-to-view distributors and ISPs, and in particular administrative procedures with CSA and the competition authorities,
  - monitoring compliance with the Code of Conduct and the observance of personal and professional ethics and compliance;
- the Legal Affairs Division (DAJ), responsible for:
  - determining and supervising the application of policy on contracts in the Group;
  - monitoring the various aspects of company law (including the secretariat of Board Meetings and General Meetings) and legal aspects of development affairs within the Group,
  - legal affairs and the monitoring of court proceedings and litigation. Legal risks and litigation are closely coordinated with the DGASFA to ensure that they are properly reflected in the financial statements,
  - the management of intellectual property rights (brands and domain names),
  - risk management, insurance and property matters: the DAJ ensures that coverage is adequate and that premium and deductible levels correspond to the risks in question.

For several years, the General Secretariat and Legal Affairs Division have been involved in a process to secure and control commitments. This is manifested, for example, by the definition of a Group contract policy and standard contract models for all recurring commitments. Furthermore, the DAJ pays particular attention to optimising and conserving the insurance policies signed by TF1 and its subsidiaries so as to be covered against the consequences of potential risks in partnership with brokers acting for leading companies.

The Legal Affairs Division also monitors and participates in implementing a consistent policy of delegation of powers. In particular, the subsidiaries over which TF1 exercises exclusive control are granted delegations based on guidelines established at Group level. With regard to subsidiaries with joint control, internal control is organised based on the TF1 group's expertise and in compliance with agreements between shareholders.

MONITORING SYSTEMS

Internal control systems must themselves be monitored continuously by corporate management and by means of *ad hoc* assessments carried out by bodies with no direct authority over or responsibility for the activities in question.

Audit Committee

Formed in 2003 the Audit Committee is composed of at least three Directors. TF1 Executive Directors and employee representatives are barred from sitting on the committee in order to ensure its independence.

Before making presentations to the Board of Directors, the committee examines the quarterly, half-yearly and annual accounts and receives a presentation of the conclusions of the Statutory Auditors. It takes this opportunity to ensure the appropriateness and the consistency of the accounting methods adopted to draw up the accounts and verify the rules of procedure for the collection and control of the information used.

Further to the publication of the Decree implementing Article 225 of the Grenelle 2 Act, since 2012 the Audit Committee has been informed of the findings of the independent third party organisation in relation to CSR data. In addition, it notes the findings of internal audits and signs off the Internal Audit annual work plan.

Interest rate and foreign exchange hedging policies are also presented to the Audit Committee, along with the TF1 group's medium-term financing strategy (available credit lines, funding sources in financial markets, etc.).

The Audit Committee is also advised of information pertaining to the perception of the Group by the financial markets. This information is provided to the committee in the form of a summary of investors' expectations towards the Group, a description of the TF1 group's share price performance and the average level of revenue and profit expected by financial analysts for the current quarter and year (the consensus of analysts).

The Audit Committee is kept updated on the deployment of the internal control system, the results of assessment campaigns, major risks identified by the risk mapping process and progress against action plans to address these risks.

The Statutory Auditors' role is to ensure the fair presentation of the company's earnings and financial and net asset statements in accordance with accounting rules and principles. In so doing, they are made aware of the organisation and operation of the information systems and internal control procedures with regard to accounting and financial information, which they take into account in their audit activity.

Internal Audit

Internal Audit is an analysis, control and information tool for senior management, executives and the Audit Committee, making it possible to identify risks and to manage and control them more effectively.

As part of its duties, Internal Audit verifies the application of internal control principles and rules, in collaboration with the Internal Control Division and in addition to the latter's assessments. It thereby contributes to raising employees' awareness of internal control issues.

In addition, Internal Audit actively monitors best practices in control and helps make employees aware of internal control principles.

PUBLISHED ACCOUNTING AND FINANCIAL INFORMATION CONTROL PROCESSES

TF1 is particularly sensitive to internal control issues, particularly in the areas of accounting and finance, where the reliability of information is critically important.

This chapter summarises the principal control processes contributing to the preparation of accounting and financial disclosures.

FINANCIAL INFORMATION SYSTEMS

The Central IT Division (DCSI) works closely with the DGASFA, notably through the MOAdFA team, to deploy and supervise the TF1 group's major financial information systems, notably the accounting, management, treasury and consolidation tools. It also deploys business applications in certain entities.

In the areas of finance and accounting, TF1 operates specific internally developed systems as well as packaged software. The latter are subject to rigorous analysis, monitoring and operation to ensure their availability, integrity, security and compliance with legal obligations.

In the broad framework of its Data Security Policy, the Group has set up systems integrating technical firewalls against attacks from outside (notably an anti-virus emergency plan and regular anti-hacking tests).

Since 2003 the TF1 group has embarked on a process to make the top technical, legal, financial and human resources managers aware of data security and the systems they will need to use.

Finally, the increasing use of advanced information technologies makes corporate data protection and confidentiality crucial. The *Eticnet* guidelines take this factor into consideration; its dissemination and regular updating help to strengthen the process of making employees accountable.

At the end of 2008, TF1 launched an important project called SIGMA aimed at facilitating and streamlining the preparation of information while optimising processes in the areas of human resources, finance, and purchasing. The project includes the replacement by SAP of some or all of the applications formerly dedicated to these three functions and the new Finance/Purchasing solution has been successfully deployed throughout the Group. The Human Resources module was rolled out to all TF1 group companies in January 2010.

he SAP tool (ERP) is based on the principle of a unique record of operations necessary for financial information and guarantees the control of commitments and payments through:

- the approval cycle for commitments, pre-defined in the IT application and limited to authorised persons;
- the sourcing of invoices reflecting the commitments duly approved by the system.

This management tool was rounded out in late 2013 with a system for pooling the management of supplier invoices. This is ensuring a stricter separation of the tasks of checking invoices received, processing their payment, and approving their payment.

This management tool is complemented and/or fed by several applications that respond to different business needs of the Group, such as the system dedicated to the processes for monitoring contracts on the acquisition and management of broadcasting rights.

All the Group's means of payment are subject to security procedures, which were reinforced in 2014 (detailed statements of payment approvals, monitoring of invoice processing and payment deadlines). These are complemented by a banking interface, accounted for daily and formalised monthly.

All means of payment are issued from SAP, with a double signature required for approval according to the signing authority established on all bank accounts and updated yearly.

With this approach, the aim of process optimisation is to enhance cross-functional capabilities, harmonise the preparation of information, and facilitate the analysis of the data for all the TF1 businesses.

PROCESS FOR PREPARING AND CONSOLIDATING ACCOUNTS

The Accounting, Tax and IS Finance Division has a mission of monitoring and co-ordination, regularly disseminating information to the Group's accounting staff on developments in the rules and methods for generating the solo and consolidated financial statements of the TF1 group.

The tools and processes up-stream of the closing of the accounts guarantee that events are accounted for correctly and according to principles of reality, comprehensiveness, and correct accounting representation.

The accounting choices made are validated by the Statutory Auditors prior to quarterly closings and are presented to the Audit Committee.

Process for quarterly closing of TF1's accounts

Each quarter, all of the companies in the Group prepare intermediate accounts under IFRS using a structured process and a predetermined timetable.

The SAP package has a fully integrated data management system that enables user entities to track performance at any time. The system draws in particular on information on accounts receivable, accounts payable and inventory that is either fed in by operational systems higher up the processing chain or input directly into SAP by operational staff. As part of the procedure for closing the TF1 accounts, book entries are jointly analysed and validated by the Accounting and Management Control Departments. Management data used for reporting are periodically compared with accounting system data.

The Accounting, Tax and IS Finance Division monitors the process used to assess assets in the Group's accounts. In the case of goodwill and securities recorded on the balance sheet, it identifies impairment indicators for intangible assets and, where necessary, writes down the assets concerned. This is done whenever necessary and at least once a year, based on information provided by the Central Strategy and Planning Division and various operational entities, using the impairment test procedure described in the notes to the Group's financial statements. The value of other assets, such as audiovisual rights, is assessed using criteria which are also described in the notes to the Group's financial statements. This process and its results are validated together with the Statutory Auditors and presented to the Audit Committee.

Provisions for litigation and other risks are established based on a risk analysis conducted in consultation with the DGASFA, the General Secretariat, the Legal Affairs Division, Human Resources and the operational and functional departments concerned.

All items in the balance sheet and income statement are rigorously analysed by comparing them with the year-earlier period. Changes are commented upon, and those comments provide insights into the companies' businesses.

Off-balance sheet commitments (guarantees given and received by the Group, reciprocal commitments such as rental, lease and image transmission contracts) are subject to stringent procedures governing establishment, authorisation, monitoring and assessment in every Group entity. Commitments made to secure programming are described in the notes in the sections that deal with the relevant balance sheet items. They are covered by specific negotiation and authorisation procedures involving the DGAAN, the Broadcasting Division and the DGASFA, and are also subject to assessment procedures carried out by the DGAAN under the DGASFA's supervision (financial and management control).

Consolidation process

The Consolidation Department consolidates all TF1 group companies at each quarterly closing on the basis of a pre-defined scope, schedule and instructions communicated to the Group's organisations and units and the Statutory Auditors.

The TF1 group financial statements are prepared in accordance with IFRS, as adopted by the European Union. Depending on local standards and tax regulations, a parallel treatment of certain transactions is provided in the solo accounts of certain Group subsidiaries.

The consolidation tool used throughout the TF1 group is SAP-BFC, an application used by a large number of listed companies. SAP-BFC allows for rigorous analysis and control of the account preparation process, which is governed by standard procedures.

PROCESS FOR VALIDATING THE ACCOUNTS

The quarterly consolidated financial statements are presented to the Chairman and CEO by the DGASFA.

At December 31 of each year, the accounts of TF1 and all its subsidiaries are audited by the Statutory Auditors. Each quarter, the consolidated financial statements are reviewed. The consolidated accounts for intermediate periods are given limited review.

Before presentations to the Board of Directors, the Audit Committee reviews the consolidated financial statements and receives a presentation of the conclusions of the Statutory Auditors. Subsequently, the Group accounts are presented and closed by the Board of Directors.

In addition, the Audit Committee reviews the proposed announcement of the quarterly results prior to validation by the Board of Directors and release.

PROCESS FOR MANAGING FINANCIAL DISCLOSURES

Besides the Chairman and CEO, only duly authorised persons may communicate financial information to the market. These include the Executive Vice President, Group Strategy, Finance and Purchasing, the Corporate Communication Division and staff of the Investor Relations Department.

This department prepares reports on the business and financial results of TF1 and its subsidiaries for the Board of Directors.

These documents are drawn up according to a structured process which satisfies the requirements concerning financial information, using data from the Group's subsidiaries and departments.

Prior to distribution, the documents are inspected and approved by the Legal Affairs, Human Resources and Organisation, Communication, Strategy, Finance and Purchasing Divisions and the division in charge of CSR. Quarterly press releases are approved by the Audit Committee and the Board of Directors.

The Investor Relations Department distributes and communicates financial information on the TF1 group and its strategy through, for example:

- management reports of the Board of Directors;
- registration documents and quarterly and half-yearly financial reports;
- financial press releases;
- presentations for financial analysts and investors.

Before being submitted to the AMF in compliance with its General Regulation, the Group registration document is checked by the Statutory Auditors, who make sure that the Group's financial statements and information on its financial position are consistent with historical data.

Corporate social responsibility information contained in the document is also reviewed by an independent third party organisation, in accordance with the implementation decree of Article 225 of the Grenelle 2 Act.

Each subject to be communicated is accompanied by an explanation approved by senior management, updated regularly and acting as a support to relations with the various stakeholders in the market.

To guarantee investors equal access to information, the various communications products are also made available in English and distributed through the following channels:

- information for an outside audience is put on line on the www.groupe-tf1.fr website upon publication. However, anyone wishing to receive information by postal mail may request it from the Investor Relations Department, which will send it free of charge;
- financial press releases are published in a national business daily, on a mainstream financial website and on the AMF website. As of January 2007, TF1 complies with the European Union's Transparency Directive covering new reporting obligations;
- Meetings with analysts are broadcast live and in full on the Internet or by telephone, with no access restrictions. A recording of these Meetings is posted on the Group's website;
- two people from the TF1 group generally attend Meetings held abroad and talks with market participants to ensure that accurate information is delivered with strictly equal access. The documents presented at these Meetings are published promptly on the www.groupe-tf1.fr website.

CONCLUSION AND OUTLOOK

Throughout 2014, the TF1 group continued to reorganise its processes to make them more efficient and flexible and achieve greater cross-functionality among the Group's entities.

The Group conducted a new campaign in 2014 to assess the application of internal control procedures across a broader representative scope. The participation rate was very satisfactory, and the campaign confirmed that there were no major internal control shortcomings or problems. The Group also continued the effort to update and enhance its internal control system by identifying best practice for its various businesses and proprietary risks.

TF1 also pursued its risk mapping activities in 2014 by updating, reassessing and prioritising the risks identified in previous years. New risks that could potentially affect the Group's ability to achieve its medium-term strategic goals were taken on board, and the management of action plans was incorporated into the company's management cycle.

The Audit Committee was regularly informed of these activities.

All these objectives will be pursued with a view to maintaining a dynamic vision of internal control, based above all on the skills, sense of responsibility and involvement of all Group employees.

2.3 REPORT ON REMUNERATION

Report on remuneration in accordance with Article L. 225-102-1 and L. 225-37 paragraph 9 of the French Commercial Code.

This chapter contains the reports required by the French Commercial Code as well as the tables recommended in the Code of Corporate Governance issued by AFEP/MEDEF, revised in June 2013, and in the AMF Recommendation of December 22, 2008, amended on December 10, 2009, on the information related to the remuneration of Directors of listed companies to be included in their registration document.

2.3.1 REMUNERATION OF EXECUTIVE AND NON-EXECUTIVE DIRECTORS

REMUNERATION OF THE EXECUTIVE DIRECTOR FOR 2014

The Executive Director holds an employment contract with Bouygues SA. The Board of Directors does not grant compensation to the Executive Director, taking on, leaving, changing of functions, or non-competition indemnities in the event that he leaves the company. No annual deferred variable remuneration, multi-year variable remuneration or exceptional remuneration is granted to him. Other than Directors' fees (see Table 2 below), the Executive Director does not receive any remuneration from the Bouygues group's subsidiaries.

Following consultation with the Remuneration Committee, which takes into account the AFEP/MEDEF recommendations on the remuneration of Executive Directors of listed companies, the Board of Directors determines the criteria for allocating the variable portion and decides on the amount of remuneration to be paid to TF1's Executive Director.

Nonce Paolini

Nonce Paolini's fixed and variable remuneration is set by TF1's Board of Directors, in line with Article L. 225-53 of the French Commercial Code, following an opinion from the Remuneration Committee. The remuneration decided by the Board of Directors reflects the wider interests of the corporation. The following three components are taken into account in determining it:

- the company's performance: the Board took the view that the remuneration was commensurate with the work done and outcomes achieved for more than 5 years in a highly complex economic, regulatory and competitive environment;
- stock market performance: the remuneration takes into account the company's performance on the stock market and in particular the variation in its average share price;
- sector and intra-group comparisons: the remuneration is benchmarked against that awarded to other media sector executives in France and the rest of Europe, and is based on rules that are applied consistently across the Bouygues group's business lines.

The remuneration is paid to Nonce Paolini by Bouygues, his employer, and re-invoiced to TF1. Each year, the TF1 Board of Directors authorises the re-invoicing of this remuneration.

Nonce Paolini's total remuneration takes into account the existence of a capped supplementary pension and the fact that no entitlement to severance pay has been granted.

FIXED REMUNERATION

The fixed remuneration paid to Nonce Paolini is annually reviewed. In 2014, it stood at €920,000, which has been stable since 2011. Fixed remuneration is determined according to the level and complexity of the person's responsibilities, his experience in the post and his length of service with the Group, as well as the practices followed by the Group or companies carrying on similar businesses.

VARIABLE REMUNERATION

The rules for determining the variable portion of remuneration remained unchanged until February 2007, when the Board adjusted the calculation in light of the AFEP/MEDEF recommendations. It then modified them again in 2010.

The variable component is an integral part of the remuneration not only of the Executive Director, but also of managers.

Within the TF1 group, employees at and above department head level are also eligible for variable remuneration, which is paid annually in March in respect of the previous year on the basis of collective and individual criteria, both quantitative and qualitative.

The variable remuneration percentage rate, and the weighting attached to collective criteria, depend on the degree of responsibility: as the employee's level of responsibility increases, so does the variable remuneration percentage and the weighting attached to collective objectives.

As far as the Executive Director is concerned, on the recommendation of the Remuneration Committee, a greater importance to qualitative criteria has been granted, on the grounds that the performance extends to areas other than simply financial results. Achievement of the objectives related to these qualitative criteria thus represent one third of the theoretical amount of the variable remuneration.

In accordance with the principles and rules for determining the remunerations paid to the salaried Directors of Bouygues, Nonce Paolini's variable remuneration for 2014 is based on the performance of the TF1 and Bouygues groups, which is measured on the basis of significant economic indicators that are stable and relevant over the long-term, namely:

- quantitative:
  - criterion P1: change in consolidated net profit attributable to the Bouygues group. This criterion gives rise to the award of 30% of fixed remuneration when the target is met and captures the financial performances of the entire Bouygues group,

- criterion P2: change, compared with the business plan, in consolidated net profit attributable to the TF1 group. This criterion gives rise to the award of 35% of fixed remuneration when the target is met and rewards the Director for complying with budget commitments,
- criterion P3: year-on-year change in consolidated net profit attributable to the TF1 group. This criterion gives rise to the award of 35% of fixed remuneration when the target is met and captures growth performances relative to the previous financial year;

- qualitative: a greater importance to qualitative criteria has been granted, on the grounds that the performance extends to areas other than simply financial results. These criteria depend both on the duties assigned to the manager and on special situations:
  - criterion P4: this criterion comprises four qualitative sub-criteria that are not published for confidentiality reasons and that give rise to the award of 50% of fixed remuneration when targets are met.

    In 2013, the Remuneration Committee decided to include a qualitative criterion relative to Corporate Social Responsibility on maintaining TF1 in at least three extra-financial market indices in 2014. During the year, the TF1 group remained in the indexes of previous years and was also included in other indexes (Euronext Vigeo France 20, value recognised by the research institute Oekom). The objective related to recognised performance in corporate social responsibility was thus achieved as of the first year included.

An objective is defined for each criterion. These objectives have been drawn up in a precise manner but for reasons of confidentiality are not disclosed.

When the objective is reached, a variable portion corresponding to a percentage of the fixed remuneration is awarded. If the four objectives are reached, the total of the four variable portions is equal to the overall ceiling of 150%, which the variable remuneration of Executive Director cannot exceed.

If the objective is exceeded or not reached, the variable portion is adjusted within a bracket on a linear basis: the variable portion cannot exceed a maximum threshold and is reduced to zero below a minimum threshold. It must be reiterated that the four variable portions thus determined cannot under any circumstances exceed the overall ceiling, which is set at 150% of the fixed remuneration for the Executive Director.

The variable portion of remuneration allocated to the Executive Director for 2014 is €1,380,000, or 150% of the fixed remuneration. All the criteria previously cited were achieved, thus justifying the allocation of variable remuneration.

As a reminder, Nonce Paolini's variable remuneration was:

- in 2009, 73% of the fixed remuneration;
- in 2010, 150% of the fixed remuneration;
- in 2011, 102% of the fixed remuneration;
- in 2012, 50% of the fixed remuneration;
- in 2013, 111% of the fixed remuneration.

No annual deferred or multi-year variable remuneration is attributed to Nonce Paolini.

EXCEPTIONAL REMUNERATION

In exceptional circumstances, the Board of Directors may, upon the recommendation of the Remunerations Committee, grant an exceptional bonus.

No exceptional remuneration was paid to Nonce Paolini for 2014.

STOCK OPTIONS AND PERFORMANCE SHARES

Since 2010, Nonce Paolini has received no options to purchase or subscribe for TF1 shares.

In his functions at Bouygues, he received during 2014 80,000 options giving entitlement to subscribe for new Bouygues shares, granted on March 27, 2014 by the Bouygues Board of Directors at its Meeting on February 25, 2014.

INDEMNITIES FOR TAKING ON, TERMINATING OR CHANGING FUNCTIONS

Nonce Paolini does not benefit from payments, benefits in kind or advantages owing or likely to owe from any discontinuation or change in function. No payment relative to a non-compete clause has been planned.

The Bouygues group and its subsidiaries have made not commitment or promise concerning the payment of an indemnity to Executive Directors on their departure. Though not a severance indemnity, a Director who is a salaried employee of the Bouygues company is eligible for the indemnities provided for by the applicable collective agreement in the event his employment contract is terminated. Nonce Paolini is eligible to receive such indemnities.

SUPPLEMENTARY PENSION

Under a policy governed by the French Insurance Code, Bouygues offers the members of its Executive Committee a supplementary pension set at 0.92% of the reference salary (average of three best years) for each year of membership. This pension plan is closed (membership is obligatory). Nonce Paolini is a member of that committee. The supplementary pension is capped at eight times the upper earnings limit for social security contributions, which is currently set at €304,320 (about 33% of the fixed remuneration).

Entitlement to this supplementary pension is only acquired after ten years of service within the Bouygues group, on condition that the beneficiary is still employed by the Group when he retires. Furthermore, the Bouygues is not required to set aside provisions for this supplementary pension, which is an insurance policy with an insurer from outside the Group. This annual supplementary pension is governed by the procedure on related party agreements.

Bouygues re-invoices for 2014 the supplementary pension to TF1 in accordance with the related party agreement concluded with Bouygues, authorised by the Board of Directors on November 7, 2013, and approved by the General Meeting on April 17, 2014.

BENEFITS IN KIND

The in-kind benefits received by Nonce Paolini in 2014 remain unchanged consisting of the use of a company car and the part-time assignment of a personal assistant and a *chauffeur*/bodyguard. The benefits are valued at €5,037.

SUMMARY OF REMUNERATION OF THE EXECUTIVE DIRECTOR

No remuneration other than those mentioned in the table below has been paid to the Executive Director by TF1 and Bouygues groups.

TABLE 1 – SUMMARY OF REMUNERATION, BENEFITS IN KIND AND STOCK OPTIONS GRANTED TO THE EXECUTIVE DIRECTOR

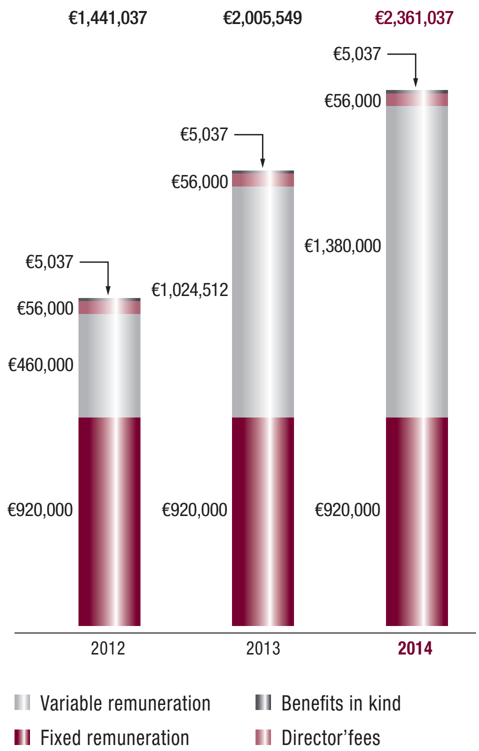
Nonce Paolini – Chairman and CEO since 01/08/2008 *(in euros)*	2014	2013
Remuneration paid for the year (details in Table 2)	2,361,037	2,005,549
Value of options awarded during the year (details in Table 4)	163,760	81,192
Value of performance shares awarded during the year (details in Table 6)	-	-
TOTAL	**2,524,797**	**2,086,741**
Change	+21.0%	+40.5%

TABLE 2 – REMUNERATION OF THE EXECUTIVE DIRECTOR

	2014		2013	
Nonce Paolini – Chairman and CEO since 01/08/2008 *(in euros)*	Gross amounts due before taxes	Gross amounts paid before taxes	Gross amounts due before taxes	Gross amounts paid before taxes
Fixed remuneration	920,000	920,000	920,000	920,000
Change	=	=	=	=
Variable remuneration	1,380,000	1,024,512	1,024,512	460,000
Change	+34.7%		+123%	
% Variable/Fixed	150%		111%	
Cap	150%		150%	
Other remuneration(1)	-	-	-	-
Directors' fees(2)	56,000	56,000	56,000	56,000
Benefits in kind	5,037	5,037	5,037	5,037
TOTAL	**2,361,037**	**2,005,549**	**2,005,549**	**1,441,037**

(1) Nonce Paolini received no additional remuneration, either from TF1, Bouygues or TF1's subsidiaries.
(2) In 2014: €18,500 for TF1, €25,000 for Bouygues, and €12,500 for Bouygues Telecom.
In 2013: €18,500 for TF1, €25,000 for Bouygues, and €12,500 for Bouygues Telecom.

VARIATION IN THE REMUNERATION OF THE EXECUTIVE DIRECTOR OVER THE PAST THREE YEARS



The remuneration determined by the Board of Directors is in line with the general interests of the company. In setting it, the Board takes account of factors such as:

- the company's performance: the Board took the view that the remuneration was commensurate with the work done and outcomes achieved in a highly complex economic, regulatory and competitive environment. Despite the screening of the 2014 FIFA World Cup (the rights to which were bought for €130 million in 2005), net profit from continuing operations attributable to the Group remained stable in 2014. The total net result reached €419 million. This includes the gain on the sale of a controlling interest in Eurosport to Discovery Communications and attests the value creation;
- stock market performance: between January 1, 2012 and December 31, 2014 the TF1 share price rose by 68.7%, compared with 35.2% for the CAC 40 index. Another factor in determining the remuneration was the trend in the yield on TF1 shares: the average yield (dividend income in respect of the 2012-2013-2014 financial years divided by the average share price over that year) was 25.7%. When these two criteria (dividend income and capital growth) are combined, the total rate of return on TF1 shares between January 1, 2012 and December 31, 2014 was 103.1%;
- sector and intra-group comparisons: the remuneration is benchmarked against that awarded to other media sector executives in France and the rest of Europe, and is based on rules that are applied consistently across the Bouygues group's business lines.

2015 FINANCIAL YEAR

The Board of Directors decided at its Meeting on February 18, 2015 that the fixed remuneration would not be increased.

The theoretical levels of the variable portions have not been changed. The Remuneration Committee suggested adding a new criterion relative to the current operating margin (criterion P2). As of 2015, the criteria for determining the variable remuneration will therefore be:

- quantitative criteria:
  - criterion P1: change in consolidated net profit attributable to the Bouygues group.

    This criterion gives rise to the award of 30% of fixed remuneration when the target is met and captures the financial performances of the entire Bouygues Group,
  - criterion P2: change, compared with the business plan, in TF1 current operating margin.

    This criterion gives rise to the award of 10% of fixed remuneration when the target is met and captures the financial performances of the entire TF1 group,
  - criterion P3: change, compared with the business plan, in consolidated net profit attributable to the TF1 group.

    This criterion gives rise to the award of 25% of fixed remuneration when the target is met and rewards the Director for complying with budget commitments,
  - criterion P4: year-on-year change in consolidated net profit attributable to the TF1 group.

    This criterion gives rise to the award of 35% of fixed remuneration when the target is met and captures growth performances relative to the previous financial year;
- qualitative criteria:
  - criterion P5: this criterion comprises four qualitative sub-criteria that are not published for confidentiality reasons and that give rise to the award of 50% of fixed remuneration when targets are met. The Remuneration Committee decided that as of 2014 a Corporate Social Responsibility criterion (maintaining TF1 in at least three non-financial indexes) would be included in the qualitative criteria. This criterion will be applied in 2015 as well, with the objective of being included in four indexes instead of three.

DIRECTORS' FEES AND OTHER REMUNERATION RECEIVED BY NON-EXECUTIVE DIRECTORS

The Combined Annual General Meeting of April 23, 2003 set the total amount of Directors' fees payable to the non-Executive Directors and Directors of TF1 at €350,000 annually, leaving it to the Board of Directors to determine how this amount should be allocated.

Directors' fees are allocated as follows:

- the theoretical fee for each Director is €18,500 per year. Since January 1, 2014, 30% of the fees are allocated on the basis of his or her responsibility, and 70% on the basis of the attendance at Board Meetings;
- to committee members:

- Audit Committee: €3,000 per member per quarter,
- Remuneration Committee: €1,350 per member per quarter,
- Director Selection Committee: €1,350 per member per quarter,
- Ethics and CSR Committee: €1,350 per member per quarter. This fourth committee was created in 2014.

Not all of the €350,000 available for Directors' fees was used in 2014.

Directors' fees totalling €263,050 before taxes were paid to Directors including Nonce Paolini, as indicated in the table below.

TABLE 3 – DIRECTORS' FEES AND OTHER REMUNERATION PAID TO NON-EXECUTIVE DIRECTORS *(IN EUROS)*

Non-Executive Directors	Gross amounts before tax due for 2014	Gross amounts before tax due for 2013
Barbizet, Patricia	-	9,422
Berda, Claude	18,500	16,958
Bouygues, Martin	20,200	23,900
Bouygues, Olivier	14,800	15,801
Chabirand, Fanny(1) (staff representative)	16,650	16,958
Danon, Laurence	28,650	28,958
Dussart, Catherine	18,000	13,427
Langlois-Glandier, Janine	19,850	18,500
Leveaux Talamoni, Sophie(1)(2) (staff representative)	18,000	-
Marien, Philippe	35,900	35,900
Pélisson, Gilles	31,950	30,008
Pernaut, Jean-Pierre(1)(2) (staff representative)	-	16,958
Roussat, Olivier	22,050	23,900
TOTAL	**244,550**	**250,690**

(1) Directors' fees due to Directors representing the employees were paid to two trade unions: CFTC (€18,000) and FO (€16,650).
(2) Sophie Leveaux Talamoni replaced Jean-Pierre Pernaut on April 3, 2014 as the Director representing the personnel.

No other remuneration was paid to the non-Executive Directors in consideration of their corporate office in the TF1 group.

The only remuneration paid by TF1 to Martin Bouygues and Olivier Bouygues was TF1 Directors' fees.

Directors' fees paid to the Executive Director were as follows:

The salaried Directors Fanny Chabirand and Sophie Leveaux Talamoni received no exceptional remuneration in consideration of their corporate office in the TF1 group.

DIRECTORS' FEES PAID TO THE EXECUTIVE DIRECTOR

	Gross amount before taxes due for 2014	Gross amount before taxes due for 2013
Nonce Paolini	56,000 €(1)	56,000 €(2)
TOTAL	**56,000 €**	**56,000 €**

(1) Of which €18,500 for TF1, €25,000 for Bouygues, and €12,500 for Bouygues Telecom.
(2) Of which €18,500 for TF1, €25,000 for Bouygues, and €12,500 for Bouygues Telecom.

2.3.2 STOCK OPTIONS AND PERFORMANCE SHARES

Report in accordance with Articles L. 225-184 and L. 225-197-4 of the French Commercial Code.

This chapter contains the reports required by the French Commercial Code as well as the tables recommended in the Code of Corporate Governance issued by AFEP/MEDEF, revised in June 2013, and in the AMF Recommendation of December 22, 2008, amended on December 10, 2009, on the information related to the remuneration of Directors of listed companies to be included in their registration document.

The Board of Directors did not award any stock options or free shares (performance shares) in 2014.

POLICY ON GRANTING STOCK OPTIONS AND FREE SHARES (PERFORMANCE SHARES)

AUTHORISATIONS GIVEN TO THE BOARD OF DIRECTORS BY THE ANNUAL GENERAL MEETING

The 11th and 12th resolutions of the Combined Annual General Meeting on April 17, 2014 authorised the Board of Directors on one or more occasions to allot options to subscribe for shares, options to purchase shares and/or free shares, whether in existence or to be issued in the future, for the benefit of employees and/or corporate officers of TF1 or companies related to it. This authorisation ends on June 17, 2017.

To that end, the General Meeting delegated powers to the Board of Directors to set rules for granting such shares, with a view to establishing closer links between senior executives and the Group's performance and its future and also the results of their work.

The maximum amount of these grants has been set at 3% of the share capital.

The 11th and 12th resolutions on stock options and free shares provide that:

- the Board of Directors sets the conditions, notably the maximum amount, for stock options or shares allotted to the Executive Directors as well as the performance criteria applicable to them;
- the Board of Directors draws up a list or determines the categories of other beneficiaries of options or shares, and sets the performance criteria applicable to them.

Furthermore, the 11th resolution rules out any discounts. Depending on the case:

- the subscription price of shares will be equal to or greater than the average share price over the 20 days prior to their allotment;
- the purchase price of shares will be equal to or greater than the average share price over the 20 days prior to their allotment, or to the average price at which they are purchased by the company, according to Articles L. 225-208 and L. 225-209 of the Commercial Code.

The Board of Directors granted stock options entitling their holders to subscribe for new TF1 shares, subject to company performance, in 2011 and 2012.

RULES APPLICABLE TO GRANTS OF STOCK OPTIONS AND FREE SHARES

It is recalled that:

- stock options or bonus shares are granted to attract senior executives and employees and thereby to secure their loyalty, reward them and give them a medium- and long-term interest in the company's development, in the light of their contribution to value creation;
- about 150 employees of TF1 or Group companies who sit on any of the three management bodies have benefited from the plan. The beneficiaries are selected and individual grants are decided upon in accordance with each beneficiary's responsibility and performance, with particular attention paid to high-potential managers;
- no discount is applied to grants of stock options;
- the managers benefiting from these plans are informed about insider trading;
- a rule has been set for all TF1 stock option plans that prohibits employees from exercising their options or selling shares from exercised options preceding the publication of financial statements. Since the AMF made its recommendation in November 2010, this period extends from thirty calendar days before the publication of the quarterly, half-year and full-year financial statements up to and including their day of publication.

The exercise of the stock options in plans nos. 12 and 13 is subject to performance conditions. The Board of Directors has set two performance criteria, independent of each other, that determine the number of options that can be definitively acquired. Stock options are acquired depending for one half on the trend in consolidated revenue on a consistent basis and for the other half on the ratio of ordinary operating income to consolidated Group revenue on a consistent basis.

For each criterion:

- if performance is equal or superior to 90% of objectives, 100% of the options may be exercised;
- if performance is equal or superior to 70% and inferior to 90% of objectives, the options may be exercised at the percentage of the performance achieved in a linear manner;
- if performance is lower than 70% of objectives, no options may be exercised.

The calculation for plan no. 12 has been made on the basis of the arithmetic average of performance in 2011, 2012 and 2013 on a consistent basis, compared with the budgets set in 2010, 2011, 2012 for the financials years, respectively, of 2011, 2012 and 2013.

On February 18, 2014, the Board of Directors was informed by the Remuneration Committee that in view of its analysis of the performance criteria determining whether or not options in plan no. 12 could be exercised, the beneficiaries were allocated 100% of the stock options (exercisable until June 10, 2018).

The calculation for plan no. 13 will be made on the basis of the arithmetic average of performance in 2012, 2013, 2014 and 2015 on a consistent basis, compared with the budgets set in 2011, 2012, 2013, 2014 for the financials years, respectively, of 2012, 2013, 2014 and 2015. The Remuneration Committee will review the fulfilment of performance criteria on which the exercise of stock options depends.

SPECIFIC RULES APPLICABLE TO DIRECTORS

The 11th and 12th resolutions on options and bonus shares approved at the Combined General Meeting on April 17, 2014 provide that the number of options granted to Executive Directors of the company may not represent more than 5% of each of the allotments made by the Board during this 38 month period.

The Board of Directors has incorporated the following AFEP/MEDEF recommendations into its rules of procedure:

- stock options or bonus shares are not granted to senior executives upon leaving the company;
- hedging the risk relating to the exercise of stock options or the sale of bonus shares is forbidden;
- executives are obliged to retain a certain number of bonus shares or option shares until their term of office expires.

This last provision was applied for the first time to stock options granted in 2009. The Board decided to set the proportion of option shares that Directors would be required to retain throughout their term of office at 25% (after selling the number of shares necessary to cover the cost of option exercise and paying any related taxes or social charges).

It should be noted that options granted to the Chairman and CEO have since 2009 been subject to performance criteria.

GENERAL INFORMATION AND CHARACTERISTICS OF STOCK OPTIONS

- Conditions on the exercise of stock options:
  - plans 10 and 11: three years following the date the options are granted;
  - plans 12 and 13: four years following the date the options are granted.
- Exercise period:
  - plans 10 and 11: four years after the lock-up expires;
  - plans 12 and 13: three years after the lock-up expires.
- Automatic cancellation if the employment contract or corporate office is terminated, unless given special authorisation or in the event of disability, departure or retirement.

STOCK OPTIONS GRANTED OR EXERCISED IN 2014

SUBSCRIPTION OPTIONS GRANTED TO OR EXERCISED BY THE BENEFICIARIES DURING THE YEAR

No option to subscribe for shares was granted in 2014.

In 2014, a total of 268,751 options to subscribe for TF1 shares were exercised in plan no. 11. The exercise prices was €5.98. No discount was applied.

On February 18, 2015, the TF1 subscription options that could be exercised were those granted under plan no. 11, representing a total of 403,762 shares in circulation (0.2% of the share capital).

STOCK OPTIONS ISSUED BY THE COMPANY OR ANY COMPANY IN THE GROUP THAT WERE GRANTED TO OR EXERCISED BY THE EXECUTIVE DIRECTOR DURING THE YEAR

Nonce Paolini has not benefited from any options to purchase or subscribe for TF1 shares since 2010.

In 2014, he received options entitling him to subscribe for new Bouygues shares in consideration of his functions at Bouygues. These options were granted as of March 27, 2014 by the Bouygues Board of Directors at its Meeting on February 25, 2014.

TABLE 4 – OPTIONS GRANTED TO THE EXECUTIVE DIRECTOR IN 2014

Name of Executive Director	Plan number and date	Type of options (purchase or subscription)	Valuation of options according to method used in consolidated financial statements	Number of options granted during the year	Exercise price	Exercise period
Nonce Paolini	Bouygues plan Board Meeting date: 25/02/2014 Grant date: 27/03/2014	Subscription	€2.0470	80,000	€30.32	From March 27, 2018 to September 27, 2021
TOTAL			**€163,760**	**80,000**		

The exercise price was calculated on the basis of the average of the opening prices on the 20 trading days prior to March 27, 2014; no discount was applied.

TABLE 5 – OPTIONS EXERCISED BY THE EXECUTIVE DIRECTOR OF TF1 IN 2014

The Executive Director, Nonce Paolini, exercised no subscription options in 2014.

STOCK OPTIONS ISSUED BY THE COMPANY OR ANY COMPANY IN THE GROUP THAT WERE GRANTED TO OR EXERCISED BY EMPLOYEE DIRECTORS DURING THE YEAR

No stock option has been granted to the employee Directors in 2014.

Name of the employee Director	Plan number and date	Type of options (purchase or subscription)	Number of options granted/ exercised during the year	Exercise price
Sophie Leveaux Talamoni	Plan 11 Board Meeting date: 18/02/2009 Grant date: 20/03/2009	Subscription	16,000	€5.98
TOTAL			**16,000**	

PERFORMANCE SHARES

There is currently no performance share plan and no such plan has been offered.

TABLE 6 – PERFORMANCE SHARES GRANTED TO THE EXECUTIVE DIRECTOR

No performance shares were granted by the company in 2014.

TABLE 7 – PERFORMANCE SHARES THAT BECAME AVAILABLE TO THE EXECUTIVE DIRECTOR DURING THE YEAR

No performance shares became available since none were granted by the company to the Executive Director, Nonce Paolini.

STOCK OPTION ALLOCATION HISTORY AND OTHER INFORMATION

TABLE 8 – STOCK OPTION ALLOCATION HISTORY

	Plan no. 10	Plan no. 11	Plan no. 12	Plan no. 13
Date of General Meeting	17/04/2007	17/04/2007	14/04/2011	14/04/2011
Date of Board Meeting	20/02/2008	18/02/2009	12/05 & 25/07/2011	14/05/2012
Grant date	20/03/2008	20/03/2009	10/06/2011	12/06/2012
Total subscription options granted	2,000,000	2,000,000	1,500,000	1,437,200
o/w to Directors	*62,000*	*66,000*	*12,800*	*12,800*
Nonce Paolini	50,000	50,000	0	0
Sophie Leveaux Talamoni	12,000	16,000	12,800	12,800
to the 10 employees receiving the highest grants	*340,000*	*340,000*	*272,000*	*302,000*
Total subscription options granted subject to performance	0	50,000	1,500,000	1,437,200
Options exercisable as of	20/03/2011	20/03/2012	10/06/2015	12/06/2016
Expiry date	20/03/2015	20/03/2016	10/06/2018	12/06/2019
Subscription price *(in euros)*	€15.35	€5.98	€12.47	€6.17
Exercise rules	Exercisable as of 3rd anniversary. Negotiable as of 4th anniversary.		Exercisable and negotiable as of 4th anniversary.	
Number of shares subscribed at 31/12/2014	0	1,287,238	0	0
Total number of subscription and purchase options for cancelled, unallocated or forfeited shares	295,500	275,000	142,400	117,200
Subscription and purchase options outstanding at 31/12/2014	1,704,500	437,762	1,357,600	1,320,000

The above options are currently the only instruments issued by TF1 that have a potentially dilutive effect. In view of the closing price of the TF1 share on December 31, 2014, a dilutive impact was taken into account in plans nos. 11 and 13.

The change in the number of currently valid options is presented in note 30 of the notes to the consolidated financial statements of TF1 at December 31, 2014. The cost of option subscription plans granted by TF1 is presented note 18.1 of the same notes. The value of the options on the grant date, calculated according to the Black-Scholes model, was: €1.49 (plan 10), €0.86 (plan 11), €1.18 (plan 12) and €0.70 (plan 13).

Earlier matured plans: plan no. 1 lapsed on October 10, 2002, plan no. 2 lapsed on April 8, 2004, plan no. 3 lapsed on March 18, 2005, plan no. 4 lapsed on September 20, 2006, plan no. 5 lapsed on December 6, 2007, plan no. 6 lapsed on December 11, 2008, plan no. 7 lapsed on March 12, 2010 and plan no. 8 lapsed on September 16, 2011. plan no. 9 on the allocation of free shares lapsed on March 31, 2010.

TABLE 9 – STOCK OPTIONS GRANTED TO OR EXERCISED BY THE TEN TF1 EMPLOYEES (NON DIRECTORS) RECEIVING THE HIGHEST GRANTS IN 2014

	Total number of attributed options/ subscribed or purchased shares	Average weighted price	Maturity	Plan no.
Options granted during the financial year by the issuer, and any company included in the scope of option allocation, to the ten employees of the issuer and of any company included in this perimeter, with the highest number of granted options.	-	-	-	-
Options held on the issuer and the aforementioned companies, exercised during the financial year by the ten employees of the issuer and said companies with the highest number of options thus purchased or subscribed.	101,000	€5.98	20/03/2016	11

2.3.3 OTHER INFORMATION ON THE EXECUTIVE DIRECTOR

TABLE 10 – OTHER INFORMATION ON THE EXECUTIVE DIRECTOR

	Employment contract(1)		Supplementary pension plan(2)		Indemnities or benefits due or potentially due owing to the termination or changing of functions(3)		Indemnities related to a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Nonce Paolini – Chairman and CEO since 01/08/2008	X		X			X		X

(1) Nonce Paolini has an employment contract with Bouygues SA, not with TF1 SA.

(2) See § 2.3.1 – "Other information concerning remuneration and supplementary pension". The annual supplementary pension entitlement, i.e. 0.92% of the reference salary (average of three best years) for each year of scheme membership, is capped at eight times the annual upper limit for social security contributions (currently €304,320). This entitlement is acquired after ten years of service at the Bouygues group and applies only to those who are at the Group when they take their retirement. Note that the Bouygues group does not have to set aside a provision for the supplementary scheme, which takes the form of an insurance policy taken out with an insurer outside the Group. The annual supplementary pension has been brought within the scope of the regulated agreement procedure.

(3) Severance indemnities: neither Bouygues nor its subsidiaries has made any commitment or promise to award severance indemnities to the Executive Director. No such commitment or promise has been made to the employee Directors of Bouygues, either. Though not a severance indemnity, a Director who is a salaried employee of the company is eligible for the indemnities provided for by the applicable collective agreement (in the case of Bouygues, the collective agreement for managers in the building construction industry in the Paris region) in the event his employment contract is terminated. Nonce Paolini is eligible to receive such indemnities. The Board of Directors of TF1 officially declared on February 18, 2014 that any severance indemnity would be re-invoiced to TF1 on a pro rata basis for the number of years of service as an employee or Director of the TF1 group.

2.4 RISK FACTORS

In a constantly changing competitive, technological and regulatory environment, the TF1 group is exposed to risks that, if they materialise, could have negative effects on its business, financial position and assets.

The risk factors described in this chapter are as follows:

- operational risks:
  - risk of loss of key programmes,
  - risk that bought-in programmes will become unsuitable for broadcast,
  - risks associated with the economic environment;
- industrial and environmental risks:
  - broadcasting of TF1 programmes: risk of signal transmission interruption and execution risk,
  - risks related to the growth of Digital Terrestrial Television and to the development of the Internet and new media,
  - risks associated with changes to spectrum allocation (frequency changes, 4G interference, second dividend);
- legal risks:
  - risks related to broadcasting licences and CSA enforcement powers,
  - risks related to societal pressure on advertising and programmes,
  - risks related to additional taxes or legislative changes,
  - risks related to the rights of individuals (privacy and defamation),
  - risks related to intellectual property rights (copyright and related rights),
  - risks related to the distribution of the LCI channel,
  - specific risks related to certain reality TV shows,
  - risks related to competition law,
  - risks associated with the process of acquiring 100% of NT1 and the 40% of TMC held by Groupe AB;
- corporate social responsibility risks (labour, social and environmental);
- credit and/or counterparty risks;
- financial risks:
  - liquidity risk,
  - market risk.

The TF1 group operates general and specific risk management policies to address these risks. In addition, the Group's internal control system plays a role in monitoring the conduct and effectiveness of operations, and in ensuring that the Group makes efficient use of its resources. However, such policies and systems cannot provide absolute assurance that objectives will be met, or that the risks to which the Group may be exposed will be fully addressed.

2.4.1 OPERATIONAL RISKS

RISK OF LOSS OF KEY PROGRAMMES

DESCRIPTION OF THE RISK

The performance of TF1 depends partly on its ability to offer premium programmes in order to maintain its leadership in audience ratings. The loss of key programmes would therefore expose TF1 to a risk of lower audience figures that could also, in pay-TV, generate potential tensions with the distributors of the Group's channels in an increasingly concentrated TV rights market.

HOW THE RISK IS MANAGED

Thanks to the talent of its creative staff and its long-standing special relationships with French and foreign producers, TF1 currently offers the best programming. Future programming schedules are locked in *via* multi-year contracts with the biggest producers, considerably reducing the risk of loss of key programmes in the medium and long term.

RISK THAT BOUGHT-IN PROGRAMMES WILL BECOME UNSUITABLE FOR BROADCAST

DESCRIPTION OF THE RISK

To secure future supplies of key programmes, TF1 commits to certain programmes (especially series and feature films) at a very early stage relative to the date of transmission. The time-lag can be substantial, and visibility on new products may be low.

Because the Group's channels are constantly adapting their editorial line in response to changes in public taste, an artistic mismatch may arise between current editorial needs (aimed at maximising audiences) and past programme acquisitions. If such mismatches occur, they may lead to spikes in impairment losses taken against broadcasting rights inventory.

HOW THE RISK IS MANAGED

The Group's exposure to this risk is limited to the multi-year contracts entered into with the biggest producers. If such a risk were to materialise, there are two ways of mitigating the impact:

- the pooling of rights across the Group's channels offers alternative solutions for using rights to a programme that becomes unsuitable for broadcast on TF1;
- as a last resort, some or all of the risk may be mitigated by selling the rights on to another market player.

RISKS RELATED TO THE ECONOMIC ENVIRONMENT

DESCRIPTION OF THE RISK

The crisis that has hit the world economy since 2009 has affected TF1 and its partner companies, as it has all economic players. In response to the economic conditions experienced in 2014 and forecast for 2015, TF1 is stepping up its action plans for a more flexible business model and a lighter cost base.

HOW THE RISK IS MANAGED

To mitigate any recessionary effects and enhance responsiveness to further economic downturns, TF1 is continuing with the reorganisation initiated in 2008. New processes are constantly being implemented, in addition to the optimisation plan – phases I and II – implemented since 2008. The Group keeps paying particularly close attention to the evolution and adaptation of its business model.

GENERAL POLICY FOR MANAGING OPERATIONAL RISKS

The TF1 group has systems for monitoring and managing risk that operate transversally across all of its operations. For a detailed description of the risk management policy, refer to the Chairman's report on Corporate Governance and Internal Control in section 2.2, page 49 of this registration document and annual financial report.

To address operational risks, the TF1 group has the following insurance policies:

- a public liability policy that covers the consequences of TF1 and its current and future subsidiaries being held liable in France and wherever in the world they operate for loss incurred by third parties; the amount of cover is commensurate with the risks incurred;
- a property insurance policy providing cover for physical damage to TF1 group assets, in amounts that are usually equivalent to the value of the insured assets. This cover applies *inter alia* to claims involving acts of terrorism.

The TF1 group's insurance policies are arranged by the Legal Affairs Department with leading insurance companies.

The deductibles under those policies were determined in light of the nature of the risks incurred and the potential reductions in premium, so as to optimise the overall cost of covering the risks to which the TF1 group is exposed.

2.4.2 INDUSTRIAL AND ENVIRONMENTAL RISKS

BROADCASTING OF TF1 PROGRAMMES: RISK OF SIGNAL TRANSMISSION INTERRUPTION AND EXECUTION RISK

DESCRIPTION OF THE RISK

TF1's programmes are currently broadcast to French homes by:

- radio waves in freeview standard definition DTT (on the R6 multiplex) *via* the 124 main transmission sites and 1,502 secondary transmission sites operated by TDF, TowerCast, Onecast and Itas Tim;
- radio waves in freeview High Definition DTT (on the R5 multiplex) *via* the 124 main transmission sites and 1,435 secondary transmission sites operated by TDF, TowerCast, Onecast and Itas Tim;
- satellite in freeview standard and High Definition digital on the Astra 1 position from SES in the SAT DTT offering and on Eutelsat's EW3A in the Fransat offering;
- cable in standard and High Definition digital, *via* Numericable and local cable operators;
- ASDL and fibre optics in standard and High Definition digital *via* all the Internet service providers (Orange, Free, SFR and Bouygues Telecom).

TDF is by far the leading national TV signal transmission operator, with a network and technical resources currently unmatched by any other company, in particular as regards hosting on existing masts.

TF1 is therefore dependent on TDF for signal transmission. Despite the emergence of alternative transmission operators, TF1 cannot at present do without TDF's hosting facilities. As a consequence, in the event of an outage in the TDF network TF1 cannot switch to other terrestrial transmission systems to provide quick and affordable coverage of its entire broadcast area.

Also, the antenna system (antennae, wave guides and frequency multiplexers) is not immune from incidents, and power supply may not be under TDF's control (for example, it may be the responsibility of EDF).

There have been disruptions of TF1 signal transmissions for technical reasons, such as transmitter failures or power outages. Contractual penalties are not commensurate with potential operating losses to TF1 during these incidents (including loss of audience, reputational damage, rebates claimed by advertisers, and loss of merchandising rights).

The loss that TF1 could incur in the event of transmitter failure is proportional to the number of television viewers served by the transmitter. A failure in the Paris region (10 million viewers) could have serious economic repercussions. For this reason, TF1 has negotiated a digital transmission agreement requiring a very rapid response from TDF in the event of a failure, and has requested reinforced backup measures.

Finally, the reallocation of frequencies associated with the deployment of the new R7 and R8 multiplexers is liable to have an impact on existing multiplexers, and cause local disruption to the TF1 group's networks.

HOW THE RISK IS MANAGED

Multi-platform radio wave transmission (SD DTT, HD DTT) and the variety of alternative networks (satellite, cable, ADSL and fibre, the latter two run by multiple operators) will gradually minimise the impact of any failures of the TDF network, since those networks are not connected to each other and rely on their own separate resources. Due to transmitter redundancy, transmission sites are for the most part secure.

To limit interruptions in multiplex transmissions at groups of transmission sites, back-up transmission arrangements for TF1 were introduced on September 30, 2014. Primary transmission of the SMR6 multiplexer has been secure for several years.

RISKS RELATED TO THE GROWTH OF DIGITAL TERRESTRIAL TELEVISION AND TO THE DEVELOPMENT OF THE INTERNET AND NEW MEDIA

Source: Médiamétrie.

DESCRIPTION OF THE RISKS

The TF1 group operates in a constantly changing competitive environment, but the pace of change has accelerated since 2005:

- the development of Digital Terrestrial Television (DTT) since 2005, including the launch of six new channels at the end of 2012, has played a significant role in fragmenting the audiences of the incumbent channels;
- there have been gradual changes in how entertainment is consumed, due to the emergence of factors such as: the expansion of the freeview channel offering in the basic packages of internet service providers; the spread of the Internet more generally; and the increased consumption of non-linear content, partly as a result of the expansion of web-TV and the legal or illegal uploading of content to the Internet. These new developments could divert part of existing media and off-media advertising budgets, and also capture some of the viewing time currently spent on pay-TV activities such as movies and series;
- the development of connected TV offers yet another new space fuelling the distribution of non-linear content, driven by the possible arrival of powerful players such as Apple, Google and Netflix.

In addition to audience fragmentation, the proliferation of channels could intensify competition in the rights market, particularly for high-profile, attractive content such as drama series.

The effect of these developments could be accentuated, especially at a time of economic crisis, if the major incumbent channels were to be faced with more aggressive commercial policies. TF1 is responding to this situation with an editorial policy focused on maintaining the gap over its rivals, in terms of both audience and commercial performance.

The rollout of DTT has split the television audience among a larger number of players, and the broadcasting landscape has changed rapidly: in January 2007, 40% of French households were receiving multi-channel offerings, but by the end of December 2012 this figure had risen to 100%.

With this growth in freeview television offerings, TF1's audience share has inevitably been affected, but has nonetheless proved resilient: while freeview offerings have increased fourfold in eight years, TF1's audience share among individuals aged 4 and over has declined from 31.8% in 2004 to 22.9% by the end of December 2014. TF1 scored 95 of the top 100 audiences in 2014. Meanwhile, the aggregate market share of DTT channels has increased from 5.8% in 2007 to 24.4% in December 2014 (a rise of 18.6 points).

HOW THE RISK IS MANAGED

TF1's ongoing exposure to fragmentation risk is mitigated by the rebalancing of the business mix towards DTT with the acquisition of exclusive control over TMC and NT1 and the launch of HD1. This gives TF1 the opportunity to tap into the new audience share for DTT while limiting the impact on its premium channel.

In response, the Group has consolidated the market leadership of the TF1 core channel by:

- building a coherent global offer through its freeview channels, thanks to high-powered programming;
- positioning itself as a major DTT player through its interests in TMC and NT1 and by launching HD1;
- optimising the acquisition of programmes for its premium channel and its DTT channels by adopting a transverse organisational structure, providing the best fit between each channel's needs and programme purchases on the one hand, and exploiting and circulating acquired rights (subject to the Group's undertakings) on the other;
- tightening its control over the value chain by using the in-house production subsidiary TF1 Production for part of its programme output;
- adapting its commercial policy to the new competitive landscape, especially in marketing slots in programmes with big audience-pulling potential;
- and establishing MYTF1 as one of the leading French media websites.

TF1 is also establishing a position in the connected TV market at reasonable cost, for example by signing partnership agreements with manufacturers and in social media (including Twitter and Facebook) and offering viewer interactivity on flagship programmes carried on the premium channel (*Danse avec les Stars*, *Secret Story*, *The Voice*, *Miss France*, *MasterChef*).

RISKS ASSOCIATED WITH CHANGES TO SPECTRUM ALLOCATION

DESCRIPTION OF THE RISK

Following completion of the switchover to 100% digital in November 2011, the frequency spectrum is still subject to changes that may generate various types of risk for TF1's operations.

At present, the rollout of the R7 and R8 multiplexes is being accompanied by frequency changes for all the other multiplexes in each of the thirteen rollout phases.

The arrival of first dividend 4G (the "800 band") risks generating interference for television viewers in some parts of France, since the spectrum auctioned to the mobile phone operators is adjacent to the DTT spectrum. The mobile phone operators are responsible for taking the necessary measures to prevent interference to TV reception, in particular by installing filters. These issues are monitored by ANFR (the French national frequencies agency). In the short term, the freeing-up of a second digital dividend has now been announced; this could profoundly alter the terrestrial broadcasting landscape. Such a step would inevitably involve the switch-off of one or more DTT multiplexes. Maintaining the range of channels currently available on DTT would require some technical changes, in particular the discontinuation of MPEG-2 coding on standard definition unscrambled channels in favour of the universal use of MPEG-4, which uses less bandwidth. This would end the duplication whereby TF1 has to broadcast both the standard definition and the High Definition versions.

Funding public information campaigns about these technical changes, and potential compensation for termination related to the discontinuation of multiplexes, expose TF1 to a risk for as long as the new framework has not been defined.

HOW THE RISK IS MANAGED

Uninterrupted reception for viewers is a priority for TF1, which is working closely with the CSA (the French broadcasting regulator) as these developments progress. More generally, TF1 is maintaining close contact with regulators and legislators to try to limit the impact of these changes.

GENERAL POLICY ON MANAGING INDUSTRIAL AND ENVIRONMENTAL RISKS

The "Réagir" Committee, created in 2003 (the successor to the Group's first risk committee, the Major Risks Management Committee, which was set up in 2001), continues to work on monitoring and preventing major risks associated with the TF1 group's key processes. It also updates and regularly tests business continuity plans that may be triggered when an exceptional event results in an interruption in signal transmission or denial of access to the TF1 building.

This plan relies on a secure external backup site (in place since 2007), which is operational for three processes: programme transmission, the production of news and weather bulletins (TF1 and LCI), and the preparation of advertising spots for the TF1 core channel. The company's vital functions are included in the security plan through an alert and activity resumption process. Besides real-time security, numerous key areas such as accounting, treasury, payroll, e-TF1 and IT are protected to varying degrees by security systems. Procedures are tested periodically so that the system can be adjusted if necessary. Broadcasting continuity is ensured 24/7, and an operations simulation is performed every quarter.

There were no broadcasting incidents in 2014 that required fall-back on an external backup site.

Operational since 2011, "Réagir 1 Vigilance" is a preventive plan activated on an as-needed basis, and in particular at any time of heightened risk (building works, equipment maintenance, demonstrations, live broadcasts, service launches, software upgrades, etc.). This plan not only ensures that staff remain vigilant, it also offers improved responsiveness to incidents before they escalate. In 2014, 97 "Réagir 1 Vigilance" e-mails were sent to the relevant departments.

As in the case of operational risks, the TF1 group has insurance policies (including Civil Liability and Property & Casualty) that could be called upon to cover some of the risks mentioned above.

2.4.3 LEGAL RISKS

As of this day, there are no administrative, judicial or arbitration proceedings, including proceedings of which the company is aware and pending or threatened proceedings, that are liable to have, or have had, a material effect on the financial position or profitability of the company/Group during the last twelve months.

RISKS RELATED TO BROADCASTING LICENCES AND CSA ENFORCEMENT POWERS

DESCRIPTION OF THE RISK

TF1 is an audiovisual communications service that requires a licence. Initially, TF1 was awarded a 10-year licence from April 4, 1987 (under the Law of September 30, 1986); that licence expired in 1997. It was renewed for a further 5-year period (*via* decision 96-614 of September 17, 1996) from April 16, 1997, with no requirement to submit to a competitive tendering process.

The TF1 channel's broadcasting licence was renewed automatically for the 2002-2007 period, pursuant to a decision by the CSA (the French broadcasting regulator) of November 20, 2001. Under Article 82 of the law of September 30, 1986 as amended, that licence was automatically extended to 2012, in return for a commitment to provide a DTT simulcast. A further CSA decision of June 10, 2003 amended TF1's licence and contract terms to build in the DTT simulcast stipulations.

The "Future Audiovisual and Television Broadcasting Modernisation Act" of March 5, 2007 introduced two automatic five-year extensions of TF1's licence. The first compensated for the early switch-off of the channel's analogue signal on November 30, 2011 and was subject to TF1 joining the consortium set up to implement the analogue switch-off. The second was in return for the channel's commitment to provide DTT coverage to 95% of the French population. Accordingly, TF1's licence is now set to expire in 2022.

The TF1 group is subject to a variety of commitments covering general obligations to broadcast and invest in production, either through its schedule of conditions or as a result of regulations applicable to its activity. A change to the regulations could raise the current constraints imposed on TF1, with a possible negative impact on the company's profitability.

If TF1 fails to meet its contractual obligations, the CSA can, after giving formal notice and depending on the severity of the offence, impose one of the penalties set forth in Article 42-1 of the Law of September 30, 1986. These include a financial penalty; a temporary ban (of no more than one month) on producing, broadcasting or distributing the service, or a category of programme, or part of a programme, or one or more advertising slots; and reducing the term of the licence to use frequencies by up to one year.

HOW THE RISK IS MANAGED

TF1's compliance with its obligations is strictly monitored, and the company has a dedicated Programme Compliance Department tasked with ensuring that the channel's programmes comply fully with regulatory requirements.

RISKS RELATED TO SOCIETAL PRESSURE ON ADVERTISING AND PROGRAMMES

DESCRIPTION OF THE RISK

Political attitudes to societal issues such as violence or public health might induce the legislator to attempt to tighten legislation relating to advertising or programmes. TF1 takes this situation into account in discussions with its key partners, so that such issues can be addressed over time in the interests of all stakeholders.

In addition, TF1 has a policy of acquiring the best programmes from its production partners in France and internationally, and broadcasts programmes intended for a mass audience.

HOW THE RISK IS MANAGED

TF1's Programming and "Viewing & Compliance" teams exercise the utmost vigilance in protecting young viewers in order to keep this risk to a minimum. As regards advertising, a team from TF1 Publicité views each advert once it has been cleared by the ARPP (the French advertising regulator), and TF1 Publicité ensures that adverts comply with the regulations and with editorial policy.

RISKS RELATED TO ADDITIONAL TAXES OR LEGISLATIVE CHANGES

DESCRIPTION OF THE RISK

The law on the independence of public broadcasting, enacted on November 15, 2013, confirmed that advertising would continue to be carried on France Télévisions public-service channels between 6 a.m. and 8 p.m., even though the legislator had in 2011 adopted the principle that all advertising would be discontinued on France Télévisions on January 1, 2016. In return, the tax paid by French television channels to fund the loss of the France Télévisions group's revenue was reduced to 0.5% of their advertising revenue.

This illustrates the economic risk to which television channels are exposed as a result of new taxes, such as the tax on advertising spending.

In addition, a draft bill on the creative industries may be tabled; that bill may amend the law of September 30, 1986 on the freedom of communication, though it is not possible at this stage to quantify either the positive or the negative effects of any such amendments. Finally, given the funding problems at France Télévisions, a resumption of advertising on public-service channels after 8 p.m. cannot be ruled out.

HOW THE RISK IS MANAGED

Generally speaking, TF1 maintains close contact with regulators and legislators to try to limit the impact of this risk.

RISKS RELATED TO THE RIGHTS OF INDIVIDUALS (PRIVACY AND DEFAMATION)

There is no currently active litigation that represents a material financial risk for TF1.

RISKS RELATED TO INTELLECTUAL PROPERTY RIGHTS (COPYRIGHT AND RELATED RIGHTS)

DESCRIPTION OF THE RISK

In recent years the TF1 group has been the victim of piracy on a massive scale of content to which it owns the rights. In 2008, the Group took legal action to put a stop to the piracy and to claim damages from a number of video-sharing sites such as Dailymotion and YouTube.

In 2012, the same Paris District Court delivered contradictory rulings in the YouTube and Dailymotion cases. On May 29, 2012, TF1 was nonsuited in the YouTube case, while on September 13, 2012 the court admitted TF1's claim but reduced the amount of damages awarded. TF1 appealed against those rulings.

Following the hearings before the Paris Appeal Court in October 2014, TF1 and YouTube reached an out-of-court settlement in which YouTube agreed to pay a fixed sum to cover certain costs and expenses and to make undertakings in terms of providing support for rights holders in the use of its "ContentID" content protection system in addition to partnership commitment between the groups. In return for those undertakings the TF1 group companies withdrew their action, and the matter is now closed.

On December 2, 2014, the Paris Appeal Court delivered its ruling in the case brought by the TF1 group against Dailymotion. The ruling substantially scaled up the amount of damages awarded to the TF1 group companies on the grounds that Dailymotion had failed to take down illegal content promptly once it had been informed of its existence. Dailymotion was ordered to pay a total of €1.378 million in damages, 4.5 times the initial award made by the District Court, but retains the right to appeal.

HOW THE RISK IS MANAGED

To prevent the risk of piracy of its programmes, the TF1 group has renewed its commitment to rolling out a wide-ranging strategy, involving:

- creating digital fingerprints for its programmes (using Content ID with YouTube and INA Signature with Dailymotion), which will – within the limits of the technology – prevent pirated content from being uploaded to those two platforms;
- a dedicated unit tasked with identifying pirated TF1 content on streaming sites, and ensuring that it is dereferenced;
- retaining an external service-provider to dereference pirated TF1 content on direct download sites.

SPECIFIC RISKS RELATED TO CERTAIN REALITY TV SHOWS

DESCRIPTION OF THE RISK

In the late 2000s, a series of claims were filed by participants in reality TV shows (such as *L'Île de la Tentation*) produced by TF1's audiovisual production subsidiary Glem, later renamed TF1 Production. The outcome of these claims, largely as a result of a ruling delivered by the French Supreme Court on June 3, 2009, was that contestants' "participation contracts" were reclassified as "employment contracts". Consequently, the claimants were awarded various sums of money (though much less than initially claimed), and were also denied the "performing artist" status that they had claimed.

HOW THE RISK IS MANAGED

Although the financial impact of these cases was not insignificant, it was nonetheless kept relatively under control.

In light of the cases still pending and given the very small number of new claims filed during the last three years, the amount of the provision in the financial statements is consistent with the latest case law in this field.

In any event, the sector has over the past few years reacted to the trends in case law by reviewing the conditions and contractual terms under which reality shows are made; this limits the legal risks, but has an impact on the cost of this type of programme.

RISKS RELATED TO COMPETITION LAW

DESCRIPTION OF THE RISK

Canal+, M6 and NextRadioTV have each filed a complaint with the French Competition Authority against the TF1 group alleging abuse of dominant position in the French television advertising market.

The Competition Authority has appointed a rapporteur to investigate the complaints. TF1 Publicité attended a hearing in January 2015.

HOW THE RISK IS MANAGED

More broadly, to protect against the risk of claims alleging breaches of competition law (such as collusion or abuse of dominant position), the General Counsel's Department of the TF1 group has a dedicated regulatory and competition unit, backed by legal specialists with competition law expertise within each entity. Staff receive training on these issues; if they are in any doubt as to the legality of a situation or proposed course of action, they must consult their line manager and the Legal Department in advance. The General Counsel's Department has already submitted an economic study to the French Competition Authority and the CSA, commissioned from the accountancy and consultancy firm RBB, that demonstrates the pro-competitive impact of TF1's position in the advertising market.

DISTRIBUTION OF THE LCI CHANNEL

DESCRIPTION OF THE RISK

The distribution contracts for the LCI channel expire on December 31, 2014. In addition, the channel's pay-TV model is no longer economically viable due to a decline in distribution fees and a slump in advertising revenues. The TF1 group responded by applying to the CSA to switch LCI to freeview, citing the new Article 42-3 of the "Freedom of Communication" Act. That application was rejected on July 29, 2014.

HOW THE RISK IS MANAGED

A fast-track application to have the CSA decision overturned was filed with the Conseil d'État, along with a substantive appeal. On October 23, 2014, the Conseil d'État rejected the fast-track application on the grounds that there was no urgency, but stated that a final ruling on the substantive appeal would be delivered "in the near future, during the first few months of 2015".

In parallel, negotiations have been conducted with the distributors in a bid to extend the LCI pay-TV distribution contracts for a further year, until December 31, 2015. A new application to switch to freeview could be filed with the CSA once the Conseil d'État has delivered its ruling. If approval for the change in LCI's business model were not to be obtained, there would be question marks over whether LCI would survive after January 1, 2016.

PROCESS OF ACQUIRING 100% OF NT1 AND THE 40% OF TMC HELD BY GROUPE AB

DESCRIPTION OF THE RISK

On June 11, 2009, the TF1 group and Groupe AB signed an agreement whereby TF1 was to acquire 100% of NT1 and the 40% of TMC owned by Groupe AB.

That acquisition received clearance from the French Competition Authority on January 26, 2010, subject to the TF1 group complying with undertakings as to its future conduct.

Under the terms of the deal, TF1 made a number of substantive undertakings to the Authority.

Those undertakings were made as of the date of the decision to approve the deal, and are valid for five years.

The undertakings on rights and audiences are aimed at facilitating the free movement of rights to the benefit of competing channels, and at restricting the right to rebroadcast programmes to no more than two freeview channels.

TF1 also undertook not to engage in any cross-promotion on the TF1 channel of programmes aired on the acquired channels.

In terms of the advertising market, the undertakings are intended to maintain the independence of advertising slots on TF1 from those on TMC and NT1. In particular, TF1 undertook not to engage in any form of coupling, subordination, rebates or trade-offs between its own advertising slots and those on TMC and NT1. TF1 also undertook that TMC's and NT1's slots would be marketed separately by a company other than that responsible for selling airtime on the TF1 channel.

An independent commissioner, approved by the French Competition Authority, is tasked with ensuring that TF1 complies fully with all of its undertakings.

The undertakings are available for consultation (in French only) on the Competition Authority website *via* the following link: http://www.autoritedelaconcurrence.fr/pdf/engag/10DCC11engagementsversionpublication.pdf.

Failure to comply with the undertakings could expose TF1 to penalties under Article L. 430-8 of the French Commercial Code.

The CSA also approved the deal, agreeing to amend the licences for the TMC and NT1 channels in return for various undertakings from TF1 regarding plurality and diversity of programming in the interest of viewers:

- replicating in the agreements for the two channels some of the undertakings given to the French Competition Authority, for the same period (no cross-promotion, repeat screenings of programmes already aired on TF1 limited to one of the two other channels; ban on bidding for the same sports rights for more than two free-to-air channels);
- providing undertakings with regard to broadcasting regulation for the duration of the agreements (with a rendezvous clause), including:
  - extending TF1's production obligations (through a Group-wide agreement) to include a guarantee of original programming on TMC and NT1,
  - revising NT1's prime time slot from noon to midnight in 2010 to 6pm to 11pm from 2011,
  - obliging TMC and NT1 to broadcast 365 and 456 hours respectively of original programmes every year,
  - enhancing NT1's content with innovative programmes, cultural broadcasts and live shows,
  - allowing for the early release of rights to audiovisual works on final broadcast.

The undertakings given by the TF1 group to the two authorities do not undermine either the financial or industrial logic of the deal.

HOW THE RISK IS MANAGED

Independent commissioners have regularly monitored TF1's compliance with its undertakings to the French Competition Authority. The implementations reports for years 2010, 2011, 2012 and 2013 concluded that TF1 fulfilled its commitments. One last report for 2014 and the 26 first days of 2015 is to be tabled in the following months.

GENERAL POLICY ON MANAGING LEGAL RISKS

In terms of legal risks, the TF1 group has a public liability insurance policy that covers the consequences of TF1 and its current and future subsidiaries being held liable for loss incurred by third parties; the amount of cover is commensurate with the risks incurred.

That insurance policy is arranged by the TF1 group Legal Affairs Department with leading insurance companies.

The deductibles under the policy were determined in light of the nature of the risks incurred and the potential reductions in premium, so as to optimise the overall cost of covering the risks to which the TF1 group is exposed.

2.4.4 CORPORATE SOCIAL RESPONSIBILITY RISKS (LABOUR, SOCIAL AND ENVIRONMENTAL)

Labour risks are discussed in chapter 7, page 254 of this registration document and annual financial report.

Societal risks are discussed in chapter 7, page 278 of this registration document and annual financial report.

Environmental risks are discussed in section 2.4.2 above and in chapter 7, page 269 of this registration document and annual financial report.

2.4.5 CREDIT AND/OR COUNTERPARTY RISKS

Credit and/or counterparty risks are discussed in chapter 4, note 29, page 158 of this registration document and annual financial report.

2.4.6 FINANCIAL RISKS

Financial risks (*i.e.* liquidity risk and market risk) are discussed in chapter 4, note 29, page 158 of this registration document and annual financial report.

3

Management report of the Board of Directors

3.1	**2014 ACTIVITY AND RESULTS**	**95**
3.1.1	The Group	95
3.1.2	Outlook	104
3.1.4	The role of TF1 *vis-à-vis* its subsidiaries and relations with the parent company	106
3.1.5	The TF1 parent company	106
3.1.6	Principal acquisitions and divestments	107
3.2	**AVAILABLE INFORMATION IN OTHER PART OF THE REGISTRATION DOCUMENT**	**108**
3.2.1	Risks factors and report on remuneration	108
3.2.2	Human resources and environment update	108
3.2.3	Information concerning the TF1 company and its capital	108
3.3	**STATEMENT OF COMPANY OPERATIONS OVER THE LAST FIVE BUSINESS YEARS**	**109**

Ladies and Gentlemen, Dear Shareholders,

We are assembled here today at the Ordinary General Meeting, as required by French law and by our Articles of Incorporation, to report to you on our management during the past business year, submit the accounts for the 2014 business year for your approval, and review the situation and growth prospects of the company and the Group.

This report also includes information on the social and environmental management of your company.

As in previous years, the accounts for 2014 are presented for both the TF1 group (consolidated accounts) and for the parent company, Télévision Française 1.

The consolidated accounts have been prepared in accordance with IFRS standards, as adopted by the European Union (EU), while the accounts for TF1 SA have been prepared according to accounting rules and principles applicable in France (French GAAP). The change made to the format of the financial statement is indicated on pages 121 and 182 of the present registration document and annual financial report.

These financial statements were approved by the Board of Directors of TF1 SA on February 18, 2015.

Post balance sheet events are disclosed in this chapter.

3.1 2014 ACTIVITY AND RESULTS

The results presented below comply with international financial reporting standards (IFRS). As a result of applying IFRS 5 and IFRS 11, the 2013 financial statements have been restated as described below. Consequently, detailed contributions from the entities mentioned below are no longer included in the figures presented, and:

- **the net profit of Eurosport International is reported in "Net profit/loss from discontinued or held-for-sale operations" for the period until May 30, 2014, and the TF1 group's 49% share of that entity's net profit is reported in "Share of profits/losses from joint ventures and associates" from June 1, 2014;**
- **the TF1 group's 50% share of the net profits/losses of TF6 and Serieclub is reported in "Share of profits/losses from joint ventures and associates".**

For details of how IFRS 5 and IFRS 11 are applied, see the notes to the consolidated financial statements.

3.1.1 THE GROUP

CONSOLIDATED INDICATORS

(€m)	2014	2013
CONSOLIDATED REVENUE	**2,091.8**	**2,075.3**
Group advertising revenue	1,575.5	1,594.3
Revenue from other activities	516.3*	481.0
CURRENT OPERATING PROFIT	**116.5**	**146.7**
OPERATING PROFIT	**116.5**	**146.7**
NET PROFIT ATTRIBUTABLE TO THE GROUP	**412.7**	**137.0**

* *Includes €30 million of revenue from the resale of 2014 FIFA World Cup rights to beIN Sports.*

REVENUE

Consolidated revenue for the year ended December 31, 2014 was €2,091.8 million, a year-on-year rise of €16.5 million (+0.8%).

Group advertising revenue was 1.2% lower at €1,575.5 million.

It comprised:

- €1,476.7 million of advertising revenue for the Group's four free-to-air channels. Revenue was down 0.8% year-on-year as the supply of advertising airtime increased, particularly due to the growing power of DTT channels. After holding steady over the first nine months of the year (+0.3% in the first quarter, -2.2% in the second quarter, +2.6% in the third quarter), advertising revenue for the Group's four free-to-air channels slipped by 2.5% in the fourth quarter. Prices remained under pressure due to the growing volume of airtime available in the market, and with the economy failing to pick up in the latter part of the year advertisers were keeping a very close eye on their budgets;
- €83.6 million of revenue generated by advertising on other Broadcasting & Content media, down 0.6% year-on-year. Third-party airtime sales and digital advertising performed well, but failed to offset the drop in advertising revenue at *Metronews*;
- €15.2 million of advertising revenue from Pay-TV media, 31.5% lower than in 2013. This decline came against a backdrop of intense competition, with the six new DTT channels considerably increasing the advertising slots available.

Non-advertising revenue for the year ended December 31, 2014 was €516.3 million, a year-on-year rise of €35.3 million (7.3%).

This figure includes €30 million of revenue from the resale of 2014 FIFA World Cup rights to beIN SPORTS. Growth was also driven by the commercial success of the Content, TF1 Entreprises and Home Shopping businesses.

COST OF PROGRAMMES AND OTHER OPERATING INCOME AND EXPENSES

The cost of programmes for the TF1 group's four free-to-air channels was €994.0 million in 2014, versus €946.7 million a year earlier, an increase of €47.3 million. This figure includes the €73.7 million cost of screening 28 matches from the 2014 FIFA World Cup on the TF1 channel during the second and third quarters of 2014.

This means that excluding major sporting events, the cost of programmes for 2014 showed a significant year-on-year saving of €26.4 million, mainly attributable to:

- savings of €15.4 million on programmes replaced by World Cup matches in the June and July 2014 schedules;
- €10 million of recurring savings under phase II of the optimisation plan.

The cost of programmes for the fourth quarter of 2014 was €272.5 million, up €17.0 million year-on-year. This rise was due partly to tough comparatives (substantial non-recurring savings were achieved in the fourth quarter of 2013), and partly to a catch-up on programmes postponed from the first quarter of 2014.

Other expenses and depreciation, amortisation and provisions were reduced by €0.6 million over 2014 as a whole. Savings on personnel costs, and a gain arising from reclaimed SMS levies, offset costs associated with the 2014 FIFA World Cup rights held for resale.

Other expenses for the fourth quarter of 2014 were €5.6 million lower year-on-year. The provision booked for losses on the sale of 2015 Rugby World Cup rights was more than offset by the gain on the sale of OneCast.

In line with the commitments made under phase II of the optimisation plan launched in 2012, TF1 generated €29 million of recurring savings in 2014, comprising €10 million on the cost of programmes for the TF1 channel (of which €3 million came in the fourth quarter) and €19 million in productivity gains (of which €7 million came in the fourth quarter).

Overall, €85 million of recurring savings have now been generated since mid-2012. This means that the objectives of phase II of the optimisation plan have been met on schedule.

CURRENT OPERATING PROFIT

The Group made a current operating profit of €116.5 million over 2014 as a whole (including programming costs of €73.7 million associated with the 2014 FIFA World Cup); this compares with €146.7 million for 2013.

Operating margin was 5.6%, compared with 7.1% in 2013.

Fourth-quarter current operating profit was €84.7 million, against €94.1 million a year earlier.

NET PROFIT

Cost of net debt was positive €1.1 million over 2014 as whole, as the Group ran a net cash surplus during the period.

Other financial income and expenses showed a net gain of €0.3 million for the year, mainly on remeasurements of currency hedges.

Income tax expense for 2014 was €29.8 million, versus €45.2 million for the previous year.

The share of profits and losses of joint ventures and associates rose by €14.5 million to €15.0 million. This includes the share of profits from Eurosport International for the months from June to December 2014, following the sale of a controlling stake in the company to Discovery Communications on May 30, 2014. Following the first-time application of IFRS 11, this line also includes the share of profits and losses of TF6 and Serieclub, previously accounted for using the proportionate consolidation method. As with the Group's fully-owned pay-TV channels, results at TF6 and Serieclub have been hit by competition from DTT channels in the advertising market.

The Group made a net profit from continuing operations of €103.1 million, down €0.1 million.

Net profit from discontinued or held-for-sale operations amounted to €315.9 million. This figure consists of the net profit of Eurosport International for the period from January to May 2014, plus the €299.5 million gain on the sale of a controlling stake in Eurosport International to Discovery Communications on May 30, 2014.

Overall, the 2014 full-year net profit was €419.0 million.

Net profit attributable to non-controlling interests was €6.3 million for 2014 as a whole, down €8.4 million year-on-year. This reduction reflects the fact that the share of the profits of Eurosport International has been recognised in "Share of profits/losses of joint ventures and associates" since May 30, 2014. Consequently, this line item includes the 20% interest held by Discovery Communications in the TF1 group's pay-TV theme channels. It also includes Discovery Communications' share of the net profit of Eurosport International for the period from January to May 2014.

Net profit attributable to the Group for 2014 as a whole was €412.7 million, versus €137.0 million for 2013.

FINANCIAL POSITION

Shareholders' equity attributable to the Group was €2,003.4 million as of December 31, 2014, out of a balance sheet total of €3,724.0 million.

Net cash of continuing operations at year-end was €497.0 million, compared with €188.9 million a year earlier.

During 2014, the Group recorded cash inflows for:

- the balance of the proceeds from the capital reduction carried out by Groupe AB in 2013;
- the sale of 31% of Eurosport International to Discovery Communications on May 30, 2014;
- the sale of OneCast on October 30, 2014.

As of December 31, 2014, the TF1 group had confirmed bilateral credit facilities of €905 million with various banks.

None of the facilities was drawn down at the end of the reporting period. These facilities are renewed regularly as they expire so that the Group always has sufficient liquidity.

SHAREHOLDER RETURNS

In order to reward investors, the Board of Directors will ask the Annual General Meeting, scheduled for April 16, 2015, to approve:

- firstly, the payment of a dividend of €1.50 per share, consisting of:
  - an ordinary part of €0.28 per share;
  - an exceptional part of €1.22 per share, following the TF1 group's sale of a controlling interest in its Eurosport International subsidiary.

  The ex-date is April 24, 2015, the date of record is April 27, 2015, and the payment date is April 28, 2015.
- secondly, the implementation of a share buyback programme of €60 million, on the basis of the 16th resolution to be submitted to the Annual General Meeting on April 16, presented on page 317 of the present registration document and annual financial report.

Once these transactions have been completed, the Group will still have substantial net cash and hence will be able to finance the investments needed for further development.

INCOME STATEMENT CONTRIBUTIONS BY SEGMENT

The following contributions are presented in accordance with IFRS 5 and IFRS 11.

	Revenue		Current operating profit/(loss)	
(€m)	2014	2013	2014	2013
Broadcasting and Content	**1,748.8**	**1,729.0**	**51.7**	**101.6**
Broadcasting	1,638.8	1,656.0	36.0	92.8
Content	110.0	73.0	15.7	8.8
Consumer Products	**209.6**	**205.1**	**14.8**	**25.3***
TF1 Vidéo	56.4	58.0	1.0	0.8
Home Shopping	87.8	85.5	3.2	14.2*
TF1 Entreprises	65.4	61.6	10.6	10.3
Pay-TV	**125.2**	**132.0**	**1.5**	**3.1**
Eurosport France	65.7	67.1	4.1	5.2
Theme channels France	59.5	64.9	(2.6)	(2.1)
Holding company & other	**8.2**	**9.2**	**48.5****	**16.7**
TOTAL	**2,091.8**	**2,075.3**	**116.5**	**146.7**

* *Includes the gain on the sale of Place des Tendances.*
** *Includes the gain on the sale of OneCast.*

QUARTERLY REVENUE AND CURRENT OPERATING PROFIT

The following contributions are presented in accordance with IFRS 5 and IFRS 11.

(€m)	Q1 2014	Q1 2013	Q2 2014	Q2 2013	Q3 2014	Q3 2013	Q4 2014	Q4 2013
Broadcasting and Content	**385.3**	**387.3**	**480.8**	**459.0**	**355.1**	**347.5**	**527.6**	**535.2**
Broadcasting	370.9	374.7	431.5	440.0	339.7	331.9	496.7	509.4
Content	14.4	12.6	49.3	19.0	15.4	15.6	30.9	25.8
Consumer Products	**51.1**	**54.2**	**40.5**	**46.4**	**49.1**	**47.7**	**68.9**	**56.8**
TF1 Vidéo	12.4	16.5	8.1	13.4	14.4	13.3	21.5	14.8
Home Shopping	27.4	28.1	20.3	20.3	19.1	18.5	21.0	18.6
TF1 Entreprises	11.3	9.6	12.1	12.7	15.6	15.9	26.4	23.4
Pay-TV	**30.9**	**33.5**	**32.2**	**34.8**	**30.4**	**31.0**	**31.7**	**32.7**
Eurosport France	16.1	17.1	17.2	18.2	16.1	15.7	16.3	16.1
Theme channels France	14.8	16.4	15.0	16.6	14.3	15.3	15.4	16.6
Holding company & other	**2.4**	**2.2**	**2.5**	**2.3**	**2.4**	**2.3**	**0.9**	**2.4**
CONSOLIDATED REVENUE	**469.7**	**477.2**	**556.0**	**542.5**	**437.0**	**428.5**	**629.1**	**627.1**
Broadcasting and Content	**3.6**	**(25.9)**	**7.9**	**54.5**	**(1.8)**	**2.7**	**42.0**	**70.3**
Broadcasting	(0.4)	(26.6)	1.0	52.5	(5.2)	(1.6)	40.6	68.5
Content	4.0	0.7	6.9	2.0	3.4	4.3	1.4	1.8
Consumer Products	**5.3**	**2.9**	**1.7**	**1.9**	**3.4**	**1.9**	**4.4**	**18.6***
TF1 Vidéo	0.4	1.4	0.4	1.3	(0.4)	(0.8)	0.6	(1.1)
Home Shopping	2.4	0.9	1.2	(0.5)	0.4	(1.1)	(0.8)	14.9*
TF1 Entreprises	2.5	0.6	0.1	1.1	3.4	3.8	4.6	4.8
Pay-TV	**(2.3)**	**(2.0)**	**(0.8)**	**2.9**	**1.5**	**1.2**	**3.1**	**1.0**
Eurosport France	(1.5)	(1.7)	0.0	3.9	2.6	0.8	3.0	2.2
Theme channels France	(0.8)	(0.3)	(0.8)	(1.0)	(1.1)	0.4	0.1	(1.2)
Holding company & other	**4.3**	**4.3**	**4.5**	**4.0**	**4.5**	**4.2**	**35.2****	**4.2**
CURRENT OPERATING PROFIT	**10.9**	**(20.7)**	**13.3**	**63.3**	**7.6**	**10.0**	**84.7**	**94.1**

* *Includes the gain on the sale of Place des Tendances.*
** *Includes the gain on the sale of OneCast.*

BROADCASTING AND CONTENT

Revenue *(€m)*	2014	2013	Chg. %
Broadcasting	**1,638.8**	**1,656.0**	**-1.0%**
Advertising – TV	1,476.7	1,488.0	-0.8%
Advertising – other media	83.6	84.1	-0.6%
Other revenue	78.5	83.9	-6.4%
Content	**110.0**	**73.0**	**+50.7%**
BROADCASTING & CONTENT	**1,748.8**	**1,729.0**	**+1.1%**

Current operating profit *(€m)*	2014	2013	Chg. (€m)
Broadcasting	**36.0**	**92.8**	**(56.8)**
Content	**15.7**	**8.8**	**+6.9**
BROADCASTING & CONTENT	**51.7**	**101.6**	**(49.9)**

Broadcasting & Content segment revenue for 2014 was €1,748.8 million, a year-on-year rise of 1.1%.

Current operating profit fell by €49.9 million. This figure includes the €73.7 million cost of screening 28 matches from the 2014 FIFA World Cup during the second and third quarters of 2014.

The description and trends of the markets on which the TF1 group operates are detailed in chapter 1.2, page 7 of the present registration document and annual financial report.

BROADCASTING

Over 2014 as a whole, Broadcasting revenue slipped by 1.0% to €1,638.8 million, comprising €1,560.3 million of advertising revenue (-0.8% year-on-year) and €78.5 million of non-advertising revenue (-6.4%).

Full-year current operating profit fell by €56.8 million to €36.0 million. This figure includes the €73.7 million cost of screening 28 matches from the 2014 FIFA World Cup on TF1 during the second and third quarters of 2014.

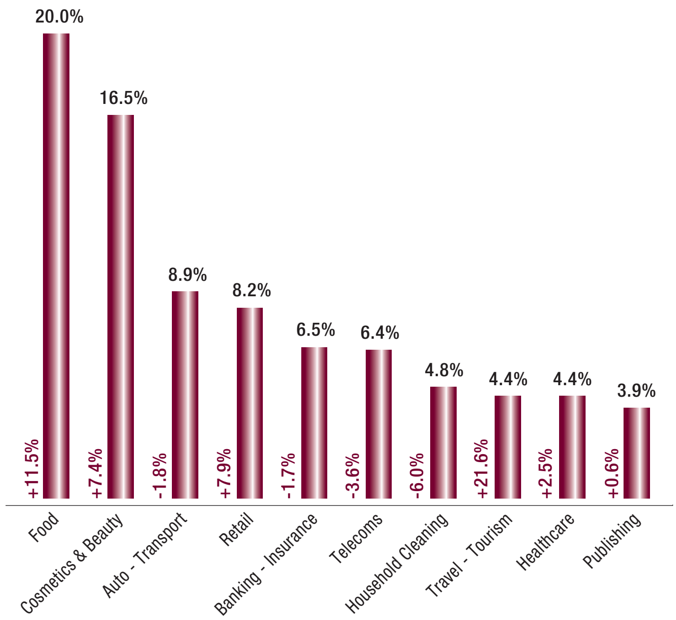
ADVERTISING REVENUE

The figures for plurimedia advertising spend in 2014 are detailed in chapter 1.2.2 page 15 of the present registration document and annual financial report.

The TF1 group's free-to-air channels reported a 4.5% year-on-year increase in gross revenue.

Trends in gross advertising spend for those four channels during 2014 are shown below.

SPLIT OF GROSS ADVERTISING SPEND BY SECTOR FOR TF1 GROUP'S 4 FREE-TO-AIR CHANNELS, AND 2014 VS. 2013 GROWTH



Source: Kantar Media, January-December 2014 vs. January-December 2013.

Over 2014 as a whole, advertising revenue for the TF1 group's four free-to-air channels fell by a modest 0.8%. Advertising revenue for the segment's other media slipped by 0.6%, as a fine performance from third-party advertising airtime sales failed to fully offset lower advertising spend at *Metronews*.

Free-to-air broadcasting(1)

Audiences

In a more competitive marketplace, the TF1 group is striving to provide its four channels with the most complementary and appropriate range of programmes possible.

With all of the 25 freeview DTT channels still providing highly competitive schedules, the TF1 group's four free-to-air channels nonetheless turned in a very good performance, thanks in particular to the screening of the 2014 FIFA World Cup on the TF1 channel.

During 2014, they had a combined audience share of 28.7% among individuals aged 4 and over, down 0.2 of a point year-on-year. Among "women aged under 50 purchasing decision-makers", the combined audience share was 32.7%, versus 32.6% in 2013.

(1) Source: Médiamétrie-Médiamat.

TF1

TF1 is still the undisputed leader among French television channels. The channel's audience share rose to 22.9% among individuals aged 4 and over, compared with an average of 22.8% in 2013. This performance was due partly to the screening of the 2014 FIFA World Cup on the TF1 channel during June and July. It is worth noting too that competition was more than usually intense at the start of 2014, largely due to prestige events (like the Winter Olympics) being broadcast on public-service channels during the first quarter. The audience share among "women aged under 50 purchasing decision-makers" was 25.0%, versus 25.2% in 2013.

Over 2014 as a whole, the average gap between TF1 and its nearest private-sector rival among individuals aged 4 and over was 12.8 points, versus 12.2 points in 2013.

Constant innovation is helping TF1 to confirm its unique position and its status as the must-see channel. The channel attracted 95 of the top 100 audiences in France during 2014.

The average prime time audience for the channel in 2014 was 6.0 million, more than double the 2.9 million average achieved by its closest private-sector challenger.

The channel also retained its no. 1 spot across all genres:

- **Entertainment:** *Les Enfoirés* was watched by 13.0 million viewers on March 14, and attracted a record 62% share among "women aged under 50 purchasing decision-makers". The third season of *The Voice* attracted up to 10.1 million viewers, the highest for an entertainment programme since May 2007. The *Miss France* competition achieved its biggest audience since 2006, with 8.6 million viewers;
- **American series:** *Mentalist* attracted up to 10.5 million viewers;
- **French drama:** the renaissance of this genre continues. *Ce soir, je vais tuer l'assassin de mon fils* attracted 8.3 million viewers, more than any other one-off drama since January 2011;
- **Movies:** TF1 scored the highest audience for a film since November 2010 with *Intouchables* and *Bienvenue chez les Ch'tis*, watched by up to 13.9 million and 11.5 million viewers respectively;
- **News programmes** on TF1 continued to be very successful. The TF1 channel's regular news bulletins are still the most watched in Europe. The evening bulletin drew up to 10.8 million viewers (the highest figure since September 2011). Meanwhile, the lunchtime bulletin attracted an average of 5.8 million viewers (3 million more than the France 2 equivalent), and a 42% audience share of individuals aged 4 and over. The evening election specials in March and May were particularly popular, with viewing figures averaging 4.7 million for the two rounds of local elections and 6.2 million for the European elections. The special D-Day commemoration programme on June 6 was watched by 2.5 million viewers in an afternoon slot, an audience share of 27% among individuals aged 4 and over.

2014 FIFA World Cup

In June and July 2014, TF1 broadcast the 2014 FIFA World Cup from Brazil. This was a major event for the TF1 group, which achieved excellent performances across all its media and throughout the competition.

The 28 matches shown on the TF1 channel were watched by an average of 9 million viewers, giving audience share of 46% among individuals aged 4 and over. These are the second-best figures for any World Cup after the 2006 tournament (in which France reached the final). The biggest audience was for the France-Germany quarter-final, watched by 16.9 million people in access prime time, representing an audience share of 72% among individuals aged 4 and over. The final between Argentina and eventual winners Germany attracted 13.6 million viewers.

This global event also proved a great success in terms of the Group's innovative digital spin-offs. These included an unprecedented second screen, offering web users live multi-cam coverage *via* six different cameras plus streaming statistics and replays of highlights just a few minutes after they happened *via* the "Wall of Goals". Over the whole tournament, as many as 32 million videos were watched across the Group's media: 15 million live, and 17 million catch-up and bonus videos. The final alone generated over 900,000 live views (the best rating for a match not involving France, apart from the opening match). Overall, the 360 strategy deployed around the World Cup was a resounding success.

In financial terms, the impact of the 2014 FIFA World Cup on the cost of programmes for the TF1 group, comprising rights and production costs, was €73.7 million (€69.0 million for rights, and €4.7 million for production costs) spread across the 28 matches broadcast. This gives an average cost per match of €2.6 million (versus €2.9 million in 2010).

TMC

At a time of heavy investment in programmes, especially by rival DTT channels, TMC posted an audience share of 3.1% among individuals aged 4 and over, versus 3.4% a year earlier. Among "women aged under 50 purchasing decision-makers", the channel's audience share proved more resilient, stabilising at 3.7%.

The channel is also a big hitter in prime time, averaging more than 700,000 viewers over 2014 as a whole.

Movies continue to score very high ratings, peaking in 2014 with 2.0 million viewers for *Transporter 2*.

Series continue to post good ratings, especially previously unscreened episodes of *Hercule Poirot* (1.5 million viewers) and *CSI:NY* (French title: *Les Experts Manhattan*, 1.2 million viewers). TMC also has excellent ratings for magazines, drawing record audiences for *90' enquêtes* (up to 1.3 million viewers).

NT1

During 2014, NT1 had an average audience share of 1.8% among individuals aged 4 and over (down 0.3 of a point), rising to 2.7% among "women aged under 50 purchasing decision-makers" (down 0.2 of a point).

The channel is a particularly big hitter in movies, with as many as 1.6 million viewers watching *X-Men Origins: Wolverine*, the best audience figures posted by NT1 in 2014.

NT1 also scored very well in entertainment, especially *Le Bachelor* which attracted 1.1 million viewers for the series finale. Finally, American series rated highly, especially *Client List* (up to 12% audience share among "women aged under 50 purchasing decision-makers"), *How I Met Your Mother* and *Walking Dead*.

HD1

Launched in December 2012 as one of the six new HD DTT channels, HD1 is dedicated to all forms of narrative. During 2014, HD1 had an audience share of 0.9% among individuals aged 4 and over, rising to 1.3% among "women aged under 50 purchasing decision-makers".

HD1 attracted an average prime time audience of 225,000 thanks to movies like *Lethal Weapon III* (French title: *L'arme fatale III*, 699,000 viewers), French drama (*Section de recherches*, 713,000 viewers), and American series such as *House* (French title: *Dr House*, 333,000 viewers).

HD1 is clearly building on its successful launch, and is set for further progress as its geographical rollout continues. By the end of December 2014, the channel had achieved a take-up rate of 74.7%.

e-TF1

The TF1 group continued its digital innovation strategy, forging ever closer links between its channels and digital platforms, especially on flagship TF1 programmes in areas such as news and entertainment.

Online video once again performed very well on MYTF1.fr, thanks largely to good audiences for the 2014 FIFA World Cup. Médiamétrie has been producing a daily measure of IPTV audiences since September 29, 2014, providing more complete data about how viewers use the range of available media.

In November 2014, the TF1 group ranked 4th for time spent watching video, alongside the major multinationals[1].

Revenue slipped by 3.9% over 2014 as a whole to €98.9 million. Very strong performances during the FIFA World Cup failed to fully offset the dip in interactivity revenue at the start of the year, which reflected less favourable programming in 2014 than in 2013. Current operating profit was €21.2 million, up €0.1 million year-on-year. As a result, current operating margin improved to 21.4%, versus 20.5% in 2013.

Other media

Publications Metro France[2]

The digital transformation of *Metronews* is ongoing, with the newspaper's app now the second most widely used news app in France. Every month, 11 million users access the brand *via* the various media on which it is available.

Increasing traffic on the *Metronews* website is driving a sharp rise in internet-based revenue. However, this failed to offset the drop in revenue for the print edition, largely as a result of fierce price competition in the freesheet advertising market, though ongoing cost control helped limit the impact of revenue erosion at current operating level.

TF1 Publicité (third-party advertising sales)

Third-party airtime sales (for radio stations and non-Group TV channels) enjoyed revenue growth during 2014.

CONTENT

Revenue from the Content business reached €110.0 million in 2014, a rise of €37.0 million year-on-year. This figure includes €30 million of revenue from the resale of 2014 FIFA World Cup rights to beIN SPORTS. Current operating profit was €15.7 million, versus €8.8 million for the previous year.

TF1 DROITS AUDIOVISUELS

TF1 Droits Audiovisuels reported increased revenue over 2014 as a whole, driven largely by healthy back catalogue revenues and the general release of 10 films including triple Oscar winner *Dallas Buyers Club* and *Qu'est-ce qu'on a fait au bon Dieu?* (which attracted 12.2 million cinema-goers during its 25-week run). This fed through into a very marked improvement in current operating profit over the period.

TF1 PRODUCTION

TF1 Production made a lower contribution to Content business revenue this year due to a marked increase in intra-group activity: 571 hours of programming were delivered, 175 more than in 2013, with 108 hours of the increase attributable to the TF1 channel. A large part of that increase was due to productions delivered to TF1 in connection with the 2014 FIFA World Cup.

TF1 Production's contribution to Group operating profit improved, reflecting a favourable product mix in entertainment, a volume effect in some sports programmes, and a reduction in overheads following important structural reforms.

TF1 FILMS PRODUCTION

During 2014, 18 films co-produced by TF1 Films Production went on general release (versus 19 in 2013), attracting a combined total of 37.7 million box office entries (versus 18.4 million in 2013). Nine of those films attracted more than a million cinema-goers:

(1) Source: Médiamétrie NetRatings – November 2014.

(2) Sources: One Global survey, October 2014; Médiamétrie MNR PIM survey, June 2014.

Movie	General release date	No. of admissions 2014
La Belle et la bête	12/02/2014	1,826,779
Supercondriaque	26/02/2014	5,268,599
Non-Stop	26/02/2014	1,233,868
Qu'est-ce qu'on a fait au bon Dieu?	16/04/2014	12,236,166
Barbecue	30/04/2014	1,590,983
Lucy	06/08/2014	5,201,019
Samba	15/10/2014	3,108,923
Tu veux ou tu veux pas	01/10/2014	1,059,794
Paddington	03/12/2014	2,091,263

Source: CBO Box Office.

As a result of these successes, there was a marked improvement in both co-production revenue and TF1 Films Production's contribution to operating profit.

CONSUMER PRODUCTS

Revenue *(€m)*	2014	2013	Chg. %
TF1 Vidéo	56.4	58.0	-2.8%
Home shopping	87.8	85.5	+2.7%
TF1 Entreprises	65.4	61.6	+6.2%
CONSUMER PRODUCTS	**209.6**	**205.1**	**+2.2%**

Current operating profit *(€m)*	2014	2013	Chg. (€m)
TF1 Vidéo	1.0	0.8	+0.2
Home shopping	3.2	14.2	(11.0)
TF1 Entreprises	10.6	10.3	+0.3
CONSUMER PRODUCTS	**14.8**	**25.3**	**(10.5)**

Revenue for the Consumer Products segment grew by 2.2% over 2014 as a whole. TF1 Entreprises performed well, as did the Home Shopping business (despite a change in structure following the sale of Place des Tendances in the fourth quarter of 2013); this more than offset a 2.8% full-year drop in revenue at TF1 Vidéo. However, this revenue erosion – linked to the difficulties in the physical video market – was mitigated by the release of a number of successful titles during the year and by growth in video on demand.

Excluding the effect of the change in structure caused by the sale of Place des Tendances, the Consumer Products segment recorded growth in operating profit, to €14.8 million.

TF1 VIDEO

TF1 Vidéo managed to peg the full-year drop in revenue to 2.8%, at €56.4 million. Operating profit meanwhile rose by €0.2 million to €1.0 million. This is a remarkable performance given the 14.0% contraction in the physical video market.

TF1 Vidéo was boosted by the success of the movie *Qu'est-ce qu'on a fait au bon Dieu?*.

MYTF1VOD revenue advanced by 36% in 2014, against growth of just 8% for the market as a whole[(1)].

HOME SHOPPING

The Home Shopping business generated revenue of €87.8 million in 2014, up 2.7% year-on-year.

Bear in mind however that the 2013 full-year figure includes revenue from the Place des Tendances business, which was sold in the fourth quarter of 2013. Excluding the effect of this change in structure, Home Shopping enjoyed robust revenue growth, thanks to a rise in the number of orders following the 2013 refreshment of the product mix and strong trading in sales outlets.

Current operating profit for 2014 was €3.2 million, down €11.0 million year-on-year. After stripping out the gain on the Place des Tendances disposal, profitability showed a very marked improvement as cost control remained tight across the whole of the business, despite the costs incurred on opening new sales outlets.

TF1 ENTREPRISES

The French recorded music market[(2)] was worth €570.6 million in 2014, down 5.3% year-on-year.

The physical market accounted for 71% of sales and shrank 11.5% year-on-year, while the digital market took a 29% share and grew by 6.0%. The fast-growing streaming market is now the leading source of revenue in the digital market and has overtaken downloading, which declined in 2014.

Performing rights payments increased by 1.8% in 2014 to €112.0 million.

The description and trends of the board games and licence markets on which TF1 Entreprises operates are detailed in chapter 1.2 page 20 of the present registration document and annual financial report.

(1) NPA/GFK Panel.

(2) SNEP (Syndicat National de l'édition Phonographique), 2014 Recorded Music Survey.

Revenue at TF1 Entreprises hit an all-time high in 2014 at €65.4 million, up 6.2% on the previous year.

Each of the TF1 Entreprises businesses made a positive contribution:

- Licences, thanks largely to contracts tied into successful programmes like *The Voice*;
- Publishing, with further success for the *Tintin* and *Barbapapa* collections, and expansion in international activities;
- Music, thanks to in-house productions and co-productions (Les Prêtres, Vincent Niclo), partnerships with artists during 2014 (Coldplay, Calogero), and the *Star Wars Identities* exhibition;
- Games, driven by the success of action games such as *Chrono Bomb* (the no. 3 best-seller at Christmas) and *Money Drop* (no. 5).

TF1 Entreprises posted a current operating profit of €10.6 million, up €0.3 million (2.9%) year-on-year.

PAY-TV

The results presented below comply with international financial reporting standards (IFRS). As a result of applying IFRS 5 and IFRS 11, the 2013 financial statements have been restated as described below. Consequently, detailed contributions from the entities mentioned below are no longer included in the figures presented, and:

- *the net profit of Eurosport International is reported in “Net profit/loss from discontinued or held-for-sale operations” for the period until May 30, 2014, and the TF1 group’s 49% share of that entity’s net profit is reported in “Share of profits/losses from joint ventures and associates” from June 1, 2014;*
- *the TF1 group’s 50% share of the net profits/losses of TF6 and Serieclub is reported in “Share of profits/losses from joint ventures and associates”.*

For details of how IFRS 5 and IFRS 11 are applied, see the notes to the consolidated financial statements.

Revenue *(€m)*	2014	2013	Chg. %
Eurosport France	**65.7**	**67.1**	**-2.1%**
o/w Advertising	6.9	9.0	-23.3%
o/w Other revenue	58.8	58.1	+1.2%
Theme channels France	**59.5**	**64.9**	**-8.3%**
o/w Advertising	8.3	13.2	-37.1%
o/w Other revenue	51.2	51.7	-1.0%
PAY-TV	**125.2**	**132.0**	**-5.2%**

Current operating profit *(€m)*	2014	2013	Chg. (€m)
Eurosport France	**4.1**	**5.2**	**(1.1)**
Theme channels France	**(2.6)**	**(2.1)**	**(0.5)**
PAY-TV	**1.5**	**3.1**	**(1.6)**

Pay-TV segment revenue for 2014 as a whole was down 5.2% year-on-year at €125.2 million. Competition from an expanded freeview offer and a persistently sluggish environment for advertising are hitting the segment’s advertising revenue hard.

Current operating profit for the Pay-TV segment slipped by €1.6 million, to €1.5 million.

EUROSPORT FRANCE

On May 30, 2014, the TF1 group announced that it had completed the sale of a controlling stake in Eurosport International to Discovery Communications. Consequently, the TF1 group’s equity interest in Eurosport International fell from 80% to 49% on that date, but the Group retains an 80% equity interest in Eurosport France.

Eurosport France posted revenue of €65.7 million in 2014, 2.1% lower than in 2013. The main factor was a 23.3% slump in advertising revenue, reflecting the tough competitive environment in Pay-TV, though the effect was partly offset by a 1.2% increase in revenue from operators.

This revenue erosion fed through into current operating profit, which was €1.1 million lower at €4.1 million.

At the end of December 2014, 8.7 million French households were paying subscribers to Eurosport France, versus 8.8 million a year earlier.

THEME CHANNELS FRANCE[1]

Against a backdrop of an expansion in the free-to-air offer in France, pay-TV channels as a whole had a 10.7% audience share to end December 2014, down 0.1 of a point year-on-year.

The TF1 group’s theme channels generated full-year revenue of €59.5 million in 2014, down 8.3% year-on-year. This fall reflects a marked decline in advertising revenue (37.1% or €4.9 million lower than in 2013), as pay-TV channels were hit hard by competition from freeview DTT.

Consequently, the Group’s theme channels posted an operating loss of €2.6 million, though the year-on-year deterioration was limited to €0.5 million thanks to efforts made to reduce the cost base.

LCI

LCI’s editorial stance is focused on analysis and explanation of news stories. The channel offers strong brands like *Le Club LCI*, now being screened for the fourth successive year. Highlights of 2014 included coverage of the local and European elections, and of the football World Cup.

The channel reported heavier losses in 2014, due mainly to a deterioration in advertising revenue.

LCI’s audience share held steady from January to June 2014 at 0.5% of individuals aged 4 and over.

The channel’s application to the CSA (the French audiovisual regulator) to switch to freeview was rejected on July 29, 2014. An appeal has been lodged and is currently being examined.

(1) Source: Médiamat’Thématik (wave 27, January-June 2014), Pay-TV universe, except for cumulative Pay-TV channel figures: Médiamat – cumulative January to June 2014.

TV BREIZH

TV Breizh confirmed its status as the no. 1 cable/satellite pay-TV channel, with audience share up 0.1 of a point year-on-year to 1.3% for individuals aged 4 and over and stable at 1.4% for "women aged under 50 purchasing decision-makers".

In tough competitive and economic conditions, TV Breizh experienced an overall drop in revenue during 2014. Distribution revenue held steady, but advertising revenue declined. However, operating profit was higher than in 2013, thanks to cost reductions unlocked by the relocation of the channel from Lorient to Boulogne-Billancourt in March 2013 and savings on programming.

HISTOIRE, USHUAÏA, STYLÍA

These three "Découverte" channels had a combined audience share of 0.4% among individuals aged 4 and over in the period from January to June 2014.

Revenue from the three channels fell during 2014 against a backdrop of intense competitive pressure. This had a knock-on effect on profits, which were down year-on-year.

Groupe TF1 decided to stop the broadcast of the Stylía channel on December 31, 2014, as no operator expressed an interest in carrying the channel after that date.

However, Histoire and Ushuaïa have strengthened their schedules. Since the start of 2014, both channels have been screening programmes drawn from the Discovery catalogue, increasing the emphasis on event television.

HOLDING COMPANY AND OTHER

Revenue *(€m)*	2014	2013	Chg. %
Holding company & other	8.2	9.2	-10.9%

Current operating profit *(€m)*	2014	2013	Chg. (€m)
Holding company & other	48.5	16.7	+31.8

Results for the "Holding Company and Other" segment were significantly impacted by the sale of OneCast to ITAS on October 30, 2014.

This sale resulted in the deconsolidation of OneCast with effect from November 1, 2014, which explains the 10.9% fall in revenue.

At the same time, the TF1 group recognised a gain on disposal, which led to a €31.8 million increase in operating profit for the segment.

3.1.2 OUTLOOK

Although visibility remains poor, the combination of more favourable factors which seems to be shaping up for the French economy in 2015 could lead to a stabilisation in the net TV advertising market.

In 2015, the TF1 group will continue to adapt its business model as it has done over the last few years, with the aim of improving profitability on two fronts:

- in terms of revenue, by continuing to use its four free-to-air channels as the platform for an innovative offering built on strong brands and programmes, while taking advantage of all the opportunities provided by technology and digital;
- in terms of cost, by optimising multi-channel exploitation of the Group's content while paying particularly close attention to the level of overheads.

This year, TF1 will once again draw on its many strengths to remain alert for new opportunities, accelerate the growth of the Group, participate in the debate on possible regulatory changes and continue the dialogue with stakeholders.

THE NET TV ADVERTISING MARKET COULD STABILISE

The economic situation in France is expected to be slightly better in 2015 than it was in 2014. In addition, the weakness of the euro could boost exports and lower oil prices should stimulate French GDP growth, at least in the short term.

If this economic upturn were to be confirmed, the TV advertising market can expect to benefit from two positive factors:

- an easing of the price pressure that has been a feature of the market since the launch of DTT channels and with the growing power of digital;
- the volume of advertising broadcast, which has reached historically high levels after rising continuously for 24 months and is now close to the legal maximum.

France's favourite media platform, free-to-air television, is also the preferred medium of advertisers because of the coverage it provides.

Against this backdrop, the TF1 group will follow a clear five-point roadmap:

TECHNOLOGY AND DIGITAL: THE KEY TO THE FUTURE

Over the years ahead, the Group will strive to develop an innovative offering built on strong brands, while taking advantage of all the opportunities provided by technology and digital.

Technological advances are opening up new avenues:

- audience metrics are becoming the norm;
- fibre optic is an unrivalled broadcasting medium;
- hardware is becoming more and more HD-friendly;

- 4K offers spectacular ultra-high definition viewing.

The future looks bright for television:

- the appetite for content is unflagging;
- live and non-live broadcasting feed off each other;
- mobile consumption trends look promising;
- the diversity of screens gives scope for synergies.

The TF1 group will ensure it monetizes this offering to the full, across all devices.

AGILITY: REAL-TIME RESOURCE OPTIMISATION IS A PRIORITY

In 2015, the Group's day-to-day management will combine flexibility and discipline.

TF1 will go on finding better ways to exploit its content via a systematic multi-channel approach and optimising programming across its four free-to-air channels. It will pursue its 360 strategy and will broadcast its content on all channels and all devices.

High priority will also be placed on reducing operating expenses. Organisational changes will generate non-recurring savings, the sharing of support functions will be broadened, and ever more powerful IT systems will boost productivity.

Finally, the Group will address transformation projects, such as news and freepress.

VALUE CREATION: ALWAYS AN OBJECTIVE

The Group has established expertise, robust finances and strengths that point to a promising future. Building on this, the Group has set the following operational priorities so that it can go on creating value:

- doing even better in its core businesses by confirming its multi-channel market leadership, optimizing revenue and profitability, and innovating to remain on trend;
- extending its 360 and digital expertise by anchoring MYTF1 as the essential free/pay media platform, expanding inventory to increase revenues, and exploiting the possibilities offered by the numerous distribution channels and new marketing tools;
- strengthening content activities by developing new production formats, locking in sources of supply and making the most of the Group's own catalogue;
- developing new sources of growth that offer synergies with existing business lines but are less exposed to advertising cycles and can deliver ROI within a reasonable timeframe, possibly in partnership with other European media players.

REGULATION: A POSITIVE FUTURE FOR THE INDUSTRY

In 2015, the Group will continue to play a role in shaping the industry's future, whether in terms of the producer/broadcaster relationship, developments in sponsorship (especially product placement) or the fight against copyright infringement.

CORPORATE CITIZENSHIP: TF1, THE CHANNEL FOR SOCIAL COHESION

Finally, the TF1 group will continue to act as a responsible corporate citizen, playing its role as part of the fabric of society by providing the most balanced and reliable news coverage, offering the most popular programmes and bolstering social inclusiveness.

The Group will continue its proactive approach to diversity, finding a home for every talent on its four channels, with programmes for every taste in all genres.

Finally, the Group will continue to develop socially useful initiatives, whether through the job search days – now a regular annual feature – or its support for good causes. And in 2015, the TF1 group will be a committed player in the 2015 COP 21, as befits its role as a recorder and shaper of the times.

3.1.3 POST BALANCE SHEET EVENTS

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

3.1.4 THE ROLE OF TF1 *VIS-À-VIS* ITS SUBSIDIARIES AND RELATIONS WITH THE PARENT COMPANY

The positions held by TF1 Executive Directors in the principal subsidiaries are disclosed on page 35 of the registration document and annual financial report.

The TF1 group comprises about 40 directly or indirectly owned operating subsidiaries (see the organisation chart on page 222 of this registration document and annual financial report), most of them located in France.

The role of TF1 is to define the overall strategic priorities of the Group, and to provide leadership in areas such as identifying synergies and standardising procedures.

It also provides corporate support functions to its subsidiaries in fields such as management, human resources, advisory services and finance. These services are invoiced by TF1 to the subsidiaries involved; for details, refer in particular to the disclosures about related-party agreements and commitments on page 299 of the registration document and annual financial report and to the Statutory Auditors' report on such agreements and commitments (page 207 of the registration document and annual financial report).

For information about services provided by Bouygues to TF1, refer to the disclosures about related-party agreements and commitments on page 299 of the registration document and annual financial report and to the Statutory Auditors' report on such agreements and commitments (page 207 of the registration document and annual financial report).

From a financial standpoint, TF1's Treasury Department manages and pools the cash positions of all the Group's subsidiaries owned at 50% or more, except for Serieclub which treasury management and financing are handled by M6, and real estate subsidiaries Perelie and Firelie.

3.1.5 THE TF1 PARENT COMPANY

RESULTS OF TF1 SA

In 2014, TF1 SA (the parent company) generated revenue of €1,261.1 million (down 1.1% versus 2013), comprising €1,248.5 million of advertising revenue (stable over the year). Operating profit for the year decreased by €46.5 million to €38.0 million.

The parent company reported net financial profit of €18.1 million in 2014 (versus a loss of €38.9 million in 2013).

Net profit for the year was €293.7 million, versus €16.9 million in 2013.

Expenses falling within the scope of Article 39-4 of the French General Tax Code, which are non-deductible for corporate income tax purposes, amounted to €265,211 in the year ended December 31, 2014. These expenses will be submitted to the Annual General Meeting for approval, in accordance with Article 223 *quater* of the French General Tax Code.

APPROPRIATION OF PROFITS

In the resolutions submitted for your approval, we are asking you to approve the individual financial statements and the consolidated financial statements for the year ended December 31, 2014 and, having noted the existence of distributable profits of €494,395,940.41, comprising net profit for the period of €293,720,236.14 and retained earnings of €200,675,704.27, to appropriate this sum as follows, as proposed by the Board of Directors:

- distribution of a cash dividend of €317,293,146.00 (*i.e.* a dividend of €1.50 per €0.20 par value share);
- the balance of €177,102,794.41 to be carried forward as retained earnings.

The ex-date of the dividend on the Euronext Paris market will be April 24, 2015. The date of record (*i.e.* the day at the end of which the postsettlement positions entitled to the dividend are determined) will be April 27, 2015. The payment date of the dividend will be April 28, 2015.

We are also asking for your authority to transfer to retained earnings the amount of dividend accruing to any of its own shares that TF1 may hold, in accordance with Article L. 225-210 of the French Commercial Code.

The amount of dividend distributed in respect of the three previous financial years was as follows:

Year ended	Net dividend per share
December 31, 2011	€0.55
December 31, 2012	€0.55
December 31, 2013	€0.55

ANALYSIS OF TF1 SA TRADE CREDITORS BY DUE DATE

The table below gives disclosures about trade creditors by due date, as required by Articles L. 441-6-1 and D. 441-4 of the French Commercial Code.

In most cases, TF1 SA applies agreed payment terms of 45 days from the end of the month in which the supplier invoice was issued.

(€m)	Dec. 31, 2014	Dec. 31, 2013
Total trade creditors	**253.5**	**234.0**
Total trade creditors used in the analysis*	**213.5**	**181.7**
Of which non past due	210.0	176.6
Of which past due	3.5	5.1
Of which past due by less than 30 days	1.4	2.3
Of which past due by between 30 and 90 days	1.3	0.8
Of which past due by more than 90 days	0.8	2.0

* *The trade creditors total included in the analysis as of December 31, 2014 comprises all trade creditors except for trade bills payable, which amounted to €40.0 million (compared with €52.3 millions of December 31, 2013).*

3.1.6 PRINCIPAL ACQUISITIONS AND DIVESTMENTS

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 SAS from 20% to 51%. Eurosport France continues to be held 80% by the TF1 group and 20% by Discovery Communications.

The TF1 group has an 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.

Details on this transaction are presented in the notes to the financial statements – page 119.

SALE OF ONECAST

On October 31, 2014, TF1 sold the entire share capital of OneCast, a TF1 subsidiary specialising in DTT multiplex transmission, to the ITAS group.

ACQUISITION OF TF1 VIDEO'S SHARES

In 2014, TF1 SA acquired the totality of TF1 Vidéo's shares from TF1 Droits Audiovisuels.

3.2 AVAILABLE INFORMATION IN OTHER PART OF THE REGISTRATION DOCUMENT

3.2.1 RISKS FACTORS AND REPORT ON REMUNERATION

With regard to risk factors and compensation of the Executive Director, see chapter 2, pages 74-91 of the present registration document and annual financial report.

3.2.2 HUMAN RESOURCES AND ENVIRONMENT UPDATE

With regard to human resources and environment update, see chapter 7, pages 254-277 of the present registration document and annual financial report.

3.2.3 INFORMATION CONCERNING THE TF1 COMPANY AND ITS CAPITAL

With regard to Information concerning the TF1 company and its capital, see chapter 6, pages 221-248 of the present registration document and annual financial report..

3.3 STATEMENT OF COMPANY OPERATIONS OVER THE LAST FIVE BUSINESS YEARS

Nature of indicators *(in euros)*	2010	2011	2012	2013	2014
I – End of year financial position					
a) Company capital	42,682,098	42,206,601	42,124,864	42,252,003	42,305,753
b) Number of shares issued	213,410,492	211,033,003	210,624,321	211,260,013	211,528,764
c) Number of convertible bonds					
II – Overall operational results					
a) Turnover excluding taxes	1,484,569,148	1,447,246,247	1,356,804,475	1,275,062,633	1,261,075,386
b) Profits before tax, employee participation, liquidations and provisions	225,847,859	210,521,154	101,904,156	121,264,543	332,626,169
c) Tax on profits	33,468,225	45,163,305	17,693,069	16,963,332	11,209,366
d) Employee participation	4,645,162	4,620,881	1,761,302	312,086	0
e) Profits after tax, employee participation, liquidations and provisions	157,208,740	114,484,653	120,521,749	16,937,938	293,720,236
f) Amount of profits distributed	117,375,771	116,013,152	115,658,171	116,193,007	317,293,146(1)
III – Operational results per share					
a) Profits after tax and employee participation but before liquidations and provisions	0.88	0.76	0.39	0.49	1.52
b) Aggregate employment earnings	0.74	0.54	0.57	0.08	1.39
c) Expenditure on benefits	0.55	0.55	0.55	0.55	1.50(1)
IV – Employees					
a) Number of employees(2)	1,604	1,633	1,562	1,636	1,614
b) Total payroll costs(3)	120,882,687	124,695,330	147,100,157	130,600,972	123,845,778
c) Total of employee benefit costs	64,780,999	61,269,845	67,676,216	60,215,561	59,166,665

(1) Dividend submitted for approval to the General Meeting of April 16, 2015.
(2) Permanent Contracts until December 31, 2012; average number of employees from December 31, 2013.
(3) Included expenses to be cashed out.

4

Financial statements 2014

4.1 **CONSOLIDATED FINANCIAL STATEMENTS** **112**

4.1.1 Consolidated balance sheet 112

4.1.2 Consolidated income statement 114

4.1.3 Consolidated statement of changes in shareholders' equity 116

4.1.4 Consolidated cash flow statement 117

4.2 **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** **118**

4.3 **PARENT COMPANY FINANCIAL STATEMENTS** **177**

4.3.1 Parent company income statement (French GAAP) 177

4.3.2 Parent company balance sheet (French GAAP) 178

4.3.3 Parent company cash flow statement (French GAAP) 180

4.4 **NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS** **181**

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.

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

4.1 CONSOLIDATED FINANCIAL STATEMENTS

4.1.1 CONSOLIDATED BALANCE SHEET

Assets *(€m)*	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***

Shareholders' equity and liabilities *(€m)*	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**

4.1.2 CONSOLIDATED INCOME STATEMENT

(€m)	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

(€m)	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.

4

4.1.3 CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(€m)	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.

4.1.4 CONSOLIDATED CASH FLOW STATEMENT

(€m)	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:			
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*	*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**

* *For a breakdown of these cash flows, see note 4, "Held-for-sale operations".*

4

4.2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1	SIGNIFICANT EVENTS OF 2014	119
NOTE 2	ACCOUNTING POLICIES	119
NOTE 3	SIGNIFICANT CHANGES IN SCOPE OF CONSOLIDATION	131
NOTE 4	HELD-FOR-SALE OPERATIONS	131
NOTE 5	SEGMENT INFORMATION	133
NOTE 6	GOODWILL	135
NOTE 7	INTANGIBLE ASSETS	136
NOTE 8	PROPERTY, PLANT AND EQUIPMENT	138
NOTE 9	INVESTMENTS IN JOINT VENTURES AND ASSOCIATES	139
NOTE 10	PROGRAMMES AND BROADCASTING RIGHTS	140
NOTE 11	FINANCIAL ASSETS	141
NOTE 12	CONSOLIDATED SHAREHOLDERS’ EQUITY	144
NOTE 13	FINANCIAL LIABILITIES	145
NOTE 14	NET DEBT	146
NOTE 15	PROVISIONS	147
NOTE 16	OPERATING REVENUES	149
NOTE 17	PURCHASES CONSUMED AND CHANGES IN INVENTORY	150
NOTE 18	STAFF COSTS	150
NOTE 19	EXTERNAL EXPENSES	151
NOTE 20	TAXES OTHER THAN INCOME TAXES	151
NOTE 21	OTHER CURRENT OPERATING INCOME AND EXPENSES	152
NOTE 22	COST OF NET DEBT	152
NOTE 23	OTHER FINANCIAL INCOME AND EXPENSES	153
NOTE 24	NET INCOME AND EXPENSE ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES	153
NOTE 25	INCOME TAXES	154
NOTE 26	NET PROFIT FROM DISCONTINUED/HELD-FOR-SALE OPERATIONS	155
NOTE 27	EARNINGS PER SHARE	156
NOTE 28	NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT	157
NOTE 29	RISK MANAGEMENT	158
NOTE 30	SHARE OPTION PLANS	167
NOTE 31	OFF BALANCE SHEET COMMITMENTS	168
NOTE 32	RELATED PARTY INFORMATION	170
NOTE 33	AUDITORS’ FEES	172
NOTE 34	DEPENDENCE ON LICENCES	173
NOTE 35	EVENTS AFTER THE REPORTING PERIOD	173
NOTE 36	DETAILED LIST OF COMPANIES INCLUDED IN THE CONSOLIDATION	174

NOTE 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'État 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'État, 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.

NOTE 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, Serieclub 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 programmesand 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.

NOTE 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).

NOTE 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.

4

BALANCE SHEET OF EUROSPORT INTERNATIONAL, HELD FOR SALE AS OF DECEMBER 31, 2013

Assets *(€m)*	Dec. 31, 2013	Shareholders' equity and liabilities *(€m)*	Dec. 31, 2013
Goodwill	391.8	Share capital, share premium and reserves	431.4
Intangible assets	15.3	Net profit/(loss) for the period	48.5
Property, plant and equipment	14.3	**Total shareholders' equity**	**479.9**
Non-current financial assets	0.6	Non-current debt	0.5
Non-current tax assets	5.0	Non-current provisions	3.5
Total non-current assets	**427.0**	Non-current tax liabilities	0.1
		Total non-current liabilities	**4.1**
Inventories	-	Current debt	35.0
Trade and other debtors	115.5	Trade and other creditors	118.2
Current tax assets	0.1	Current provisions	5.4
Other current financial assets	0.3	Current tax liabilities	3.0
Cash and cash equivalents	102.7	Other current financial liabilities	-
Total current assets	**218.6**	**Total current liabilities**	**161.6**
TOTAL ASSETS	**645.6**	**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

	5 months	12 months
(€m)	2014	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	12 months
	2014	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*	(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**

* *Includes €37.8 million of dividends distributed in the second quarter of 2014.*

NOTE 5 SEGMENT INFORMATION

5.1 INFORMATION BY OPERATING SEGMENT

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

(€m) Segmental income statement	Broadcasting and content		Consumer products		Pay-TV		Holding company and other		Total TF1 group	
	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 Média;*
- *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.

4

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:

(€m)	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	
(€m)	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

NOTE 6 GOODWILL

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

(€m)	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)*

(€m)	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.

NOTE 7 INTANGIBLE ASSETS

7.1 AUDIOVISUAL RIGHTS

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

2014 *(€m)*	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 *(€m)*	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 *(€m)*	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 *(€m)*	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 *(€m)*	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.

NOTE 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 *(€m)*	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 *(€m)*	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**

NOTE 9 INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

The table below gives details of investments in associates:

	Eurosport group[1]	Groupe AB[2]	Other[3]	
Country *(€m)*	**France**	**France**	**France**	**Total**
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]	
(€m)	**2014[1]**	**2013[1]**	**2014**	**2013**
TF1 group share	*49%*		*33.5%*	*33.5%*
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.

NOTE 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.

(€m)	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 Acquisitions 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 *(€m)*	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 US dollars.

2013 *(€m)*	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 US 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).

NOTE 11 FINANCIAL ASSETS

11.1 CATEGORIES OF FINANCIAL ASSETS

The table below shows financial assets by category:

	Financial assets at fair value through profit or loss						
2014 *(€m)*	**Designated at fair value on initial recognition[(2)]**	**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.

	Financial assets at fair value through profit or loss						
2013 *(€m)*	**Designated at fair value on initial recognition**	**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:

(€m)	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**

(1) 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:

(€m)	% 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

(€m)	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.

(€m)	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:

(€m)	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.

NOTE 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 *(€m)*	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 part of €0.28 per share and an exceptional part 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

(€m)	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.

NOTE 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 *(€m)*	**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".

	Financial liabilities at fair value through profit or loss				
2013 *(€m)*	**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

(€m)	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.*

NOTE 14 NET DEBT

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

(€m)	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.*

NOTE 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 *(€m)*	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 *(€m)*	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

(€m)	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:

(€m)	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

(€m)	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

(€m)	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 *(€m)*	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'État. 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.

NOTE 16 OPERATING REVENUES

Operating revenues comprise:

(€m)	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**

NOTE 17 PURCHASES CONSUMED AND CHANGES IN INVENTORY

This item breaks down as follows:

(€m)	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, Serieclub, 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.

NOTE 18 STAFF COSTS

Staff costs break down as follows:

(€m)	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:

(€m)	Date of grant	Lock-up period	Total fair value	Staff costs 2014	Staff costs 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.

NOTE 19 EXTERNAL EXPENSES

External expenses break down as follows:

(€m)	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)**

NOTE 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)**

NOTE 21 OTHER CURRENT OPERATING INCOME AND EXPENSES

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

(€m)	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)**

NOTE 22 COST OF NET DEBT

Cost of net debt breaks down as follows:

(€m)	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**

NOTE 23 OTHER FINANCIAL INCOME AND EXPENSES

Other financial income and expenses break down as follows:

(€m)	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)**

4

NOTE 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:

(€m)	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)**

NOTE 25 INCOME TAXES

25.1 CURRENT AND DEFERRED TAXES

25.1.1 Income statement

(€m)	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

(€m)	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

(€m)	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:

(€m)	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

(€m)	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.

NOTE 26 NET PROFIT FROM DISCONTINUED/HELD-FOR-SALE OPERATIONS

(€m)	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).

NOTE 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.

NOTE 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:

(€m)	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.

4

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:

(€m)	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:

(€m)	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:

(€m)	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)**

NOTE 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 *(€m)*	Authorised facilities Less than 1 year	Authorised facilities 1 to 5 years	Authorised facilities Total	Drawdowns Less than 1 year	Drawdowns 1 to 5 years	Drawdowns Total	Available facilities
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 *(€m)*	Authorised facilities Less than 1 year	Authorised facilities 1 to 5 years	Authorised facilities Total	Drawdowns Less than 1 year	Drawdowns 1 to 5 years	Drawdowns Total	Available facilities
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 *(€m)*	Carrying amount	Residual contractual amount Less than 1 year	Residual contractual amount 1 to 5 years	Residual contractual amount 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 *(€m)*	Carrying amount	Residual contractual amount Less than 1 year	Residual contractual amount 1 to 5 years	Residual contractual amount 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.

(€m)	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.

2014 (€m)	Financial assets Fixed rate	Financial assets Floating rate	Financial liabilities Fixed rate	Financial liabilities Floating rate	Net pre-hedging exposure Fixed rate	Net pre-hedging exposure Floating rate	Hedging instruments Fixed rate	Hedging instruments Floating rate	Net post-hedging exposure Fixed rate	Net post-hedging exposure 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**

2013 (€m)	Financial assets Fixed rate	Financial assets Floating rate	Financial liabilities Fixed rate	Financial liabilities Floating rate	Net pre-hedging exposure Fixed rate	Net pre-hedging exposure Floating rate	Hedging instruments Fixed rate	Hedging instruments Floating rate	Net post-hedging exposure Fixed rate	Net post-hedging exposure 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).

(€m)	2014 Pre-tax impact on profit or loss	2014 Pre-tax impact on equity	2013 Pre-tax impact on profit or loss	2013 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 US dollar because it acquires American programmes and pays for them in US dollars.

Consequently, any significant appreciation in the US 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 US 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 US 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 US dollars.

95% of cash outflows (including acquisitions of audiovisual rights) were in euros, 4% in US 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 *(€m)*	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 *(€m)*	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.

	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	
(€m)	+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:

		Nominal amount of hedges				Fair value (in euros)	
			Amount in euros				
December 31, 2014 *(in millions)*	Currency	Total foreign-currency amount	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**	**Total foreign-currency amount**	**Nominal amount of hedges – Amount in euros – Total**	**Less than 1 year**	**1 to 5 years**	**Fair value (in euros) – 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.

(€m)	**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:

(€m)	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 *(€m)*	Carrying amount	Not past due	Past due			
			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 *(€m)*	Carrying amount	Not past due	Past due			
			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).

NOTE 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).

NOTE 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.

(€m)	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

(€m)	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

(€m)	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	**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

(€m)	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

(€m)	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.

NOTE 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:

(€m)	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	
(€m)	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.

NOTE 33 AUDITORS' FEES

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

	Mazars				KPMG				Other audit firms			
	Amount		%		Amount		%		Amount		%	
(€m)	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%**

NOTE 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.

NOTE 35 EVENTS AFTER THE REPORTING PERIOD

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

NOTE 36 DETAILED LIST OF COMPANIES INCLUDED IN THE CONSOLIDATION

Company	Country	Activity	December 2014		December 2013	
			% control(1)	Method	% control(1)	Method
Broadcasting and Content						
TF1 SA	**France**	**Broadcasting**	**Parent company**		**Parent company**	
TÉLÉ 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 RÉGIE	France	TMC advertising airtime sales	80.00%	Full	80.00%	Full
TF1 PUBLICITÉ	France	TF1 advertising airtime sales	100.00%	Full	100.00%	Full
LA PLACE MÉDIA	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						
TÉLÉSHOPPING	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 % control(1)	December 2014 Method	December 2013 % control(1)	December 2013 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	Marketing of Eurosport channel in Portugal	-	-	80.00%	Full

4

Company	Country	Activity	December 2014 % control[(1)]	December 2014 Method	December 2013 % control[(1)]	December 2013 Method
TV BREIZH	France	Theme channel	80.00%	Full	80.00%	Full
TF6	France	Theme channel	50.00%	Equity	50.00%	Equity
LA CHAÎNE INFO	France	Theme channel	100.00%	Full	100.00%	Full
TF6 GESTION	France	TF6 management company	50.00%	Equity	50.00%	Equity
SERIECLUB	France	Theme channel	50.00%	Equity	50.00%	Equity
STYLÍA	France	Theme channel	80.00%	Full	80.00%	Full
HISTOIRE	France	Theme channel	80.00%	Full	80.00%	Full
USHUAÏA 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 THÉMATIQUES	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
APHÉLIE	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.

4.3 PARENT COMPANY FINANCIAL STATEMENTS

4.3.1 PARENT COMPANY INCOME STATEMENT (FRENCH GAAP)

(€m)	Note	2014	2013
Operating income		**1,424.7**	**1,425.3**
TF1 channel advertising revenue	2.12 & 4.1	1,248.5	1,261.7
Revenue from other services		4.5	4.3
Income from ancillary activities		8.1	9.0
Revenue		**1,261.1**	**1,275.0**
Inventorised production		(0.6)	1.2
Capitalised production		2.3	1.2
Operating grants		0.0	0.1
Reversals of depreciation, amortisation, provisions and impairment		71.2	52.7
Cost transfers	4.7	88.4	93.1
Other income		2.3	2.0
Operating expenses		**(1,386.7)**	**(1,340.8)**
Purchases of raw materials and other supplies	4.2	(614.8)	(574.5)
Change in inventory	4.2	(42.7)	(92.4)
Other purchases and external charges	4.3	(336.5)	(245.7)
Taxes other than income taxes	4.4	(92.5)	(97.6)
Wages and salaries	4.5	(123.8)	(130.6)
Social security charges	4.5	(59.2)	(60.2)
Depreciation, amortisation, provisions and impairment			
■ amortisation of co-productions already transmitted		(7.4)	(9.6)
■ amortisation and depreciation of other non-current assets		(13.1)	(13.6)
■ impairment of non-current and current assets		(35.8)	(58.3)
■ provisions for liabilities and charges		(7.3)	(4.1)
Other expenses	4.6	(53.6)	(54.2)
OPERATING PROFIT		**38.0**	**84.5**
Share of profits/losses of joint operations		**0.0**	**0.0**
Financial income		120.8	97.0
Financial expenses		(102.7)	(135.9)
NET FINANCIAL INCOME/(EXPENSE)	4.8	**18.1**	**(38.9)**
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS		**56.1**	**45.6**
Exceptional income		**364.6**	**23.3**
Exceptional income from operating transactions		15.8	2.4
Exceptional income from capital transactions		335.7	7.0
Reversals of provisions and impairment		13.1	13.9
Exceptional expenses		**(115.8)**	**(34.7)**
Exceptional expenses on operating transactions		0.0	(6.9)
Exceptional expenses on capital transactions		(112.8)	(23.2)
Depreciation, amortisation, provisions and impairment		(3.0)	(4.6)
EXCEPTIONAL ITEMS	4.9	**248.8**	**(11.4)**
Employee profit-sharing		0.0	(0.3)
Income taxes	4.10 & 4.11	(11.2)	(17.0)
NET PROFIT		**293.7**	**16.9**

4.3.2 PARENT COMPANY BALANCE SHEET (FRENCH GAAP)

Assets (€m)	Note	Dec. 31, 2014 Net	Dec. 31, 2013 Net
Intangible assets	2.2 & 3.1	**28.6**	**29.8**
Concessions and similar rights		12.5	12.2
Trademarks and other intangible assets		0.0	0.0
Intangible assets in progress		1.6	1.4
Co-productions available for initial transmission		4.8	4.7
Co-productions available for retransmission		8.2	9.1
Co-productions in progress		1.5	2.4
Property, plant and equipment	2.3 & 3.2	**28.3**	**33.5**
Technical facilities		9.6	11.9
Other property, plant and equipment		18.6	20.7
Property, plant and equipment under construction		0.1	0.9
Non-current financial assets	2.4 & 3.3	**978.7**	**1,058.7**
Investments in subsidiaries and affiliates		978.5	1,058.4
Other long-term investment securities		0.0	0.1
Loans receivable		0.0	0.0
Other non-current financial assets		0.2	0.2
NON-CURRENT ASSETS		**1,035.6**	**1,122.0**
Inventories and work in progress	2.5 & 3.4	**233.9**	**255.9**
Broadcasting rights available for initial transmission		139.2	133.6
Broadcasting rights available for retransmission		92.6	119.5
Broadcasting rights in progress		2.1	2.8
Advance payments	2.6 & 3.5.1	165.6	199.3
Trade debtors	2.7 & 3.5.2	269.1	254.3
Other debtors	3.5.3	144.0	242.8
Short-term investments and cash	2.8 & 3.6	723.2	391.1
Prepayments	3.7	4.3	5.0
CURRENT ASSETS		**1,540.1**	**1,348.4**
Unrealised foreign exchange losses		0.1	0.0
TOTAL ASSETS		**2,575.8**	**2,470.4**

Liabilities and shareholders' equity *(€m)*	Note	Dec. 31, 2014	Dec. 31, 2013
Share capital		42.3	42.3
Share premium		7.4	5.8
Legal reserve		4.3	4.3
Other reserves		807.3	807.3
Retained earnings		200.7	299.9
Net profit for the year		293.7	16.9
Restricted provisions	2.10	22.0	32.2
SHAREHOLDERS' EQUITY	3.8	**1,377.7**	**1,208.7**
PROVISIONS FOR LIABILITIES AND CHARGES	2.11 & 3.9	**57.6**	**33.4**
Bank borrowings(1)		0.0	0.0
Other borrowings(2)		472.8	639.8
Trade creditors		253.5	234.0
Tax and employee-related liabilities		138.5	134.5
Amounts payable in respect of non-current assets		1.6	1.5
Other liabilities		266.4	214.8
Deferred income		3.2	3.6
LIABILITIES	3.10	**1,136.0**	**1,228.2**
Unrealised foreign exchange gains		4.5	0.1
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**2,575.8**	**2,470.4**
(1) of which bank overdrafts and bank accounts in credit		*0.0*	*0.0*
(2) of which intra-group current accounts		*472.8*	*639.8*

4

4.3.3 PARENT COMPANY CASH FLOW STATEMENT (FRENCH GAAP)

Cash flow statement *(€m)*	2014	2013
1 – Operating activities		
■ Net profit for the year	293.7	16.9
■ Depreciation, amortisation, provisions and impairment[(1)(2)]	38.9	74.0
■ Investment grants released to the income statement	0.0	0.0
■ Net (gain)/loss on disposals of non-current assets	(230.7)	8.4
Operating cash flow before changes in working capital	**101.9**	**99.3**
■ Acquisitions of co-productions[(2)]	(3.5)	1.0
■ Amortisation and impairment of co-productions[(2)]	3.6	2.1
■ Inventories	21.9	84.9
■ Trade and other operating debtors	121.0	25.3
■ Trade and other operating creditors	79.1	(172.4)
■ Advance payments received from third parties, net	33.7	(69.0)
Change in operating working capital needs	**255.8**	**(128.1)**
NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES	**357.7**	**(28.8)**
2 – Investing activities		
■ Acquisitions of property, plant & equipment and intangible assets[(1)(2)]	(8.6)	(10.7)
■ Disposals of property, plant & equipment and intangible assets[(1)(2)]	0.0	0.3
■ Acquisitions of investments in subsidiaries and affiliates	(31.4)	0.0
■ Disposals/reductions of investments in subsidiaries and affiliates	332.2	82.2
■ Net change in amounts payable in respect of non-current assets	(36.2)	(28.5)
■ Net change in other non-current financial assets	0.0	0.0
NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES	**256.0**	**43.3**
3 – Financing activities		
■ Change in shareholders' equity	1.6	2.7
■ Net change in debt	(167.0)	166.2
■ Dividends paid	(116.2)	(115.6)
NET CASH GENERATED BY/(USED IN) FINANCING ACTIVITIES	**(281.6)**	**53.3**
TOTAL CHANGE IN CASH POSITION	**332.1**	**67.8**
Cash position at beginning of period	391.1	323.3
Change in cash position	332.1	67.8
Cash position at end of period	723.2	391.1

(1) Excluding programme co-production shares.
(2) Acquisitions, consumption, disposals and retirements of programme co-production shares, which are accounted for as non-current assets in the parent company financial statements, are included in "Changes in operating working capital needs" in this cash flow statement in order to provide a fair presentation of cash flows comparable with that provided in the consolidated financial statements.

4.4 NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

The parent company financial statements for the year ended December 31, 2014 have been prepared in accordance with legal and regulatory requirements as currently applicable in France.

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

NOTE 1 **SIGNIFICANT EVENTS** 182
NOTE 2 **ACCOUNTING POLICIES** 182
NOTE 3 **NOTES TO THE BALANCE SHEET** 186
NOTE 4 **NOTES TO THE INCOME STATEMENT** 193
NOTE 5 **OTHER INFORMATION** 195
NOTE 6 **EVENTS AFTER THE REPORTING PERIOD** 199

NOTE 1 SIGNIFICANT EVENTS

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 an 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.

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'État to have the decision overturned; a ruling on this appeal is expected in the first few months 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.

Sale of OneCast

On October 31, 2014, TF1 sold the entire share capital of OneCast, a TF1 subsidiary specialising in DTT multiplex transmission, to the ITAS group.

NOTE 2 ACCOUNTING POLICIES

The accounting policies described below have been applied in compliance with the principles of prudence, lawfulness and fairness in order to represent faithfully the company's assets, liabilities and financial position and the results of its operations, in accordance with the following fundamental concepts:

- going concern;
- consistency of method from one period to the next;
- accrual basis of accounting;

and in accordance with the general rules applicable to the preparation and presentation of annual individual company financial statements in France.

The basic method used for measuring items recorded in the books of account is the historical cost method.

2.1 COMPARABILITY OF THE FINANCIAL STATEMENTS

There were no changes in accounting policy during the year ended December 31, 2014.

2.2 INTANGIBLE ASSETS

2.2.1 General principles

In order to secure programming schedules for future years, TF1 SA enters into binding contracts under which it acquires programme co-production shares and the other party agrees to deliver the programme in question.

Programme co-production shares are recognised as intangible assets at the time of technical acceptance and opening of rights, and are measured at the contractual acquisition price.

Payments made before the conditions for recognition are met are recognised in the balance sheet under "Advance payments".

Programmes acquired for a single transmission are fully amortised on transmission.

Where programmes are acquired for two or more transmissions, they are amortised as follows, according to the type of programme:

Type of programme	Dramas with a running time of at least 52 minutes	Cartoons	Other programmes
1st transmission	80%	50%	100%
2nd transmission	20%	50%	

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

A provision for impairment is recorded once it becomes probable that a programme with a co-production share will not be transmitted. Probability of transmission is assessed on the basis of the most recent programming schedules approved by management.

Tax depreciation is charged against co-production shares relating to programmes not yet transmitted in accordance with the policies described in note 2.10, "Restricted provisions".

2.2.2 Co-productions available for initial transmission

Co-production rights are recorded on this line once they are opened for initial transmission on the TF1 channel.

2.2.3 Co-productions available for retransmission

Rights relating to possible repeat broadcasts are recorded on this line.

2.2.4 Co-productions in progress

This line is used to record screenplays and other texts that have not yet gone into production. The amount reported represents the sums actually paid as at the end of the reporting period. The treatment of future contractual payments is described in the section on intangible assets arising from payments made to secure programming schedules for future years.

This line also includes co-production shares in programmes where shooting has been completed but technical acceptance and/or opening of rights have yet to occur.

2.2.5 Other intangible assets

Other intangible assets are measured at acquisition cost (or production cost), net of accumulated amortisation and impairment.

Software and licences are amortised on a straight line basis over their estimated useful lives.

2.3 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is carried at acquisition cost net of accumulated depreciation and impairment losses.

Depreciation periods and methods are summarised below:

Technical facilities	Straight line	3 to 7 years
Other property, plant and equipment	Straight line	3 to 10 years

2.4 NON-CURRENT FINANCIAL ASSETS

Equity investments are measured at acquisition cost, comprising the purchase price and transaction costs.

Annual impairment tests are performed on the basis of revenue and profit projections, derived primarily from business plans and using the discounted cash flow (DCF) method. In the event of a material and other-than-temporary fall in the value in use of an investment below its acquisition cost, a provision for impairment is recorded. If necessary, this provision may be supplemented by a provision for impairment of the current account with the subsidiary or affiliate and a provision for liabilities and charges.

Tax depreciation is charged against transaction costs relating to acquisitions of equity interests in accordance with the policies described in note 2.10, "Restricted provisions".

2.5 INVENTORIES AND WORK IN PROGRESS

2.5.1 General principles

In order to secure programming schedules for future years, TF1 SA enters into binding contracts (in addition to co-production share acquisition contracts) under which it acquires (and the other party agrees to deliver) programme rights and sports transmission rights.

A programme is recognised in inventory once technical acceptance and opening of rights have occurred. Programme inventory is measured at acquisition cost or total production cost (direct costs plus indirect costs attributable to the production, but excluding borrowing costs which are recognised as an expense).

Payments made before the conditions for recognition are met are recognised in the balance sheet under "Advance payments".

Programmes acquired for a single transmission are regarded as having been consumed in full on transmission.

Where programmes are acquired for two or more transmissions, consumption is calculated as follows:

- programmes not individually valued in the contract:

Type of programme	Dramas with a running time of at least 52 minutes	Films, TV movies, serials, cartoons	Other programmes
1st transmission	80%	50%	100%
2nd transmission	20%	50%	

- programmes individually valued in the contract: consumption reflects the contract price.

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

A provision for impairment is recognised:

- once it becomes probable that a programme will not be transmitted (probability of transmission is assessed on the basis of the most recent programming schedules approved by management);
- if the contractual value of the retransmission rights exceeds the value that would be attributed to those rights using the rules that apply to programmes that are not individually valued in a contract;
- where it is probable that a programme will be resold, and its carrying value in inventory exceeds the actual or estimated selling price.

Rights acquisition contracts not recognised in inventory at the end of the reporting period are priced at the contractual amount (or the estimated future cash outflow in the case of output deal contracts) less any advance payments made in respect of the contract, which are recognised as an asset in the balance sheet in "Advance payments"; these contracts are discussed in the section on inventories.

2.5.2 Broadcasting rights available for initial transmission

Broadcasting rights are recorded on this line once they are opened for initial transmission on the TF1 channel.

2.5.3 Broadcasting rights available for retransmission

Rights relating to possible repeat broadcasts are recorded on this line.

2.6 ADVANCE PAYMENTS

This line also includes (i) sums paid to acquire rights to broadcast programmes for which technical acceptance and/or opening of rights has yet to occur and (ii) sums paid for co-production shares in programmes where shooting has not been completed at the end of the reporting period. A provision for impairment may be taken against advance payments where necessary.

Payments made to purchase sports transmission rights are recognised in "Advance payments" until the sporting event takes place. If the rights are resold, a provision is recorded once the sale is probable, to cover any excess of the amount of advance payments over the actual or estimated selling price.

2.7 TRADE DEBTORS

Trade debts that are the subject of ongoing legal recovery proceedings are written down in full (excluding VAT).

Provisions for risks of non-recovery of trade debts are covered by impairment provisions on the following basis:

- 100% of all trade debts (excluding VAT) more than 3 years old;
- 50% of all trade debts (excluding VAT) more than 2 years old.

2.8 SHORT-TERM INVESTMENTS AND CASH

TF1 SA provides centralised treasury management for the Group. Treasury current accounts are classified as cash in order to achieve consistency with the classification of treasury current account credit balances, included in "Other borrowings".

Short-term investments are measured at acquisition cost. A provision for impairment is recorded if the recoverable amount falls below acquisition cost.

2.9 FOREIGN-CURRENCY TRANSACTIONS AND UNREALISED FOREIGN EXCHANGE GAINS/LOSSES

Invoices received and issued in foreign currencies are translated into euros at the rate prevailing on the date of initial recognition, and foreign-currency payables/receivables at the end of the financial year are translated using the exchange rate prevailing as of December 31. Unrealised foreign exchange losses and gains are recorded on the relevant lines on the assets and liabilities sides of the balance sheet.

The company also recognizes unrealised gains and losses arising on currency hedges associated with payables and receivables carried in its own balance sheet or in the balance sheets of subsidiaries to which it has provided guarantees (see note 5.2.1).

Any unrealised foreign exchange losses arising as a result are covered by a provision included in "Provisions for liabilities and charges".

2.10 RESTRICTED PROVISIONS

This item comprises:

- tax depreciation on co-production shares for programmes not yet transmitted, calculated from the first day of the month following the end of shooting in accordance with the rules defined by the French tax authorities on July 3, 1970. The monthly percentages used are:

Month 1	20%
Month 2	15%
Months 3 to 9	5%
Months 10 to 24	2%

- tax depreciation of software and licences, in addition to the accounting depreciation recognised in the balance sheet;
- tax depreciation on transaction costs on acquisitions of equity interests, calculated over 5 years on a straight line basis.

2.11 PROVISIONS FOR LIABILITIES AND CHARGES

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.

2.11.1 Retirement benefits

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

TF1 SA employees belong to general and top-up French pension schemes. These are defined-contribution plans, under which the company'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 this 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 year to the next, and of differences between actual market conditions and the expected market conditions used in the assumptions. These actuarial gains and losses are recognised in the income statement, as charges to or reversals of provisions for liabilities and charges.

2.11.2 Other provisions for liabilities and charges

These mainly comprise provisions for litigation and claims. The provision is 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. They include provisions for tax and social security disputes. The amount shown on reassessment notices issued by the authorities is provided for unless the company regards it as highly probable that it will successfully defend its position against the authorities. The undisputed portion of reassessment notices is recognised as a liability as soon as the amount is known.

2.12 ADVERTISING REVENUE

Sales of advertising airtime are recognised as revenue on transmission of the advertisement or commercial. The revenue recognised is the amount invoiced by advertising sales agencies (primarily TF1 Publicité) to the advertiser for the airtime, less the agency commission.

TF1 makes marginal use of barter transactions involving advertising with media other than television, such as radio or print media. Such transactions are reported on a non-netted basis in "Revenue" and in "External charges".

2.13 OFF BALANCE SHEET COMMITMENTS

Image transmission commitments represent fees payable to transmission service operators until the expiry date of their contracts.

Caution money and guarantees paid under commercial contracts are disclosed as off balance sheet commitments.

2.14 FINANCIAL INSTRUMENTS

TF1 uses financial instruments to hedge its exposure to fluctuations in interest rates and exchange rates. That exposure arises from transactions carried out by TF1 itself, and from foreign exchange guarantees provided to subsidiaries as part of the Group's centralised foreign exchange risk management policy.

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.

Gains and losses on financial instruments used for hedging purposes are measured and recognised symmetrically with the recognition of gains and losses on the hedged item.

NOTE 3 NOTES TO THE BALANCE SHEET

3.1 INTANGIBLE ASSETS

3.1.1 Intangible assets – programmes

Intangible assets mainly comprise programme co-production shares, movements in which are shown below:

(€m)	2014	2013
Co-productions in progress	5.1	11.8
Co-productions available for initial transmission	4.7	7.2
Co-productions available for retransmission	9.1	10.4
CO-PRODUCTIONS AT JANUARY 1	**18.9**	**29.4**
Acquisitions	**14.8**	**11.8**
Consumption on initial transmission	(6.6)	(7.9)
Consumption on retransmission	(0.8)	(1.6)
Total consumption on transmission	**(7.4)**	**(9.5)**
Expired	0.0	(0.9)
Retired or abandoned	(5.7)	(7.9)
Resold (net book value)	(5.6)	(4.0)
Decreases	**(18.7)**	**(22.3)**
CO-PRODUCTIONS AT DECEMBER 31	**15.1**	**18.9**
Breakdown of co-production shares:		
Co-productions in progress	2.1	5.1
Co-productions available for initial transmission	4.8	4.7
Co-productions available for retransmission	8.2	9.1
Total	**15.1**	**18.9**
PROVISIONS FOR IMPAIRMENT		
January 1	**2.7**	**5.2**
Charges during the period	0.6	0.0
Reversals during the period	2.7	2.5
December 31	**0.6**	**2.7**

As of December 31, 2014, the risk of non-transmission for co-produced programmes was €7.7 million, of which:

- €0.6 million was covered by provisions for impairment;
- €7.1 million was covered by restricted provisions previously established in accordance with the policy described in note 2.10.

The table below shows the maturity of programme co-production share acquisition contracts entered into by TF1 to secure future programming schedules:

(€m)	Less than 1 year	1 to 5 years	More than 5 years	Total 2014	Total 2013
Co-production shares	8.0	0.6	0.4	9.0	11.2

3.1.2 Other intangible assets

Movements in other intangible assets are shown below:

Gross value *(€m)*	Jan. 1, 2014	Increases	Decreases	Transfers	Dec. 31, 2014
Software and licences	17.3	1.4	(0.2)	1.4	19.9
Other intangible assets	3.2	0.0	0.0	0.0	3.2
Intangible assets in progress	1.4	1.6	0.0	(1.4)	1.6
TOTAL	**21.9**	**3.0**	**(0.2)**	**0.0**	**24.7**
Amortisation & impairment	**Jan. 1, 2014**	**Increases(1)**	**Decreases**		**Dec. 31, 2014**
Software and licences	6.0	2.2	(0.1)		8.1
Other intangible assets	2.3	0.2	0.0		2.5
TOTAL	**8.3**	**2.4**	**(0.1)**	**0.00**	**10.6**
Net value	**13.6**				**14.1**

(1) Included in "Amortisation and depreciation of other non-current assets" in the income statement.

4

3.2 PROPERTY, PLANT AND EQUIPMENT

The table below shows movements in property, plant and equipment during the year:

Gross value *(€m)*	Jan. 1, 2014	Increases	Decreases	Transfers	Dec. 31, 2014
Technical facilities	80.0	2.2	(3.3)	0.5	79.4
Other property, plant and equipment	83.3	3.1	(1.4)	0.4	85.4
Property, plant & equipment under construction	0.9	0.1	0.0	(0.9)	0.1
TOTAL	**164.2**	**5.4**	**(4.7)**	**0.0**	**164.9**
Depreciation & impairment	**Jan. 1, 2014**	**Increases(1)**	**Decreases**		**Dec. 31, 2014**
Technical facilities	68.1	5.0	(3.3)	0.0	69.8
Other property, plant and equipment	62.6	5.7	(1.5)	0.0	66.8
TOTAL	**130.7**	**10.7**	**(4.8)**		**136.6**
Net value	**33.5**				**28.3**

(1) Included in "Amortisation and depreciation of other non-current assets" in the income statement.

3.3 NON-CURRENT FINANCIAL ASSETS

This item breaks down as follows:

(€m)	Equity investments	Other long-term investment securities	Loans receivable	Other	Total
GROSS VALUE AT JANUARY 1, 2014	**1,368.0**	**0.1**	**0.0**	**0.2**	**1,368.3**
Increases					
TF1 Publications – capital increase	1.3				1.3
TF1 Droits Audiovisuels – capital increase	22.0				22.0
TF1 Vidéo	8.1				8.1
Decreases					
Liquidation of TF1 Publications	(1.8)				(1.8)
Transfer of HOP shares to MCP	(75.0)				(75.0)
Sale of Eurosport	(81.4)				(81.4)
Sale of OneCast	(17.9)				(17.9)
Other items		(0.1)			(0.1)
GROSS VALUE AT DECEMBER 31, 2014	**1,223.3**	**0.0**	**0.0**	**0.2**	**1,223.5**
Provisions for impairment					
January 1, 2014	**309.6**		**0.0**		**309.6**
Charges during the period	21.0				21.0
Reclassification of provision on transferred HOP shares	(75.0)				(75.0)
Reversals during the period	(10.8)				(10.8)
December 31, 2014	**244.8**		**0.0**		**244.8**
NET VALUE AT DECEMBER 31, 2014	**978.5**	**0.0**	**0.0**	**0.2**	**978.7**

The €21.0 million of impairment losses recognised during the period relate mainly to Publications Metro France, Prefas 18 and TF1 Production.

Reversals of impairment losses during the period relate mainly to TF1 Droits Audiovisuels.

3.4 INVENTORIES AND WORK IN PROGRESS

This item mainly comprises broadcasting rights yet to be consumed, and breaks down as follows:

(€m)	Acquired rights	In-house production	Total 2014	Total 2013
Broadcasting rights available for initial transmission	156.5	0.1	156.6	204.6
Broadcasting rights available for retransmission	172.0	0.0	172.0	216.4
Broadcasting rights in progress	0.0	2.8	2.8	1.6
Inventory at January 1	**328.5**	**2.9**	**331.4**	**422.6**
Purchases during the year	614.8	220.0	834.8	732.9
Consumption on initial transmission	(540.5)	(220.7)	(761.2)	(710.3)
Consumption on retransmission	(39.1)	0.0	(39.1)	(43.8)
Total consumption on transmission	**(579.6)**	**(220.7)**	**(800.3)**	**(754.1)**
Expired	(35.7)		(35.7)	(35.1)
Retired or abandoned	(11.5)	(0.0)	(11.5)	(7.2)
Resold	(30.7)	0.0	(30.7)	(27.7)
Total consumption	**(657.5)**	**(220.7)**	**(878.2)**	**(824.1)**
Inventory at December 31	**285.8**	**2.2**	**288.0**	**331.4**
Change in inventory	**(42.7)**	**(0.7)**	**(43.4)**	**(91.2)**
Closing inventory breaks down as follows:				
Broadcasting rights available for initial transmission	154.9	0.1	155.0	156.6
Broadcasting rights available for retransmission	130.9	0.0	130.9	172.0
Broadcasting rights in progress	0.0	2.1	2.1	2.8
Total	**285.8**	**2.2**	**288.0**	**331.4**
Provisions for impairment				
January 1	**75.5**	**0.0**	**75.5**	**81.8**
Transfers	0.0		0.0	0.0
Charges during the period	21.5		21.5	36.2
Reversals during the period	(42.9)		(42.9)	(42.5)
December 31	**54.1**	**0.0**	**54.1**	**75.5**

The table below shows the maturity of broadcasting and sports transmission rights acquisition contracts entered into by TF1 to secure future programming schedules:

(€m)	Less than 1 year	1 to 5 years	More than 5 years	Total 2014	Total 2013
Programmes and broadcasting rights(1)	782.2	576.4	33.2	1,391.8	1,418.5
Sports transmission rights(2)	52.6	68.4		121.0	274.7
TOTAL	**834.8**	**644.8**	**33.2**	**1,512.8**	**1,693.2**

(1) Includes contracts entered into by GIE TF1 Acquisitions de Droits on behalf of TF1 SA and shown in that entity's assets or off balance sheet commitments.
(2) Includes contracts entered into by TF1 DS (the company that acquires rights to sporting events broadcast by TF1), and shown in that entity's assets or off balance sheet commitments.

The portion of these contracts expressed in foreign currencies is €173.1 million (all in US dollars).

3.5 ADVANCE PAYMENTS AND DEBTORS

3.5.1 Advance payments

This mainly comprises advance payments for programme broadcasting rights and sports transmission rights (€177.2 million, against which impairment losses of €13.5 million have been charged).

3.5.2 Trade debtors

TF1 Publicité acts as agent for TF1 SA, selling advertising airtime in return for commission indexed to actual revenues. The amount owed by TF1 Publicité to TF1 SA was €243.3 million as of December 31, 2014, compared with €225.5 million as of December 31, 2013.

3.5.3 Other debtors

This item mainly comprises VAT recoverable, balances on current accounts with subsidiaries, and an amount receivable in connection with the sale of an equity investment.

3.5.4 Provisions for impairment of advance payments and debtors

(€m)	Jan. 1, 2014	Charges	Reversals	Dec. 31, 2014
Advance payments	22.7	13.5	(22.7)	13.5
Trade debtors	0.1			0.1
Other debtors	1.4	0.3	(1.4)	0.3
TOTAL	**24.2**	**13.8**	**(24.1)**	**13.9**

3.5.5 Loans receivable and debtors by due date

(€m)	Less than 1 year	1 to 5 years	More than 5 years	Total
Non-current assets		0.2		0.2
Current assets[1]	411.6	1.4		413.0
TOTAL	**411.6**	**1.6**	**0.0**	**413.2**

(1) Including trade and other debtors, net of impairment.

3.6 SHORT-TERM INVESTMENTS AND CASH

This item breaks down as follows:

Gross value *(€m)*	2014	2013
Short-term investments	**0.0**	**0.0**
Bank deposits (instant access)	3.9	3.8
Treasury current accounts with debit balances[1]	735.5	386.9
Cash in hand	0.4	0.4
Cash	**739.8**	**391.1**
TOTAL	**739.8**	**391.1**
Provisions for impairment of current accounts and short-term investments		
January 1	**0.0**	**0.0**
Charges during the period	16.6	
Reversals during the period		
December 31	**16.6**	**0.0**
NET VALUE	**723.2**	**391.1**

(1) As of December 31, 2014, €477.0 million was placed with Bouygues Relais (December 31, 2013: €243.0 million), and intra-group current account balances amounted to €258.5 million (December 31, 2013: €143.9 million). The provision of €16.6 million provision relates to a current account with a subsidiary.

3.7 PREPAID EXPENSES

Prepaid expenses amounted to €4.3 million at December 31, 2014, compared with €5.0 million as of December 31, 2013.

3.8 SHAREHOLDERS' EQUITY

The share capital is divided into 211,528,764 ordinary shares with a par value of €0.2, all fully paid.

(€m)	Jan. 1, 2014	Appropriation of profit (2014 AGM)[(1)]	Increases	Decreases	Dec. 31, 2014
Share capital	42.3		0.1		42.3
Share premium	5.8		1.6		7.4
Legal reserve	4.3				4.3
Retained earnings	299.9	(99.3)			200.7
Other reserves	807.3				807.3
Net profit for the year	16.9	(16.9)	293.7		293.7
Sub-total	**1,176.5**	**(116.2)**	**295.3**	**0.0**	**1,355.7**
Restricted provisions	32.2		3.0	(13.1)	22.0
TOTAL	**1,208.7**	**(116.2)**	**298.3**	**(13.1)**	**1,377.7**
Number of shares	**211,260,013**		**268,751**		**211,528,764**

(1) Dividends paid from April 30, 2014.

Restricted provisions comprise the following items:

(€m)	Jan. 1, 2014	Charges	Reversals	Dec. 31, 2014
Co-production shares	14.1	1.8	(3.5)	12.4
Transaction costs on acquisitions of equity interests	7.5	0.4	(7.8)	0.1
Software and licences	10.6	0.7	(1.8)	9.5
TOTAL	**32.2**	**2.9**	**(13.1)**	**22.0**

3.9 PROVISIONS FOR LIABILITIES AND CHARGES

Provisions are established using the methods described in note 2.11. Movements during the year were as follows:

(€m)	Jan. 1, 2014	Charges	Reversals (used)	Reversals (unused)	Dec. 31, 2014
Provisions for litigation and claims	1.2	1.9	(0.2)	(0.7)	2.2
Provisions for related entities	12.8	32.6	(12.8)		32.6
Provisions for retirement benefit obligations	18.5	5.5	(0.6)	(0.7)	22.7
Provisions for miscellaneous risks	0.9	0.1	(0.8)	(0.1)	0.1
TOTAL	**33.4**	**40.1**	**(14.4)**	**(1.5)**	**57.6**

Provisions for litigation and claims mainly cover risks relating to legal action and employee claims.

Provisions for related entities consist of TF1 SA's share of the losses of subsidiaries, including those established in the form of partnerships, plus provisions for risks relating to subsidiaries.

The €22.7 million provision for retirement benefits represents the present value of the obligation (€27.3 million) minus the fair value of plan assets (€4.6 million). The main assumptions used in calculating the present value of the obligation are:

- discount rate: 2.01%;
- salary inflation rate: 2.00%;
- age on retirement: 62 years.

No material contingent liabilities (claims liable to result in an outflow of resources) were identified as of the balance sheet date.

3.10 LIABILITIES

3.10.1 Bank borrowings

TF1 SA had confirmed credit facilities of €905.0 million with various banks as of December 31, 2014, none of which was drawn down at that date; of that amount, €130.0 million was due to expire within less than one year and €775.0 million after more than one year.

3.10.2 Other borrowings

This item comprises surplus cash invested on behalf of subsidiaries under cash pooling agreements totalling €472.8 million as of December 31, 2014, compared with €639.8 million as of December 31, 2013.

3.10.3 Other liabilities

This item mainly comprises credit notes and accrued discounts in favour of TF1 Publicité amounting to €256.2 million (€203.0 million as of December 31, 2013).

3.10.4 Liabilities by maturity

(€m)	Less than 1 year	1 to 5 years	More than 5 years	Total
Bank borrowings	0.0			0.0
Other borrowings	472.8			472.8
Trade creditors	253.5			253.5
Tax and employee-related liabilities	138.5			138.5
Amounts payable in respect of non-current assets	1.6			1.6
Other liabilities	264.8	1.6		266.4
TOTAL	**1,131.2**	**1.6**	**0.0**	**1,132.8**

3.10.5 Accrued income and expenses

(€m)			
Accrued income included in:		**Accrued expenses included in:**	
Trade debtors	5.5	Trade creditors	87.1
Other debtors	52.0	Tax and employee-related liabilities	69.2
		Amounts payable in respect of non-current assets	0.6
		Other liabilities	256.2

3.11 DEFERRED INCOME

Deferred income (€3.2 million) relates to the subsidiary TF1 Publicité, and represents commitments to provide advertising slots to clients free of charge. The corresponding amount as of December 31, 2013 was €3.6 million.

NOTE 4 NOTES TO THE INCOME STATEMENT

4.1 REVENUE

Advertising revenue of €1,248.5 million was recognised in 2014, compared with €1,261.7 million in 2013.

4.2 PURCHASES OF RAW MATERIALS AND OTHER SUPPLIES AND CHANGES IN INVENTORY

These items relate to broadcasting rights consumed during the period, amounting to €657.5 million (2013: €666.9 million). See note 3.4.

4.3 OTHER PURCHASES AND EXTERNAL CHARGES

This item includes costs of €134.6 million relating to sports transmission rights in 2014, compared with €47.6 million in 2013.

It also includes transmission costs of €23.0 million (including occasional provision of circuits), of which €1.9 million were recharged to other entities within the TF1 group. The net amount was therefore €21.1 million in 2014, compared with €21.9 million in 2013.

4.4 TAXES OTHER THAN INCOME TAXES

The main item included on this line is TF1 SA's contribution to the French cinematographic industry support fund, which amounted to €71.6 million in 2014 compared with €74.8 million in 2013. In 2014, this line also included €5.6 million in respect of the tax on broadcast advertising (the same amount as in 2013).

4.5 WAGES, SALARIES AND SOCIAL SECURITY CHARGES

The expense recognised for the employer's contribution to the company savings plan (employee share ownership plan) in 2014 was €4.0 million, compared with €3.9 million in the previous year.

4.6 OTHER EXPENSES

This item includes payments to copyright-holders and holders of related rights, amounting to €53.1 million in 2014 (versus €53.4 million in 2013).

4.7 COST TRANSFERS

This item (€88.5 million in 2014, versus €93.1 million in 2013) comprises reimbursements of costs incurred by TF1 SA on behalf of its subsidiaries.

4.8 NET FINANCIAL INCOME/EXPENSE

The components of net financial income/expense are as follows:

(€m)	2014	2013
Dividends and transfers of profits/losses from partnerships	80.7	41.6
Net interest paid	2.1	0.7
Provisions for impairment of equity investments(1)	(10.2)	(71.7)
Provisions for impairment of current accounts	(15.3)	2.6
Provisions for risks relating to shares of partnership losses	(32.7)	(12.9)
Debt waivers		(0.3)
Foreign exchange differences	(6.5)	1.1
Net financial income/(expense)	**18.1**	**(38.9)**

(1) See note 3.3.

Interest paid to related companies in 2014 was €0.6 million (2013: €0.4 million), and interest received from related companies was €2.3 million (2013: €0.8 million).

4.9 EXCEPTIONAL ITEMS

Exceptional items break down as follows:

(€m)	2014	2013
Retirements and losses on disposal of co-production shares	(7.8)	(8.7)
Net change in provisions (including tax depreciation)	10.1	9.3
Gains/(losses) on disposals of non-current financial assets	231.0	(7.8)
Other items	15.5	(4.2)
Exceptional items, net	**248.8**	**(11.4)**

The net change in provisions in 2014 related to movements in tax depreciation.

The net change in provisions in 2013 included the reversal of a provision for tax risks of €6.9 million; the corresponding expense was booked on the "Other items" line. The rest of the net change in provisions related to movements in tax depreciation.

The net gain on disposals of non-current financial assets in 2014 (€231.0 million) consisted mainly of the gains on the disposals of investments in Eurosport and OneCast.

In 2013, the net loss on disposals of non-current financial assets (€7.8 million) consisted mainly of the loss on the investment in WB TV.

In 2014, the "Other items" line included a gain arising from tax relief on the television services levy.

4.10 INCOME TAXES

This item breaks down as follows:

(€m)	2014	2013
Income tax expense incurred by the tax group	(29.9)	(34.4)
Income tax credit receivable from companies entitled to tax credits	22.1	19.1
Prior-year income tax expense	0.1	1.8
Tax on dividends	(3.5)	(3.5)
Income taxes	**(11.2)**	**(17.0)**

Exceptional items generated a tax charge of €14.5 million.

TF1 made a group tax election on January 1, 1989. Under the group tax election agreement, the tax liability borne by each company included in the election is the same as it would have borne had there been no group tax election. The group tax election included 28 companies in 2014.

There were no tax losses available for carry-forward within the tax group as of December 31, 2014.

The difference between the standard French tax rate of 38.0% and the effective tax rate of 3.68% is due to deductions relating to income not taxed at the full rate (dividends, long-term capital gains) and adjustments related to the tax group (tax savings arising from the losses of tax group member companies, and eliminations/reinstatements of intra-group transactions).

The total amount of tax losses of subsidiaries that generated savings for the tax group and may generate a tax liability in the future is €35.4 million.

4.11 DEFERRED TAX POSITION

The table below shows future tax effects that have not yet been recognised by TF1 SA but will be recognised when the underlying transactions are recognised in the income statement, calculated using a tax rate of 38.0%.

(€m)	Future increases in tax liability	Future reductions in tax liability
Restricted provisions	8.3	-
Accrued employee profit-sharing, holiday pay entitlement and social solidarity contributions, provisions for retirement benefit obligations, and other non-deductible expenses	-	14.9

4.12 UTILISATION OF COMPETITIVENESS AND EMPLOYMENT TAX CREDIT

For the year ended December 31, 2014, TF1 SA recognised a competitiveness and employment tax credit (*crédit d'impôt compétitivité et emploi* – CICE) of €0.5 million, as a deduction from staff costs. In addition, a tax gain of €0.1 million relating to the CICE of LCI (a tax-transparent entity) was recognised in 2014.

The CICE enabled TF1 SA to incur various expenditures in 2014 that helped improve the company's competitiveness. In particular, the company invested €5.5 million in property, plant and equipment, mainly technical video equipment.

NOTE 5 OTHER INFORMATION

5.1 OFF BALANCE SHEET COMMITMENTS

The tables below show off balance sheet commitments by type and maturity:

Commitments given *(€m)*	Less than 1 year	1 to 5 years	More than 5 years	Total 2014	Total 2013
Operating leases	25.4	70.1	3.5	99.0	128.5
Image transmission contracts	18.3	24.6	3.2	46.1	51.2
Property finance leases(1)	1.0			1.0	3.0
Guarantees(2)	7.4	4.7		12.1	15.6
Commitments relating to equity interests(3)	476.0			476.0	435.9
Other commitments(4)	0.0			0.0	3.8
TOTAL	**528.1**	**99.4**	**6.7**	**634.2**	**638.0**

Commitments received *(€m)*	Less than 1 year	1 to 5 years	More than 5 years	Total 2014	Total 2013
Operating leases	25.4	70.1	3.5	99.0	128.5
Image transmission contracts	18.3	24.6	3.2	46.1	51.2
Property finance leases(1)	1.0			1.0	3.0
Commitments relating to equity interests(3)	476.0			476.0	435.9
Other commitments(4)	7.3			7.3	0.0
TOTAL	**528.0**	**94.7**	**6.7**	**629.4**	**618.6**

(1) On June 1, 2010, TF1 acquired technical and computer equipment under a 5-year finance lease contracted with a bank for a total amount of €10.1 million (excluding interest). Lease payments made during 2014 amounted to €2.1 million, and estimated future lease payments amount to €1.0 million. If this equipment had been bought outright by TF1, the depreciation charge for the year would have been €1.4 million, and the accumulated depreciation to date would have been €8.0 million.

(2) This item relates to guarantees provided by TF1 SA against default by its subsidiaries.

(3) 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) 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:

- *b) Further to the acquisition by Discovery Communications of an additional 31% equity interest in Eurosport SAS (see note 1, "Significant events"), TF1 can sell to Discovery Communications, at any time up to and including November 26, 2015, an additional 15% equity interest in the pay-TV theme channels, raising the percentage interest held by Discovery Communications to 35%.*
- *c) If TF1 withdraws completely from the Eurosport group, Discovery Communications can sell 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) and b) above, measured on the basis of the latest enterprise values. The commitment described in point c) above is subject to conditions that have not yet been met, and hence is not included in the schedule.

(€m)	2014 reference	2014	2013
Total call options granted by TF1			367.9
Total put options granted by TF1		476.0	68.0
TOTAL COMMITMENTS UNDER OPTIONS GRANTED BY TF1		**476.0**	**435.9**
Total call options granted to TF1			367.9
Total put options granted to TF1	a) and b)	476.0	68.0
TOTAL COMMITMENTS UNDER OPTIONS GRANTED TO TF1		**476.0**	**435.9**
TOTAL TF1/DISCOVERY COMMITMENTS RELATING TO EQUITY INTERESTS		**476.0**	**435.9**

(4) Other commitments given and received mainly comprise the fair value of currency instruments (see note 5.2.1).

Other reciprocal commitments relating to the operating cycle are reported in the notes relating to the relevant balance sheet item (in particular, commitments to secure future programming schedules) and to the financing of those items (see note 3.10.1).

TF1 SA had not contracted any complex commitments as of December 31, 2014.

5.2 USE OF HEDGING INSTRUMENTS

5.2.1 Hedging of foreign exchange risk

TF1 is exposed to fluctuations in exchange rates as a result of:

- making and receiving commercial payments in foreign currencies;
- providing subsidiaries with a guaranteed annual exchange rate per currency, applied to annual projections of their foreign-currency cash needs or surpluses.

At the end of each reporting period, TF1 recognises:

- the foreign exchange loss or gain arising from the application of the foreign exchange guarantees described above;
- unrealised foreign exchange gains and losses arising on payables and receivables carried in its own balance sheet or in the balance sheets of subsidiaries to which it has provided guarantees.

Periodically, TF1 updates its consolidated net exposure and reassesses its foreign exchange risk. The strategy applied 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 depending on market opportunities.

TF1 buys and sells currency forward and contracts swaps to protect itself against exchange rate fluctuations.

As of December 31, 2014, the equivalent value of these hedging instruments contracted with banks was €126.3 million:

- €101.4 million of forward purchases (all in US dollars, valued at the closing exchange rate);
- €24.9 million of currency swaps (€0.1 million in US dollars, €12.2 million in Swiss francs and €12.6 million in pounds sterling).

5.3 EMPLOYEES

The average headcount of TF1 SA is as follows:

	2014	2013
Clerical and administrative	81	76
Supervisory	332	337
Managerial	922	935
Journalists	233	232
Intermittent employees	46	56
TOTAL	**1,614**	**1,636**

5.4 EXECUTIVE REMUNERATION

Total remuneration paid during 2014 to key executives of the TF1 group (*i.e.* the 14 members of the TF1 Management Committee mentioned in the Annual Report) was €8.6 million.

The portion of the total obligation in respect of retirement and other post-employment benefits relating to those 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.

5.5 SHARE OPTIONS AND ALLOTMENT OF CONSIDERATION-FREE SHARES

Information about the granting of share options and the allotment of consideration-free shares to employees is given in the relevant section of the Directors' report ("Share subscription option plans and consideration-free share allotment plans").

5.6 DIRECTORS' FEES

Directors' fees paid in 2014 amounted to €0.3 million.

5.7 AMOUNTS INVOLVING RELATED COMPANIES

(€m)			
Assets		**Liabilities**	
		Debt	472.8
Advance payments/trade debtors	407.6	Trade creditors	59.1
Other debtors	59.4	Other liabilities	262.7
Cash and current accounts	735.5	Deferred income	3.2
Expenses		**Income**	
Operating expenses	348.0	Operating income	1,323.0
Financial expenses	23.6	Financial income	86.1

5.8 CONSOLIDATION

TF1 SA is consolidated in the financial statements of the Bouygues group, using the full consolidation method.

5.9 LIST OF SUBSIDIARIES, AFFILIATES AND OTHER EQUITY INVESTMENTS

Company /Group	Currency	Share capital	Equity other than share capital and profit/loss	Share of capital held	Gross book value of investment[(1)]	Net book value of investment[(1)]	Outstanding loans and advances	Guarantees provided[(2)]	Revenues for most recent financial year	Profit/(loss) for most recent financial year	Dividends received during the year
(in thousands of euros or other currency as specified)											
I. Subsidiaries (at least 50% of the capital held by TF1 SA)											
■ TF1 PUBLICITÉ		2,400	14,107	100.00%	3,038	3,038	28,412	-	1,499,084	9,189	7,500
■ TF1 FILMS PRODUCTION		2,550	29,928	100.00%	1,768	1,768	-	-	49,607	5,648	1,700
■ TÉLÉSHOPPING		5,127	6,425	100.00%	5,130	5,130	-	-	86,834	2,894	3,025
■ TF1 ENTREPRISES		3,000	10,719	100.00%	3,049	3,049	-	-	47,351	5,950	6,600
■ e-TF1		1,000	142	100.00%	1,000	1,000	-	-	83,466	13,712	12,720
■ TF1 THÉMATIQUES		40,000	47,197	100.00%	209,452	89,000	-	-	72	(66)	-
■ TF1 VIDÉO		3,000	639	100.00%	8,100	8,100	4,119	3,000	52,670	793	-
■ TF1 EXPANSION		269	311,524	100.00%	291,291	291,291	-	-	0	2,021	12,003
■ TF1 DROITS AUDIOVISUELS		15,000	30,591	100.00%	138,431	104,286	-	8,789	39,121	(31,187)	-
■ LA CHAÎNE INFO		4,500	80	100.00%	2,059	59	-	79	29,996	(8,480)	-
■ OUEST INFO		40	(550)	100.00%	1,617	17	433	-	2,120	(32)	-
■ TF1 PRODUCTION		10,080	3,938	100.00%	39,052	12,552	12,867	-	101,420	1,818	-
■ TF1 EVENTS		40	(328)	100.00%	590	590	75	-	1,901	29	-
■ TF1 MANAGEMENT		40	(27)	100.00%	40	40	-	-	0	(4)	-
■ WAT		100	247	100.00%	12,140	0	-	-	1,571	11	96
■ HD1		40	(16,098)	100.00%	40	40	28,308	-	20,615	(12,752)	-
■ PREFAS 18		73,000	(15,903)	80.00%	58,400	48,900	-	-	0	2,193	-
■ PREFAS 19		40	(6)	100.00%	40	40	-	-	0	(2)	-
■ PREFAS 20		40	(6)	100.00%	40	40	-	-	0	(2)	-
■ PREFAS 21		40	(6)	100.00%	40	40	-	-	0	(5)	-
■ PUBLICATIONS METRO FRANCE		100	(5,382)	100.00%	25,552	0	16,609	-	25,707	(11,388)	-
■ TF1 DISTRIBUTION		40	(688)	100.00%	40	40	4,041	-	63,002	588	-
■ TF1 DS		100	0	100.00%	100	100	-	-	146,185	(246)	-
■ MONTE-CARLO PARTICIPATION		33,700	74,780	100.00%	213,826	213,826	-	-	3,222	3,420	-
■ GIE ACQUISITION DE DROITS		0	0	93.00%	0	0	161,223	-	200,908	(25,631)	-

Company /Group	Currency	Share capital	Equity other than share capital and profit/loss	Share of capital held	Gross book value of investment(1)	Net book value of investment(1)	Outstanding loans and advances	Guarantees provided(2)	Revenues for most recent financial year	Profit/(loss) for most recent financial year	Dividends received during the year
(in thousands of euros or other currency as specified)											
II. Affiliates (10% to 50% of the capital held by TF1 SA)											
■ EUROSPORT		17,182	525,361	49.00%	117,341	117,341	-	-	384,010	41,234	30,240
■ MÉDIAMÉTRIE*		930	25,376	10.80%	44	44	-	-	75,174	2,909	70
■ A1 INTERNATIONAL**		20	5,015	50.00%	12,809	0	-	-	0	(3,779)	-
■ S M R 6		105	5	14.29%	15	15	5	-	78	3	-
■ GROUPE AB*		222,691	69,241	33.50%	74,602	74,602	-	-	1,269	40,537	6,700
■ MR5		38	0	33.33%	13	13	-	-	146	5	-
III. Other equity investments (less than 10% of the capital held by TF1 SA)											
■ TEADS*		9,501	42,592	7.18%	3,504	3,504	-	-	716	(698)	-
■ MÉDIAMÉTRIE EXPANSION*		1,829	265	5.00%	91	0	-	-	0	(1,362)	-
■ TF6		80	(8)	0.02%	0	0	-	40	12,146	(452)	-
■ TF6 GESTION		80	11	0.001%	0	0	-	-	0	20	-
■ SERIECLUB		50	1,614	0.004%	2	2	-	-	9,644	(814)	-
■ APHÉLIE		2	25,190	0.05%	0	0	40	-	15,065	13,171	-
■ DUJARDIN (formerly REGAIN GALORE)		463	3,795	0.01%	1	1	-	-	20,009	873	-
TOTAL SUBSIDIARIES, AFFILIATES & EQUITY INVESTMENTS					**1,223,257**	**978,468**	**256,132**	**11,908**	**-**	**-**	**80,654**

(1) *Includes transaction costs where relevant.*
(2) *"Guarantees provided" represent guarantees given by TF1 SA to cover possible default by a subsidiary and disclosed in off balance sheet commitments.*
* *Share capital, equity other than share capital and profit/loss, revenue, and profit/loss all relate to the 2013 financial year.*
** *Share capital, equity other than share capital and profit/loss, revenue, and profit/loss all relate to the 2009 financial year.*

NOTE 6 EVENTS AFTER THE REPORTING PERIOD

None.

5

STATUTORY AUDITORS' REPORT

5.1 STATUTORY AUDITORS' REPORT ON THE REPORT BY THE CHAIRMAN OF THE BOARD 202

5.2 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS 203

5.3 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS 205

5.4 STATUTORY AUDITORS' REPORT ON RELATED PARTY AGREEMENTS AND COMMITMENTS 207

5.5 STATUTORY AUDITORS' REPORT ON THE CAPITAL REDUCTION 213

5.6 STATUTORY AUDITORS' REPORT ON THE CAPITAL INCREASE RESERVED FOR MEMBERS OF AN EMPLOYEE SAVINGS SCHEME 214

5.7 STATUTORY AUDITORS' REPORT ON THE ISSUANCE OF SHARES AND OTHER SECURITIES WITH OR WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS 215

5.8 INDEPENDENT VERIFIER'S REPORT ON CONSOLIDATED SOCIAL, ENVIRONMENTAL AND SOCIETAL INFORMATION PRESENTED IN THE MANAGEMENT REPORT 217

5.1 STATUTORY AUDITORS' REPORT ON THE REPORT BY THE CHAIRMAN OF THE BOARD

This is a free translation into English of a report issued in French and provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with French law and professional auditing standards applicable in France.

Statutory Auditors' report, prepared in accordance with Article L. 225-235 of the French Commercial Code ("Code de Commerce"), on the report by the Chairman of the Board of Directors of Télévision Française 1 SA.

Year ended December 31, 2014

To the Shareholders,

In our capacity as Statutory Auditors of Télévision Française 1 SA, and in accordance with Article L. 225-235 of the French Commercial Code ("Code de Commerce"), we hereby report on the report prepared by the Chairman of your company in accordance with Article L. 225-37 of the French Commercial Code for the year ended December 31, 2014.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report on the internal control and risk management procedures implemented by the company and containing the other disclosures required by Article L. 225-37 particularly in terms of the corporate governance measures.

It is our responsibility:

- to report to you on the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information; and
- to attest that this report contains the other disclosures required by Article L. 225-37 of the French Commercial Code, it being specified that we are not responsible for verifying the fairness of these disclosures.

We conducted our work in accordance with professional standards applicable in France.

INFORMATION ON THE INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES RELATING TO THE PREPARATION AND PROCESSING OF ACCOUNTING AND FINANCIAL INFORMATION

These standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consisted mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and existing documentation;
- determining if any significant weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our engagement are properly disclosed in the Chairman's report.

On the basis of our work, we have nothing to report on the information in respect of the company's internal control and risk management procedures relating to the preparation and processing of accounting and financial information contained in the report prepared by the Chairman of the Board in accordance with Article L. 225-37 of the French Commercial Code.

OTHER DISCLOSURES

We hereby attest that the Chairman's report includes the other disclosures required by Article L. 225-37 of the French Commercial Code.

The Statutory Auditors

Paris La Défense and Courbevoie, February 18, 2015

KPMG Audit IS	Mazars	
Stéphanie Ortega, Partner	Guillaume Potel, Partner	Olivier Thireau, Partner

5.2 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English-speaking users. The Statutory Auditors' report includes information specifically required by French law in such reports. This information is presented below the opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information not derived from the consolidated financial statements.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Year ended December 31, 2014

To the Shareholders,

Following our appointment as Statutory Auditors by the Shareholders' Annual General Meeting, we hereby report to you, for the year ended December 31, 2014, on:

- the audit of the accompanying consolidated financial statements of Télévision Française 1 SA ("the company");
- the justification of our assessments;
- the specific verification required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

1 OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2014 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

2 JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of Article L. 823-9 of the French Commercial Code relating to the justification of our assessments, we draw your attention to the following matters:

- The disposal of the 31% of the shareholding in the Eurosport group to Discovery Communications and the loss of control resulting from it is described in notes 1, 2-7, 3-1 and 9 to the consolidated financial statements. In accordance with the accounting policies adopted by your company, we verified that the accounting methods and the disclosures thereon in the notes to the financial statements were appropriate and properly applied.
- Each year end, the company performs impairment tests on goodwill and intangible assets with indefinite useful lives, and also assesses whether there is any indication of impairment of other tangible and intangible assets, according to the methods described in notes 2-10 and 6 to the consolidated financial statements. Based on the information available to us, we examined the methods used to test for impairment and the cash flow forecasts and ensured that the notes provide appropriate disclosures thereon.
- Programmes and broadcasting rights are measured and recognised in accordance with the accounting rules and methods described in note 2-12 to the consolidated financial statements, which specifies how they are initially recognised as inventory, consumed and impaired. We examined the approaches chosen by the company and verified, using sampling techniques, that they had been applied. We verified that notes 2-12 and 10 provide appropriate information thereon.

These assessments were made in the context of our audit of the consolidated financial statements taken as a whole and therefore contributed to the opinion expressed in the first part of this report.

3 SPECIFIC VERIFICATION

As required by law we have also verified, in accordance with professional standards applicable in France, the information presented in the Group's management report.

We have no matters to report regarding its fair presentation and conformity with the consolidated financial statements.

The Statutory Auditors

Paris La Défense and Courbevoie, February 18, 2015

KPMG Audit IS	Mazars	
Stéphanie Ortega, Partner	Guillaume Potel, Partner	Olivier Thireau, Partner

5.3 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English-speaking users. The Statutory Auditors' report includes information specifically required by French law in such reports. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information not derived from the financial statements.

This report should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.

Year ended December 31, 2014

To the Shareholders,

Following our appointment as Statutory Auditors by the Shareholders' Annual General Meeting, we hereby report to you, for the year ended December 31, 2014, on:

- the audit of the accompanying financial statements of Télévision Française 1 SA ("the company");
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

1 OPINION ON THE FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the company as at December 31, 2014 and of the results of its operations for the year then ended in accordance with French accounting principles.

2 JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of Article L. 823-9 of the French Commercial Code relating to the justification of our assessments, we draw your attention to the following matters:

- Note 2-4 to the financial statements describes the method used to determine the value in use of investments for which an impairment charge or provision may be recorded. Based on the information available to us, we examined the method used to determine the value in use of the investments and verified that the information provided in notes 2-4 and 3-3 were appropriate.
- Programmes and broadcasting rights are recognised and measured in accordance with the accounting rules and methods described in note 2-5 to the consolidated financial statements, which specifies how the rights are initially entered as inventory, consumed, and written down. We examined the approaches chosen by the company and verified, using sampling techniques, that they had been applied. We verified that notes 2-5 and 3-4 provide appropriate information thereon.

The assessments were made in the context of our audit of the financial statements taken as a whole and therefore contributed to the formation of the opinion expressed in the first part of this report.

3 SPECIFIC VERIFICATIONS AND INFORMATION

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors, and in the documents addressed to shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of Article L. 225-102-1 of the French Commercial Code ("Code de Commerce") relating to remunerations and benefits received by the Directors and any other commitments made in their favour, we have verified its consistency with the financial statements or with the underlaying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders (and holders of the voting rights) has been properly disclosed in the management report.

The Statutory Auditors

Paris La Défense and Courbevoie, February 18, 2015

KPMG Audit IS
Stéphanie Ortega, Partner

Mazars
Guillaume Potel, Partner
Olivier Thireau, Partner

5.4 STATUTORY AUDITORS' REPORT ON RELATED PARTY AGREEMENTS AND COMMITMENTS

This is a free translation into English of the auditors' special report dealing with regulated agreements and undertakings issued in French and it is provided solely for the convenience of English-speaking users.

The special report includes information specifically required by French law in such reports, whether modified or not.

This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

General Meeting held to approve the financial statements for the year ended December 31, 2014

To the Shareholders,

As Statutory Auditors of your company, we hereby present our report on related party agreements and commitments.

It is our responsibility to inform you, on the basis of the information provided to us, of the terms and conditions of the agreements and commitments of which we were informed or encountered during our assignment. It is not our role to determine whether they are beneficial or appropriate or to ascertain whether any other related party agreements or commitments exist. It is your responsibility, under the terms of Article R. 225-31 of the French Commercial Code, to assess the merit of these agreements and commitments with a view to approving them.

It is also our responsibility to provide you, to the extent necessary, with the information stipulated in Article R. 225-31 of the French Commercial Code regarding the execution during the financial year now ended of the agreements and commitments already approved by the shareholders at their General Meeting.

We conducted the work we deemed necessary in accordance with the professional standards issued by the French institute of Statutory Auditors relating to this engagement. Those standards require that we plan and perform our work to verify that the information provided to us is consistent with the documents from which it was derived.

I AGREEMENTS AND COMMITMENTS SUBMITTED FOR APPROVAL BY SHAREHOLDERS AT THE GENERAL MEETING HELD TO APPROVE THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

A-1. AGREEMENTS AND COMMITMENTS AUTHORISED DURING THE FINANCIAL YEAR

In accordance with Article L. 225-40 of the French Commercial Code, we have been informed of the following related party agreements and commitments previously authorised by your Board of Directors.

WITH BOUYGUES

Shared services agreement

Authorised by the Board of Directors on October 29, 2014

The Board of Directors authorised the renewal, for a period of one year from January 1, 2015, of the shared services agreement with Bouygues under which Bouygues provides services to TF1.

Benefits of this agreement

The purpose of this shared services agreement, a common arrangement in groups of companies, is to enable TF1 to benefit from services provided by its parent company, especially in the fields of management, human resources, information systems and finance.

Financial terms

This agreement is based on rules relating to the allocation and billing of the cost of support functions between companies using Bouygues services, including specific services provided at the request of TF1 and an allocation of a share of the residual costs. The amount invoiced is limited to a percentage of revenues.

The renewal of this agreement for 2015 had no financial impact during the 2014 financial year. Its effects will be recognised in the 2015 financial year.

Individuals and entities involved

- Bouygues: Martin Bouygues (Chairman and Chief Executive Officer), Olivier Bouygues and Nonce Paolini (Directors);
- Bouygues is a shareholder.

Top-up pension plan for key executives

Authorised by the Board of Directors on October 29, 2014

The Board of Directors authorised the renewal, for a period of one year from January 1, 2015, of the top-up pension for Nonce Paolini, provided under a collective defined-benefit pension plan operated by Bouygues, under which members of the Bouygues Management Committee are entitled to a top-up pension based on 0.92% of their reference salary for each year's membership of the plan. This top-up plan is capped at eight times the annual French social security ceiling (corresponding to 304,320 € for the year of 2015), and is contracted out to an insurance company.

Benefits of this agreement

The purpose of this agreement is to secure the loyalty of members of the Management Committee, which includes Nonce Paolini.

Financial terms

Bouygues recharges TF1 for its share of the premiums paid to the insurance company.

The renewal of this agreement for 2015 had no financial impact during the 2014 financial year. Its effects will be recognised in the 2015 financial year.

Individuals and entities involved

- Bouygues: Martin Bouygues (Chairman and Chief Executive Officer), Olivier Bouygues and Nonce Paolini (Directors);
- Bouygues is a shareholder.

WITH THE ECONOMIC INTEREST GROUP GIE 32 AVENUE HOCHE

Provision of office space

Authorised by the Board of Directors on October 14, 2014

The Board of Directors authorised the renewal, for a period of one year from January 1, 2015, of the agreement to provide office space on the first floor at 32 avenue Hoche, Paris.

Benefits of this agreement

Under this agreement, TF1 benefits from office space and meeting rooms in the centre of Paris, as well as related services such as reception services, information systems and secretarial services.

Financial terms

This agreement is based on a fixed-price sum.

The renewal of this agreement for 2015 had no financial impact during the 2014 financial year. Its effects will be recognised in the 2015 financial year.

Individuals and entities involved

- Bouygues: Martin Bouygues (Chairman and Chief Executive Officer), Olivier Bouygues and Nonce Paolini (Directors);
- Bouygues is a member of the Economic Interest Group GIE 32 Avenue Hoche.

WITH AIRBY

Use of aircraft owned by Airby

Authorised by the Board of Directors on October 29, 2014

This agreement enables TF1 to use Airby, a general partnership held indirectly by Bouygues and SCDM, which operates a Global 5000 aircraft or rented aircrafts. This one-year agreement has been signed on December 22, 2014.

Benefits of this agreement

The agreement provides for use of the aircraft by Bouygues group, including the provision of the aircraft and all associated services (e.g. aircrew, fuel, etc.).

Financial terms

For the 2015 financial year, the financial conditions remain unchanged, a single flat-rate tariff of €7,000 (excluding taxes) was billed per flight hour for Global 5000 aircraft, for provision of the aircraft and all associated services (aircrew, fuel, etc.) as and when the aircraft was used. An aircraft made available by Airby, SNC and rented on the market is billed at the price of the rent plus €1,000 (excluding taxes) for the chartering.

The authorisation of this agreement for 2015 had no financial impact during the 2014 financial year. Its effects will be recognised in the 2015 financial year.

Individuals and entities involved

- Bouygues: Martin Bouygues (Chairman and Chief Executive Officer), Olivier Bouygues and Nonce Paolini (Directors);
- Bouygues is a shareholder.

WITH SUBSIDIARIES OF THE TF1 GROUP

Support function agreements

Authorised by the Board of Directors on October 29, 2014

The Board of Directors has authorised the renewal, for a period of one year from January 1, 2015, of support function agreements with subsidiaries of the Group which capital is not completely held by TF1. These agreements cover the provision by TF1 to its subsidiaries of various services, especially in the fields of management, human resources, consultancy, finance and strategy.

The subsidiaries concerned by this agreement are TMC, TV Breizh, Histoire and Ushuaïa TV.

Benefits of these agreements

Support function agreements are common among groups of companies. The purpose of these agreements is to enable the subsidiaries to benefit from services provided by their parent company, and to allocate the corresponding expenses among the various companies using TF1 services.

Financial terms

This agreement is based on rules relating to the allocation and billing of the cost of support functions between companies using their services, including specific services provided at the request of the subsidiary and an allocation of a share of the residual costs. The amount invoiced is limited to a percentage of revenues.

The renewal of these agreements for 2015 had no financial impact during the 2014 financial year. Its effects will be recognised in the 2015 financial year.

Entities involved

- TMC: Nonce Paolini (Director);
- TF1 is a shareholder.

II AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE GENERAL MEETING

B-1. AGREEMENTS AND COMMITMENTS THAT CONTINUED TO BE EXECUTED DURING THE FINANCIAL YEAR NOW ENDED

Pursuant to Article R. 225-30 of the French Commercial Code, we have been informed that the following agreements and commitments, already approved by the General Meeting, continued to be executed during the year now ended.

WITH BOUYGUES

Shared services agreement

Authorised by the Board of Directors on November 7, 2013

At their General Meeting on April 17, 2014, the shareholders approved the renewal, for a period of one year from January 1, 2014, of the shared services agreement with Bouygues under which Bouygues provides services to TF1, especially in the fields of management, human resources, information systems and finance.

Financial terms

This agreement is based on rules relating to the allocation and billing of the cost of support functions between companies using Bouygues services, including specific services provided at the request of TF1 and an allocation of a share of the residual costs. The amount invoiced is limited to a percentage of revenues.

The amount invoiced by Bouygues for the 2014 financial year was €3,111,339 (excluding taxes), comprising €3,200,825 (excluding taxes) in respect of 2014 and €89,486 (excluding taxes) as an adjustment in respect of the 2013 financial year.

Individuals and entities involved

- Bouygues: Martin Bouygues (Chairman and Chief Executive Officer), Olivier Bouygues and Nonce Paolini (Directors);
- Bouygues is a shareholder.

Top-up pension plan for key executives

Authorised by the Board of Directors on November 7, 2013

At their General Meeting on April 17, 2014, the shareholders approved the renewal, for a period of one year from January 1, 2014, of the top-up pension for Nonce Paolini, provided under a collective defined-benefit pension plan operated by Bouygues, under which members of the Bouygues Management Committee are entitled to a top-up pension based on 0.92% of their reference salary for each year's membership of the plan. This top-up plan is capped at eight times the annual French social security ceiling, and is contracted out to an insurance company.

Financial terms

Bouygues recharges TF1 for its share of the premiums paid to the insurance company.

The amount invoiced by Bouygues for the 2014 financial year was €638,170 (excluding taxes).

Individuals and entities involved

- Bouygues: Martin Bouygues (Chairman and Chief Executive Officer), Olivier Bouygues and Nonce Paolini (Directors);
- Bouygues is a shareholder.

WITH THE ECONOMIC INTEREST GROUP GIE 32 AVENUE HOCHE

Provision of office space

Authorised by the Board of Directors on November 7, 2013

At their General Meeting on April 17, 2014, the shareholders approved the renewal, for a period of one year from January 1, 2014, of the agreement to provide office space on the first floor at 32 avenue Hoche, Paris.

Financial terms

The amount paid to the Economic Interest Group GIE 32 Avenue Hoche for the provision of office space and related services in respect of the 2014 financial year was €12,988 (excluding taxes).

Individuals and entities involved

- Bouygues: Martin Bouygues (Chairman and Chief Executive Officer), Olivier Bouygues and Nonce Paolini (Directors);
- Bouygues is a member of GIE 32 Avenue Hoche.

WITH SUBSIDIARIES OF THE TF1 GROUP

Support function agreements

Authorised by the Board of Directors on November 7, 2013

At their General Meeting on April 17, 2014, the shareholders approved the renewal, for a period of one year from January 1, 2014, of the support function agreements with subsidiaries of the Group. These agreements cover the provision by TF1 to its subsidiaries of various services, especially in the fields of management, human resources, consultancy, finance and strategy.

Financial terms

This agreement is based on rules relating to the allocation and billing of the cost of support functions between companies using their services, including specific services provided at the request of the subsidiary and an allocation of a share of the residual costs. The amount invoiced is limited to a percentage of revenues.

The amounts invoiced by TF1 to the subsidiaries (not held at 100%) concerned totalled € 2,196 thousand, comprising:

- €2,291 thousand in respect of the 2014 financial year;
- € 95 thousand in credit notes, representing adjustments in respect of the 2013 financial year.

(in €K)	2014 financial year	2013 financial year	Total
TMC	494	(58)	436
TV Breizh	133	(15)	118
Histoire	42	(11)	31
Ushuaïa	25	4	29
Stylía	59	(15)	44
Eurosport*	1,352		1352
Eurosport France*	186		186
TOTAL	**2,291**	**(95)**	**2196**

* *Agreements interrupted during the 2014 financial year.*

Entities involved

- Eurosport: Olivier Bouygues (Director, whose term expires on May 30, 2014, further to its resignation);
- TMC: Nonce Paolini (Director);
- TF1 is a shareholder.

5

B-2. AGREEMENTS AND COMMITMENTS APPROVED AT THE GENERAL MEETING IN PREVIOUS YEARS AND WHICH CONTINUED TO APPLY IN FINANCIAL YEAR 2014

WITH APHÉLIE SNC

Commercial lease

Authorised by the Board of Directors on May 13, 2009

At their General Meeting on April 15, 2010, the shareholders approved the commercial lease entered into with Aphélie SNC on June 19, 2009, covering the Tower, North Wing and Central buildings at the Point du Jour property complex.

The lease was signed for a term of nine years and nine days, with a firm commitment for six years and nine days.

The rent invoiced by Aphélie SNC for the 2014 financial year was €13,940,591 (excluding taxes).

Entity involved

- TF1 is a shareholder in Aphélie SNC via its subsidiary TF1 Expansion.

WITH FIRÉLIE SAS

Commercial lease

Authorised by the Board of Directors on November 10, 2011

At their General Meeting on April 19, 2012, the shareholders approved the commercial lease entered into with Firélie SAS on January 9, 2012, covering the South Wing building.

The lease was signed for a term of nine years and ten days from December 22, 2011, with a firm commitment for six years, six months and ten days.

The annual rent invoiced by Firélie SAS to TF1 for the 2014 financial year was €3,391,073 (excluding taxes).

Entity involved

- TF1 is a shareholder in Firélie SAS via its subsidiary TF1 Expansion.

B-3. AGREEMENTS AND COMMITMENTS ALREADY APPROVED AT THE GENERAL MEETING NOT EXECUTED DURING THE YEAR NOW ENDED

We have also been informed of the following agreements and commitments, already approved by the General Meeting in the previous year, that were not executed during the year now ended.

WITH AIRBY

Use of aircraft owned by Airby

Authorised by the Board of Directors on November 7, 2013

At their General Meeting on April 17, 2014, the shareholders approved, the agreement enabling TF1, for a period of one year starting on the 1st of January 2014, to use Airby, a general partnership held indirectly by Bouygues and SCDM, which operates a Global 5000 aircraft or rented aircrafts.

Financial terms

For the 2014 financial year, the billing for Global 5000 aircraft is calculated at a single all-in tariff of €7,000 (excluding taxes) per flight hour. The provision of an aircraft leased by Airby from another aircraft operator shall be invoiced at the cost of leasing the aircraft plus €1,000 (excluding taxes) for each aircraft leased in consideration for the chartering service rendered to TF1 by Airby SNC.

TF1 did not use any such aircraft during 2014, and nothing was invoiced by Airby.

Individuals and entities involved

- Bouygues: Martin Bouygues (Chairman and Chief Executive Officer), Olivier Bouygues and Nonce Paolini (Directors);
- Bouygues is a shareholder.

The Statutory Auditors

Paris La Défense and Courbevoie, February 18, 2015

KPMG Audit IS	Mazars	
Stéphanie Ortega, Partner	Guillaume Potel, Partner	Olivier Thireau, Partner

5.5 STATUTORY AUDITORS' REPORT ON THE CAPITAL REDUCTION

This is a free translation into English of the original report issued in French, and is provided solely for the convenience of English-speaking users. It should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Annual General Meeting of April 16, 2015 – 17th resolution

To the Shareholders,

In our capacity as Statutory Auditors of your company, and in execution of the engagement stipulated in Article L. 225-209 of the French Commercial Code in the event of a reduction in share capital by cancellation of previously acquired shares, we have prepared this report to inform you of our assessment of the causes and terms of the proposed capital reduction.

Your Board of Directors is proposing that you delegate to it, for a period of 18 months from the date of the present Meeting, full powers to cancel, up to a maximum of 10% of the share capital per 24-month period, shares purchased by virtue of an authorisation for your company to purchase its own shares under the provisions of the aforementioned Article.

We have performed the procedures we regarded as necessary in accordance with professional standards as issued by the Compagnie Nationale des Commissaires aux Comptes for this engagement. Those procedures involved examining the validity of the causes and terms of the proposed capital reduction, which is not of a nature to impair the equal treatment of shareholders.

We have no comment to make on the causes and terms of the proposed capital reduction.

The Statutory Auditors

Paris La Défense and Courbevoie, March 2, 2015

KPMG Audit IS	Mazars	
Stéphanie Ortega, Partner	Guillaume Potel, Partner	Olivier Thireau, Partner

5.6 STATUTORY AUDITORS' REPORT ON THE CAPITAL INCREASE RESERVED FOR MEMBERS OF AN EMPLOYEE SAVINGS SCHEME

This is a free translation into English of the original report issued in French, and is provided solely for the convenience of English-speaking users. It should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Annual General Meeting of April 16, 2015 – 27th resolution

To the Shareholders,

In our capacity as Statutory Auditors of your company, and in execution of the engagement stipulated in Articles L. 225-135 et seq. of the French Commercial Code, we hereby present our report on the proposal to delegate to the Board of Directors the competence to decide to carry out one or capital increases up to a maximum of 2% of the share capital by issuance of ordinary shares with preferential subscription rights cancelled, to be reserved for employees and corporate officers of TF1 SA and of French and foreign companies associated with TF1 SA who are members of any company or group savings scheme or any inter-company savings scheme, this being a transaction which you are required approve.

This capital increase is submitted for your approval in accordance with the provisions of Article L. 225-129-6 of the French Commercial Code and Article L. 3332-18 et seq. of the French Labour Code.

Your Board of Directors proposes, based on its report, that you delegate to it, for a period of 26 months from the date of the present Meeting, the competence to decide to carry out a capital increase and to cancel your preferential subscription rights to the ordinary shares thereby issued. It would also be for the Board of Directors to set the final terms and conditions of issue for this transaction.

It is the responsibility of the Board of Directors to prepare a report in accordance with Articles R. 225-113 and R. 225-114 of the French Commercial Code. Our responsibility is to issue an opinion on the sincerity of the quantitative information derived from the accounts, on the proposed cancellation of preferential subscription rights, and on certain other information about the issue, as provided in that report.

We have performed the procedures we regarded as necessary in accordance with professional standards as issued by the Compagnie Nationale des Commissaires aux Comptes for this engagement. Those procedures involved checking the content of the report of the Board of Directors relating to this transaction, and the methods used to determine the issue price of the shares.

Subject to a subsequent examination of the terms and conditions of any capital increase that may be decided upon, we have no comment to make regarding the methods used to determine the issue price of the ordinary shares thereby issued, as stated in the report of the Board of Directors.

Because the final terms and conditions under which the capital increase would be carried out have not been set, we do not express an opinion thereon, and consequently we do not express an opinion on the proposal to cancel preferential subscription rights as submitted to you.

In accordance with Article R. 225-116 of the French Commercial Code, we will prepare a further report if and when your Board of Directors makes use of this delegation.

The Statutory Auditors

Paris La Défense and Courbevoie, March 2, 2015

KPMG Audit IS	Mazars	
Stéphanie Ortega, Partner	Guillaume Potel, Partner	Olivier Thireau, Partner

5.7 STATUTORY AUDITORS' REPORT ON THE ISSUANCE OF SHARES AND OTHER SECURITIES WITH OR WITHOUT PREFERENTIAL SUBSCRIPTION RIGHTS

This is a free translation into English of the original report issued in French, and is provided solely for the convenience of English-speaking users. It should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Annual General Meeting of April 16, 2015 – 18th, 20th, 21st, 22nd, 23rd, 24th and 25th resolutions

To the Shareholders,

In our capacity as Statutory Auditors of your company, and in execution of the engagement stipulated in Articles L. 228-92 and L. 225-135 et seq. of the French Commercial Code, we hereby present our report on the proposed delegations to the Board of Directors to carry out various issues of shares and securities, transactions which you are required to approve.

Your Board of Directors, based on its report, is proposing that you:

- delegate to the Board, with the power to sub-delegate under and in accordance with applicable law, for a period of 26 months from the date of the present Meeting, the competence to decide to carry out the following transactions and set the final terms and conditions of issue, and also proposes where appropriate that you cancel your preferential subscription rights:
  - issuance of ordinary shares and securities giving access to ordinary shares of your company, with preferential subscription rights maintained (18th resolution),
  - issuance of ordinary shares and securities giving access to ordinary shares of your company, with preferential subscription rights cancelled, via public offerings (20th resolution),
  - issuance of ordinary shares and securities giving access to ordinary shares of your company, with preferential subscription rights cancelled, via the offers referred to in Article L. 411-2 of the French Monetary and Financial Code (21st resolution), up to a limit of 10% of the share capital per year,
  - issuance of ordinary shares and securities giving access to ordinary shares of your company, in the event of a public exchange offer initiated by your company (25th resolution);
- authorise the Board by means of the 22nd resolution, in connection with the implementation of the delegations covered by the 20th and 21st resolutions, to set the issue price subject to the statutory annual limit of 10% of the share capital;
- delegate to the Board, for a period of 26 months from the date of the present Meeting, the power to set the terms under which ordinary shares and securities giving access to ordinary shares may be issued as consideration for contributions in kind tendered to your company consisting of shares or securities giving access to the capital of another company (24th resolution), up to a maximum of 10% of the share capital.

The total nominal amount of capital increases carried out immediately or in the future under the 18th, 20th, 21st, 24th and 25th resolutions may not exceed €8.4 million, with the further stipulation that the total nominal amount of capital increases carried out immediately or in the future under the 20th, 21st, 24th and 25th resolutions may not exceed €4.2 million.

The total nominal amount of debt securities issued may not exceed €900 million for the 18th, 20th, 21st, 24th and 25th resolutions.

These ceilings take account of the number of additional shares that may be issued on implementation of the delegations covered by the 18th, 20th and 21st resolutions on the terms stipulated in Article L. 225-135-1 of the French Commercial Code in the event that you approve the 23rd resolution.

It is the responsibility of the Board of Directors to prepare a report in accordance with Articles R. 225-113 et seq. of the French Commercial Code. Our responsibility is to issue an opinion on the sincerity of the quantitative information derived from the accounts, on the proposed cancellation of preferential subscription rights, and on certain other information about these transactions, as provided in that report.

We have performed the procedures we regarded as necessary in accordance with professional standards as issued by the Compagnie Nationale des Commissaires aux Comptes for this engagement. Those procedures involved checking the content of the report of the Board of Directors relating to these transactions, and the methods used to determine the issue price of the shares to be issued.

Subject to a subsequent examination of the terms and conditions of any issues that may be decided upon, we have no comments to make regarding the methods used to determine the issue of price of the ordinary shares to be issued under the 20th, 21st and 22nd resolutions, as stated in the report of the Board of Directors.

In addition, because that report does not specify the methods used to determine the issue price of the shares to be issued on implementation of the 18th, 24th and 25th resolutions, we cannot express an opinion on the choice of factors used to calculate the issue price.

Because the final terms and conditions under which the issues would be carried out have not been set, we do not express an opinion thereon, and consequently we do not express an opinion on the proposal to cancel preferential subscription rights as submitted to you in the 20th, 21st, 22nd, 24th and 25th resolutions.

In accordance with Article R. 225-116 of the French Commercial Code, we will prepare a further report if and when your Board of Directors makes use of these delegations to issue securities giving access to the capital or to carry out issues with preferential subscription rights cancelled.

The Statutory Auditors

Paris La Défense and Courbevoie, March 2, 2015

KPMG Audit IS	Mazars	
Stéphanie Ortega, Partner	Guillaume Potel, Partner	Olivier Thireau, Partner

5.8 INDEPENDENT VERIFIER'S REPORT ON CONSOLIDATED SOCIAL, ENVIRONMENTAL AND SOCIETAL INFORMATION PRESENTED IN THE MANAGEMENT REPORT

This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Year ended the 31st of December 2014

To the Shareholders,

In our quality as an independent verifier of which the admissibility of the application for accreditation has been accepted by the COFRAC[1], under the number n° 3-1050, and as a member of the network of one of the Statutory Auditors of the company TF1, we present our report on the consolidated social, environmental and societal information established for the year ended on the 31st of December 2014, presented in chapter 7 "Corporate and Social Responsibility of the company" and on the correspondence table, presented in chapter 9 of the management report, hereafter referred to as the "CSR Information," pursuant to the provisions of the Article L. 225-102-1 of the French Commercial Code (Code de Commerce).

RESPONSIBILITY OF THE COMPANY

It is the responsibility of the Board of Directors to establish a management report including CSR Information referred to in the Article R. 225-105-1 of the French Commercial Code (Code de Commerce), in accordance with the protocols used by the company such as protocols for HR reporting and the Extra-financial guide of TF1 in their respective versions dated November 2014 and February 2015 (hereafter referred to as the "Criteria") on request at the company's headquarters.

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by regulatory requirements, the Code of Ethics of our profession as well as the provisions in the Article L. 822-11 of the French Commercial Code (Code de Commerce). In addition, we have implemented a quality control system, including documented policies and procedures to ensure compliance with ethical standards, professional standards and applicable laws and regulations.

RESPONSIBILITY OF THE INDEPENDENT VERIFIER

It is our role, based on our work:

- to attest whether the required CSR Information is present in the management report or, in the case of its omission, that an appropriate explanation has been provided, in accordance with the third paragraph of R. 225-105 of the French Commercial Code (Code de Commerce) (Attestation of presence of CSR Information);
- to express a limited assurance conclusion, that the CSR Information, overall, is fairly presented, in all material aspects, in according with the Criteria (Opinion on fairness of CSR Information).

Our verification work was undertaken by a team of four people between October 2014 and February 2015 for an estimated duration of 8 weeks.

We conducted the work described below in accordance with the professional standards applicable in France and the Order of May 13, 2013 determining the conditions under which an independent third-party verifier conducts its mission, and in relation to the opinion of fairness and the reasonable assurance report, in accordance with the international standard ISAE 3000[2].

(1) Scope available at www.cofrac.fr.

(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical information.

1 ATTESTATION OF PRESENCE OF CSR INFORMATION

We obtained an understanding of the company's CSR issues, based on interviews with the management of relevant departments, a presentation of the company's strategy on sustainable development based on the social and environmental consequences linked to the activities of the company and its societal commitments, as well as, where appropriate, resulting actions or programmes.

We have compared the information presented in the management report with the list as provided for in the Article R. 225-105-1 of the French Commercial Code (Code de Commerce).

In the absence of certain consolidated information, we have verified that the explanations were provided in accordance with the provisions in Article R. 225-105-1, paragraph 3, of the French Commercial Code (Code de Commerce).

We verified that the information covers the consolidated perimeter, namely the entity and its subsidiaries, as aligned with the meaning of the Article L. 233-1 of the French Commercial Code (Code de Commerce) and the entities which it controls, as aligned with the meaning of the Article L. 233-3 of the same Code within the limits specified in the introduction and at the end of the chapter "Environmental information" regarding the subsidiary Metronews.

Based on this work and given the limitations mentioned above, we confirm the presence in the management report of the required CSR information.

2 LIMITED ASSURANCE ON CSR INFORMATION

NATURE AND SCOPE OF THE WORK

We undertook around ten interviews with a dozen people responsible for the preparation of the CSR Information in the different departments CSR, General Secretary, Information Systems and Technologies, New Media, Human Resources and Social Affairs, in charge of the data collection process and, if applicable, the people responsible for internal control processes and risk management, in order to:

- assess the suitability of the Criteria for reporting, in relation to their relevance, completeness, reliability, neutrality, and understandability, taking into consideration, if relevant, industry standards;
- verify the implementation of the process for the collection, compilation, processing and control for completeness and consistency of the CSR Information and identify the procedures for internal control and risk management related to the preparation of the CSR Information.

We determined the nature and extent of our tests and inspections based on the nature and importance of the CSR Information, in relation to the characteristics of the company, its social and environmental issues, its strategy in relation to sustainable development and industry best practices.

For the CSR Information which we considered the most important[(3)], at the level of the consolidated entity:

- we consulted documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions, etc.), we implemented analytical procedures on the quantitative information and verified, on a test basis, the calculations and the compilation of the information, and also verified their coherence and consistency with the other information presented in the management report;
- we undertook interviews to verify the correct application of the procedures and undertook detailed tests on the basis of samples, consisting in verifying the calculations made and linking them with supporting documentation;

At this level, supporting documents are available regarding French workforce, which represents 99% of the Group's consolidated workforce, as well as supporting documents regarding the environmental information of the two main buildings in the Île-de-France region, that host 90% of the activity.

For the other consolidated CSR information, we assessed their consistency in relation to our knowledge of the company.

Finally, we assessed the relevance of the explanations provided, if appropriate, in the partial or total absence of certain information.

We consider that the sample methods and sizes of the samples that we considered by exercising our professional judgment allow us to express a limited assurance conclusion; an assurance of a higher level would have required more extensive verification work. Due to the necessary use of sampling techniques and other limitations inherent in the functioning of any information and internal control system, the risk of non-detection of a significant anomaly in the CSR Information cannot be entirely eliminated.

(3) ***Social information:*** *employment (total headcount, hiring and departures), training policies (number of employees involved in a training course), health and safety at the workplace (work accidents, notably their frequency and their severity rates, as well as occupational diseases) and absenteeism.*

Environmental information: *general environmental policy (organisation, approaches to evaluation and certification) and sustainable use of resources (energy consumption and measures undertaken to improve energy efficiency).*

Societal information: *importance of subcontracting and the consideration of environmental and social issues in purchasing policies and relations with suppliers and subcontractors, business ethics (actions undertaken to prevent bribery and corruption, measures undertaken in favour of the protection of personal data on the Internet), actions undertaken to promote and guarantee Human Rights.*

CONCLUSION

Based on our work, we have not identified any significant misstatement that causes us to believe that the CSR Information, taken together, has not been fairly presented, in compliance with the Criteria.

Paris-La Défense, the February 18, 2015

Independent Verifier
ERNST & YOUNG et Associés

Éric Mugnier
Partner, Sustainable Development

Bruno Perrin
Partner

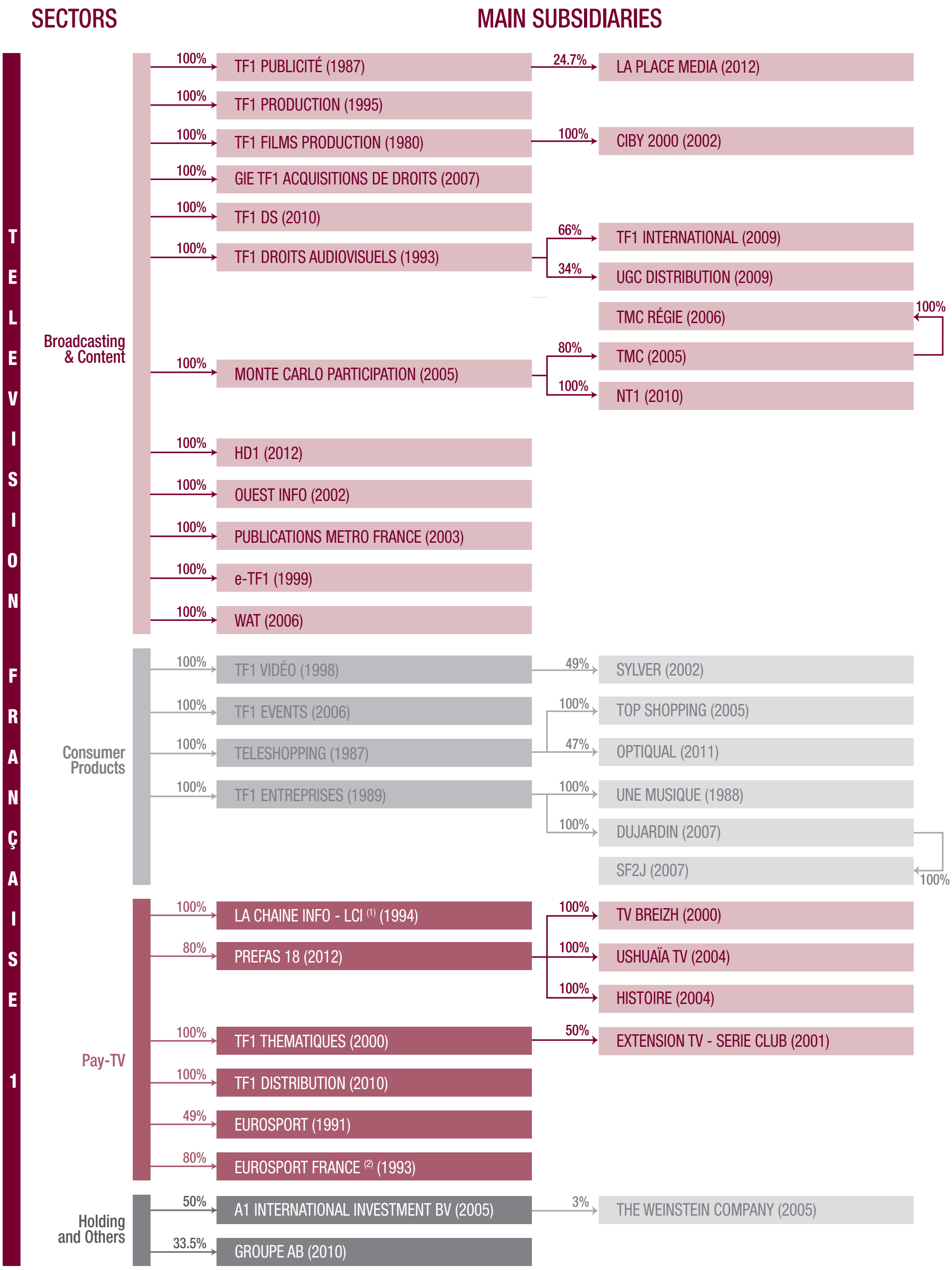
6

Information about the company and its capital

6.1	**INFORMATION ABOUT TF1**	**222**
6.1.1	Simplified organisation chart at February 18, 2015	222
6.1.2	General information	223
6.1.3	Company purpose (Article 2 of the Articles of Incorporation)	223
6.1.4	Appropriation of income (Article 26 of the Articles of Incorporation)	223
6.1.5	Annual General Meetings (Articles 19-24 of the Articles of Incorporation)	223
6.1.6	Rights attaching to shares (Articles 7-9 of the Articles of Incorporation)	224
6.1.7	Identifiable bearer shares (Article 7 of the Articles of Incorporation)	224
6.1.8	Crossing statutory shareholding thresholds (Article 7 of the Articles of Incorporation)	224
6.1.9	Shareholders' agreements entered into by TF1	224
6.1.10	Matters likely to have an impact in the event of a public offer	224
6.1.11	Articles of Incorporation	226
6.2	**LEGAL FRAMEWORK**	**233**
6.2.1	Ownership structure	233
6.2.2	Licence conditions	233
6.2.3	Main legal provisions and obligations	234
6.2.4	High Definition and personal mobile television	235
6.2.5	Regulatory changes in 2014	235
6.3	**CAPITAL**	**236**
6.3.1	Amount/Category of shares	236
6.3.2	Purchases on the stock market	236
6.3.3	Description of the new share buyback programme submitted for vote to the Combined Annual General Meeting on April 16, 2015	237
6.3.4	Financial authorisations and delegations	238
6.3.5	Potential capital	242
6.3.6	Changes in capital over the last five years	242
6.4	**OWNERSHIP STRUCTURE**	**243**
6.4.1	Management of TF1 shares	243
6.4.2	Shareholders' agreements	243
6.4.3	Action in concert	244
6.4.4	Shareholders and ownership structure	244
6.5	**STOCK MARKET INFORMATION**	**247**
6.5.1	Description of TF1 shares	247
6.5.2	Share price and volumes	247
6.5.3	Dividends and yield	248

6.1 INFORMATION ABOUT TF1

6.1.1 SIMPLIFIED ORGANISATION CHART AT FEBRUARY 18, 2015



The year of creation and/or acquisition is between parentheses

(1) Held by TF1 MANAGEMENT
(2) Held by TF1 EXPANSION

6.1.2 GENERAL INFORMATION

Corporate name: TÉLÉVISION FRANÇAISE 1 – TF1

Registered office: 1, quai du Point du Jour - 92100 Boulogne-Billancourt, France

Trade & Companies register number: 326 300 159 RCS Nanterre

Industry segment code: 6020A

Legal form: French public limited company (*Société Anonyme*) with a Board of Directors

Date of incorporation: September 17, 1982

Date of expiration: January 31, 2082

Financial year: January 1 to December 31

6.1.3 COMPANY PURPOSE (ARTICLE 2 OF THE ARTICLES OF INCORPORATION)

The purpose of the company is:

- to operate an audiovisual communication service, as authorised by the laws and regulations in force, comprising the conception, production, programming and broadcasting of television programmes, and including all advertising messages and announcements;
- to carry out any industrial, commercial, financial, securities or property operations, within or outside France, directly or indirectly connected to this activity and to any similar, related or complementary objects, or any operations likely to facilitate their realisation or development or to any company asset, including:
  - devising, producing, acquiring, selling, renting and exploiting all recordings of images and/or sound, news reports, and films intended for television, the cinema or broadcasting,
  - undertaking advertising sales transactions,
  - providing services of all kinds for sound broadcasting and television;

  all of these directly or indirectly, on its own behalf or on behalf of third parties, either alone or with third parties, through the creation of new companies, contributions, limited partnerships, subscriptions, the purchase of company shares or rights, mergers, partnerships, joint ventures, acquisitions, gifts or the management of any property or rights, or otherwise.

Its action is undertaken in compliance with its contract conditions and the prevailing laws.

6.1.4 APPROPRIATION OF INCOME (ARTICLE 26 OF THE ARTICLES OF INCORPORATION)

Five percent shall be deducted from net profits, after deduction of any previous losses, and appropriated to the legal reserve fund. This is no longer compulsory when the legal reserve reaches one-tenth of the registered capital. This deduction shall be resumed if for any reason the legal reserve falls below one-tenth of registered capital.

Distributable income shall comprise the year's profits plus retained earnings brought forward, minus previous losses and amounts credited to reserves, as required by law and these Articles of Incorporation.

This income shall be distributed between all shareholders in proportion to the number of shares they each own.

6.1.5 ANNUAL GENERAL MEETINGS (ARTICLES 19-24 OF THE ARTICLES OF INCORPORATION)

The shareholders are convened in accordance with the rules laid down by law. General Meetings are intended for all shareholders, regardless of their holding.

6.1.6 RIGHTS ATTACHING TO SHARES (ARTICLES 7-9 OF THE ARTICLES OF INCORPORATION)

All shares include a right to a share of the company's profits and assets in proportion to the portion of equity they represent. Each shareholder has as many voting rights and may cast as many votes at Meetings as he or she holds shares. Pecuniary and non-pecuniary rights may be restricted by law or the Articles of Incorporation. Under Article 7 of the Articles, shareholders who have not made themselves known to the company are stripped of their voting rights; Article 8 of the Articles refers to Article 39 of Act 86-1067 of September 30, 1986, as amended, which caps voting rights. The cap is described in points 6.2 "Legal environment" and 6.4 "Ownership structure".

6.1.7 IDENTIFIABLE BEARER SHARES (ARTICLE 7 OF THE ARTICLES OF INCORPORATION)

The company reserves the right, under the legal and regulatory conditions in force, to request at any time and at its own expense, that the central custodian responsible for keeping the account of shares in issue (hereafter the "central custodian") provide the name of the person or entity, nationality, year of birth or constitution, and address of any holder of securities conferring, immediately or at a later time, the right to vote at its General Meetings. It may also request from the central custodian information as to the quantity of shares held by each shareholder, and if appropriate any restrictions that may apply to the shares. Without information, forfeit or suspension of all or part of the voting rights from the shares, and possibly of the corresponding dividends, may be ordered.

6.1.8 CROSSING STATUTORY SHAREHOLDING THRESHOLDS (ARTICLE 7 OF THE ARTICLES OF INCORPORATION)

All persons, acting alone or in concert, who acquire at least 1%, 2%, 3% or 4% of the capital or voting rights shall be bound, within five days of the registration on their account of the shares causing them to attain or exceed this threshold, to declare to the company the total number of shares and the number of voting rights they possess by means of a return-receipted registered letter sent to the registered office.

This declaration must be undertaken under the conditions stipulated above every time the threshold of 1%, 2%, 3% or 4% is overstepped in either direction.

If they have not been declared in accordance with the above conditions, shares exceeding the proportion that should have been declared shall forfeit their voting rights as provided by law, if one or several shareholders holding at least 5% of the capital so request during the General Meeting.

6.1.9 SHAREHOLDERS' AGREEMENTS ENTERED INTO BY TF1

Refer to section 6.4, "Ownership structure".

6.1.10 MATTERS LIKELY TO HAVE AN IMPACT IN THE EVENT OF A PUBLIC OFFER

Please also refer to the licence conditions and the legal restrictions of capital ownership explained in chapter 6.2 "legal environnement" of this present registration document and annual financial report, particularly Article 42-3 of the Act of September 30, 1986 governing audiovisual communication stipulates that the authorisation granted to TF1 to operate a national free-to-air terrestrial television service may be withdrawn by the CSA without prior notice in the event of a substantial change to the data based on which that authorisation was issued, including in particular changes in the composition of the authorised capital.

In accordance with Article L. 225-100-3 of the French Commercial Code, matters likely to have an impact in the event of a public offer are set forth below:

- capital structure: the information is provided in chapter 6, "Information about the company and its capital" of the present registration document and annual financial report 2014, under the table presenting the ownership structure; TF1's principal shareholders at December 31, 2014 were Bouygues (43.5%) and the company's employees (6.8%) *via* the FCPE TF1 Actions company investment fund;

- restrictions on voting rights set out in the Articles of Incorporation: Article 7 of the Articles of Incorporation provides for a system whereby the voting rights of shareholders who fail to report to the company that they have crossed shareholding thresholds are forfeited; Article 8 of the Articles of Incorporation refers to Article 39 of Act 86-1067 of September 30, 1986, as amended, which provides for a system of caps on voting rights, explained in point 6.2, "Legal framework", and point 6.4, "Ownership Structure"; these systems could, where applicable, have an impact in the event of a public offer;
- direct or indirect shareholdings of which TF1 has knowledge, as provided in Articles L. 233-7 and L. 233-12 of the French Commercial Code. The information is provided in chapter 6, "Information about the company and its capital", under the table presenting the ownership structure;
- the list of holders of any securities with special control rights: none;
- control mechanisms provided for in any employee share ownership system: the regulations of the FCPE TF1 Actions company investment fund stipulate that it is the Supervisory Board of the Fund that exercises the voting rights and rules on the contribution of shares in the event of a public offer and not directly the employees; the Fund, which held 6.8% of voting rights at December 31, 2014, could have an impact on the price of any public offer;
- agreements between shareholders known to the company that may lead to restrictions on the transfer of shares and the exercising of voting rights: none;
- the prevailing rules on the appointment and replacement of Board members: the company is managed by a Board of Directors of twelve members subject to the dispensations provided by law. In application of Article 66 of Act 86-1067 of September 30, 1986, two seats on the Board of Directors shall be allocated to staff representatives. The nomination and dismissal of Board members are subject to the legal and statutory rules set forth in Article 10 of the Articles of Incorporation. Directors who do not represent employees are appointed and renewed or may be dismissed at any time by the Ordinary Shareholders' Meeting. Directors representing employees are elected by TF1 employees and can be dismissed only for misconduct during the exercise of their activities by legal decision. Board members may always stand for re-election. Refer to the Chairman's report for more information;
- rules applicable to amendments to the company's Articles of Incorporation: Article L. 225-96 of the Commercial Code stipulates that only shareholders voting at an Extraordinary General Meeting are authorised to amend the Articles of Incorporation; any clause to the contrary shall be considered null and void;
- powers of the Board of Directors in connection with issuing and buying back shares: refer to the tables providing a summary of delegated authority levels in section 6.3, "Authorised capital". It should be noted that:
  - there are no current or planned resolutions under which the shareholders would delegate authority to the Board of Directors to issue share subscription warrants during a public offer period involving the company's shares,
  - there are no current or planned resolutions under which the shareholders would delegate authority to the Board of Directors to use, during a public offer period involving the company's shares, the various authorisations and delegations granted to the Board of Directors to increase the company's authorised capital,
  - at the Combined Annual General Meeting of April 17, 2014, the shareholders voted (under resolution 9) to authorise the Board of Directors to trade in the company's shared except during a public offer period involving the company's shares. A proposal will be put forward at the Combined Annual General Meeting of April 16, 2015 that this authorisation be replaced by a new authorisation with the same purpose;
- agreements entered into by the company that would be amended or would cease to apply in the event of a change of control: refer to the licence conditions explained in section 6.2, "Legal framework"; Article 42-3 of the Act of September 30, 1986 governing audiovisual communication stipulates that the authorisation granted to TF1 to operate a national free-to-air terrestrial television service may be withdrawn by the CSA without prior notice in the event of a substantial change to the data based on which that authorisation was issued, including in particular changes in the composition of the authorised capital;
- agreements on remuneration for Board members or employees if they resign or are dismissed without real and serious cause or if their job position is discontinued as a result of a public offering: none. Although the issue does not concern a severance package, a Director who is a salaried employee of the company benefits from the applicable company agreement and, hence, the severance package set out in that agreement in the event of termination of an employment contract. Fanny Chabirand and Sophie Leveaux Talamoni would qualify for such a severance package.

6.1.11 ARTICLES OF INCORPORATION

Updated on December 31, 2014.

ARTICLE 1

LEGAL FORM

A public limited company governed by current and future legislation in force and by these Articles of Incorporation has been formed between the owners of shares hereinafter created and of any shares subsequently created.

ARTICLE 2

CORPORATE PURPOSE

The purpose of the company is:

- to operate an audiovisual communication service, as authorised by the laws and regulations in force, comprising the conception, production, programming and broadcasting of television programmes, and including all advertising messages and announcements;
- to carry out any industrial, commercial, financial, securities or property operations, within or outside France, directly or indirectly connected to this activity and to any similar, related or complementary objects, or any operations likely to facilitate their realisation or development or to any company asset, including:
  - devising, producing, acquiring, selling, renting and exploiting all recordings of images and/or sound, news reports, and films intended for television, the cinema or broadcasting,
  - undertaking advertising sales transactions,
  - providing services of all kinds for sound broadcasting and television;

  all of these directly or indirectly, on its own behalf or on behalf of third parties, either alone or with third parties, through the creation of new companies, contributions, limited partnerships, subscriptions, the purchase of company shares or rights, mergers, partnerships, joint ventures, acquisitions, gifts or the management of any property or rights, or otherwise.

Its action is undertaken in compliance with its contract conditions and the prevailing laws.

ARTICLE 3

NAME

Its corporate name is: “TÉLÉVISION FRANÇAISE 1” or its abbreviated form: “TF1.”

All legal and other documents issued by the company must mention the corporate name, immediately preceded or followed by the words *société anonyme* (“public limited company”) or the corresponding French initials “SA” and the share capital amount.

ARTICLE 4

REGISTERED OFFICE

The Registered office is located at Boulogne (92100) – 1, quai du Point du Jour.

It may be transferred to any other location in the same or an adjoining “department” (French administrative unit) by the decision of the Board of Directors, subject to ratification by the next Ordinary General Meeting, or anywhere else in France through a decision by the Extraordinary General Meeting of Shareholders.

If a transfer is decided by the Board of Directors, the latter shall be authorised to modify the Articles of Incorporation in consequence.

ARTICLE 5

DURATION

The duration of the company is set at ninety-nine (99) years as from the date of its registration in the Trade and Companies Register, except in the event of earlier dissolution or an extension decided by the Extraordinary General Meeting of Shareholders.

ARTICLE 6

AUTHORISED CAPITAL

The authorised capital is set at €42,305,752.80, divided into 211,528,764 shares with a par value of €0.20 each.

ARTICLE 7

FORM – PAYMENT – FRACTIONAL SHARES

I. The company’s shares may be registered or bearer shares.

The shares and all other securities issued by the company shall be registered in their holders’ names or, if appropriate, in the name of an intermediary, under the conditions set forth in the applicable legal and regulatory texts.

II. To identify holders of bearer shares, the company reserves the right, under the legal and regulatory conditions in force, to request at any time and at its own expense, that the central custodian responsible for keeping the account of shares in issue (hereafter the “central custodian”) provide the name of the person or entity, nationality, year of birth or constitution, and address of any holder of securities conferring, immediately or at a later time, the right to vote at its General Meetings. It may also request from the central custodian information as to the quantity of shares held by each shareholder, and if appropriate any restrictions that may apply to the shares.

With respect to the list transmitted to the company by the central custodian, the company may request either from the central custodian or directly from the persons on this list whom the company believes may be registered as intermediaries for third-party accounts holding securities, the information noted in the previous paragraph concerning the owners of the securities.

These persons are required, if acting as intermediaries, to reveal the identities of the owners of the securities. The information shall be provided directly to the authorised account-keeping financial intermediary, who is responsible for transmitting it, as appropriate, to the issuing company or the central custodian.

With regard to securities in registered form, the company also reserves the right at any time to request that the registered intermediary for a third-party securities account reveal the identity of an owner of these securities.

For as long as the company believes that certain holders of its securities in either bearer or registered form, of whose identities it has been informed, are acting on behalf of third-party owners of the securities, it may request that these holders reveal the identities of the owners of these securities subject to the conditions stated above.

Following requests for information described above, the company may request any legal entity that is an owner of the company's shares representing more than one-fortieth of the share capital or voting rights to reveal to it the identity of persons holding directly or indirectly more than one-third of that legal entity's share capital or voting rights exercised at its General Meetings.

If a request is made pursuant to the stipulations of this Article 7.II and the information requested has not been transmitted within the legal and regulatory time limits, or if information transmitted is incomplete or erroneous with respect to the requested party's own status or the owners of the securities, then the shares or other securities conferring immediate or subsequent access to the capital and for which this person was registered shall forfeit their voting right for any General Meeting that may take place until the matter of identity is settled. Payment of any dividend is postponed until that date.

Furthermore, in the event that the registered person knowingly disregards the above stipulations, the court of competent jurisdiction in the area of the entity's registered office may, upon request by the company or one or more shareholders representing at least 5% of the share capital, decree the forfeit of all or part of the voting rights from the shares concerned for a period not to exceed five years. The court may also deprive the shares of the corresponding dividend for the same period.

III. All persons, acting alone or in concert, who acquire at least 1%, 2%, 3% or 4% of the capital or voting rights shall be bound, within five days of the registration on their account of the shares causing them to attain or exceed this threshold, to declare to the company the total number of shares and the number of voting rights they possess by means of a return-receipted registered letter sent to the registered office.

This declaration must be undertaken under the conditions stipulated above every time the threshold of 1%, 2%, 3% or 4% is overstepped in either direction.

If they have not been declared in accordance with the above conditions, shares exceeding the proportion that should have been declared shall forfeit their voting rights as provided by law, if one or several shareholders holding at least 5% of the capital so request during the General Meeting.

This provision is in addition to the legal provisions for declarations relative to the overstepping of shareholding thresholds.

IV. Cash shares shall be paid up under legal conditions.

V. Holders of fractional shares resulting from the exchange, consolidation, allotment or subscription of shares shall be responsible for their aggregation and any necessary purchases or sales of shares and/or rights.

ARTICLE 8

ASSIGNMENT AND TRANSFER OF SHARES

Shares shall be freely negotiable within the limit of the laws or regulations in force, including the conditions stipulated by Acts 86-1067 of September 30, 1986, 86-1210 of November 27, 1986 and 89-25 of January 17, 1989.

Subject to the international commitments made by France, no person of foreign nationality within the meaning of Article 40 of Act 861067 of September 30, 1986 may undertake an acquisition whose effect is to directly or indirectly increase the share of capital held by foreigners to more than 20 percent of the share capital or voting rights in the company's General Meetings.

Furthermore, a single natural person or legal entity may not directly or indirectly own a participation greater than that stipulated by the laws and regulations in force.

More generally, shareholders are bound to respect the specific provisions of the laws in force relative to the ownership or acquisition of the company's shares.

ARTICLE 9

RIGHTS AND OBLIGATIONS PERTAINING TO SHARES

I. All shares include a right to a share of the company's profits and assets in proportion to the portion of equity they represent.

In addition, they include the right to vote and to be represented in General Meetings pursuant to the laws and regulations in force.

All shares include the right, during the company's existence and in the event of liquidation, to payment of the same net amount with every allotment or repayment, so that, should the occasion arise, all shares shall be treated as one indistinct entity regarding any tax exemptions and any tax which may be borne by the company.

II. Shareholders shall be liable up to the nominal amount of the shares they possess: above this sum, all calls for capital shall be prohibited.

Rights and obligations shall be attached to the share, whoever the owner. Ownership of a share shall, as a matter of law, involve acceptance of the company's Articles of Incorporation and the decisions of the General Meeting.

ARTICLE 10

BOARD OF DIRECTORS

I. The company shall be managed by a Board of Directors of twelve members subject to the dispensations provided by law. In application of Article 66 of Act 86-1067 of September 30, 1986, two seats on the

Board of Directors shall be allocated to staff representatives; one of these two seats shall be reserved for engineers, executives and those in a similar category.

II. During the existence of the company, Board members who are not staff representatives shall be appointed or reappointed to their duties by the Ordinary General Meeting of Shareholders.

III. The term of office of a Board member shall be two years.

The duties of a member who is not a staff representative shall terminate at the end of the Ordinary General Meeting ruling on the accounts of the previous business year, held during the year during which the Board member's term of office expires.

The duties of a member who is a staff representative shall terminate after the announcement of the votes of the electoral colleges appointing Board members representing the staff; this appointment must normally take place within the two weeks preceding the General Meeting covering the previous business year, held during the year in which the Board member's term of office expires.

Members of the Board may always stand for re-election.

Board members who are not staff representatives may be dismissed at any time by the Ordinary General Meeting.

Board members representing the staff may only be dismissed through the decision of the President of the Regional Court, sitting in relief proceedings, for misconduct during the exercise of their duties, at the request of the majority of the members of the Board. The decision shall be immediately enforceable.

Except in the event of termination at the employee's initiative, the termination of an employment contract of a Board member elected by the employees may only be pronounced by the trial Board of the Industrial Tribunal sitting in relief proceedings. The decision shall be immediately enforceable.

IV. Board members who are not staff representatives may be natural persons or legal entities; upon their appointment, the latter must name a permanent representative who shall be subject to the same conditions and obligations and assume the same responsibilities as if he were a member of the Board in his own right, without prejudice to the joint and several liability of the legal entity he represents; the permanent representative's term of office shall run for the duration of that of the legal entity he represents; he must be reappointed each time such legal entity's term of office is renewed.

If the legal entity terminates the term of office of its representative, it shall be bound to notify such cancellation to the company immediately by registered letter, together with the identity of its new permanent representative; likewise in the event of the permanent representative's death, resignation or prolonged indisposition.

V. If one or several seats of members of the Board who are not staff representatives become vacant between two General Meetings due to their death or resignation, the Board of Directors may appoint one or more members on a temporary basis.

If one or several seats of members of the Board who are staff representatives become vacant between two General Meetings due to their death, resignation, dismissal or the termination of their employment contract, the vacant seat shall be filled by the alternate.

Appointments of members of the Board made by the Board of Directors shall be subject to ratification by the next Ordinary General Meeting.

Should no such ratification take place, decisions taken and acts accomplished previously by the Board shall remain valid.

Should only one or two members of the Board remain at their post(s), he or they, or failing this the Statutory Auditor(s), must immediately convene an Ordinary General Meeting of Shareholders in order to fill the vacant positions on the Board.

Any member of the Board appointed to replace another shall only do so for the remaining period of his predecessor's term of office.

ARTICLE 11

SHARES OF MEMBERS OF THE BOARD

Members of the Board must each own one share.

Members of the Board appointed during the existence of the company need not own any shares at the time they are appointed, but must become shareholders within three months, failing which they will automatically be considered to have resigned.

ARTICLE 12

OFFICERS OF THE BOARD

The Board of Directors shall appoint one of its members who is a natural person as Chairman, and set the period of his duties, though this may not exceed his term of office as a member of the Board.

The Chairman of the Board of Directors shall organise and direct the work of the Board, and report on this to the General Meeting of Shareholders. He shall ensure the proper functioning of the company's management bodies, and in particular ensure that the members of the Board are capable of fulfilling their duties.

If it sees fit, the Board of Directors may appoint one or several Vice Chairmen, whose period of duties it shall also fix without this exceeding their terms of office.

The Board may also appoint a Secretary, who need not be one of its members.

In the absence or indisposition of the Chairman, a Board Meeting may be chaired by the Vice Chairman fulfilling the duties of Chief Executive Officer, or the longest-serving Vice Chairman. Failing this, the Board shall appoint one of its members to act as Chairman for the Meeting.

The Chairman, Vice Chairmen and Secretary may all stand for re-election.

The age limit for exercising the duties of Chairman of the Board of Directors is set at sixty-seven years. Therefore, when the Chairman shall have reached the age of sixty-seven years, he shall be considered to have resigned.

ARTICLE 13

DELIBERATIONS OF THE BOARD

I. The Board of Directors shall meet as often as the interests of the company require, at the behest of its Chairman. The Chairman of the Board must also, as provided by law, convene such a Meeting at the request of a third of its members or of the Chief Executive Officer, if the latter's duties are not assumed by the Chairman of the Board, even if the last Meeting was held less than two months previously.

The Meeting shall take place at the Registered office, or in any other place indicated in the notification to attend.

Notifications to attend may be communicated by any means, and may even be oral.

II. For deliberations to be valid, the effective presence of at least half the members of the Board shall be required.

Decisions shall be taken with a majority of votes from the members present or represented; each Board member shall dispose of one vote, and may not represent more than one of his colleagues.

Should there be an equal number of votes, the Chairman shall have the deciding vote.

Members of the Board may participate in Board Meetings by means of videoconference or telecommunications facilities, as provided by the laws and regulations.

For the calculation of the quorum and majority, Board members participating in Board Meetings *via* videoconference facilities shall be considered as present.

ARTICLE 14

POWERS OF THE BOARD OF DIRECTORS

The Board of Directors shall decide upon the strategic directions for the company's activities and ensure that they are put into practice.

Subject to the powers expressly conferred by law on Shareholders' Meetings or the Chairman of the Board of Directors or the Chief Executive Officer, if the latter's duties are not assumed by the Chairman of the Board, and within the limits of the corporate purpose, it shall deal with all matters relating to the proper functioning of the company and settle any related decisions through its deliberations. It shall undertake any checks and verifications that it deems appropriate.

In general, it shall take any decisions and exercise any prerogatives falling within the scope of its competence by virtue of the laws and regulations in force or these Articles of Incorporation.

It may decide to create committees in charge of examining questions that it or its Chairman submits for their opinion. It shall fix the composition and remit of such committees.

It may entrust to one or several of its members' special duties for one or several determined purposes.

ARTICLE 15

REMUNERATION OF MEMBERS OF THE BOARD

I. Members of the Board may receive Directors' fees whose amount, fixed by the Ordinary General Meeting of Shareholders, shall be maintained until a decision is made to the contrary and which shall be posted in the accounts under operating expenses.

II. The Board shall decide by a majority vote upon the division of these fees between its members, in a manner it considers appropriate.

III. Members of the Board may also have the right to special remuneration authorised by the Board and submitted to the approval of the General Meeting, subject to a special report by the Statutory Auditors, for assignments or mandates entrusted to them, and to the reimbursement of their travelling expenses occasioned by management requirements.

ARTICLE 16

GENERAL MANAGEMENT – DELEGATION OF POWERS

I. The General Management of the company is assumed, under his responsibility, either by the Chairman of the Board of Directors, who shall then take the title of Chairman and Chief Executive Officer, or by another natural person, whether or not a member of the Board, appointed by the Board of Directors, for whom it shall set the period of his duties, this person taking the title of Chief Executive Officer. The Chief Executive Officer may be dismissed at any time by the Board of Directors.

The Board of Directors shall choose between these two methods of General Management upon each appointment/reappointment of the Chairman of the Board or of the Chief Executive Officer if the latter's duties are not assumed by the Chairman of the Board.

This choice shall remain valid until the expiry of one of these terms of office or, should the case arise, until the Chairman of the Board decides to no longer assume the functions of Chief Executive Officer, or upon the decision of the Board of Directors for a shorter period, which may not be less than one year.

Any change in the General Management method shall not entail a modification of the Articles of Incorporation.

II. The Chief Executive Officer or the Chairman of the Board, if he assumes the duties of Chief Executive Officer, shall be vested with the widest powers to act on behalf of the company in all circumstances. He shall exercise these powers within the limits of the corporate purpose and subject to the powers expressly accorded to Shareholders' Meetings and the Board of Directors. He shall represent the company in its relations with third parties.

He may delegate any powers to any proxy of his choice within the limit of those conferred by law and the Articles of Incorporation herein. Any limitation of such powers by the decision of the Board of Directors shall be without effect as regards third parties.

III. The Board of Directors may, on the proposal of the Chief Executive Officer or the Chairman of the Board, if he assumes the duties of Chief Executive Officer, mandate a natural person, whether or not a member of the Board, to assist the former; this person shall have the title of Deputy Chief Executive Officer.

The maximum number of Deputy Chief Executive Officers appointed in this way is that fixed by the prevailing legislation.

Each Deputy Chief Executive Officer may be dismissed at any time by the Board of Directors on the proposal of the Chief Executive Officer, or the Chairman of the Board, if he assumes the duties of Chief Executive Officer. In the event of the death, resignation or dismissal of the Chief Executive Officer or the Chairman of the Board, if he assumes the duties of Chief Executive Officer, each Deputy Chief Executive Officer shall retain his functions and remit, unless the Board of Directors decides otherwise, until the appointment of another person assuming the duties of Chief Executive Officer.

In agreement with the Chief Executive Officer, or the Chairman of the Board, if he assumes the duties of Chief Executive Officer, the Board of Directors shall decide on the scope and duration of the powers delegated to each Deputy Chief Executive Officer.

As regards third parties, each Deputy Chief Executive Officer shall possess the same powers as the Chief Executive Officer or the Chairman of the Board, if he assumes the duties of Chief Executive Officer.

IV. The age limit for exercising the duties of Chief Executive Officer or Deputy Chief Executive Officer is set at sixty-seven years. Therefore, when the Chief Executive Officer or Deputy Chief Executive Officer shall have reached the age of sixty-seven years, he shall be considered to have resigned.

ARTICLE 17

REGULATED AGREEMENTS

Any agreement made, whether directly or *via* an intermediary, between the company and its Chief Executive Officer, one of its Deputy Chief Executive Officers, one of its Board members, one of its shareholders possessing a proportion of voting rights greater than 10% or, if it involves a shareholding company, the company controlling it within the meaning of Article L. 233-3, must have obtained the prior authorisation of the Board of Directors, if it does not relate to a standard transaction or is not made under normal terms and conditions.

The same shall apply to any agreements (other than those concerning a standard transaction or made under normal terms and conditions) in which any of the persons indicated in the preceding paragraph has an indirect interest.

Prior authorisation shall also be required for any agreements (other than those concerning a standard transaction or made under normal terms and conditions) taking place between the company and another company if one of the company's Board members, the Chief Executive Officer or one of the Deputy Chief Executive Officers is the owner, an associate with unlimited liability, manager, member of the Board, member of the Supervisory Board or, in general, an executive of the other company.

Prior authorisation shall also be required for any commitment benefiting the Chairman or Chief Executive Officer or one of the Deputy Chief Executive Officers made by the company or any controlled company or company controlling it within the meaning of paragraphs II and III of Article L. 233-16 and corresponding to elements of remuneration, allowance or perquisite due or likely to be due resulting from the discontinuation or change of function or subsequent to it.

In the case of the nomination to the position of Chairman or Chief Executive Officer or Deputy Chief Executive Officer of a person bound by a work contract to the company or any controlled company or company controlling it within the meaning of paragraphs II and III or Article L. 233-16, the provisions of said contract that may correspond to elements of remuneration, allowance or perquisite due or likely to be due resulting from the discontinuation or change of function or subsequent to it also require prior authorisation.

ARTICLE 18

STATUTORY AUDITORS

The company shall be audited by two Statutory Auditors who shall be appointed and exercise their assignment in accordance with the law.

Two Alternate Statutory Auditors shall also be appointed to take the place of the Statutory Auditors in the event of refusal, unforeseen difficulty, resignation or death.

ARTICLE 19

GENERAL MEETINGS

Collective decisions of the shareholders shall be taken in General Meetings, qualified as Ordinary or Extraordinary depending on the nature of the decisions they are required to take.

Each regularly constituted General Meeting shall represent the shareholders as a whole.

The deliberations of General Meetings shall be binding on all shareholders, even if absent, dissenting or legally incapable.

ARTICLE 20

NOTIFICATION TO ATTEND AND VENUE FOR GENERAL MEETINGS

General Meetings shall be convened and reach decisions as provided by law.

General Meetings shall be held at the Registered Office or any other place indicated in the notification to attend.

ARTICLE 21

ACCESS TO GENERAL MEETINGS – POWERS

All shareholders may participate in General Meetings, irrespective of the number of shares they own, in person or by proxy, on condition that they provide proof of identity and of ownership of their shares, in the form and place indicated in the notification of the Meeting, at least five days before the date of the General Meeting, as provided by law regarding the participation of shareholders in General Meetings. However, the Board of Directors may reduce or waive this time limit provided that it does so for all shareholders.

Shareholders may only be represented by their spouse or by another shareholder duly mandated as their proxy or, in the case of shareholders not resident in French territory, by an intermediary registered as a shareholder pursuant to Article L. 228-1 of the French *Code de Commerce*.

Shareholders that are legal entities shall participate in Meetings through their legal representatives or any person appointed for this purpose by the latter.

Any shareholder may, as provided by the law and regulations, vote by proxy or by correspondence at any General Meeting, either on paper or – upon the decision of the Board of Directors published in the notification of the Meeting and notification to attend, or, should the case arise, in the personal notification of the Meeting – by remote transmission.

ARTICLE 22

QUORUM – VOTING – NUMBER OF VOTES

I. In Ordinary and Extraordinary General Meetings, the quorum shall be calculated on the entire number of shares constituting the authorised capital, excluding non-voting shares as provided by law.

Where votes by correspondence are concerned, only slips received by the company before the Meeting, within the time limit and pursuant to the conditions provided by law, shall be taken into consideration for calculating the quorum.

Shareholders participating in the Meeting by videoconference, internet or by telecommunication means enabling them to be identified, the nature and conditions of which comply with the prevailing laws and regulations, shall be considered as present for the purposes of calculating the quorum and the majority.

II. Voting rights attached to shares are proportional to the capital they represent. At equal nominal value, each equity or dividend share entitles the holder to one vote.

III. If shares are held in usufruct, the voting rights attached to these shares shall belong to the beneficial owners in Ordinary General Meetings and to the bare owners in Extraordinary General Meetings.

ARTICLE 23

ORDINARY GENERAL MEETINGS

I. The Ordinary General Meeting shall be called upon to take all decisions that do not modify the Articles of Incorporation.

It shall meet at least once a year, within the time limits indicated by the prevailing laws and regulations, to rule on the financial statements of the previous business year.

II. The Ordinary General Meeting may not deliberate validly, upon the first notification to attend, unless the shareholders present, represented or having voted by correspondence possess at least one-fifth of the voting shares.

Upon a second notification to attend, no quorum shall be required.

It shall rule with a majority of the votes at the disposal of the shareholders present or represented, including shareholders having voted by correspondence.

ARTICLE 24

EXTRAORDINARY GENERAL MEETINGS

I. The Extraordinary General Meeting shall have the sole power to modify the Articles of Incorporation in all their provisions. However, it may not increase the commitments of shareholders, subject to operations resulting from the exchange or consolidation of shares decided and carried out in accordance with regulatory requirements.

II. In the absence of specific legal provisions, the Extraordinary General Meeting may not deliberate validly, unless the shareholders present, represented or having voted by correspondence possess, upon the first notification to attend, at least one-quarter, and upon the second notification, at least one-fifth of the voting shares.

Failing this latter quorum, the second Meeting may be adjourned to another date no later than two months after the original date for which it was convened.

Subject to the same specific provisions, it shall rule with a two-thirds majority of the votes at the disposal of the shareholders present or represented, including shareholders having voted by correspondence.

ARTICLE 25

BUSINESS YEAR

The business year shall begin on January 1st and end on December 31st each year.

Exceptionally, the current year shall extend from September 1, 1987 to December 31, 1988.

ARTICLE 26

DETERMINATION, APPROPRIATION AND DISTRIBUTION OF PROFITS

After the deduction of amortisation and provisions, any credit balance on the profit and loss account, summarising the revenues and charges for the year, represents the profit for the year.

Five percent shall be deducted from profits, after deduction of any previous losses, and appropriated to the legal reserve fund. This is no longer compulsory when the legal reserve reaches one-tenth of the registered capital.

Distributable income shall comprise the year's profits plus retained earnings brought forward, minus previous losses and amounts credited to reserves, as required by law and these Articles of Incorporation.

This income shall be distributed between all shareholders in proportion to the number of shares they each own.

However, after deduction of the appropriations to reserves required by law, the General Meeting may appropriate any amount it deems necessary to any optional ordinary or extraordinary reserve funds, or carry it forward to future years.

Dividends are primarily taken out of the year's profits. The General Meeting may, in addition, decide to appropriate sums from available reserves, provided it explicitly specifies the reserves in question.

The Ordinary General Meeting of Shareholders may grant shareholders, in respect of all or part of the dividend and interim dividend, the option of taking the dividend and interim dividend in the form of either cash or shares.

Except in the case of a reduction in capital, no distribution to shareholders shall be allowed if the effect is or would be to reduce shareholders' equity below the amount of capital plus reserves required by the law and by these Articles of Incorporation for any distribution to be permitted.

The revaluation may not be distributed. Revaluation reserves are not distributable but can be partially or fully incorporated into capital.

Any loss shall be carried forward, following the General Meeting's approval, and shall be deducted from the profits of subsequent years until such time as it is extinguished.

ARTICLE 27

DISSOLUTION-LIQUIDATION

Apart from dissolution provided for by law, the company shall be dissolved on expiry of the term as defined in the Articles of Incorporation or by the decision of the Extraordinary General Meeting of Shareholders.

One or several liquidators shall then be appointed by this Extraordinary General Meeting acting under the quorum and majority conditions stipulated for Ordinary General Meetings.

The liquidator shall represent the company. He shall be invested with the widest powers to realise the assets, even by private treaty. He shall be authorised to pay creditors and distribute the remaining balance.

The General Meeting of Shareholders may authorise him to continue any ongoing business or to undertake new business transactions for the purposes of liquidation.

The net assets remaining after repayment of the shares at their par value shall be distributed between the shareholders in the same proportions as their interest in capital.

ARTICLE 28

DISPUTES

All disputes in connection with company matters arising during the company's existence or during liquidation, either between the shareholders and the company or the members of its Board, or between the company and the members of its Board, or between the shareholders themselves and relating to company matters, will be referred to the competent courts of the registered office.

6.2 LEGAL FRAMEWORK

6.2.1 OWNERSHIP STRUCTURE

Under the terms of Article 39 of Act 86-1067 of September 30, 1986 as amended, an individual or entity, acting alone or with others, shall not hold, directly or indirectly, more than 49% of the capital or voting rights of a company licensed to operate a domestic free-to-air terrestrial television service whose average annual audience (terrestrial, cable and satellite combined) is above 8% of the total television audience. A Council of State decree must define how channel audiences are to be calculated.

Under the terms of Article 39 of Act 86-1067 of September 30, 1986 as amended, when an individual or entity holds, directly or indirectly, more than 15% of the capital or voting rights of a company licensed to operate a national free-to-air television service, the same individual or entity shall not hold, directly or indirectly, more than 15% of the capital of another company holding a similar authorisation.

Under the terms of Article 40 of Act 86-1067 of September 30, 1986 as amended, no individual or entity of foreign nationality shall purchase an interest leading to foreign nationals holding, directly or indirectly, more than 20% of the capital of a company licensed to operate a domestic free-to-air television service.

Under the terms of Article 41 of the Act of September 30, 1986, as amended by the Act of July 9, 2004, one and the same person can hold, directly or indirectly, a maximum number of seven authorisations for a domestic free-to-air digital television service.

6.2.2 LICENCE CONDITIONS

TF1 is an audiovisual communications service subject to licence. The initial period of licence for use of frequencies, for a duration of 10 years from April 4, 1987 (Act of September 30, 1986), expired in 1997.

By reason of decision no. 96-614 of September 17, 1996, TF1 received a first renewal of its licence on April 16, 1997, without other candidates being considered, for five years.

In compliance with Article 28-1 of the Act of September 30, 1986, as modified by the Act of August 1, 2000, TF1 benefited from a second "automatic" renewal of its licence for the years 2002 to 2007, by decision of the CSA (the French audiovisual regulatory body) on November 20, 2001.

Under the terms of Article 82 of the Act of September 30, 1986, as amended, this authorisation can be automatically extended for five years (to 2012), by reason of the simultaneous broadcasting ("simulcast") of the channel's programmes by digital terrestrial transmission. By a decision of June 10, 2003, the CSA has modified TF1's licence in order to incorporate the provisions relating to the broadcasting of programmes on Digital Terrestrial Television.

Under the terms of Article 99 of the Act of September 30, 1986, as amended by Act 2007-309 of March 5, 2007, this authorisation is automatically extended for five years provided the channel is a member of a public interest group responsible for implementing the measures to discontinue analogue broadcasting and to ensure continued reception of the channels by viewers. On April 26, 2007, TF1 signed the agreement creating the aforementioned public interest group.

Furthermore, under the terms of Article 96-2 of the Act of September 30, 1986, as amended by Act 2007-309 of March 5, 2007, this authorisation is also automatically extended by five years as of the discontinuation of analogue broadcasting provided the channel commits to ensuring the broadcasting of its programmes *via* digital free-to-air transmission to 95% of the French population. TF1 has already made this commitment to the CSA.

Consequently, the TF1 licence, according to the Act of March 5, 2007, stands as follows:

1 expiry of TF1's authorisation: 2012;

2 extension of the authorisation by five years under Article 99: 2017;

3 extension of the authorisation by five years under Article 96-2: 2022.

6

6.2.3 MAIN LEGAL PROVISIONS AND OBLIGATIONS

TEXTS

- Contract conditions set forth by Decree no. 87-43 of January 30, 1987 and the Decision regarding licensed use of frequencies of November 20, 2001, given to Télévision Française 1, complemented by the decision of June 10, 2003 and extended by the decision of February 20, 2007;
- Act 86-1067 of September 30, 1986 amended by act 94-88 of February 1, 1994, by Act 2000-719 of August 1, 2000, by Act 2005-102 of February 11, 2005, by Act 2007-309 of March 5, 2007, and by Act 2009-258 of March 5, 2009;
- European Directive on Television Without Borders of October 3, 1989 amended (latest amendment on December 11, 2007);
- Decree no. 2010-747 of July 2, 2010 on the contribution to the production of cinematographic and audiovisual works for terrestrial broadcast;
- Decree no. 90-66 of January 17, 1990, as amended by Decree no. 92-279 of March 27, 1992, by Decree no. 2001-1330 of December 28, 2001 and by Decree no. 2009-1271 of October 21, 2009 (broadcasting obligation);
- Decree no. 92-280 of March 27, 1992 as amended by Decree no. 2001-1331 of December 28, 2001, by Decree no. 2003-960 of October 7, 2003 and by Decree no. 2008-1392 of December 19, 2008 (obligations relating to advertising and sponsorship).

In terms of general obligations concerning broadcasting and investment in production, the main prevailing provisions are the following:

- a maximum of 192 cinema films per year may be broadcast, of which a maximum of 104 shall begin between 8.30pm and 10.30pm. No cinema film shall be broadcast on Wednesday and Friday evenings, Saturday all day, or Sunday before 8.30pm;
- broadcasting quotas apply for the whole broadcasting time and for peak viewing hours, to cinema and audiovisual works. 60% of broadcast material shall be of European origin and 40% of French origin;
- a minimum of two-thirds of the annual broadcasting airtime shall be devoted to French-speaking programmes;
- obligation to broadcast annually a minimum of 1,000 hours of children's programmes including 50 hours of magazines and documentaries;
- obligation to broadcast annually 800 hours of television news bulletins and television news magazines;
- obligation to commission audiovisual products: invest 12.5% of the previous year's net annual advertising turnover for the commissioning of national heritage audiovisual works, of which at least 9.25% from independent producers[(1)], and to broadcast 120 hours of French-speaking or European unreleased audiovisual works (including 30 hours of rebroadcast), starting between 8pm and 9pm;
- obligation to invest 0.6% of the previous year's net advertising turnover for the commissioning of French-speaking and European cartoons (obligation as to French-speaking content included in the previous 12.5%), including at least 0.45% by independent producers;
- obligation to invest 3.2% of the previous year's net annual advertising turnover (with at least 2.5% dedicated to French-speaking cinema works and at least 75% commissioned from independent producers) in the co-production of European cinema works. This investment is to be achieved through a subsidiary of the broadcaster (TF1 Films Production) operating as a minority participator;
- the co-production element must be approximately equal to the broadcasting right element; obligation, within a period of five years following the publication of Act 2005-102 of February 11, 2005, to make accessible to the deaf and hearing-impaired all of the channel's programmes, with the exception of advertising. It is to be noted that the CSA (French audiovisual industry regulator) may exempt a section of programming from this obligation due to its nature (this concession is included in the agreement).

Respect of these legal obligations is monitored. The CSA can impose fines in compliance with the provisions of Articles 42 to 42-11 of the above Act of September 30, 1986.

In view of the need to protect children and young people, the TF1 channel has committed to adopt a 5-category signage code enabling viewers to gauge the acceptability of broadcast programmes.

(1) A producer is considered independent where the channel broadcasting the programme in question owns less than 15% of that producer.

6.2.4 HIGH DEFINITION AND PERSONAL MOBILE TELEVISION

On July 3, 2007 the French audiovisual industry regulator CSA launched a tender for candidates for the use of a radio-electric resource dedicated to broadcasting nationwide high-definition Digital Terrestrial Television services.

On November 21, 2007 the CSA selected TF1. The TF1 agreement was thus amended on May 6, 2008 (published in the Official Journal on May 31, 2008).

On November 8, 2007 the CSA launched a tender for candidates for personal mobile television (PMTV) services. On May 27 2008, the CSA selected 13 candidates, including TF1. On February 14, 2012 the CSA withdrew the PMTV licences, including TF1's.

The CSA issued a call for candidates on October 27, 2011 for six new high-definition terrestrial television channels (in DVB-T MPEG 4) on the R7 and R8 multiplexes. Authorisations were granted in the first half of 2012 for a launch in late 2012. At launch, the new channels were accessible *via* terrestrial broadcast for roughly 25% of the population. In 2015, they will be accessible for more than 95% of the population.

6.2.5 REGULATORY CHANGES IN 2014

No legislative enactment or regulatory text applicable to TF1 were adopted in 2014.

6.3 CAPITAL

Relating to Article 6 of the Articles of Incorporation.

6.3.1 AMOUNT/CATEGORY OF SHARES

At December 31, 2013, the company had total share capital of €42,252,002.60, divided into 211,260,013 shares with a par value of €0.20 each; the total number of voting rights – including non-voting shares, in accordance with the calculation method laid down in the AMF General Regulation – was 211,260,013 votes.

In the course of 2014, 268,751 shares were created following the exercise of share subscription options.

Consequently, at December 31, 2014, the company had total share capital of €42,305,752.80, divided into 211,528,764 shares with a par value of €0.20 each; the total number of voting rights – including non-voting shares, in accordance with the calculation method laid down in the AMF General Regulation – was 211,528,764 votes.

At February 18, 2015, there were 211,586,764 shares outstanding with a par value of €0.20 each following the exercise of share options (58,000 shares) in January and February 2015.

The shares in issue represent 100% of the existing capital and voting rights.

There are no founder shares, beneficiary shares, convertible/exchangeable bonds, voting right certificates, or double voting rights.

Shares shall be freely negotiable within the limit of the laws or regulations in force, including the conditions stipulated by Acts 86-1067 of September 30, 1986, 86-1210 of November 27, 1986 and 89-25 of January 17, 1989. Shareholders are bound to respect the articles of incorporation the legal and regulatory provisions in force relative to the ownership or acquisition of the company's shares.

The company is authorised to make use of legal provisions on the identification of holders of shares granting the right to vote in its own Shareholder Meetings immediately or at a later date. To know the geographical location of holders of its capital, TF1 periodically reviews its registered and bearer shareholder base, identified through Euroclear.

6.3.2 PURCHASES ON THE STOCK MARKET

USE IN 2014 OF THE SHARE BUYBACK PROGRAMMES VOTED BY THE COMBINED ANNUAL GENERAL MEETINGS OF 2013 AND 2014

The Combined Annual General Meetings of April 18, 2013 and April 17, 2014 authorised the Board of Directors to buy shares in the company up to a limit of 10% and 5%, respectively, of the number of shares making up the share capital on the date of exercise of the share buyback programme. These authorisations permit the Board of Directors to buy shares in the company to cancel them.

The Combined Annual General Meetings of April 18, 2013 and April 17, 2014 authorised the Board of Directors to reduce the share capital by cancelling purchased shares, up to a limit of 5% and 10% of the share capital respectively per 24-month period.

Under the aforementioned authorisations, TF1 did not acquire, hold or cancel any of its own shares in 2014.

Under the authorisation given at the Combined Annual General Meeting of April 17, 2014, TF1 did not acquire any shares in the market between January 1 and February 18, 2015.

The authorisation to buy back shares granted by the Combined Annual General Meeting of April 17, 2014 expires on October 17, 2015. Accordingly, a proposal will be submitted to the next Annual General Meeting on April 16, 2015 to renew that authorisation in compliance with the methods described below.

TRADING IN TF1 SHARES IN 2014 BY SENIOR MANAGERS OR BY THE PERSONS REFERRED TO IN ARTICLE L. 621-18-2 OF THE MONETARY AND FINANCIAL CODE

In accordance with Article 223-26 of the AMF General Regulation, the following table sets out transactions in TF1 shares carried out in 2014 by senior managers or persons of equivalent status.

Person making the transaction	Title	Transaction	Type of transaction	Number of transactions	No. shares	Gross amount before taxes and fees *(€)*
		Personal	Sale and transfer	1	492,815	€6,150,331
Claude Berda	Director	By a related person: Port Noir Investment	Purchase and transfer	1	492,815	€6,150,331
			Exercise	1	16,000	€95,680
Sophie Leveaux Talamoni	Director	Personal	Sale	1	16,000	€206,400

6.3.3 DESCRIPTION OF THE NEW SHARE BUYBACK PROGRAMME SUBMITTED FOR VOTE TO THE COMBINED ANNUAL GENERAL MEETING ON APRIL 16, 2015

Pursuant to Articles 241-1 and 241-3 of the AMF general regulation and in accordance with European Regulation 2273/2003 of December 22, 2003, the company hereby provides a description of the share buyback programme that will be submitted for the approval of the Combined Annual General Meeting on April 16, 2015.

MAXIMUM PERCENTAGE OF CAPITAL – MAXIMUM NUMBER AND CHARACTERISTICS OF THE SHARES THAT THE COMPANY IS PROPOSING TO ACQUIRE – MAXIMUM PURCHASE PRICE

The Board of Directors decided to request authorisation to buy back 10% of the company's share capital with a view to making use of its delegated financial authority.

TF1 will be empowered to acquire 10% of the total number of shares making up its share capital at the buyback date. As an illustration, based on the number of shares outstanding at February 18, 2015, this would amount to 21,158,676 shares.

TF1 has set the maximum amount allocated to the programme at €300 million.

As at February 18, 2015, the company owned none of its own shares. It has no open position on derivatives.

GOALS OF THE BUYBACK PROGRAMME

Shares bought back under the programme may be used for the following purposes:

- cancel shares under the conditions provided for by law, subject to authorisation from the Extraordinary General Meeting;
- allocate or transfer shares to employees or corporate officers of the company or of related companies, in accordance with the requirements and procedures provided for by law, and particularly in connection with profit-sharing or stock option plans, or through the allocation of bonus shares, or *via* company or intercompany savings schemes;
- ensure liquidity and make a market in the company's shares, through an investment services provider operating within the framework of a liquidity agreement that complies with an AMF-recognised Code of Conduct;
- hold shares and, as the case may be, use them as a means of payment or exchange in the event of an acquisition, merger, spin-off or transfer of assets, in accordance with AMF-recognised market practices and applicable regulations;
- hold shares and, as the case may be, allocate them following the exercise of rights attached to securities giving entitlement to the allocation of bonus shares in the company *via* redemption, conversion, exchange, presentation of a warrant or in any other way;
- implement any market practice accepted by the AMF and, more generally, conduct any transaction that complies with current regulations.

Shares may be acquired, sold, transferred or exchanged by any means allowed by the current regulations, *i.e.* on- or off-exchange, *via* multilateral trading facilities or systematic internalisers or over the counter, by means of derivative financial instruments, and at any time, except during a public purchase, exchange or standing market offer. The entire programme may be carried out through block trades.

The purchase price may not exceed €25 per share, subject to adjustments relating to transactions involving the company's capital.

The total number of shares held at given date may not exceed 10% of the share capital at that same date.

DURATION OF THE BUYBACK PROGRAMME

Eighteen months starting from the Combined Annual General Meeting of April 16, 2015.

6.3.4 FINANCIAL AUTHORISATIONS AND DELEGATIONS

FINANCIAL DELEGATIONS AND AUTHORISATIONS STILL IN EFFECT

In accordance with Article L. 225-100 of the Commercial Code, the following table summarises the delegations and authorisations still in effect and granted by the General Meeting to the Board of Directors, and the use made of such delegations and authorisations in full year 2014.

As agreed at the Combined Annual General Meeting of April 18, 2013, the maximum nominal amount of immediate and/or deferred capital increases that can be made by virtue of authorisations granted is fixed at €8.4 million with pre-emptive rights and €4.2 million without pre-emptive rights. The overall ceiling on financial delegations is €8.4 million, *i.e*. 20% of the company's capital at April 18, 2013.

Alongside this overall ceiling, a sub-ceiling of €4.2 million, or 10% of the capital at April 18, 2013, is applicable and is shared with other issues depending on the type of transactions planned. These possibilities are limited by the overall ceiling. The maximum nominal amount of debt securities that may be issued under the authorisations would be €900 million.

The following amounts will be deducted from the sub-ceiling:

- issues without pre-emptive rights (resolutions 21 and 22 of the Annual General Meeting of April 18, 2013 – capital increase without pre-emptive rights through the issuance of shares or securities *via* public offer or private placement);
- additional issues by application of the green-shoe clause, if the issue is organised without subscription rights (resolution 24 of the Annual General Meeting of April 18, 2013);
- issues for in-kind contributions (resolution 25 of the Annual General Meeting of April 18, 2013);
- issues in consideration of transfers of shares (resolution 26 of the Annual General Meeting of April 18, 2013).

Capital increases reserved for employees and/or corporate officers participating in a company savings scheme (PEE) are subject to an independent limit of 2% of the company's share capital.

The common aggregate limit applicable to share subscription options (resolution 11 of the Annual General Meeting of April 17, 2014) and performance shares (resolution 12 of the Annual General Meeting of April 17, 2014) is equal to 3% of the company's share capital. resolutions 11 and 12 also stipulate that the Board of Directors determines the conditions, including in particular the sub-limit applicable to options or shares awarded to Executive Directors, as well as the performance criteria applicable to all beneficiaries.

The authorisations relating to share buybacks and reductions in the share capital granted at the Annual Meeting of April 17, 2014 expire in 2015. Similarly, the financial authorisations and delegations granted at the 2013 and 2014 Annual General Meetings expire in 2015, with the exception of the authorisations to grant options and award performance shares, which expire on June 17, 2017.

Authorisation	Maximum nominal amount of capital increases	Maximum nominal amount of debt securities	Validity of authorisation	Time remaining[1]	Combined Annual General Meeting	Resolution no.	Use made of authorisation during the year
Share buybacks and capital reduction							
Purchase by the company of its own shares	10% of capital		18 months	6 months	17/04/2014	9	This authorisation was not used
Capital reduction through cancellation of shares	10% of capital per 24-month period		18 months	6 months	17/04/2014	10	This authorisation was not used
Issuance of securities							
Capital increase with PR[2] through issuance of shares or securities	€8.4 million	€900 million	26 months	2 months	18/04/2013	19	This authorisation was not used
Capital increase through incorporation of issuance premiums, profits or reserves	€400 million		26 months	2 months	18/04/2013	20	This authorisation was not used
Capital increase without PR[2] through issuance of shares or securities by public offer	€4.2 million	€900 million	26 months	2 months	18/04/2013	21	This authorisation was not used
Capital increase without PR[2] through issuance of shares or securities in connection with a private placement	€4.2 million	€900 million	26 months	2 months	18/04/2013	22	This authorisation was not used
Setting of issue price, without PR[2], of shares or securities	10% of capital		26 months	2 months	18/04/2013	23	This authorisation was not used
Increase in the number of securities to be issued in the event of a capital increase with or without PR[2]	15% of initial issue		26 months	2 months	18/04/2013	24	This authorisation was not used
Capital increase intended to remunerate in-kind contributions made up of the securities of a company or securities giving access to capital	10% of capital	€900 million	26 months	2 months	18/04/2013	25	This authorisation was not used
Capital increase without PR[2], to remunerate securities tendered as part of a public exchange offer	€4.2 million	€900 million	26 months	2 months	18/04/2013	26	This authorisation was not used
Issues reserved for employees and managers							
Grants of share subscription and/or purchase options	3% of capital		38 months	26 months	17/04/2014	11	This authorisation was not used
Allotment of performance shares, whether existing or to be issued	3% of capital		38 months	26 months	17/04/2014	12	This authorisation was not used
Capital increase reserved for employees or corporate officers participating in a company savings scheme (PEE)	2% of capital		26 months	2 months	18/04/2013	28	This authorisation was not used

(1) As from the vote at the AGM on April 16, 2015.
(2) PR: pre-emptive rights.

FINANCIAL DELEGATIONS AND AUTHORISATIONS PUT TO THE VOTE AT THE 2015 COMBINED ANNUAL GENERAL MEETING

The authorisations and delegations granted at the 2013 and 2014 Annual General Meetings expire in 2015, apart from authorisation to grant options and award bonus shares, covered by resolutions 11 and 12 of the Annual General Meeting of April 17, 2014, which expire on June 17, 2017, and to which a common aggregate limit of 3% of the share capital applies.

The financial authorisations and delegations granted at the 2013 and 2014 Annual General Meetings are reiterated above.

The table below sets out the delegations and financial authorisations to be granted to the Board of Directors at the Combined Annual General Meeting of April 16, 2015.

From the day they are approved by the Annual General Meeting, the various delegations and authorisations will replace, for their uncommitted portion where such is the case, those granted at an earlier date for the same purpose.

These new delegations are in the same vein as similar ones authorised at previous AGMs and are consistent with usual practice and recommendations concerning amounts, ceiling and duration (26 months).

The aggregate authorisation limit for capital increases, with or without pre-emptive rights, remains 20% of the capital.

The delegations provided for in these resolutions cover the issuance of equity and transferable securities giving access to equity, with or without pre-emptive rights. The policy of the Board of Directors is in principle to favour capital increases that maintain shareholders' pre-emptive rights. However, those rights may have to be eliminated; in this case, the Board of Directors may nevertheless grant shareholders a priority entitlement to subscribe for new shares as of right and/or in excess of those acquired by right.

The maximum amount of immediate and/or subsequent capital increases that can be carried out under such authorisations would be €8.4 million (20% of the capital, the "overall ceiling") with pre-emptive rights maintained (resolution 18) or €4.2 million (10% of the capital, "sub-limit") with pre-emptive rights cancelled. The maximum amount of debt securities issuable under these authorisations would be €900 million.

Resolution 19 moves to authorise the Board of Directors to increase the share capital by incorporating reserves, profits, share premiums or other amounts that could be included in capital, with a nominal limit of €400 million. This ceiling is independent from and does not alter the overall limit set by resolution 18.

The delegation provided for in resolution 27 concerns the issuance of new shares, with elimination of pre-emptive rights and capped at 2% of share capital. These shares would carry a maximum discount of 20% and be reserved for staff of the TF1 group who pay into a company savings plan.

Finally, it should be noted that the company is not allowed to buy back its own shares during a public purchase, exchange or standing market offer. Moreover, derivatives could be used for any such purchases. The Board felt that the terms offered by this approach could be in the financial interest of the company and shareholders. The 10% limit and €300 million allocation amount have both been maintained to ensure that the Board of Directors still has ample room for manoeuvre.

Authorisation	Maximum nominal amount of capital increases	Maximum nominal amount of debt securities	Validity of authorisation	Time remaining[1]	Combined Annual General Meeting	Resolution no.
Share buybacks and capital reduction						
Purchase by the company of its own shares	10% of capital		18 months	18 months	16/04/2015	16
Capital reduction through cancellation of shares	10% of capital per 24-month period		18 months	18 months	16/04/2015	17
Issuance of securities						
Capital increase with PR[2] through issuance of shares or securities	€8.4 million	€900 million	26 months	26 months	16/04/2015	18
Capital increase through incorporation of issuance premiums, profits or reserves	€400 million		26 months	26 months	16/04/2015	19
Capital increase without PR[2] through issuance of shares or securities by public offer	€4.2 million	€900 million	26 months	26 months	16/04/2015	20
Capital increase without PR[2] through issuance of shares or securities in connection with a private placement	€4.2 million	€900 million	26 months	26 months	16/04/2015	21
Setting of issue price, without PR[2], of shares or securities	10% of capital		26 months	26 months	16/04/2015	22
Increase in the number of securities to be issued in the event of a capital increase with or without PR[2]	15% of initial issue		26 months	26 months	16/04/2015	23
Capital increase intended to remunerate in-kind contributions made up of the securities of a company or securities giving access to capital	10% of capital	€900 million	26 months	26 months	16/04/2015	24
Capital increase without PR[2], to remunerate securities tendered as part of a public exchange offer	€4.2 million	€900 million	26 months	26 months	16/04/2015	25
Issues reserved for employees and managers						
Capital increase reserved for employees or corporate officers participating in a company savings scheme (PEE)	2% of capital		26 months	26 months	16/04/2015	27

(1) As from the vote at the AGM on April 16, 2015.
(2) PR: pre-emptive rights.

6.3.5 POTENTIAL CAPITAL

As at December 31, 2014, 461,762 share subscription options (0.2% of the share capital) were no longer in their lock-up period and had an exercise price lower than the market price at December 31, 2014 – the last price in the financial year – of €12.72.

There is no other form of potential capital.

Options remaining valid appear in chapter 2, note 2.3.2 on page 82 of this registration document and annual financial report.

6.3.6 CHANGES IN CAPITAL OVER THE LAST FIVE YEARS

CHANGES IN CAPITAL TO FEBRUARY 18, 2015

Date	Corporate action	No. shares	Increase/decrease in capital *(€)* Nominal	Premium	Total capital after change *(€)*	Total no. of shares
12/11/2007	Cancellation of shares bought by the company	(900,000)	(180,000)	-	42,682,098	213,410,492
From 17/05/2011 to 19/08/2011	Exercise of share options in plan no. 11 at €5.98	8,311	1,662	48,038	42,683,760	213,418,803
10/11/2011	Cancellation of shares bought by the company	(2,388,600)	(477,720)	-	42,206,040	211,030,203
21/11/2011	Exercise of share options in plan no. 11 at €5.98	2,800	560	16,184	42,206,600	211,033,003
15/02/2012	Cancellation of shares bought by the company	(100,000)	(20,000)	-	42,186,600	210,933,003
13/11/2012	Cancellation of shares bought by the company	(311,682)	(62,336)	-	42,124,264	210,621,321
19/12/2012	Exercise of share options in plan no. 11 at €5.98	3,000	600	17,340	42,124,864	210,624,321
16/01/2013	Exercise of share options in plan no. 11 at €5.98	1,946	389	11,248	42,125,253	210,626,267
19/02/2013	Cancellation of shares bought by the company	(338,684)	(67,737)	-	42,057,517	210,287,583
From 25/03/2013 to 04/11/2013	Exercise of share options in plan no. 11 at €5.98	836,309	167,262	4,833,866	42,224,778	211,123,892
07/11/2013	Cancellation of shares bought by the company	(30,000)	(6,000)	-	42,218,778	211,093,892
From 8/11/2013 to 31/12/2013	Exercise of share options in plan no. 11 at €5.98	166,121	33,224	960,179	42,252,002	211,260,013
From 01/01/2014 to 31/12/2014	Exercise of share options in plan no. 11 at €5.98	268,751	53,750	1,553,380	42,305,752	211,528,764
	Exercise of share options in plan no. 11 at €5.98	34,000	6,800	196,520	42,312,552	211,562,764
From 01/01/2015 to 18/02/2015	Exercise of share options in plan no. 12 at €12.47	24,000	4,800	294,480	42,317,352	211,586,764

6.4 OWNERSHIP STRUCTURE

6.4.1 MANAGEMENT OF TF1 SHARES

TF1, as issuing company, manages its own registrar and paying agent services.

6.4.2 SHAREHOLDERS' AGREEMENTS

TF1 has entered into a number of shareholders' agreements, the most significant of which are detailed below.

SHAREHOLDERS' AGREEMENT WITH AB GROUP

Since 2007, the TF1 group had held a 33.5% interest in AB Group, which in turn owned 40% of TMC and 100% of NT1. TF1 also held a 40% direct interest in TMC, acquired in 2005.

On June 11, 2010, TF1 and AB Group finalised the implementation of an agreement signed on June 10, 2009, under which TF1 acquired from AB Group's other shareholders their remaining 66.5% stake in AB Group's 40% interest in TMC and its 100% interest in NT1, for a total price of €194.9 million. Consequently, the TMC and NT1 channels have been fully consolidated by the TF1 group since July 1, 2010.

TF1 has retained the same interest in AB Group's other businesses (33.5%) as it held prior to this transaction, since the call option on this interest granted to AB Group's management team (Port Noir) for €155 million was unexercised when it expired on June 12, 2012.

TF1, Port Noir Investment and Claude Berda signed a shareholders' agreement covering their investment in the newly formed company AB Group. The key provisions of this agreement are as follows:

- TF1 is entitled to appoint a number of members to AB Group's Boards of Directors in proportion to its shareholding, *i.e.* one third of the members;
- TF1 has a pre-emptive right if AB Group decides to dispose of any assets, key components of the business or equity interests;
- TF1 has a joint right of disposal, notably if a controlling interest in AB Group is sold;
- under the terms of an amendment to the shareholders' agreement dated January 11, 2010, TF1 undertook to grant Claude Berda a right of forced sale under certain conditions.

SHAREHOLDERS' AGREEMENTS RELATING TO THE EUROSPORT GROUP(1)

On December 21, 2012, TF1 and Discovery Communications finalised the implementation of the exclusive negotiation agreement signed on November 13, 2012, under which Discovery (Discovery France Holdings SAS, a subsidiary of Discovery Communications Inc., Delaware, USA) acquired a 20% interest in Eurosport SAS (which then wholly owned the French channels, including Eurosport France SAS, which held a pay-to-view digital terrestrial TV licence, and Eurosport's foreign subsidiaries), for approximately €170 million in cash.

A new agreement was signed on January 21, 2014 by Eurosport SAS, TF1 and Discovery France Holdings to arrange the accelerated acquisition by the Discovery group of 51% of Eurosport SAS (excluding Eurosport France SAS). Under the terms of this agreement:

- on May 14, 2014, Eurosport SAS sold 80% of its interest in Eurosport France SAS to TF1 Expansion and the remaining 20% to Discovery France Holdings II. In particular, the Eurosport France SAS shareholders' agreement grants Discovery France Holdings II the right to appoint two of the seven members of the Board of Directors, whose Chairman is appointed from among the Directors appointed by TF1;
- on May 30, 2014, TF1 sold 31% of its interest in Eurosport SAS to Discovery France Holdings II. The main stipulations contained in the purchase agreement and shareholders' agreement between TF1 and Discovery France Holdings II in relation to their investment in this company are as follows:
  - Discovery France Holdings II gained exclusive control of Eurosport SAS and has the right to appoint five of the seven members of the Board of Directors, whose Chairman is appointed from among the Directors appointed by Discovery,
  - Eurosport SAS undertook to exercise, at the request of TF1 or Discovery France Holdings II before June 30, 2015, its option to acquire 100% of Eurosport France SAS,
  - after completing the aforementioned acquisition, TF1 has the option to sell its remaining 49% interest in Eurosport SAS to Discovery France Holdings II within predefined periods between July 1, 2015 and September 30, 2016.

(1) *Further to the agreements signed by TF1 and Discovery Communications on January 21, 2014, the undertakings given are detailed in note 5.1 to the individual financial statements, found on page 195 of this registration document and annual financial report.*

SHAREHOLDERS' AGREEMENTS IN RELATION TO PAY-TO-VIEW THEME CHANNELS

On December 21, 2012, TF1 and Discovery finalised the implementation of the exclusive negotiation agreement signed on November 13, 2012, under which Discovery (Discovery France Holdings SAS, a subsidiary of Discovery Communications Inc., Delaware, USA) acquired a 20% interest in Prefas 18 SAS (which now wholly owns the theme channels TV Breizh, Ushuaïa, Stylía and Histoire), for approximately €14 million in cash.

The purchase agreement and shareholders' agreement between TF1 and Discovery in relation to their investment in Prefas 18 SAS were amended on May 30, 2014 to take into account the accelerated acquisition by the Discovery group of an interest in Eurosport SAS.

The main stipulations in the agreements relating to Prefas 18 are as follows:

- Discovery France Holdings II has the right to appoint two of the seven members of the Board of Directors of Prefas 18 SAS, whose Chairman is appointed from among the Directors appointed by TF1;
- for a period of one year beginning May 30, 2014, Discovery France Holdings II had the right to acquire 29% of the pay-to-view theme channels, thus increasing its interest in those channels to 49%, provided that it exercised this option no later than November 26, 2014; this option was not exercised and has therefore lapsed;
- for a period of one year beginning November 26, 2014, TF1 has an option to sell 15% of the pay-to-view theme channels to Discovery France Holdings II, bringing the Discovery Communications group's percentage interest to 35%;
- should TF1 sell the remaining 49% of Eurosport SAS to Discovery France Holdings II (see above), Discovery France Holdings II will have an option to sell its interest in PREFAS 18 SAS for a period of one year beginning December 21, 2018;
- shares in PREFAS 18 SAS may not be transferred until December 21, 2016.

6.4.3 ACTION IN CONCERT

There is no concerted action to report relative to TF1.

6.4.4 SHAREHOLDERS AND OWNERSHIP STRUCTURE

CHANGES IN OWNERSHIP STRUCTURE

To the best knowledge of the Board of Directors, the company's share ownership is broken down as follows:

	December 31, 2014			December 31, 2013			December 31, 2012		
	No. shares	% of capital	% of voting rights	No. shares	% of capital	% of voting rights	No. shares	% of capital	% of voting rights
Bouygues	91,946,297	43.5%	43.5%	91,946,297	43.5%	43.5%	91,946,297	43.7%	43.7%
Free float – rest of world(1)	73,704,536	34.8%	34.8%	78,671,183	37.2%	37.2%	76,846,349	36.5%	36.5%
Free float – France(1)(2)	31,318,633	14.8%	14.8%	25,934,835	12.3%	12.3%	26,570,241	12.6%	12.6%
TF1 employees	14,559,298	6.9%	6.9%	14,707,698	7.0%	7.0%	15,261,434	7.2%	7.2%
via the FCPE TF1 fund(3)	*14,386,411*	*6.8%*	*6.8%*	*14,543,101*	*6.9%*	*6.9%*	*15,176,013*	*7.2%*	*7.2%*
as registered shares	*172,887*	*0.1%*	*0.1%*	*164,597*	*0.1%*	*0.1%*	*85,421*	*0.0%*	*0.0%*
Treasury shares	-	-	-	-	-	-	-	-	-
TOTAL	**211,528,764**	**100.0%**	**100.0%**	**211,260,013**	**100.0%**	**100.0%**	**210,624,321**	**100.0%**	**100.0%**

(1) Estimates from Euroclear statement.
(2) Including non-identified holders.
(3) Employee shareholders subscribing to the company savings scheme. The FCPE TF1 Shares Supervisory Board exercises the voting rights attached to the securities in the portfolio and decides how many securities to include in the case of a public share issue.

The number of shareholders is estimated at more than 100,000.

There is no difference between the total number of theoretical voting rights and the total number of voting rights that may be exercised at an Annual General Meeting.

Date	Number of shares making up the share capital	Total number of voting rights	
		Theoretical[(1)]	Exercisable[(2)]
December 31, 2014	211,528,764	211,528,764	211,528,764
December 31, 2013	211,260,013	211,260,013	211,260,013
December 31, 2012	210,624,321	210,624,321	210,624,321

(1) In compliance with Article 223-11 of the AMF general regulation, the number is based on the total number of shares to which voting rights are attached, including shares from which voting rights have been stripped.
(2) For information, this number excludes non-voting shares.

There are no double voting rights.

To the best knowledge of the company, there are no TF1 shares pledged and TF1 has pledged none of its subsidiaries' shares.

To the best knowledge of the company, there has been no material change in the ownership structure since December 31, 2014.

The control structure of the company is described above. However, the company considers that there is no risk of abuse of control. The company applies the recommendations of the code of corporate governance published in June 2013 by AFEP/MEDEF. These recommendations have been incorporated into the Board's rules of procedure.

MAJOR SHAREHOLDING NOTIFICATIONS

Major shareholding notifications made by listed intermediaries or fund managers brought to the attention of TF1 in 2014, including legal notifications brought to the attention of the AMF, were as follows.

Date of notification	Date of transaction	Listed intermediary or fund manager	By-law or legal threshold	Change in shareholding	No. shares	% of capital and % of voting rights
13/02/2014	11/02/2014	UBS AG	2%	Down	4,172,212	1.97%
13/02/2014	12/02/2014	Amundi	2%	Down	4,188,847	1.98%
14/02/2014	13/02/2014	Amundi	2%	Up	4,914,966	2.33%
20/02/2014	18/02/2014	UBS AG	2%	Up	5,853,679	2.77%
28/02/2014	26/02/2014	UBS AG	2%	Down	3,863,711	1.83%
03/03/2014	27/02/2014	UBS AG	2%	Up	5,358,322	2.54%
05/03/2014	03/03/2014	UBS AG	2%	Down	4,170,818	1.97%
06/03/2014	04/03/2014	UBS AG	2%	Up	4,582,226	2.17%
07/03/2014	05/03/2014	UBS AG	2%	Down	3,790,804	1.79%
24/03/2014	20/03/2014	UBS AG	2%	Up	4,494,689	2.13%
26/03/2014	26/03/2014	Artisan Partners	4%	Up	9,435,042	4.46%
27/03/2014	25/03/2014	UBS AG	2%	Down	3,970,083	1.88%
28/03/2014	26/03/2014	UBS AG	2%	Up	4,513,694	2.14%
02/04/2014	31/03/2014	UBS AG	2%	Down	3,825,935	1.81%
08/04/2014	04/04/2014	UBS AG	1%	Down	1,350,260	0.64%
09/04/2014	07/04/2014	UBS AG	1%	Up	2,738,997	1.30%
24/04/2014	22/04/2014	UBS AG	2%	Up	4,566,806	2.16%
25/04/2014	23/04/2014	UBS AG	2%	Down	4,199,602	1.99%
06/05/2014	02/05/2014	UBS AG	1%	Down	929,181	0.44%
12/06/2014	10/06/2014	First Eagle	5%	Down	10,357,475	4.90%
20/06/2014	18/06/2014	UBS AG	1%	Up	2,386,671	1.13%
23/06/2014	19/06/2014	UBS AG	1%	Down	1,835,564	0.87%
26/06/2014	24/06/2014	UBS AG	1%	Up	2,146,840	1.02%
27/06/2014	25/06/2014	UBS AG	1%	Down	1,906,485	0.90%
01/07/2014	27/06/2014	UBS AG	1%	Up	2,796,914	1.32%

Date of notification	Date of transaction	Listed intermediary or fund manager	By-law or legal threshold	Change in shareholding	No. shares	% of capital and % of voting rights
04/07/2014	01/07/2014	Artisan Partners	5%	Up	10,687,936	5.06%
09/07/2014	07/07/2014	UBS AG	1%	Down	2,047,470	0.97%
10/07/2014	08/07/2014	UBS AG	1%	Up	2,817,385	1.33%
14/07/2014	10/07/2014	UBS AG	1%	Down	1,946,108	0.92%
15/07/2014	11/07/2014	UBS AG	1%	Up	2,380,254	1.13%
17/07/2014	15/07/2014	UBS AG	1%	Down	2,003,919	0.95%
11/07/2014	11/07/2014	Amundi	2%	Down	3,832,832	1.81%
11/07/2014	09/07/2014	Federated Global Investment Management Corp.	1%	Up	2,213,188	1.05%
28/07/2014	28/07/2014	DNCA Finance	2%	Up	5,054,649	2.39%
07/08/2014	05/08/2014	UBS AG	1%	Up	2,470,735	1.17%
12/09/2014	10/09/2014	UBS AG	1%	Down	2,005,861	0.95%
15/09/2014	11/09/2014	UBS AG	1%	Up	2,223,644	1.05%
16/09/2014	12/09/2014	UBS AG	1%	Down	2,077,713	0.98%
25/09/2014	23/09/2014	UBS AG	1%	Up	2,594,410	1.23%
30/09/2014	26/09/2014	UBS AG	1%	Down	1,965,926	0.93%
01/10/2014	29/09/2014	UBS AG	1%	Up	2,204,960	1.04%
02/10/2014	01/10/2014	DNCA Finance	3%	Up	6,450,649	3.05%
03/10/2014	01/10/2014	UBS AG	1%	Down	1,474,825	0.70%
13/10/2014	09/10/2014	UBS AG	1%	Up	2,133,335	1.01%
14/10/2014	10/10/2014	UBS AG	1%	Down	1,945,638	0.92%
05/11/2014	03/11/2014	UBS AG	1%	Up	2,223,281	1.05%
06/11/2014	04/11/2014	UBS AG	1%	Down	1,598,285	0.76%
01/12/2014	25/11/2014	First Eagle	4%	Down	8,333,518	3.94%
03/12/2014	01/12/2014	UBS AG	1%	Up	2,153,889	1.02%
15/12/2014	11/12/2014	UBS AG	1%	Down	1,862,184	0.88%

To the best of the company's knowledge, there are no shareholders other than Bouygues, FCPE TF1 Actions and Artisan Partners holding more than 5% of the capital or voting rights.

FCPE TF1 Actions, which is the employee share ownership scheme of the TF1 group, held 6.8% of the capital at December 31, 2014.

6.5 STOCK MARKET INFORMATION

6.5.1 DESCRIPTION OF TF1 SHARES

TF1 shares are quoted on Euronext Paris, compartment A.

ISIN code: FR0000054900, CFI: ESVUFB, ICB: 5553 – Audiovisual and entertainment, Mnemonic: TFI.

At December 31, 2014, TF1 shares were included in the following stock market indices: SBF 120, EURO STOXX® TMI Media, STOXX® Europe 600, CAC MID 60, NEXT 150® and CAC Média.

TF1 shares are also included in market indices consisting of those companies that perform best on ESG (environmental, social and governance) criteria, including in particular the following: Dow Jones Sustainability World Index, Dow Jones Sustainability Europe Index, FTSE4Good Index series, Euronext Vigeo World 120, Euronext Vigeo Eurozone 20, Euronext Vigeo France 20 and Ethibel Sustainability Index Excellence Europe.

There is currently no request for admission to another stock exchange.

6.5.2 SHARE PRICE AND VOLUMES

At December 31, 2014, TF1 closed at €12.72 per share, a year-on-year decrease of 9.2%, compared with a 0.5% decline in the CAC 40 index and a 0.7% rise in the SBF 120.

Over two years, TF1 shares gained 43.7%, compared with a 17.3% rise in the CAC 40 index and a 20.3% rise in the SBF 120.

The average price in 2014 was €12.38, compared with €10.52 in 2013, representing a 17.7% increase.

Media indices rose in 2014, with the Euro STOXX® TMI Media gaining 7.4% and the CAC Média 13.7%. Over two years, TF1 shares have outperformed these indices, which have gained 43.1% and 40.0% respectively.

In 2014, the daily turnover of TF1 shares averaged out at 442,676(2), down 32% on 2013. The highest daily turnover in the period was on July 10, 2014, when 2,981,169 shares were traded(2).

The stock market valuation of the TF1 group at December 31, 2014 was €2.69 billion. The P/E (price/earnings) ratio at December 31, 2014 (based on net income attributable to equity holders of the parent) was 27, compared with a P/E of 30 at December 31, 2013.

Share prices and trading volumes in TF1 shares (ISIN: 0000054900) in 2014 were as follows:

Month	High(1) Euros	Low(1) Euros	Closing price Euros	Number of shares traded(2)	Capitalisation(3) *(€m)*
January	14.80	13.01	13.70	419,925	2,895
February	14.02	13.25	13.48	371,900	2,849
March	13.36	11.91	12.00	418,279	2,536
April	13.26	12.21	12.25	644,770	2,589
May	13.26	12.29	13.09	439,051	2,766
June	13.41	11.97	11.97	421,917	2,529
July	12.36	11.05	11.18	616,493	2,362
August	11.61	10.93	11.45	346,768	2,421
September	12.09	10.63	10.68	474,243	2,258
October	11.87	10.11	11.87	452,556	2,509
November	12.84	11.50	12.84	369,424	2,714
December	12.85	11.92	12.72	335,620	2,690

Source: NYSE Euronext.

(1) The highest and lowest prices quoted are the outlying values recorded at close of trading.

(2) Volumes traded refer to average trading volumes on NYSE Euronext.

(3) Calculation based on the monthly closing price multiplied by the number of shares reported at the end of the month.

6.5.3 DIVIDENDS AND YIELD

No interim dividends were paid out of 2014 profits.

Dividends are available to shareholders from their date of payment, either at TF1 for registered shares or at financial institutions for managed registered shares and bearer shares.

Dividends that are not claimed within five years are remitted to the government.

Year	Number of shares as of December 31	Dividend paid out of profit for the year *(net in €)*	Paid	Market price *(€)* Closing price High	Low	Last	Yield based on closing price
2009	213,410,492	0.43	May 3, 2010	12.9	5.2	12.9	3.3%
2010	213,410,492	0.55	April 26, 2011	14.6	10.2	13.0	4.2%
2011	211,033,003	0.55	May 2, 2012	15.0	7.1	7.5	7.3%
2012	210,624,321	0.55	April 30, 2013	9.6	5.3	8.9	6.2%
2013	211,260,013	0.55	April 29, 2014	14.4	7.5	14.0	3.9%
2014	211,528,764	1.50(1)	April, 28 2015	14.8	10.1	12.72	11.8%

(1) Submitted for approval at the Combined Annual General Meeting of April 16, 2015.

7

Corporate social responsibility

	FOREWORD	**250**
	Issues and commitments	250
	Organisation	250
	Reference frameworks governing Group CSR reporting and implementation of the "comply or explain" principle	251
	Reporting methodology for non-financial indicators	252
	Scope and general principle of company consolidation	252
	Table of key objectives	253
	Recognition of TF1's performance in stock market indices on sustainable development	253
7.1	**SOCIAL INFORMATION**	**254**
7.1.1	Social policy and social risk factors	254
7.1.2	Social reporting parameters	254
7.1.3	The workforce	255
7.1.4	Organisation of working hours	257
7.1.5	Compensation and employee savings	259
7.1.6	Professional relationship and report on collective agreements	260
7.1.7	Equal opportunities and the fight against discrimination	262
7.1.8	Health, safety and security conditions	264
7.1.9	Employee support	265
7.1.10	Employee benefits	268
7.2	**ENVIRONMENTAL INFORMATION**	**269**
7.2.1	Environmental policy and risks	269
7.2.2	Environmental reporting parameters	269
7.2.3	The environmental footprint of production	270
7.2.4	From EMS to HQE certification	270
7.2.5	Environmental management of head offices	270
7.2.6	Environmental footprint of *Metronews* publication	276
7.3	**SOCIETAL INFORMATION**	**278**
7.3.1	Societal policy and social risk factors	278
7.3.2	Societal reporting parameters	278
7.3.3	Territorial, economic and social impact	279
7.3.4	Dialogue with stakeholders	280
7.3.5	Partnership and sponsorship initiatives	282
7.3.6	Group policy on ethics and social responsibility	282
7.3.7	Responsible Purchasing policy	283
7.3.8	Respect of ethics and compliance rules in content	286
7.3.9	News	286
7.3.10	Protection of young viewers	288
7.3.11	Programme accessibility	289
7.3.12	Promoting diversity	290
7.3.13	Compliance and ethics in advertising	290
7.3.14	Issues in digital media	291

FOREWORD

ISSUES AND COMMITMENTS

In the governance of the company and in its activities, the TF1 group applies ethical and responsible principles, be it regarding the regulator, the public, customers, suppliers or its employees. It reports exhaustively and transparently on its activities to the community. In 2014 TF1 resolutely committed to implementing a structured compliance policy and rolled out the tools and organisation system necessary to that end.

As a media group, public trust is a crucial issue for TF1. The quality of the information produced and broadcast on its channels and internet sites and the compliance of all its programmes with the commitments made to the community are therefore key issues in the Group's societal impact. The importance of these issues, which are a priority for the Group, is underscored by the unique position of the TF1 group as a leader in audience ratings in France.

The Group's Channels and Advertising Departments provide every year broad exposure for charity organisations through free broadcasting slots and other socially responsible actions.

The TF1 group encourages the creativity and involvement of its employees, develops their skills, fosters their professional growth and offers them a high-quality working environment. In addition to actions taken by the Human Resources Division, efforts to prevent discrimination and promote equal opportunities are reflected in the fact that every component of the company is represented in its programmes. Obtaining the Diversity Label in 2010 along with the mid-term review in 2012 testify to the Group's continuous efforts in this respect.

The Group integrates sustainable development issues into the design and use of its productions, products and innovations. The same applies to the management of its head offices. The Group integrates this commitment in its value chain and in particular with its suppliers through a "Responsible Purchasing" policy extended in 2014 to the acquisition of audiovisual rights and Téléshopping purchasing.

In 2014 the TF1 group launched a new website dedicated to CSR reporting on the basis of the GRI G4 (Global Reporting Initiative) guidelines.

http://www.materiality-reporting.com/reporting/tf1/home

Ahead of this commitment, a materiality study approved by the Materiality Check label awarded by the GRI was carried out with internal and external stakeholders. The study highlighted the 12 issues deemed as priorities for the Group. Ethics, and journalism ethics in particular, is the top priority, followed by equal opportunities and the representation of national diversity on our channels. Digital transition skills support is a priority for internal stakeholders, while external stakeholders favour personal data protection. The methodological process and results of the study are available on line: http://www.materiality-reporting.com/reporting/tf1/pdf/en/MATERIALITYTF1@130814_ENG.pdf

The site can be used to publish a report compliant with global guidelines, giving stakeholders both a comprehensive vision and selective access to information.

The TF1 group joined the Global Compact in 2006. In 2014 the TF1 COP (Communication on Progress) was published on line at "Advanced" level on the United Nations website.

https://www.unglobalcompact.org/system/attachments/cop_2014/106811/original/TF1_COMMUNICATION_SUR_LE_PROGRES-2014.pdf?1410365754

TF1 also plays a unifying role in the profession by coordinating the Media CSR Forum that invites French media players to develop sector-based indicators and exchange best practices. The "CSR Guide for the Media Sector", the first Group deliverable, was presented at a public event in March 2014. It is available at http://www.orse.org/nos_publications-52.html.

TF1 is also a founding partner of the Ecoprod collective that works to integrate environmental concerns in audiovisual production activities (http://www.ecoprod.com/).

Since January 1, 2014, on a proposal by the Remuneration Committee, the variable remuneration of the Executive Director has included a quantitative criterion on the corporate social responsibility performance of the company (TF1's ongoing presence in non-financial ratings indices, as described on page 75 of this document).

The Group's corporate social responsibility approach and the quality, completeness and transparency of associated reporting are intended to help strengthen stakeholder dialogue, win trust and secure buy-in so as to make the Group's actions more sustainable, act as a potential driver of competitiveness and a global performance factor for the TF1 group.

ORGANISATION

The CSR Department, created in 2005, was attached to the Investor Relations Department at the Finance Department in October 2014.

All the sectors of the Group work together on all the social, environmental and societal aspects of the Group's corporate social responsibility (CSR) policy, coordinated by the CSR Department (one person full time). A high-level roadmap proposed by the CSR Department is signed off by the CSR Committee, which brings together all contributors twice a year.

An update on the activities of the CSR Department is presented at each Meeting of the Board of Directors by the Chairman of the Board, Nonce Paolini.

The CSR Department can be contacted by email at rse@tf1.fr.

STAKEHOLDERS IN AND CONTRIBUTORS TO CSR REPORTING WITHIN THE TF1 GROUP

Policy	CSR topics	Main TF1 Departments concerned
Coordination	*All*	*CSR Department*
Non-financial reporting	*All*	*Investor Relations/CSR Department*
Sign-off of actions	*All*	*CSR Committee*
Social information	Employee/management dialogue, remuneration policy, forward-looking management of jobs and skills, health/safety/security, equal opportunities, etc.	Department of HR Development, Social Affairs, Group Diversity/Disability Officer
Social information	Raising employee awareness of CSR	CSR Department, Internal Communication
Environmental information	Environmental Management of Head Offices, Green IT, Ecoprod	Corporate Services, Information Systems, CSR Department
Societal information	Governments, business ethics, transparency	General Secretariat, Legal Department, Purchasing Department, Investor Relations Department
Societal information	Stakeholder dialogue, dialogue with the public	External Communication, all departments concerned in a relationship, contractual or not
Societal information	Compliance of programmes, journalistic ethics	Broadcasting Department, Group News Department, Legal Department
Societal information	Raising public awareness of major issues	News Department, TF1 programming units, theme channels
Societal information	Solidarity/diversity	Corporate Foundation, Solidarity Committee, Diversity Committee, Group Disability/Diversity Officer
Societal information	Customer satisfaction, development	TF1 Publicité, CSR Department
Societal information	Information Systems Department	Purchasing Department, Responsible Purchasing Committee
Other	Specific topics at subsidiaries	CSR correspondents at Metronews, Digital activities, TF1 Entreprises, Téléshopping

REFERENCE FRAMEWORKS GOVERNING GROUP CSR REPORTING AND IMPLEMENTATION OF THE "COMPLY OR EXPLAIN" PRINCIPLE

The Group's CSR report takes into account recommendations by the AMF (Autorité des Marchés Financiers) as set out in the document "AMF report on social and environmental responsibility information published by listed companies" published on November 5, 2013.

The non-financial report covering the Group's social, environmental and societal responsibilities is presented in this registration document in accordance with the French regulatory requirements laid down in Decree 2012-557 of April 24, 2012 relating to Article 225 of the Grenelle 2 Act. The reporting requirement is linked to the requirement to obtain third party verification covering the required indicators. The Group's CSR information has been audited for the third consecutive year.

This report meets all the criteria laid down in law, in accordance with the "comply or explain" principle.

A comprehensive report, notably including the Group's sector-based issues, is available on the corporate website.

http://www.groupe-tf1.fr/en/un-nouveau-site-expert-pour-la-responsabilité-sociétale-de-tf1.

REPORTING METHODOLOGY FOR NON-FINANCIAL INDICATORS

The method for defining and collecting social, environmental and societal indicators is covered by two methodological guides shared with contributors, correspondents within Bouygues SA's Sustainable Development Department and the independent third party organisation.

To facilitate the consolidation of data and the verification of the information, notably at Bouygues group level, environmental and societal indicators are presented for a reporting period that runs from 01/10/2013 to 30/09/2014.

Social indicators cover the period from January to December 2014.

Indicators relating to programme compliance cover calendar year 2013, in line with the report on TF1's activities published by the CSA in October 2014.

SCOPE AND GENERAL PRINCIPLE OF COMPANY CONSOLIDATION

The TF1 group generates revenues mainly in France and in Europe. In 2014, the revenues are broken down as follows: 96.9% in France, 2.8% in Europe excluding France and 0.3% for other countries.

Fully and partially consolidated companies are included in reporting except where the TF1 group does not operate the company (*i.e.* does not have management responsibility for it). An entity has management responsibility when it has the power to make decisions on the operational procedures of that very entity.

Regarding environmental information and the Publications Metro France subsidiary, only data concerning the production of the newspaper are included in the reporting. As the head office of Publications Metro France is located in a building shared with other companies, data on the consumption of resources cannot be isolated (no separate meters). The surface area of the offices is equal to a small part of that of the Boulogne head office (1/60th).

TABLE OF KEY OBJECTIVES

Objective	Indicator	Unit	2014	2013	2012	Review of the year/ comment on trend	2015 objective
Social information							
Promoting diversity within the company and on air	Employees trained in equal opportunities and the fight against discrimination.	No.	New training sessions organised for promoted employees and new recruits.	Over 1,000 people trained in 3 years, or 100% of employees targeted by this training.	364	Externalisation of the counselling unit dedicated to the fight against discrimination. Third three-year agreement on integrating people with disabilities and keeping them in the work force. Signature of an agreement on training and welcoming audiovisual students with disabilities.	New action plan for diversity, including a "Gender Diversity and Performance approach"
Environmental information							
Managing electricity consumption	Consumption:	MWh	22,750	29,790	30,789	Electricity consumption down 7% on 2010 at constant perimeter.	Application of the ISO 50001 standard
Societal information							
Observance of ethical and compliance rules in content	*Number of CSA interventions (warnings, cautions)		-	4	4	Dissemination of TF1's General Code of Ethics and compliance documents.	Review of the Editorial Code of Ethics
CSR governance							
CSR criteria integrated in the variable compensation of Directors						Qualitative CSR criterion integrated in the compensation of the Executive Director	Review of the integration of CSR criteria in the compensation of managers

* *The indicator shown here concerns 2013. The 2014 review will be published by the CSA in fourth-quarter 2014.*

RECOGNITION OF TF1'S PERFORMANCE IN STOCK MARKET INDICES ON SUSTAINABLE DEVELOPMENT

Inclusion of TF1 in SRI indices in 2014:

DJSI:

- DJSI World Index (ongoing)
- DJSI Europe Index (ongoing)

FTSE4Good Index series (ongoing)

Indices Euronext Vigéo:

- Euronext Vigeo World 120 (entry)
- Euronext Vigeo France 20 (entry)
- Euronext Vigeo – Eurozone 120 (ongoing)
- Euronext Vigeo – Europe 120 (ongoing)
- Ethibel Sustainability Index Excellence Europe (ongoing)

Oekom: In 2014 TF1 satisfied the investment criteria set forth by the German ratings agency Oekom.

Gaïa Index: TF1 ranked second in the GAIA midcap segment ratings.

7.1 SOCIAL INFORMATION

7.1.1 SOCIAL POLICY AND SOCIAL RISK FACTORS

The TF1 group operates in a highly changeable environment given the rapid evolution of technologies and the arrival of new players, including *pure players* in the digital sector. Global competition is strong amid a lacklustre economic context. This is why it is vital to foster the agility and creativity of employees and disseminate a digital culture across all our businesses.

Developing the professional skills of employees and ensuring high-quality working relationships is fundamental to the culture of the TF1 group. A number of company agreements establish an enviable professional status in terms of social protection, employee savings and access to training.

This policy was not called into question in 2014. On the contrary, the Group has been conducting tests on teleworking, an alternative work organisation method. Thus far, teleworking has proved to be a win-win initiative and fosters buy-in of new technologies.

The Group adapted to the economic environment by exercising wage restraint and scaling back recruitment in favour of internal mobility and without additional recourse to temporary staff or freelancers, who remain a marginal component of the workforce.

The Group's highly skilled and decentralised HR staff have close relationships with employees, enabling them to deliver appropriate activities, particularly with regard to internal job transfers, training and everyday support.

Since 2007, the year in which the TF1 Foundation and "Mission Handicap" were created, the TF1 group has endeavoured to encourage job applications from those who would not otherwise apply. The Group has since stepped up its efforts to prevent discrimination, as attested by its securing the Diversity Label in 2010.

The signature of several company agreements and amendments to existing agreements attests to the vitality of labour relations.

Concerning promotion and compliance with the provisions of the fundamental agreements of the ILO, TF1, which is a French company and whose workforce is mainly French, applies French, European and international law.

HUMAN RESOURCES RISK

RISK IDENTIFICATION

- The openness, quality and commitment of TF1's staff are critical to the Group's success.

Should the Group find itself unable to attract and retain the required expertise and talent, this could affect TF1's ability to achieve its objectives and have an adverse effect on its results.

- Synergies between activities require managers to foster cross-cutting approaches and the independence of employees, this last serving to generate commitment.

RISK MANAGEMENT

- The Group's subsidiaries and management closely monitor employee indicators, the results and the appeal of TF1 among the current and future working population.

To attract talented individuals, the Group leads initiatives with targeted universities and schools. The Group has strengthened its presence in the social media. The employer brand is showcased in the spirit of the "Raison d'être" of TF1 as established in 2014 and communicated in external communication campaigns.

To develop and keep talented individuals, the Group leads a targeted remuneration policy and implements training and career development programmes.

- Since 2013, the Group's 500 main managers have been systematically assessed on six values, including "a team player", "fosters employee development" and "open and innovative".

7.1.2 SOCIAL REPORTING PARAMETERS

Scope: all employees having an employment contract with the TF1 group.

- Modification having had an impact since the last report: Eurosport International business is no longer consolidated following Discovery Communications' takeover of Eurosport International on May 30, 2014; the total workforce decreased significantly, from 3,770 to 2,951 employees.

Reference period: 01/01/2014 to 31/12/2014.

7.1.3 THE WORKFORCE

The workforce of the TF1 group is broken down as follows.

OPEN-ENDED (OE) AND FIXED-TERM (FT) CONTRACTS

INDICATOR: GROUP OE AND FT WORKFORCE

At 31/12 *(Scope: world, OE, FT)*	% revenues	2014	2013	2012
Clerical, administration, technical and supervisory staff	100	684	900	986
Managers	100	1,792	2,252	2,377
Journalists	100	475	618	627
TOTAL	**100**	**2,951***	**3,770**	**3,990**

* *Decrease in the total workforce is attributable to the deconsolidation of the Eurosport activity, following the acquisition by Discovery of a controlling interest in Eurosport International on May 30, 2014.*

INDICATOR: OE AND FT WORKFORCE BY GEOGRAPHIC REGION

At 31/12 *(Scope: world, OE, FT)*	% revenues	2014	2013	2012
France	**96.9**	**2,906**	**3,502**	**3,701**
Europe (excluding France)	2.8	45	249	266
Africa and Middle East	-	0	5	7
North America	-	0	1	2
Central and South America	-	0	0	0
Asia-Pacific	-	0	13	14
International	**0.3**	**45**	**268**	**289**
TOTAL	**100**	**2,951**	**3,770**	**3,990**

INDICATOR: AGE PYRAMID AND AVERAGE LENGTH OF SERVICE

At 31/12 *(Scope: France, OE, FT)*	% revenues	2014	2013	2012
< 25	96.9	174	206	211
25-34	96.9	705	998	1,095
35-44	96.9	979	1,209	1,305
45-54	96.9	795	859	857
55 and over	96.9	253	230	233
Average age	96.9	41	40	39
Average length of service at TF1 group	96.9	12	11	10

INDICATOR: NATURE OF WORK CONTRACT

At 31/12 *(Scope: world, OE, FT)*	% revenues	2014	2013	2012
Number of employees on OE contract	100	2,693	3,451	3,680
Number of employees on FT contract (including apprenticeship, work-study, youth work contracts)	100	258	319	310
o/w number of employees with a professional development contract	100	129	171	122
o/w number of employees with an apprenticeship contract	100	47	54	49

SHORT-TERM CONTRACT WORKERS

TF1 GROUP POLICY ON THE USE OF TEMPORARY WORKERS

The TF1 group endeavours to maintain an extremely low rate of temporary staff (technical temporary workers, free-lance actors, and directors). The rate for the TF1 group in 2014 was 9.1% and 2.8% for the TF1 channel – the lowest for a company in the television broadcasting sector.

Today, temporary employment within the Group is mainly concentrated at TF1 Production (the production of drama is, by nature, not constant over time) and Eurosport France.

This is the result, firstly, of voluntarist action by TF1, which for several years has preferred to bring non-permanent employees onto permanent contracts as soon as activity levels permit and, secondly, the application of the 2006 Broadcasting Sector National Agreement for workers employed on very short or part-time fixed-term contracts. TF1 played an active role in these negotiations under the auspices of the Private Television Syndicate, STP (comprising TF1, M6 and Canal+). Since 2007, TF1 has also sought to apply this agreement with its trade unions in the form of a collective agreement on the use of very short or part-time contracts in order to monitor and control the use of these types of contracts, restricting it to only those cases where the specifics and requirements justify it within TF1.

STATUS OF TEMPORARY STAFF IN THE TF1 GROUP

In order to provide temporary staff with high-quality social security cover, in 2008, the STP signed the National Inter-Sector Collective Agreement establishing collective cover for death and disability insurance.

The TF1 group also allows temporary staff fulfilling eligibility conditions to benefit from the social and cultural activities offered by the TF1 Works Councils.

Temporary staff working at TF1 are also eligible for the Group's compulsory and voluntary profit-sharing schemes, which draw on the Bouygues group's leveraged employee savings schemes.

Throughout the entire Group, the Full Time Equivalent, over 12 months, of non-permanent employees was as follows:

INDICATOR: RATE OF FULL-TIME EQUIVALENT WORKERS OVER 12 MONTHS REPRESENTED BY NON-PERMANENT EMPLOYEES

[Jan-Dec] *(Scope: World, ∑ temporary staff end of month / (∑ temporary staff end of month + Workforce on permanent contracts at end of year N))*	% revenues	2014	2013	2012
Share of full-time equivalent workers represented by non-permanent employees (short-term contract workers excl. freelancers)	100	9.1%	8.4%	8.4%

EMPLOYEES FROM OUTSIDE TF1

INDICATOR: FTES OVER 12 MONTHS REPRESENTED BY TEMPORARY STAFF

[Jan-Dec] *(Scope: France, short-term contract workers)*	% revenues	2014	2013	2012
Number of temporary workers as FTEs	96.9	19.5	20.6	18.8

The use of employees external to the TF1 group (temporary workers) corresponds to a full time equivalent figure of 19.5, representing only 0.7% of the Group's permanent workforce (the FTE figure for 2013 was 20.6, representing 0.6% of the permanent workforce).

In its service contracts, TF1 includes clauses related to the promotion and respect of the fundamental ILO Conventions' provisions, notably on the prohibition of forced labour.

HIRING AND DEPARTURES

INDICATORS: HIRING AND DEPARTURES

[Jan-Dec] *(Scope: world, OE, FT)*	% revenues	2014	2013	2012
Number of hires on open-ended, fixed and apprenticeship contract… Scope: world, OE, FT	100	421	517	652
o/w open-ended recruitment, France	*96.9*	*102*	*112*	*211*
Number of resignations Scope: France, OE	96.9	48	82	89
Number of compulsory retirements Scope: France, OE	96.9	0	0	0
Number of retirements Scope: France, OE	96.9	0	2	4
Number of redundancies Scope: France, OE	96.9	83	154	92
Number of contracts terminated by mutual agreement Scope: France, OE	96.9	36	43	104
Number of terminations of FT contracts Scope: France, OE	96.9	241	255	335

Faced with a difficult economic environment over the last 4 years, the TF1 group has limited recruitment (excluding cyclical professions or those related to production and excluding disabled hires). Each request for employment is subject to an electronic “request for authorisation to hire”, duly completed and ultimately signed off by the TF1 group’s HR Director, in order to make sure that it is absolutely necessary. This decision paved the way for synergies between departments, helped by a proactive job mobility policy. It should be noted that the recruitment of disabled workers, which is covered by a three-yearly agreement, and recruitment under work/study contracts are not concerned by these restrictions, but rather are encouraged to reach the thresholds defined in our agreements.

INDICATOR: INSTABILITY RATE

[Jan-Dec] *(Scope: France, OE) (∑ resignation OE + ∑ lay-off OE + ∑ mutually agreed termination of contract) / average workforce OE*	% revenues	2014	2013	2012
Instability rate	96.9	**6.2%**	8.5%	8.1%

TF1 endeavours to support employees who are led to leave the Group (other than through resignation). To this end, company-wide agreements in place within TF1 group companies provide for significantly higher levels of compensation for dismissed personnel than the minimum amounts required under the French Employment Code (between 35% and 100% of a month’s salary per year of service, versus 20%).

Twenty-four redundancies on economic grounds were made in 2014: 19 at TV Breizh, 3 at SF2J and 1 at e-TF1 and TF1 Vidéo.

The closures of TF6 and Stylia were carried out with no consequence on employment as the staff were redeployed.

7.1.4 ORGANISATION OF WORKING HOURS

ANNUAL WORKTIME: SUMMARY OF WORKTIME ADJUSTMENT AGREEMENTS

Agreements on adjusting and reducing working hours (Time Off In Lieu, or “TOIL”, agreements) have been reached in all Group companies. They govern the different staff categories according to status, with agreements for permanent staff (production, technical and administrative staff and journalists) and for temporary workers.

Under the agreements applicable within TF1, non-managerial personnel work 37 hours per week and have 14 days of TOIL per year, and managerial staff, under a fixed number of working days (213 to 216 days) have 12 or 13 days of TOIL per year. Thus, the TOIL agreements negotiated allow all these personnel to work on the basis of an annual duration that is less than the reference legal durations (1,607 hours and 218 days).

In 2014 TF1 SA and its subsidiaries signed amendments to company agreements on the monitoring of working hours and rest days for managers as part of an annual fixed number of days. Those amendments aim to meet three objectives: ensuring rest days for managerial staff as part of an agreement on an annual fixed number of rest days, organising the regular monitoring of their workload and striking a balance between their professional and private lives.

Regarding the monitoring of working hours, a precise count of worked and non-worked periods will be provided monthly to the employees concerned, who will be able to easily communicate any anomalies to their Human Resources Department. Concerning the monitoring of workloads, an additional interview will be organised once a year, on top of the interview provided as part of the annual performance review. On the basis of this interview, line managers will, where required, propose an action plan aimed at rectifying any imbalance. Employees can also request the intervention of a Human Resources manager in the event of any contrasting appraisals of workload or when corrective measures are not applied. This system will be enhanced in 2015 with the negotiation of amendments concerning non-managerial staff on constant hours as well as journalists.

BONUSES RELATED TO WORKING TIME

The TOIL agreements established within the Group also provide for a set of bonuses to compensate for the constraints related to specific work organisations, given the constraints of the audiovisual business (working in cycles, unconventional hours, working on weekends, etc.). In 2014, as part of the Mandatory Annual Negotiation (MAN), management and trade unions examined changes to the amount of these bonuses.

POLICY ON TAKING REST DAYS AND LEAVE

All TF1 group companies are governed by worktime adjustment agreements that enable staff to manage their TOIL days, provided that each department continues to operate smoothly.

Likewise, to ensure that all staff have the opportunity to acquire new skills, for their own personal development and with no specific links to their jobs, the company allows TOIL days to be converted for personal development. TOIL days can thus be used by employers in order to finance all or part of the cost of the educational training chosen by the employee.

The TF1 group started testing teleworking at three entities (Audiovisual Rights Acquisition and cinema subsidiaries; Information Systems and Human Resources) on September 1, 2014. One-third of the 240 employees potentially concerned are teleworking one day a week. The day is chosen in agreement with their manager. The test will end on June 30, 2015 and if it proves conclusive will give rise to a discussion on a company agreement with the trade unions, with a view to extending the practice. At end-2014, no teleworkers or managers had pulled out of the test.

Teleworking is an aspiration of an unquantified but non-negligible number of Group employees. Several trade unions representing a majority of employees are communicating that aspiration to Human Resources.

For employees, teleworking is aimed at improving professional well-being and the quality of life in general, through reduced commute times, stress and fatigue.

For the company, teleworking leads to more motivated and efficient employees as they are subject to fewer constraints.

INDICATOR: ANNUAL WORKTIME OF PTAS[(1)]

Status of PTAS[(1)] *(Scope: France, OE, FT)*	**Annual worktime of PTAS[(1)]**
Non-management in constant hours and cycles (employees and supervisory staff)	From 1,569 to 1,576 hours
Managers working in cycles	From 1,584 to 1,591 hours
Managers with a fixed number of annual days	From 213 to 216 days
Senior managers	NA

(1) Production, technical and administrative staff.

INDICATOR: ANNUAL WORKTIME OF JOURNALISTS

Status of journalists *(Scope: France, OE, FT)*	**Journalists' annual worktime**
Journalists with a fixed number of annual days	From 208 to 215 days
Senior managers	NA

ANNUAL WORKTIME: PART-TIME EMPLOYEES

On average 214 permanent/fixed term staff were employed part-time in 2014. The decision to work part-time is a personal choice in practically all cases in the TF1 group.

INDICATOR: NUMBER OF PART-TIME EMPLOYEES

[average Jan-Dec.] *(Scope: France, OE, FT)*	**% revenues**	**2014**	**2013**	**2012**
Part-time employees	96.9	214	226	240
Percentage of part-time employees	96.9	7.9%	6.5%	6.5%

OVERTIME HOURS

INDICATOR: NUMBER AND AMOUNT PAID IN OVERTIME HOURS

[Jan-Dec] *(Scope: France, OE, FT, short-term contract workers)*	**% revenues**	**2014**	**2013**	**2012**
Overtime hours	96.9	43,163	50,141	63,762
Amount *(in euros)*	96.9	1,361,460	1,627,364	2,020,868

ABSENTEEISM AND REASONS FOR ABSENCE IN THE TF1 GROUP

INDICATOR: ABSENTEEISM

[Jan-Dec] *(Scope: France, OE)*	**% revenues**	**2014**	**2013**	**2012**
Rates of absenteeism	96.9	2.48%	2.27%	2.06%
Total days' absence	96.9	24,000	26,877	26,462
Days absent for sickness	96.9	22,650	25,965	25,036
Days absent for occupational or commuting accidents	96.9	781	514	674
Number of days of absence for travel-related accidents	96.9	358	398	671
Number of days of absence for work-related illness	96.9	211	0	81

The health and safety of its employees is an important concern for the Group, which has introduced an action plan to counter absenteeism.

The Medical Department has run flu vaccination campaigns for many years. It also offers booster vaccinations and first aid kits to staff travelling on reporting assignments. Occupational health physicians raise awareness of lifestyle issues among the workforce and alert HR if and when they identify psychosocial risks.

Employees regularly attend medical examinations arranged by TF1's Medical Department.

The Group's management, the Health, Safety and Working Conditions Committee and the occupational health team regularly issue recommendations on driving while on professional assignment. All these players work together to ensure that regular training is provided in life saving and first aid.

7.1.5 COMPENSATION AND EMPLOYEE SAVINGS

Despite the difficult and uncertain economic environment, the 2014 Mandatory Annual Negotiation led to an average 1.5% increase in gross monthly salaries of over €2,600. Gross monthly salaries equal to or less than €2,600 were increased by an average 2%, while the salaries of the 150 main Directors of the Group were frozen. An additional budget of 0.1% of the payroll was earmarked for gender equality initiatives. These figures are to be put into perspective with a low inflation rate, of 0.9% in 2013 and 0.1% in 2014.

Salary increases, made entirely on an individual basis, take account of key competencies for the future of the Group, the results obtained and market values. In this respect, a 2014 Hay study commissioned by media groups demonstrated that the TF1 group ranks above the median of the sector and large companies based in Île-de-France for support functions and audiovisual functions (technical staff, journalists).

GROSS COMPENSATION

INDICATOR: AVERAGE GROSS ANNUAL COMPENSATION BY PROFESSIONAL CATEGORY AT THE TF1 GROUP

Scope: France, OE excluding suspended contracts *(in euros)*	% revenues	2014	2013	2012
Supervisory staff	96.9	40,148	38,505	37,102
Managers	96.9	67,770	65,977	65,737
Journalists	96.9	77,515	71,811	70,803
All categories	96.9	64,553	62,124	61,302

VOLUNTARY AND COMPULSORY PROFIT-SHARING AND EMPLOYEE SAVINGS

The TF1 group employee savings scheme was created on December 15, 1992.

In all, 75.5% of eligible employees were members of the scheme at December 31, 2014 (up from 73.4% in 2013). The company's maximum matching contribution is €3,750 gross per employee per year, making a total gross contribution of €6.6 million. The matching contribution is 200% on the first €300 paid, which encourages saving by employees with the lowest remuneration, then 100% up to an annual limit of €3,750.

To help employees prepare to fund their retirement, the Bouygues group has set up a retirement savings plan (PERCO). At December 31, 2014, 15.8% of eligible employees were members of the plan. The company's matching contribution varies from 20% to 100% depending on the amount invested by the employee, with a maximum of €1,290 gross per employee per year. The total amount of employer's contributions was €322,000.

INDICATOR: RATES OF MEMBERSHIP OF THE GROUP PROFIT-SHARING AND RETIREMENT FUND

(Scope: France, OE, FT)	% revenues	2014	2013	2012
Percentage of eligible employees who belong to the company savings scheme *(%)*	96.9	75.5%	73.4%	72.5%
Percentage of eligible employees who belong to the Group retirement savings fund *(%)*	96.9	15.8%	14.7%	14.7%

INDICATOR: AVERAGE GROSS AMOUNT PAID BY EMPLOYEE (PROFIT-SHARING AND INCENTIVE SCHEMES)

Year of payment *(Scope: France, all contracts)*	% revenues	2014	2013	2012
Average gross amount paid per employee under profit-sharing scheme *(€)*	96.9	1,206	1,540	2,196
Average gross amount paid per employee under incentive scheme *(€)*	96.9	0	0	0

Group employees own 6.8% of TF1's share capital (down from 7.2% in 2012) through the TF1 Actions group investment fund.

7.1.6 PROFESSIONAL RELATIONSHIP AND REPORT ON COLLECTIVE AGREEMENTS

OVERVIEW OF PROFESSIONAL RELATIONSHIPS WITHIN THE TF1 GROUP

All companies of the Group have personnel-representative bodies: Employee Representatives, Works Councils, Combined Works Council and Employee Representatives, Health, Safety and Working-Conditions Committee and Trade Union Delegates, representing a total of 31 bodies and 200 elected representatives within the TF1 group.

In application of the 2006 agreement on resources devoted to TF1's trade unions, it should be noted that the unions have full-time union officials (5 in total within TF1 SA). Furthermore, in 2014, TF1 granted a budget of €14,761 for economic, social and trade union training, which paid for 19 days of training in this area.

REPORT ON COLLECTIVE AGREEMENTS

Concerning compensation and employee savings, as it does every year, the TF1 group signed Mandatory Annual Negotiations (MAN) agreements at all the companies concerned.

Several agreements were signed with the trade unions in 2014:

- the approved Disabled Workers agreement on the integration and job protection of people with disabilities;

- amendments to the company agreements on the monitoring of working hours;
- the incentive scheme agreement and the first amendment to such.

In January 2014 the TF1 group negotiated and signed an agreement on:

- the re-evaluation of the index provided for by the company agreements on PTAS employees and journalists by 0.5%;
- the re-evaluation of bonuses;
- the payment of 80% of public transport expenses (Navigo travel card & Vélib' bike rental);
- the payment of company restaurant admission fees to the amount of €5.21;
- the payment of the full salary (100%) of employees taking partial or full paternity leave;
- the granting of three authorised paid days of absence for employees concerned by a commitment relating to a civil partnership contract (PACS).

In July 2014 TF1 negotiated and signed an agreement on:

- a 2% increase in salary for employees with a gross monthly salary equal to or less than €2,600;
- a 1.5% increase in salary for employees with a gross monthly salary of more than €2,600 (excluding members of the Senior Management Committee, the Management Committee and the COMGT Committee);
- a guaranteed minimum of €30 for employees benefiting from a salary increase;
- a guaranteed minimum of 2% (gross monthly salaries equal to or lower than €2,600) and 1.5% (gross monthly salaries of more than €2,600) for women employees on maternity leave;
- the granting of 0.1% of total payroll to the readjustment of salaries as part of the gender equality initiative;
- these provisions were negotiated under the same conditions for all TF1 group subsidiaries.

The five trade union organisations represented in the TF1 group have signed a collective Group agreement on time-savings accounts. Set up in 2007, these accounts provide employees with a time budget, which is increased each year by "paying in" any leave in time (annual entitlement, extra days per year of service, days off) or in earnings (13th month).

AGREEMENT RELATIVE TO THE PRIVATE HEALTH INSURANCE SCHEME

An amendment to the health insurance scheme of the TF1 group (applicable from January 1, 2013) was signed by the trade unions (CFTC, FO, CGC, CFDT) with a view to adapting contributions and cover while maintaining a high-quality social security coverage consistent with market rates. Following several Working Meetings of the Death and Disability Insurance Coordination Committee (five in 2014), the decision was made to increase the amount of contributions so as to finance the impact of the carry-over of benefits resulting from the ANI (national interprofessional) agreement of January 11, 2013 and to returning the health insurance scheme to financial equilibrium.

INDICATOR: TRADE UNION REPRESENTATION AT THE GROUP (PERMANENT MEMBERS)

2014 STATISTICS FOR THE TF1 GROUP AS A WHOLE

(Scope: France)	Works Council	Personnel delegates	Combined delegates	Board of Directors	Total
CFTC	14	20	32	17	83
FO	2	7	0	1	10
CGC	0	1	0	0	1
CGT	0	1	0	0	1
CFDT	4	7	0	0	11
Independent	0	0	0	0	0
TOTAL	**20**	**36**	**32**	**18**	**106**

INDICATOR: NUMBER OF MEETINGS AND COLLECTIVE AGREEMENTS

Number of Meetings with employee representatives (Works Council + personnel delegates + Health & Safety Committee + Board of Directors + combined delegates)	294
Number of collective bargaining Meetings with union delegates	70
Number of collective agreements signed during the year	44

INDICATOR: PARTICIPATION RATE IN WORKS COUNCIL ELECTIONS

(Scope: France)	% revenues	2014	2013	2012
Rate of participation in latest Works Council elections	96.9	79.6%	77.3%	73.2%

7

7.1.7 EQUAL OPPORTUNITIES AND THE FIGHT AGAINST DISCRIMINATION

DIVERSITY: FROM CHARTER TO LABEL

As a mark of its commitment to openness to all, the TF1 group signed the Diversity Charter on January 11, 2010 before applying for Label Diversité accreditation, which was secured on December 14, 2010.

The Group proactively deployed its diversity policy as part of an approach named "From charter to label" geared towards the transition from charter to accreditation. The requirements of the label set out a rigorous framework for leading the whole company through an overall process of continuous improvement.

Since then, all target populations (managers, employees involved in programme-making, viewer services staff and HR), totalling more than 1,000 people, have received training in issues relating to diversity and the prevention of discrimination. New training sessions are organised for promoted employees and new recruits.

The in-house counselling service dedicated to the fight against discrimination, set up in late 2012, was replaced in 2014 by Allodiscrim', an external and anonymous counselling service that employees can use to contact a lawyer to receive a legal opinion on the situation experienced.

The AFNOR report, delivered in early 2013 following an intermediate audit scheduled for two years after obtaining the label, highlighted the dynamism and effectiveness of the process as a whole, thanks to the relevance of the actions affecting diversity and equality of opportunities within the Group.

The TF1 group is a member of the AFMD (the French Association of Diversity Managers) and has a seat on its Board of Directors.

INDICATOR: NUMBER OF EMPLOYEES HAVING RECEIVED TRAINING ON DIVERSITY AT WORK

(Scope: France)	% revenues	2014	2013	2012
Number of employees having received training on diversity	96.9	130	67	364

DISABLED EMPLOYEES

A third three-year agreement (for 2014-2016) on hiring people with disabilities and keeping them in employment was signed on April 30, 2014 by all the trade unions and approved by DIRECCTE on September 1, 2009. The agreement notably provides for an ambitious recruitment plan of 24 people with disabilities on permanent or fixed-term contracts of over six months. Taking account of changes in scope, these objectives make the new plan more ambitious than the previous plan despite today's unfavourable employment context.

Work/study programmes are a favoured approach given the shortage of applicants for skilled positions. For the second time, the Group worked with Cap Emploi to run an external campaign to recruit people with disabilities of all ages on work/study programmes.

For existing employees with disabilities, once again this year all requests for changes to the working environment (which affect 50% of such employees) were met through the co-financing of equipment, transport agreements, TadeoBox sign-language equipment for the hard of hearing and modifications to the working environment.

To raise awareness of its open policy towards people with disabilities, TF1 is developing an increasing number of partnerships with organisations (including Osons l'égalité, Tremplin and Arpejeh) and takes part in targeted campaigns such as Handichat and recruitment forums, including those by the CIDJ and ADAPT.

TF1 raises awareness among its target schools and universities, notably through the payment of its apprenticeship tax. The TF1 group also responded to the invitation by the CSA and signed an agreement with several media and journalism schools aimed at fostering training and internships for students with disabilities.

INDICATOR: NUMBER OF DISABLED WORKERS EMPLOYED BY THE COMPANY

(Scope: France)	% revenues	2014	2013	2012
Number of disabled workers in the company as of 31/12 (all contract types)	96.9	70	77	81
Disabled workers hired during the course of the year (fixed-term and permanent contracts)	96.9	9	13	15

One-day training courses on disabilities are coordinated by all employees seeking to find out more about the issue, and specific training courses are available for employees liable to welcome a person with disabilities as part of their team.

EQUAL OPPORTUNITIES

TF1 pursues an active policy of not discriminating between men and women, particularly in the areas of recruitment, career development and pay.

Throughout 2014, a group of 15 women employees, working with three male employees that they chose to join them in their initiative, led discussions on ways of promoting gender equality at TF1. This group presented its findings and proposals to the Executive Management in December 2014 with a view to launching an action plan in first-quarter 2015. The collaborative effort is notably intended to lead to the creation of a women's network.

In addition, concrete measures were taken to foster the work/life balance (including an extension of the "Working Better Together" company agreement through an amendment on December 31, 2012).

Further provisions are included in the professional gender equality agreement signed in 2012 for a period of three years and set for renegotiation with the trade unions in 2015.

The "Women in Leadership" training course was renewed in 2014, as was the joint mentoring programme with Bouygues Telecom and Cisco.

In October 2014 TF1 and Labcom joined forces to organise the first "Labcomwomen" event, a women-focused digital prize awarded to the most active women in the digital sector in six fields: entrepreneurial spirit, journalism, Communication Directors, Directors, bloggers and communication.

INDICATOR: PROPORTION OF WOMEN STAFF BY STATUS

At 31/12 *(Scope: world, OE, FT)*	% revenues	2014	2013	2012
% of women, clerical, administrative, technical and supervisory staff	100	59.9%	54.3%	54.0%
% of women, managers	100	50.6%	48.4%	49.0%
% of women, journalists	100	39.2%	35.0%	36.2%
% women, total	100	50.9%	47.6%	48.2%

This balance is in evidence in the management ranks, since 50.6% of managers are women. In addition, the rate of women managers (head of department and above) rose by 2.6 points in 2014 to 37%.

INDICATOR: NUMBER OF NEW HIRES, WOMEN AND MEN

Hires *(Scope: France, OE, FT)*	% revenues	2014	2013	2012
Women	96.9	241	284	334
Men	96.9	150	233	318
TOTAL	**96.9**	**391**	**517**	**652**

INDICATORS: SALARIES, WOMEN AND MEN

Average gross annual salary for young graduates (in euros)[(1)] *(Scope: France, OE)*	% revenues	Supervisory staff	Managers	Journalists
Women				
2012	83.0	26,093	32,820	-
2013	82.6	23,400	32,338	-
2014	96.9	19,058	33,300	-
Men				
2012	83.0	-	34,378	-
2013	82.6	20,367	32,500	-
2014	96.9	19,058	34,229	-

(1) Employee aged between 18 and 25 with less than one year of service. Female and male employees with the same education levels are hired on the same salary.

In 2014, for the fourth consecutive year, a special budget was allocated to establish pay equity between men and women (0.1% of total payroll in 2014 and 2013, 0.2% in 2012, and 3.0% in 2011).

Female staff on maternity leave received at least the average salary increase negotiated with the trade unions. For 2014, this was 1.5%, or 2.0% for employees whose gross monthly salary was less than or equal to €2,600.

INDICATOR: PROPORTION OF WOMEN AND MEN PROMOTED

Promotion rate[(1)] *(Scope: France, OE)*	% revenues	2014	2013	2012
Women	96.9	8.1%	9.9%	11.1%
Men	96.9	8.7%	11.3%	10.3%

(1) Whether or not the promotion entails a change of professional category.

MEASURES FOR SENIOR EMPLOYEES

The TF1 group signed an agreement with the trade unions in 2009 whereby it committed to keeping 184 employees aged 55 and over in employment. Despite a decrease in the workforce, this commitment has been respected every year.

The Group pursued its seniors policy in 2014 by including this objective, adapted following the loss of control of Eurosport, in the "Generation Contract" agreement implemented on January 1, 2014.

In 2014, 32 employees aged 45 and over (compared with 20 employees in 2013) benefited from the "Taking a new look at your career path" approach. The aim of this day is to review employees' careers, prepare several opportunities for the second half of their careers, and identify obstacles to follow through on those opportunities and actions to be carried out.

Senior employees may request a Meeting to discuss and prepare for the second part of their careers. Tutors and sponsors are chosen as a priority from among staff aged over 45.

7.1.8 HEALTH, SAFETY AND SECURITY CONDITIONS

The policy on health and safety for employees has been a priority for the TF1 group for many years and is applied across all its activities. The management seeks to raise employee awareness about preventing occupational hazards and implementing safety measures.

Given that TF1 applies French, European and international law, the question of child labour is totally excluded.

INDICATORS: OCCUPATIONAL ACCIDENTS

(Scope: world, all contracts)	% revenues	2014	2013	2012
Number of occupational accidents with time off	100	17	28	24
Number of fatal occupational accidents (work-related/ commuting)	100	0	0	0
Employees trained in health and safety	100	744	722	802
Frequency rate	100	3.24%	4.06%	3.50%
Severity rate	100	Lower than 0.2%	Lower than 0.2%	Lower than 0.2%
Number of work-related illnesses	100	2	0	0

THE PLAYERS IN THE HEALTH AND SAFETY POLICY

Following on from last year, the TF1 group pursued an ambitious policy on the health and safety of its employees. The Group engages its responsibility in respect of legal and regulatory provisions. Prior to any prevention policy initiative, the company compiles and records, by category and work unit, the nature and degree of current risks in the Single Assessment Document of Professional Risks.

On the basis of this assessment of current risks, with the assistance of the Medical Department, and working with the elected representatives of the HSWCC, the Group commits to:

Preventing: the occupational health service continues to play a central role in prevention and employee support. It comprises an occupational health physician and four nurses. It continues to provide day-to-day medical monitoring of employees and carries out specific examinations of certain staff, whose jobs present specific risks. In 2014 the Medical Department also organised general prevention initiatives including a flu vaccine campaign and the "Captain Breath" campaign to raise awareness of and prevent and diagnose respiratory illnesses.

Every year the Medical Department organises special training courses adapted to journalists and technicians heading out on reporting missions in dangerous regions. Awareness-raising days were also organised in 2014. At major events such as the 2014 Soccer World Cup in Brazil, the department rolled out a special safety and security system with a security partner. The initiative included:

- training and awareness raising on risks present in Brazil before staff left for the country;
- a traveller's guide to Brazil containing recommendations adapted to local realities;

- an information review on the safety situation and any changes in real time during the competition;
- the implementation of safety coordinators on site, in liaison with TF1 group security correspondents;
- a 24/7 hotline. A special emergency line for any questions relating to safety and for interventions in the event of major incidents.

Adapting and developing premises and work stations for purposes of safety: The Corporate Services and Security Department intervenes regularly, in consultation with the occupational health physician, on issues relating to the health and safety of working conditions in terms of working tools, work-station ergonomics and the layout of the premises.

Equipping: the Department provides staff with equipment and individuals resources for protection. First-aid kits are prepared and distributed to employees travelling on report assignments. Helmets and bulletproof vests are provided and used on a mandatory basis by employees on assignments in at-risk regions. Suits providing protection from nuclear particles, bacteria and chemicals are also provided to employees on assignment in the regions concerned.

Informing: the employee representative bodies contribute to health, safety and working conditions through their proposals. The HSWCC is tasked with contributing to the protection of health and safety and the improvement of working conditions, particularly the prevention of psychosocial risks. The Management annually renews the Observatory of occupational health and well-being. This resource is proposed to each employee at the Occupational Heath Service at each of their regular visits. Through a questionnaire, the observatory collects data from medical visits that is analysed on a collective basis every year. Beyond this global objective, the advantage of this initiative is that it brings employees the opportunity to talk with the occupational health physician about their individual results. Based on the results, corrective actions can be implemented *via* en action plan.

The company ensures that employees respect safety guidelines through the regular dissemination *via* internal memos of the recommendations of the occupational health service. In addition, the Corporate Services and Security Department has rolled out a special sheet to monitor the work accidents of service providers on site. The Social Affairs Department will also soon be introducing an annual review.

HEALTH AND SAFETY TRAINING

Training on health and safety was delivered to 636 employees in 2014 (vs. 587 in 2013), reflecting the Group's concern for its employees.

A key focus of these training courses is reporting staff, who get special training on driving news vehicles, first aid, risk zones and "My Ostéopratic". Technical staff also attend mandatory courses on electrical accreditation.

The TF1 group has also developed a range of training courses in the field of work/life balance (404 trainees in 2014, 167 in 2013) and the prevention of psychosocial risks. In addition, all the training courses included in the Group's management course comprise a section on this topic.

7.1.9 EMPLOYEE SUPPORT

RELATIONS WITH SCHOOLS, WELCOMING INTERNS AND STUDENTS ON WORK/STUDY PROGRAMMES

In 2014 the TF1 group hosted 348 approved trainees and 132 students on work/study programmes (38 on apprenticeship contracts and 94 on professional training contracts) in a number of sectors, including audiovisual, production, graphic design, journalism, programming, acquisition, marketing, sales, communication, web, IT, engineering, finance, HR, purchasing, assistance, and catering.

In accordance with TF1's proactive policy, there is strong growth in the use of work/study contracts, in line with the levels targeted by legislation. Work/study programmes have the benefit of creating a long-term relationship between each student and one of the TF1 group's 105 tutors. They encourage diversity, and social diversity in particular, since young people are paid and their education costs are covered. Finally, it is vital to TF1's development to incorporate this generation's customs and practices into the Group's products and processes, particularly in the digital arena.

Work/study programmes are also a method for developing the integration of young people and adults with disabilities.

The second "Back to school lecture" for individuals on work/study programmes was held in October 2013. This event was designed to foster a Group dynamic, provide detailed information about the company and give students an opportunity to create a community and broaden their networks.

They receive payment provided that their training course lasts longer than two months. These payments are significantly higher than the legally required amount (€600 per month for degree courses, €1,000 for Masters 1 courses and €1,200 for Masters 2 courses, with 80% of the cost of the Navigo travel pass covered for all).

This ambitious policy for both trainees and those on work/study programmes reflects a desire to help train young people, identify the best talent and put the creativity of the younger generations to work within the company.

To make the TF1 brand attractive and, in particular, to associate it with the value of "innovation", which is highly developed within the Group but insufficiently recognised externally, hands-on partnerships are entered into with universities and schools. For example, in 2014 TF1 Games took part in the Edhec Open Innovation Challenge: http://careers.edhec.com/standing-innovation-2/. Participating students designed a board game for 4-8 year-olds based on the film *Nemo*.

For its third Innovation Challenge, organised in 2014, e-TF1/WAT focused on the topic of "Imagining future short programmes bound for online success": http://www.studyka.com/fr/challenges/tf1-wat open to all students.

TF1 has also been a partner of the ESSEC business school's Media Chair since 2012. Research and Development topics are set for teams of students, supervised by operational tutors and ESSEC research professors.

Lastly, TF1 is a partner of the École de la Cité du Cinéma film school.

NUMBER OF INTERNS UNDER AGREEMENTS WITH SCHOOLS

(Scope: France, interns)	% revenues	2014	2013	2012
Interns under agreements with schools	96.9	348	296	406

VOCATIONAL TRAINING

In 2014 the TF1 group created **l'Université TF1** with a two-fold ambition:

- to support the digital transformation; and
- lend new momentum to learning and training approaches in response to the Group's challenges through five focuses:

Businesses

- adapting to numerous technological evolutions and the rollout of digital environments in all Group activities, particularly in broadcasting, image and sound, in a multi-channel context, as well as to regulatory changes, the rise of HD in all its forms and changes in tools.

  Examples: "Digital marketing" for Téléshopping: online marketing campaign, assessment of returns on web advertising investments, new methods and issues in loyalty in the social media, data optimisation. "Digital course" for TF1 Entreprises and TF1 Vidéo: new format challenges and technological opportunities in the short term, Marketing 2.0 and new promotional and loyalty approaches, digital musical strategy for the music and performing arts industries;
- pursuing actions on strengthening business-line skills;

Management

- maintaining efforts on managerial support and development through two multi-year courses for local managers and managers of managers. Training initiatives aimed at developing agility and innovation in project management and cross-cutting actions round out the offering for managerial staff;

Personal development

- strengthening investment in training as part of professional mobility;
- learning days aimed at enhancing listening abilities, understanding and collaborative work, as part of the "Working Better Together" drive;

Master Class conferences

- learning initiatives to increase understanding of the new ecosystems generated by digital technology: digital marketing, digital communication strategies, new uses, customer viewpoints, and advertiser approaches;
- The Master Class conferences address all employees on a "first come, first signed up" basis. They were launched on October 6, 2014, with the first event focusing on trends and opportunities in a multi-screen digital environment;

Managers

- implementation of special support for members of the Group Executive Committee with the possibility to carry out a 360° assessment, take part in a "Learning Expedition" and meet regularly with inspirational Directors.

The system has four objectives:

- understand the latest trends in a connected world;
- seize opportunities in technological changes;
- differentiate by reinventing economic models;
- increase organisational capacities for innovation and operations.

In 2014 Group employees received 43,112 hours' training (compared with 53,383 hours in 2013):

- 25,085 hours, or 58.2%, in developing professional skills;
- 11,072 hours, or 25.7%, in management and human relations;
- 4,311 hours, or 10.0%, in safety and security;
- 2,644 hours, or 6.1%, in language learning.

All training courses are assessed and are the subject of regular reports and adjustments.

VOCATIONAL TRAINING, STATUTORY TRAINING ENTITLEMENTS

(Scope: France, OE)	% revenues (France)		2014	2013	2012
Number and % of OE employees having attended training	96.9	Number	1,825	2,074	2,476
	96.9	%	71.7	67.3	72.7
% of payroll spent on training	96.9	%	2.67	2.54	2.6
Total training hours, all training systems	96.9	Number	43,112	58,383	61,186
Total training hours, training plan	96.9	Number	18,778	18,521	26,541
Statutory training entitlement (DIF) requests granted	96.9	Number	1,307	1,458	1,506

PROCEDURES FOR DIALOGUING WITH EMPLOYEES AND APPRAISING PERFORMANCE

Each employee receives personalised monitoring and coaching. The annual performance appraisal enables employees to have a one-to-one interview with their line managers, during which they discuss how the past year has gone, their objectives for the coming year, their professional development plans and any training needs. The assessment training day forms part of compulsory training for all staff promoted to management and for all managers who join the Group.

Since 2013, six management attributes considered crucial in the current environment have been identified and assessed on a mandatory basis by managers of managers. The attributes in question are commitment, openness and innovation, collaborative working, a forward-looking approach, a focus on performance, and staff development and employability. The process, entirely paper-free, was completely revised for the November 2014 to January 2015 campaign.

The compensation paid to the TF1 group's top 500 managers includes a variable component linked to quantitative and qualitative objectives, the achievement of which is assessed during the annual interview.

INDICATORS: PROPORTION OF EMPLOYEES WHO HAD AN ANNUAL PERFORMANCE APPRAISAL AND PROPORTION OF EMPLOYEES WHO COMPLETED A SATISFACTION SURVEY

(Scope: France, OE)	% revenues	2014	2013	2012
% of employees who had an annual performance appraisal	96.9	86.6%	84.3%	84.3%
% of employees concerned by the satisfaction survey carried out in 2012	96.9	-	-	93.9%

INTERNAL TRANSFERS

The TF1 group is obliged to support its developing businesses while adapting to the economic environment through a decrease in its overall workforce. That being the case, the success of the Group's policy on internal transfers is crucial to the proper allocation of resources and the professional development of staff. Professional mobility is a major priority, as evidenced in the creation in 2013 of a Head of Professional Mobility position, carried over in 2014, as well as the implementation of a €180,000 budget dedicated to mobility support (integration period, work station) and the creation of a training course entitled "Driving your professional development" for employees looking to evolve.

For professional mobility – which concerned 116 employees in 2014, or 55.8% of the positions to be filled – to be seen as a reality, a page on the Group intranet called "This month's internal transfers" succinctly presents the transfers of each employee concerned, while videos presenting the business lines are regularly broadcast, as are testimonials by staff having changed function.

INDICATOR: INTERNAL TRANSFERS AS A PROPORTION OF TOTAL RECRUITMENT

(Scope: France, OE) *(Transfers within TF1 group + arrivals from Bouygues group) / (external recruits on OE contracts + transfers within TF1 group + arrivals from Bouygues group)*	% revenues	2014	2013	2012
Internal transfers as a proportion of total recruitment *(%)*	96.9	55.8%	54.8%	37.5%

7.1.10 EMPLOYEE BENEFITS

Childcare allowance

To facilitate childcare arrangements, a subsidy of €8 a day is awarded to employees with children under four years old cared for in a crèche or by a nursery assistant or childminder.

The amount awarded is limited to €1,830 a year. Works Councils are responsible for managing childcare allowances.

Housing assistance

The TF1 group has relationships with two collecting bodies.

In 2014, employees of the TF1 group received various forms of assistance under the housing assistance scheme: 21 employees were allocated housing, 9 were granted first-time buyer loans, 9 were granted loans to pay rental deposits, 1 was awarded a professional relocation package, 36 benefited from housing benefit for young adults, 7 were awarded renovation loans and 103 received advice from the relevant organisations about their house purchase plans. A total of 186 TF1 group employees benefited from the housing assistance scheme in 2013.

A representative of the housing assistance programme is regularly available to meet with employees and help them with the procedures involved and give advice about financing their home acquisition plans. In 2014, a representative was available on four occasions.

Fitness area

TF1 also endeavours to offer its employees a pleasant working environment by providing them with a fitness room at a preferential rate of €20 a month for a one-year subscription.

Eleven sports instructors are available to employees Monday to Saturday. In addition to 29 group classes, the fitness room has 14 cardio-training machines (treadmills, bikes, etc.), 19 exercise machines and two steam rooms.

Social worker

A social worker is available during fixed weekly hours on the TF1 website to inform employees of their rights and the aid for which they may qualify. He or she can also provide them with support in administrative procedures, advising them and putting them in touch with the relevant administrative bodies.

The social worker's role covers a wide range of areas, from help with initial and ongoing access to housing, family budgeting, debt mediation, education and family relationships (family mediation), to the prevention of psychosocial risks (professional mediation), health (including dependency and mental health), care for those with long-term illnesses, disability and the inability to work, and also plays an alert role concerning identified social problems. Bound by professional secrecy rules, the role of the social worker is to find practical responses or solutions to the problems experienced by employees.

Sports association

Through TF1's sports association, the Group enables employees to practice sports in a number of areas. In 2013/2014 the association had 18 sections and 328 members. The association also offers preferential subscriptions for sports clubs (e.g. Forest Hill and Club Med Gym).

Gras Savoye

A representative is available every week to advise employees on procedures in connection with medical issues or help them secure reimbursement under their supplementary health insurance schemes.

7.2 ENVIRONMENTAL INFORMATION

7.2.1 ENVIRONMENTAL POLICY AND RISKS

The direct environmental footprint of media activity, often seen as modest compared with other sectors, is at least equivalent to that of the services sector in terms of greenhouse gas emissions. The media sector generates transport, the purchasing of electronic equipment and the consumption of electricity. Media companies also owe it to their stakeholders to set an example. This is why the TF1 group has made a twofold commitment – to the "Ecoprod" policy, which strives to implement ecodesign in audiovisual production, and to the management of its internal processes.

In 2012 the first HQE Exploitation certificate was obtained by the Group for one of its largest buildings. The Group is currently reviewing the rollout of this approach at other buildings. The Group leads an ambitious policy at all its buildings and in all areas over which it has control, applying action plans and continuous improvement initiatives regarding the consumption of fluids, electric energy and raw materials (paper) and the management of waste, consistently above and beyond legal requirements. Collective catering, an environmental challenge but also a subject on which employees need to be educated, is the subject of an action plan led in close collaboration with the catering provider. Increasingly, energy consumption and waste management are factored in at an early stage of any project involving the technical solutions used by the Reporting Department and departments managing fixed equipment.

The environmental impact of a media group is also indirect: it manifests itself through its ability to raise public awareness of this issue. Apart from the 20-year broadcast of the Ushuaïa programme on TF1, the TF1 group's channels and websites raise the environmental awareness of viewers and web users year round in several areas, including weather reports, TV news stories, the Ushuaïa TV theme channel, and campaigns on environmental information for children.

In 2014 the Group decided to initiate an ISO 50001 certification policy and sign the Paris Climate Charter with the City of Paris.

The Publications Metro France subsidiary, which publishes the free daily *Metronews*, generates a specific environmental footprint stemming from the production of the newspaper. The issues involved in this activity – paper, water and energy consumption, waste management – are covered together at the end of this section.

RISK FACTORS AND RISK MANAGEMENT POLICY

The nature of the Group's activities at head offices does not generate risks related to biodiversity or the quality of water and soil.

TF1's activity is not subject to environmental risks connected to climate change, including in the event of a sharp rise in energy prices or tax on carbon emissions. Only the situation of the TF1 head office on the banks of the Seine has required the implementation of a flood prevention plan. This plan is described in the Industrial Risks part 2.4, page 87.

7.2.2 ENVIRONMENTAL REPORTING PARAMETERS

Scope of indicators: The "Tour" and "Atrium" buildings in Boulogne-Billancourt, which house 89.5% of the Group's employees. The revenue for house activities accounted for 90% of total revenue at September 30, 2014.

Modifications having had an impact on environmental matters since the last report:

- Eurosport International business is no longer consolidated following Discovery Communications' takeover of Eurosport International on May 30, 2014;
- TF1 has vacated one of the three buildings at its head office ("Delta"); the two remaining buildings are La Tour and Atrium. As the head office of Publications Metro France is located in a building shared with other companies, data on the consumption of resources cannot be isolated (no separate meters). The surface area of the offices is equal to a small part of that of the Boulogne head office (1/60th). Only the environmental footprint related to the production of the newspaper is taken into account.

Reference period: 01/10/2013 to 30/09/2014.

7.2.3 THE ENVIRONMENTAL FOOTPRINT OF PRODUCTION

The audiovisual sector emits roughly one million tonnes of CO_2 equivalent a year into the atmosphere, around a quarter of which is directly linked to shoots, according to a study of key figures in the industry made in 2011 and available at www.ecoprod.com[(1)].

To reduce the environmental footprint of this activity, TF1 launched the Ecoprod initiative in 2009 with five partners (ADEME, AUDIENS, Commission du Film d'Île de France, DIRECCTE IDF, France Télévisions), joined by Pôle Médias du Grand Paris, CNC and the Rhone-Alpes region.

Ecoprod has created a resource centre online at www.ecoprod.com. It includes best practices sheets by profession, a carbon footprint calculator for audiovisual production developed and posted online in 2010 ("Carbon'Clap"), an eco-production guide presented at Cannes in 2012, and first-hand testimonials useful to producers and other professionals in the industry. In 2013 the collective carried out a study on the waste generated by the industry, and studio sets in particular.

In 2014 it developed an environmental commitment charter and proposed it to small and medium-sized audiovisual services entities. It also developed training.

The resources are provided free of charge to sector professionals and presented regularly at events and through partnerships with specialised media.

7.2.4 FROM EMS TO HQE CERTIFICATION

THE ENVIRONMENTAL MANAGEMENT SYSTEM (EMS)

The EMS in place at the Group draws on quality processes and in particular the "plan/do/check/act" cycle of ISO 9001-type systems. The system applies to TF1's two buildings located in Boulogne-Billancourt, namely Tour and Atrium. The EMS was restricted to the buildings managed directly by the Corporate Services Department so as to remain within a scope in which consumption is measurable and action can be taken.

A FIRST BUILDING CERTIFIED "HQE EXPLOITATION"

At the end of 2011, an "HQE Exploitation" certification process was undertaken for the three buildings in Boulogne-Billancourt occupied at that time (Tour, Atrium and Delta). The first certification for the Delta building was obtained in November 2012. TF1 vacated the Delta building in July 2014. But on the basis of the experience acquired, a study was carried out in 2013 and 2014 for the La Tour building, owned by TF1 SA through its wholly-owned subsidiaries Firélie and Aphélie. The first stage consisted in identifying that the TF1 group could qualify for "HQE Exploitation" (operations) or "HQE Utilisation" (use) certification and pinpointing any obstacles currently preventing such certification. These problems include the inability to control temperatures and ensure the quality of the air in some meeting rooms. A new process was developed to identify the work needed to be completed to remove these two obstacles.

7.2.5 ENVIRONMENTAL MANAGEMENT OF HEAD OFFICES

HOW THE INDICATORS ARE READ

The measures and objectives defined apply within the framework of the EMS.

- water and steam consumption measures are based on meter readings;
- electricity and consumption data is taken from remote readings obtained from EDF's internet site through a load-graph monitoring contract and corroborated through the invoices;
- bulky waste (skips), compacted paper, batteries, printing consumables and electronic waste are weighed by the contractor (GDA, a SAMSIC group subsidiary) to which the Group has entrusted waste management and monitoring services. A waste register is kept in compliance with prevailing regulation. Invoicing is done by weight;
- refrigerant fluids are measured on the basis of invoices from air-conditioning maintenance service providers;
- fuel consumption measurements are based on readings by Total and related to professional card use for fill-ups.

WATER CONSUMPTION

Water is primarily used in the air conditioning circuit, the washrooms and kitchens. The decrease in consumption observed in the Tour building in 2014 was linked directly to air conditioning. Spraying the air-cooling towers accounts for 40% of the total water consumption of the La Tour building. Low temperatures in summer 2014 enabled the Group to control the consumption of water used to spray the closed water circuit *via* the air-cooling towers. The low temperatures also helped to limit electricity consumption through the reduced cooling of office spaces.

(1) Study scope: the production of theatre-release films, video and television programmes, sound recording and music publishing, television programming and broadcasting, or businesses with the French business activity codes 59 and 60.

INDICATOR: WATER CONSUMPTION (IN CUBIC METRES)

Site	% revenues	01/10/2013 to 30/09/2014	01/10/2012 to 30/09/2013	2012
TF1 – TOUR/ATRIUM	**90%**	**50,506**	**52,588**	**47,221**

ACTION TAKEN SINCE 2011

- the faulty pumping system in the high pressure mixed-water network was replaced;
- automatic detectors and electrically operated flow control valves have been installed on the washroom basins to reduce consumption;
- service providers have been made more aware of reducing consumption;
- leak detection campaigns are conducted on a regular basis;
- in vehicle maintenance, the mobile video units have introduced a waterless "Ecowash" solution;
- as part of the 2012-2014 catering contract, consumption indicators specific to collective catering have been put in place.

RAW MATERIALS CONSUMPTION

For an audiovisual sector group like TF1, the main raw material consumed is paper. In 2009 reprographics services were outsourced to an Imprim'Vert-certified external provider. Several initiatives have been taken to reduce internal consumption (by 52 tonnes in 2014), including shifting to electronic in-house publications, the rollout of multifunction printers, the reduction of the printer population and systematic printing on both sides of the paper. The Group uses European eco-label paper, the weight of which was reduced from 75 g to 70 g per sheet in 2011.

INDICATOR: PAPER CONSUMPTION (IN TONNES)

Site	% revenues	01/10/2013 to 30/09/2014	01/10/2012 to 30/09/2013	2012
TF1 – TOUR/ATRIUM	**90%**	**52**	**63**	**69**

In catering, TF1 requests service providers, through a contractual guarantee, to favour local sourcing and seasonal vegetables.

ENERGY CONSUMPTION

ELECTRICITY

The TF1 group uses electricity for its everyday activities, kitchen equipment, and to power and cool the equipment used for producing and broadcasting programmes (studio lighting, machine rooms, final production, etc.). In 2013 the systems used to broadcast the new HD1 DTT channel and the theme-based channels and the production platform for the trailers of all the Group's channels were installed. Electricity is also used to light and power office workstations.

Since 2010 TF1 has aimed to reduce electricity consumption by 1% a year. Consumption began to fall in 2010 (by 1%). That trend was confirmed in the period addressed by this report and has decreased by 7% overall since 2010. The discontinuation of post-production activity at the Delta building accounts for 30% of the decrease.

Consumption reductions, which exceeded the fixed objective, were facilitated by halting dual systems, improved management of facilities through the technical management of the building, greater efficiency in the closed water circuit in the air-conditioning system, and by switching off the air conditioning equipment when the buildings are empty.

The switch-off of air-processing equipment in the studios is now correlated to their schedules.

INDICATOR: ELECTRICITY CONSUMPTION (IN MEGAWATT HOURS – MWH)

	% revenues	01/10/2013 to 30/09/2014	01/10/2012 to 30/09/2013	2012
TF1 – TOUR/ATRIUM	**90%**	**22,750**	**24,572**	**25,553**

FUEL OIL

Fuel oil is used in the electrical generator units on the production sites. These serve as the emergency power source in the event of an EDF power cut to continue broadcasts and other key processes. For the period under consideration, consumption totalled 17,974 litres, resulting from the use of generator units for monthly tests. The increase observed in 2014 stemmed from the longer use of generators during renovation work on the delivery station and the transformation units.

The fuel consumption of the vehicles used to film reports for TF1 and LCI (motorbikes, cars, mobile video trucks), a new indicator that will be monitored in future, amounted to 218,691 litres of Premier and Excellium diesel, Super 98 or lead-free 95 petrol.

INDICATOR: FUEL OIL CONSUMPTION (IN LITRES – L)

	% revenues	01/10/2013 to 30/09/2014	01/10/2012 to 30/09/2013	2012
GENERATOR FUEL OIL TF1 TOUR/ATRIUM	90%	17,974	15,535	16,000
FUEL ALL VEHICLES (REPORTING – COMPANY CARS)	90%	218,691	-	-

MEASURES TAKEN TO IMPROVE ENERGY EFFICIENCY

BUILDING MANAGEMENT

- shorter working hours of the terminal equipment in the offices (air conditioning);
- more precise control of the shutdowns of the air treatment units in the studios;
- replacing a cool-water production group using water-circuit cooling by an air-cooling group, increasing the efficiency of the circuit and reducing spraying of the air-cooling towers of the IGH office tower;
- starting in 2014, a programme to renew the air-cooling towers of the IGH office tower was initiated, consisting of the introduction of more efficient and economical towers.

IN PRODUCTION PROCESSES (STUDIOS/NEWS COVERAGE/BROADCASTING)

LCI has designed its studios with lighting provided entirely by LED bulbs, which last longer, consume less energy and do not heat up. The lighting arrangements at LCI have cut the studio's total consumption (lighting and A/C) to 7 kW on average – a tenth of the consumption of a studio lit with conventional systems.

The three new mobile video units are lighter, more modern and completely autonomous. They are also fitted with batteries that recharge when the vehicle is in motion, thus reducing energy consumption. All vehicles comply with the "Euro 4" standard. They are fitted with 6-speed gearboxes to limit consumption. A small generator, connected to a Vitron system, provides energy when needed. Equipment is switched on individually and only as required.

IN IT

- renewal of existing machines by more economical machines (taking account of Star Energy and Epeat Gold standards in calls for bids);
- deactivation and reactivation of workstations (Econoposte);
- implementation of an air flow management system, temperature sensors and a cold corridor policy:
  - relocation of racks (2012),
  - closure of racks with blanking panels (2012-2013),
  - server virtualisation and integration in the Cloud (2014),
  - launch of a teleworking pilot test (2014).

HARDWARE LIFE-CYCLE MANAGEMENT, USE OF IT SYSTEM

- introduction of an efficient system for recovering and recycling obsolete hardware (WEEE, company or manufacturer return);
- paperless handling of documents (expense claims, performance appraisal reports) and the reduction of paper, ink, waste and DVDs (1,000 fewer DVDs per year);
- continuation of the printing policy:
  - replacing existing cartridges with less polluting cartridges,
  - 50% reduction of colour printing in one year (2013);
- extension of policy on purchasing based on life-cycle analysis and the profitability of each purchase, together with the continued rollout of Ecovadis supplier assessments.

USE OF RENEWABLE ENERGIES

In 2013, the TF1 group took out a contract with EDF on the supply of kWh Équilibre electricity supply for 2015 and 2016. For each kWh consumed by TF1, EDF commits to producing the same quantity from renewable energy sources.

GREENHOUSE GASES (GHG)

GHG emissions were assessed within the scope of the EMS using the Bilan Carbone® carbon audit method.

Scopes 1, 2 and 3 were all updated with activity data from 01/10/2012 to 30/09/2013 and revised using version 7 of the Bilan Carbone® assessment.

INDICATOR: GREENHOUSE GASES EMISSIONS

Bilan Carbone® emissions by source **01/10/2012 to 30/09/2013** Bilan Carbone® version 7.	**Uncertainty**	**Emissions, equivalent tonnes of CO_2**
Energy	12.5%	2,991
Non-energy	30%	112
Programme grid (via the Carbon'Clap tool) and other inputs	50%	110,621
Commuting and professional travel	18%	4,435
Direct waste	48%	126
Fixed assets (computer hardware)	48%	805
TOTAL (EXCL. PRODUCT USE)		**119,090**
Ratio in tonnes of CO_2 by employee		*31.6*
Ratio in grams of CO_2 by euro of revenue		*49*

Emissions by scope of the Greenhouse Gas (GMG) Protocole **01/10/2012 to 30/09/2013** Bilan Carbone® version 7.	**Uncertainty**	**Emissions, equivalent tonnes of CO_2**
Scope 1 (Generator fuel oil and refrigerant gases)	23%	169
Scope 2 (electricity with online losses and steam purchased)	10%	2,418
Carbon intensity (total of scopes 1 and 2 in tonnes, divided by revenues in €m at end-2013, or €2,470 million)		*0.97*
Scope 3 in part (programme grid, other inputs, travel excluding mobile video units, waste, fixed assets)	50%	116,391
TOTAL SCOPES 1 + 2 + 3 (EXCL. PRODUCT USE)		**118,978**
Our GHG report includes R22 emissions, which is considered as an "ex-Kyoto" gas. It is not included in the breakdown by scope of the GHG Protocole. The same applies to air travel, where factor 2 (vapour created in the wake of planes) is taken into account, whereas it is not in the GHG breakdown.		
Estimated GHG emission linked to the electricity consumed by the TV sets of viewers watching TF1 programmes.		190,000

The "Carbon'Clap" resource, developed by the Ecoprod collective of which TF1 is a founding partner, is used to measure greenhouse gas emissions for internal channel productions. Initial key figures have been established by production type (average hour of non-scripted programme: 8 tonnes; drama filmed in Île-de-France: 25 tonnes; drama filmed in Europe: 45 tonnes; exceptional events (sports events, Soccer World Cup): 1,550 tonnes).

Other purchasing ("Other inputs") is estimated on the basis of a financial factor. This value is updated every 3 years.

Downstream external GHG emissions, caused by electricity consumption by viewers watching TF1 programmes, have been calculated to represent 190,000 tonnes of CO_2 equivalent, exceeding the totality of upstream Group emissions.

These figures were consolidated with those of the Bouygues group, as part of the Group's carbon accounting. They were communicated to the Police Prefecture as required by the Grenelle 2 act voted in July 2010 and more precisely decree No. 2011-829 published on July 11, 2011 (BEGES – Statement on greenhouse gas emissions).

These were communicated to the 2014 Carbon Disclosure Project.

TF1 has a rating of 80 out of 100 for transparency and C (on a scale of E to A) for performance, compared with 57D in the 2013 Carbon Disclosure Project.

ACTION PLAN CONCERNING INTERNAL GHG EMISSIONS WITH THE ASSISTANCE OF THE BOUYGUES GROUP

- plan to reduce electricity consumption with an objective of a 2% decrease per year (see above);
- a purchasing and depreciation policy incorporating environmental criteria for IT hardware and broadcasting equipment;
- employee travel:
  - corporate fleet: emissions limit of 170 g/km of CO_2 set for fleet cars and incentives to use vehicles that emit less than 160 g/km. Incentives to use public transport, reimbursement of public transport passes and bike-hire subscriptions raised from 60% to 80%,

- use of Excellium diesel in report vehicles, hybrid car testing under way,
- introduction of an electric vehicle car sharing service for employees' professional travel, replacing the use of taxis,
- launch of the Commuting Plan in 2010.

An initial employee survey was carried out in 2010 on commuting. A second commuting survey was administered in April 2014. The results of the 2014 survey, analysed by Innovation 24, a Bouygues subsidiary, show clear-cut changes in mobility choices compared with the 2010 survey, with the gradual adoption of more environmental transport means:

- a considerable increase in the use of public transport: +13%,
- +4% for walking and biking for employees living in Boulogne-Billancourt and nearby areas,
- car use is down 10% and 5% to 10% of commutes are now carpooled.

OTHER GASES

Ahead of the implementation of regulations on the gradual elimination of gases that damage the ozone layer (Regulation (EC) No. 2037/2000 of June 29, 2000, with a 2015 deadline), TF1 decided to replace various air-conditioning system components (around 1,600 heat pumps and air-conditioning cabinets and five iced water production systems) starting in 2006. Gas used in cooling equipment is one of the fluids covered by prevailing regulations. Every precaution is taken when purging obsolete equipment before scrapping. The increased consumption of R22 refrigerant gas results from successive leaks in the refrigeration centre in the kitchen of the La Tour building. The increased consumption of R404 stemmed from the loading of the new chilled water production facility in the kitchen of the La Tour building.

NOISE AND ODOUR POLLUTION

Suppliers (of cooling systems, air-refrigeration towers, air handling facilities and generators) are assessed on the performance of their products in terms of noise pollution. An acoustics specialist is called in to verify the quality of these products. To measure the potential noise pollution for employees, the Group calls on the services of an acoustics firm when doing work on its premises. The results are submitted to the Health and Safety Committees.

During renovation of the headquarters generators, a venturi-type ventilation system was installed on the generator exhausts to improve the air mixture and consequently reduce the impact of exhaust gases.

WASTE MANAGEMENT

Waste increased by weight on 2013, from 609 tonnes to 689 tonnes. The increase resulted in part from the growth in bulky objects (from 104 tonnes in 2013 to 154 tonnes in 2014) owing to an increase in the number of works and changes in furniture following the handover of the Delta building. The numerous relocations led to a rise in paper waste, most of which was recycled or recovered.

Since July 2013 the TF1 group has changed the waste management process at its Boulogne-Billancourt head office, confiding it exclusively to GDA, a subsidiary of the SAMSIC group. A waste monitoring form (BSD) is drawn up for each waste item consistent with prevailing regulation (Article R. 541-43 of the Environmental Code). All waste is tracked in the waste registry, in accordance with the same regulations. A person has been appointed to manage this tracking process.

Waste is sorted and recycled (44% of total waste) or incinerated to produce energy.

INDICATOR: QUANTITY OF COLLECTED WASTE (IN TONNES)

Site	% revenues	01/10/2013 to 30/09/2014	01/10/2012 to 30/09/2013	2012
TF1	**90%**	**689**	**611**	**955**
Total recycled waste		*305 (44%)*	*251 (41%)*	*459 (48%)*

ORDINARY INDUSTRIAL WASTE, PAPER AND WET WASTE

Some 244 tonnes of ordinary industrial waste was collected in 2014. This category of waste is produced mainly by the canteens. Sorting is carried out when unpacking so that packing boxes can be recycled. These are processed with office waste. Office waste is sorted selectively wherever possible. At TF1 headquarters, in the Tour and Atrium buildings, the volume of waste to be removed and the associated logistics prompted Corporate Services to install a waste compressor that has been in operation since August 2003 and is located in the Tour building. Sorting is then carried out by Cycléade, which sells on the collected material for recycling (roughly 75%). The service includes final manual fine sorting before recycling and reuse.

Some 23 tonnes of paper were collected directly on office cleaning days and *via* the processing of confidential paper documents. Paper is 100% recycled.

Wet waste, totalling 100 tonnes in 2014, is processed by GDA, a subsidiary of SAMSIC. TF1 informs its service providers of waste issues by including special criteria in calls for bids and contracts, and also by taking shared action as part of the provision of the service. They do not use disposable wipes or non-biodegradable products for cleaning.

NEON LIGHT BULBS AND TONERS

Neon light bulbs are collected by Bouygues Énergie et Services, the company responsible for the multi-technical maintenance of the site. All changed neon light bulbs are sent for retreatment prior to the reuse of the materials (glass, fluorescent metal powder) by Indaver Doel in Belgium. AMETIS collects and recycles toner and ink cartridges from the printers and copiers. Copier filters are changed regularly.

BATTERIES

A battery collection point has been installed in the cafeterias. Employees are encouraged to use it for both professional and personal battery collection. The accredited company SCRELEC Eco collects and treats the materials prior to reuse in the Euro Dieuze, GDE and Valdi Fleurs centres.

COOKING OIL

Under the responsibility of Arpege, cooking oils are collected in 150-litre containers by Coisplet-Deboffle, which decants them into large trucks for transfer to the final processing site of Vital Fettrecycling GmbH in Germany.

The treatment consists of adding methanol, followed by catalysis that transforms 100% of the oil into biodiesel.

FOOD WASTE

Food preparation and leftover waste (149 tonnes) is collected from company restaurants in special containers supplied by Serval. These containers are stored in a refrigerated room awaiting collection twice a week, and are sent to the Bionerval processing facility. The waste is methanised and the dry residue is used to enrich farming land.

GLASS

Glass is collected by Cycléade in special containers that are emptied at a sorting centre and then recovered for use as secondary raw materials in manufacturing processes at Saint Gobain.

ELECTRONIC WASTE

Corporate Services has provided employees with collectors for DVDs and mobile phones. Handsets are reconditioned or recycled by Ateliers du Bocage, an organisation working in the social and community-based economy that helps to create and maintain employment for people in difficulty. The value of the reconditioned phones will be used to finance a reforestation programme in the Mata Atlantica forest in Brazil. The entire operation is carried out in collaboration with the Bouygues group (Bouygues Telecom) and Monextel, a company that recycles mobile phones for people in difficult situations.

To this waste is added end-of-life IT equipment. This equipment is given to charity organisations, sold to brokers or collected by sheltered-sector companies. In 2014 some 5.7 tonnes of IT equipment were recovered and sent on to waste electrical and electronic equipment (WEEE) sectors. Of that total, 4.6 tonnes were dismantled for recycling and 1.1 tonnes were able to be reused.

OTHER ACTIONS, REDUCTION OF WASTE, IMPROVEMENT OF RECYCLING

- Implementation of selective sorting upstream at TF1 restaurants, with food waste separated from liquid waste and clean waste;
- implementation of transparent bags for collecting office waste, facilitating the sorting of waste when it comes out of the compressor;
- sorting when returning restaurant trays.

EMISSIONS INTO WATER AND SOIL AND MEASURES TO LIMIT IMPACT ON ECO-BALANCE

TF1, through the activity of its head offices, does not release effluents into the water or soil.

In the specifications written by our maintenance contractors, the Group requires them not to use products that are harmful for the environment. Our maintenance partner, SAMSIC, has introduced a solution for producing a surface-cleaning detergent and a disinfectant using fresh water and salt *via* a water electrolysis process. Our catering contractor, ARPEGE, has introduced the same type of process to clean the kitchens.

In accordance with regulations, waste water from the canteens is filtered in a grease tank that is regularly emptied by PFD. Similarly, the surface water from the car parks is collected in a special tank for water containing hydrocarbons that is emptied by PFD.

EXPENDITURE ON PREVENTING THE ENVIRONMENTAL IMPACTS OF OUR ACTIVITY

TF1 contributes €10,000 a year to the Ecoprod initiative (on developing tools to measure and reduce the carbon footprint of audiovisual production).

Moreover, TF1's activities do not give rise to the implementation of provisions on the reduction of environmental risks or the introduction of an organisation structure to manage pollution accidents outside company establishments.

MEASURES TAKEN TO ENSURE COMPLIANCE WITH LEGAL PROVISIONS

TF1 continues to monitor regulations governing its technical facilities that are rated as having a potential ecological impact (ICPE under the French Environmental Code).

The installations governed by these regulations are classified according to activity, extent of activity and level of risk or harm involved, and are therefore subject either to authorisation or to declaration. TF1 has several installations subject to ICPE regulations, including generators, cooling units and cooling towers. All these installations complied with

ICPE regulations and do not cause any harm. The checks made by TF1's maintenance teams are drastic and all the compulsory sanitary checks are compiled in an Annual Report that is sent to the policing authority.

ENVIRONMENTAL ASSESSMENT AND CERTIFICATION

Aside from its legal obligations, TF1 checks air quality (dust content, hygrometry) and water quality (coffee machines) five or six times a year. TF1 has Socotec and Veritas inspect all its installations (and air-cooling towers in particular).

TF1 works on environmental issues with certified providers (ISO 9001 and/or 14001 for waste management, electrical equipment maintenance and furniture purchasing). The small business itself, even though it takes its inspiration from recognised standards, is not intended to be audited.

IN-HOUSE ENVIRONMENTAL MANAGEMENT STRUCTURES

Corporate Services is in charge of all the plans to control consumption and manage waste. Two employees work full-time on keeping track of the action plans, particularly in waste management, collecting indicators, managing the "HQE Exploitation" certification application and keeping the EMS up to date. Coordination is organised with the CSR Department.

STAFF TRAINING AND COMMUNICATION

Staff are regularly made aware of the subject of sustainable development through sections in the internal publication *Regards* (quarterly), on the Internet site and during dedicated events.

Every year, TF1 managers attend the "IMB – Social and Environmental Responsibility" seminar organised by the Bouygues group and regularly enhanced by new approaches to sustainable development and Group strategy.

All contributors to TF1's CSR process meet each year to update knowledge and have a combined overview of roadmaps in a Meeting of the CSR Committee.

TF1 is a founding partner of the Nicolas Hulot Foundation, and each year it distributes its communications materials internally.

EFFECT OF RADIOWAVES ON HEALTH

Regarding the broadcasting aerials located on the roof of the main TF1 building in Boulogne-Billancourt, measurements were carried out in 2007 and communicated to the Health & Safety Committee. These measures showed that authorised levels in the approach area around the aerials were not exceeded. Entrance to this area is reserved for a few technicians only, and the security zone is clearly marked and off-limits to unauthorised personnel. The instructions are updated in Satellite News Gathering (SNG) vehicles.

Mobile aerials (broadcasting vehicles, air-transportable aerials) were assessed by APAVE, which found no anomalies. Operators must follow safety procedures when installing such aerials, and a one-and-a-half metre safety zone is marked out around such equipment when on the ground.

Concerning the 3G transmission system used during news coverage operations, measurements made by the EMITECH laboratory show that the Specific Absorption Rates or SAR are clearly complied with. The maximum SAR for the head and the trunk must not exceed 2 W/kg and the SAR measured by the laboratory EMITECH is 0.795 W/kg. User instructions are displayed with news coverage logistics arrangements and supplied to the News Coverage Department.

The Medical Department is highly vigilant and examines every radiowave-emitting system that is put into service.

As was the case with the deployment of the WiFi network, each new facility is subject to measurement by the approved laboratory APAVE. In 2013 Bouygues Telecom's mobile telephony facilities were adapted to 4G. On a request by TF1, APAVE made a new series of measurements showing no lack of compliance with essential standards.

A report was submitted to TF1 SA's Health and Safety Committee in 2014.

7.2.6 ENVIRONMENTAL FOOTPRINT OF *METRONEWS* PUBLICATION

Publications Metro France has been a wholly owned subsidiary of TF1 SA since 2011. It publishes the free daily *Metronews*.

The environmental footprint of Publications Metro France is essentially generated by the production of the newspaper, of which 146.2 million copies were distributed in the period under consideration, in 30 cities on average per day of publication. The footprint encompasses:

- paper consumption;
- water and energy consumption;
- the nature of the products used, including inks;
- waste generated.

PAPER CONSUMPTION

Publications Metro France directly controls the purchase of paper through a global contract made with one or several distributors. The Production Department of Publications Metro France and TF1's Purchasing Department included environmental criteria in the initial specifications drawn up for the call for tender in November 2011. It was stipulated that paper suppliers were to supply recycled paper with a weight rating of 45 g/metre² and a whiteness rating of "59". The specifications also required companies to undergo an EcoVadis assessment (measuring their CSR commitment). These requirements were renewed in subsequent negotiations conducted over the counter for 2013 and 2014. The current paper supplier is CFPP.

INDICATOR: PAPER CONSUMPTION (IN TONNES)

Site	% revenues	01/10/2013 to 30/09/2014	01/10/2012 to 30/09/2013	2012
Metronews (production of the newspaper)	**1.3%**	**7,151**	**7,625**	**-**

For the period under consideration, the printing of the newspaper required 7,151 tonnes of paper, or an average 611 tonnes a month. This TF1 reporting indicator varies according to:

- the total number of copies printed, in line with the paper's positioning from one year to the next in view of the competition (number of editions and of cities and the corresponding circulations);
- pages per issue, varying in line with local and national business activity;
- the number of days on which the freesheet is published, which varies from one year to the next.

The 6.2% decrease in paper tonnage (or 474 tonnes over 12 months compared with the previous season) resulted:

- for 4% from the lower number of publication days in the October 2013-September 2014 period (194, compared with 202 in the previous period);
- for 2.2% from the decrease in the average number of pages, from 25.3 pages in the previous period to 24.8 in the October 2013-September 2014 period.

Average consumption per day (Oct 2013 to Sep 2014, in tonnes)	37
Average consumption in tonnes per month (Oct 2013 to Sep 2014, in tonnes)	611
Number of publication days (Oct 2013 to Sep 2014)	194

Publications Metro France continuously optimises the number of copies produced so as to limit costs and environmental impact. The subsidiary plans to grow, and notably expand its readership, by harnessing new technologies rather than increasing the number of paper copies.

PRINTING PROCESSES, IMPRIM'VERT AND/OR PRINT'ENVIRONNEMENT

The production of the newspaper is entirely outsourced to printing centres. Production is based on a three-party arrangement: the paper distributors are called on by the printing centres for the physical supply needed for daily issues, consistent with the number of copies to be produced, as stipulated by Publications Metro France.

The freesheet is printed in eleven regional editions at seven printers across France, thereby limiting road transport.

In what is an essentially social criterion, Publications Metro France chooses to work with "press printers" so as to support employment in the sector. Publications Metro France has no direct influence on the printers' production processes, which consume water, energy and inks. But it does encourage the main shareholding printer of the seven centres, the Riccobono group, to pursue the process of Imprim'Vert and/or Print'Environnement certification to which it is committed. Between 2011 and 2014, the number of certified printers among the seven used by Publications Metro France increased from two to five.

A full 75% of *Metronews* copies are currently printed at a certified centre. Imprim'Vert certification concerns the proper management of hazardous waste, the non-use of toxic products, raising the awareness of employees and customers, and monitoring energy consumption at the site.

Metronews in Île-de-France (58% of all copies) has been printed using a waterless process since 2012, consuming significantly fewer litres than the previous process and eliminating the chemical additives essential to "traditional" printing.

WASTE PAPER MANAGEMENT

The printing centres are contractually obliged to recycle "white waste", the excess paper left over after cutting out the format of the paper.

At the end of the cycle, non-distributed copies of *Metronews* (1.3% of the printed total according to figures by OJD, the leading organisation for quantitative data on the media) are collected the next day by delivery personnel and returned to the printer. The paper is then recycled by a specialist company such as Paprec.

7.3 SOCIETAL INFORMATION

7.3.1 SOCIETAL POLICY AND SOCIAL RISK FACTORS

The TF1 group encourages respectful and constructive dialogue with all its stakeholders, both contractual and non-contractual. The development of a close relationship with the public, bringing all individuals the opportunity to dialogue with the Group, is a key element in its communications policy. The TF1 Foundation, focused on the professional integration of young people from disadvantaged neighbourhoods, is a key player in the Group's diversity policy. It leads a number of partnerships with players across France.

In 2014, under the responsibility of its Corporate Secretary, Group Head of Ethics since 2009, TF1 initiated a structured Compliance approach with a dedicated organisation. TF1 has also introduced its own Code of Ethics, approved by the Board of Directors on July 24, 2014.

The Purchasing Department introduced a Responsible Purchasing policy on its creation in 2008. That policy was extended in 2013 to rights and Téléshopping purchasing. The Responsible Supplier Relations certification obtained in January 2014 has been renewed for one year in January 2015.

Because this societal issue is key to its responsibility in the sector, the TF1 group commits to ensuring the compliance of its programmes with the ethical commitments made with the community[(1)], the quality of the information broadcast on Group channels, the diversity of its programmes, the representations proposed therein and their inclusive and non-discriminating character, the promotion of solidarity, social bonds, and awareness-raising as regards major environmental issues. The Group is stepping up initiatives to raise public awareness of climate change issues through its editorial news coverage, weather bulletins and the Ushuaïa TV channel, which celebrates its tenth birthday in 2015. On January 6, 2015, TF1 organised an exceptional conference on existing climate-related solutions for its stakeholders.

Socially responsible actions are led by all the departments, represented by a cross-functional committee and offering a consistent approach to the numerous requests made to the Group.

Lastly, the protection of personal data has become an increasingly important CSR issue for the Group in the last two years. As such, the topic is addressed in depth in this document.

SOCIETAL RISK FACTORS

RISKS RELATED TO IMAGE AND ETHICAL NON-COMPLIANCE

The main societal risk for TF1 consists in failing to respect the Group's public commitments in the ethics and compliance of the content it produces and broadcasts. From this standpoint, TF1 has a particular responsibility given its leading-channel status. It also represents a licence-to-operate risk, if the regulator were to identify major cases of non-compliance.

RISK MANAGEMENT POLICY

Respecting its commitments is a central Group concern. The Group's risk management policy is designed to ensure:

- programme compliance, under the responsibility of the General Secretariat and the Broadcasting Department;
- the responsibility and independence of the News Department;
- that all staff involved in making programmes are trained on their rights and duties by the Legal Department.

7.3.2 SOCIETAL REPORTING PARAMETERS

Scope:

- Ethics, Solidarity, Purchasing: the entire Group;
- programme compliance, audience relations: TF1, TMC, NT1, LCI.

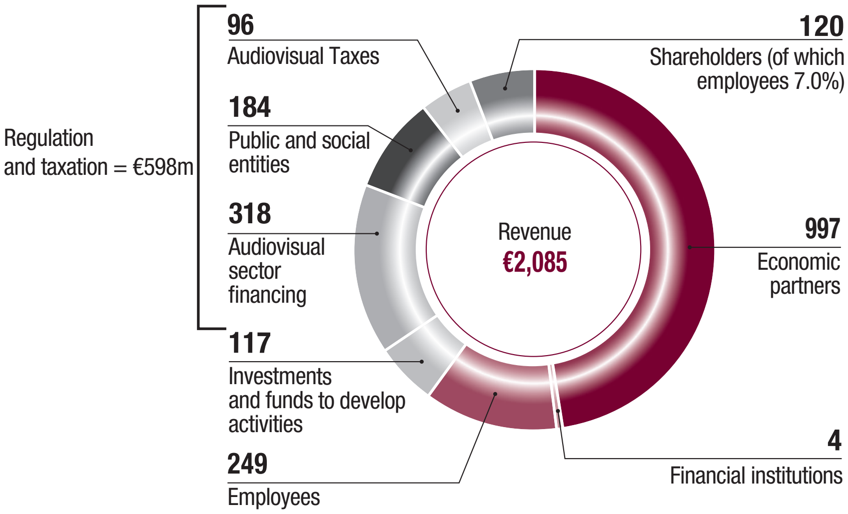
Period under review:

- Reporting on social issues concerns the period from 01/10/2013 to 30/09/2014 with the following exceptions:
- Programme compliance: 2013 (indicators from the CSA review available in November 2014 for the 2013 year),
- The economic contribution of the company: 2013 (2014 figures not available in time),
- Channels subtitling, calculated for 2014 by TF1's information systems.

(1) TF1 Convention: http://www.csa.fr/infos/textes/textes_detail.php?id=8169.

7.3.3 TERRITORIAL, ECONOMIC AND SOCIAL IMPACT

ECONOMIC CONTRIBUTION OF THE COMPANY IN 2013 (IN MILLIONS OF EUROS)



The diagram above shows the distribution of TF1 group 2013 revenues (before application of IFRS 11) among its main stakeholders. It illustrates the Group's contribution in particular to the audiovisual sector, through the payment of taxes and the support it provides through its production obligations and the royalties it pays to societies of authors.

In addition, TF1 paid €184 million to the government and social welfare bodies in 2013.

In all, regulations and taxes represented a charge of €598 million in 2013, or 28.7% of the TF1 group's consolidated revenue and 4.1 times the Group's operating income.

- Audiovisual taxes = Centre National de la Cinématographie (CNC) + taxes for the financing of France Télévisions + tax for community radio and press.
- Public and social entities = taxes on companies + company value-added contribution (CVAE) + social welfare bodies + social contributions.
- Audiovisual sector financing = obligation to invest in French drama (12.5% of advertising revenues from preceding year) and in film (3.2% of advertising revenues from preceding year) + copyright.

CORPORATE FOUNDATION INITIATIVES

The TF1 Corporate Foundation, set up in 2007, focuses on diversity and professional integration. Every year, the Foundation holds a competition to hire people aged between 18 and 30 from working-class areas. Candidates are selected by a jury of professionals and are offered a two-year apprenticeship with the TF1 group, along with training and individual tutoring. Each person is mentored by a company employee, who shares his or her own network and experience. Some 77 people have joined the TF1 Foundation since the creation of the initiative. The scheme spans 20 professions. For the 2014 class, 13 young people were recruited after a review of 300 applications and 65 applicant interviews.

INITIATIVES IN 2014: IMPLEMENTATION OF A PARTNERSHIP WITH THE CRÉO ORGANISATION: PARTICIPATION IN THE "TALENT REVEAL" SOCIAL ENTREPRENEURSHIP COMPETITION IN THE DEPARTMENT OF SEINE-SAINT-DENIS

"Talent Reveal" is an annual competition held over the last five years by Créo, an organisation that supports business creation. The aim is to help young entrepreneurs create or develop their business. It is organised into two categories: "emergence", open to all those with a project, and "young creators", addressing companies with less than three years' activity. For the first time, in 2014 TF1 decided to become involved in the competition, alongside L'Oréal, by backing 12 projects.

Some 180 people sent in projects for this year's "Talent Reveal", between January and May 2014. Meeting in June, the jury shortlisted six projects in each category, or 12 in all, each one sponsored by an employee from the TF1 group and another from L'Oréal. From the shortlist, the jury selected six winning projects (three per category). The three prizewinners in each category earned €5,000, €2,000 and €1,000 respectively.

INDICATORS: CORPORATE FOUNDATION INITIATIVES

At 31/12	2014	2013	2012
Young people from disadvantaged areas welcomed by the TF1 Corporate Foundation (winners of the annual competition)	13	13	12
High schools visited (students concerned)	20 (2,500)	20 (2,500)	19 (2,300)

7.3.4 DIALOGUE WITH STAKEHOLDERS

TABLE OF STAKEHOLDERS, ISSUES AND DIALOGUE METHODS

Stakeholder	TF1 player	Issue	Dialogue method (examples)
Regulatory authorities: CSA[(1)], ARPP[(2)], Competition Authority	Corporate Secretary, Compliance Department, Broadcasting Departments, TF1 Publicité	Programme compliance, journalistic ethics	Participation in working groups, production of reports, proposals
Public	External Communication Department (including Audience Relations Department), News mediator, News Team journalists	Raising public awareness on major issues, media education	Personalised answers to emails, phone calls and letters, debates with channel personalities journalists' blogs
Advertisers	Sales Department, Business Development Department, TF1 Publicité	Customer satisfaction, development	Direct Meetings with advertisers, general terms and conditions of sales posted on line, www.tf1pub.fr website, Références magazine, events, Campus
Employees and trade unions	Management, Social Affairs and HR Directors	Employee-management dialogue, remuneration policy, forward-looking management of employment and skills, health/safety/security, equal opportunities	Negotiation of agreements with trade unions, internal communication publications, satisfaction barometer, annual performance review
Suppliers and service providers	Central Purchasing Department	Including suppliers in TF1 policy, supplier assessment, "Green Purchases", use of sheltered sector	Questionnaires on CSR policy, including sustainable development in specifications
Associations, NGOs	Broadcasting, Solidarity Committee, Social Affairs, incl. Mission Handicap	Mass-public visibility of associations, solidarity/diversity	Free spaces provided by Broadcasting and TF1 Publicité, donations in kind, multi-year contracts and partnerships
Shareholders and financial community, non-financial rating agencies	Financial communication, CSR coordination	Governance, business ethics, transparency	Annual General Meeting, registration document, *road* shows with institutional investors, Meetings and teleconferences with analysts, regular phone contact, website
Audiovisual content creators	Programme units	Cultural diversity, Ecoprod initiatives	Very frequent Meetings Creation workshops, training
Research and teaching	HR development	Talents attraction	Patnerships, student challenges, etc.

(1) French audiovisual regulator.
(2) French advertising regulation authority.

AUDIENCE RELATIONS

AUDIENCE RELATIONS DEPARTMENT (ARD)

The rollout of the audience dialogue system is a key feature of TF1's policy, initiated six years ago, to forge closer ties with viewers, the goal being to make TF1 an accessible media fostering interactive contacts with its audiences and bringing diversified programmes to its viewers.

The Audience Relations Department was set up to implement a broad range of initiatives forging constant relations with the public across France and in the social networks. The Group wants to raise the channel's profile and share its values with viewers and reviewers alike. Using the communications tools put in place – TF1&Vous section accessible from the main navigation bar on the MYTF1.fr homepage, TF1's significant presence in social networks, letters and phone calls – viewers can share their views on programmes and presenters at any time.

The ARD provided 65,000 individual responses in the period under review.

SOCIAL NETWORKS, GRASSROOTS EVENTS

TF1's presence in the social networks, through Twitter, Facebook, Google+, Instagram and Vine, is part of the same drive to build close presence, by offering people a unique space in which to dialogue and interact. Each day, TF1's community managers lead and take part in discussions with over 30 million fans subscribed to programme and channel pages and the TF1 group corporate communications page. Subscribers get exclusive programme information and loyalty offers, including invitations, goodies and advance showings. They can also share their views on programmes and services. The TF1 group is present on Twitter and Instagram through its hosts, many of whom dialogue with their subscribers.

This approach has a number of advantages, engaging another form of dialogue, strengthening our visibility, boosting our image, creating a connection with audiences, dialoguing about our programmes, promoting our content, generating traffic on our websites (including MYTF1.fr), ensuring a watch and extending our e-reputation. Throughout the year, TF1 innovates and rolls out communication initiatives in the social media highlighting exclusive content supplementing that in Broadcasting and MYTF1.fr. Always ready to enter new fields and innovate, TF1 is currently trying out new social networks, including Tumblr and Snapchat, to further heighten its visibility.

The channel has for two years been going out to meet with viewers, often using local partner media. TF1 personalities have visited some 100 towns and cities across France during that time. The key idea informing these events is summed up in the name, #LesRencontresTF1 (TF1 meetings). The events feature dialogue, sharing, new discoveries and gifts. Through this initiative, TF1 is creating an authentic link with its audiences. Meetings with schoolchildren, dialogue with viewers and discussions with local media are the focus of these regional trips.

INDICATORS: AUDIENCE RELATIONS

	01/10/2013 to 30/09/2014	01/10/2012 to 30/09/2013	2012
Replies to contacts via email, post and calls to the ARD(1)	65,000	90,421	122,359
Messages or comments posted on the TF1 Facebook page(2)	9 million interactions	3.6 million	
Number of messages posted on Twitter about TF1 or its programmes(3)	34 million tweets	19 million	13.5 million
Number of fans on all social media(4)	30 million fans	20 million	15 million

(1) Audience Relations Department.
(2) Average number of interactions per month (Likes, comments, shares) x 12 months.
(3) Source: TvTweet January to September 2013 (data unavailable before this date).
(4) Aggregate for all accounts and all fan pages of programmes and TF1 on Facebook, Twitter and Google+.

NEWS OMBUDSMAN

News ombudsman Françoise-Marie Morel receives the public's opinions, requests for explanations and complaints *via* the Audience Relations Department (on tf1.fr). She listens to comments about presenters and the treatment (or non-treatment) of news stories. She replies on her web page http://lci.tf1.fr/redaction-lci/redaction-vousrepond/, explaining how newscasts are put together and what the rules are. She can also reply to individual queries. She advises the Editorial team when many people express similar reactions on a given issue.

7.3.5 PARTNERSHIP AND SPONSORSHIP INITIATIVES

The Solidarity Committee, created in 2001, groups various company representatives (Broadcasting, Advertising, Human Resources, Corporate Foundation and CSR). It coordinates TF1's community-minded initiatives with requests from organisations.

TF1 Publicité and the TF1 channel provide direct assistance to non-profit organisations and help them to raise their profile through special prime time operations, the production and free airing of commercials, donations of game show winnings, and cash donations managed by the Solidarity Committee, providing a range of assistance measures corresponding to a broad spectrum of social issues.

Air time is offered to a varied range of organisations and causes. The Pièces Jaunes, Les Restos du Cœur, Sidaction, ELA (the fight against leukodystrophy) and now the Laurette Fugain organisation have become very important recurring operations.

From 01/10/2013 to 30/09/2014, the Group donated a total €35.5 million to 153 organisations.

PHILANTHROPY INDICATORS: NUMBER OF ORGANISATIONS CONCERNED, NATURE AND AMOUNT OF DONATIONS

	01/10/2013 to 30/09/2014	01/10/2012 to 30/09/2013	2012
Number of organisations having received donations	153	131	168
Cash donations to organisation *(€000)* (1)	3,198	2,206	2,466
Donations in kind *(value in €000)* (2)	29,964	34,497	26,436
Sponsorship administrative costs and contributions to Foundations *(€000)*	1,973	1,822	1,538
TOTAL VALUE OF INITIATIVES *(€000)*	**35,518**	**38,656**	**30,608**

(1) Cash donations: gifts from the Solidarity Committee and passing on the profits from certain televised games.
(2) Donations in kind: value of free channel airtime and advertising airtime granted to campaigns, technical services, production of advertisements and material assets.

7.3.6 GROUP POLICY ON ETHICS AND SOCIAL RESPONSIBILITY

LEGAL FRAMEWORK FOR THE GROUP'S ACTIVITIES

The Group operates in a complex legal, regulatory and competitive environment. The main legal provisions concerning the Group's audiovisual activity are detailed on page 234 of this registration document and annual financial report.

The TF1 group has notably made a public commitment that its broadcasting will comply with the ethical and compliance principles set out in the agreement signed with the CSA (available on the CSA website: http://www.csa.fr/en).

THE GROUP'S ETHICS, COMPLIANCE AND CSR POLICY

In 2014 TF1 decided to implement, under the responsibility of its Corporate Secretary, the Group Head of Ethics since 2009, a structured Compliance policy based on three pillars: Ethics, Compliance and CSR.

CREATION OF A TF1 GROUP CODE OF ETHICS

TF1 introduced its own Code of Ethics in 2014, approved by the Board of Directors on July 24.

Applying to everyone at the Group, the Code of Ethics aims to rally Group employees around essential values and rules of conduct, namely: respect for the law and the superior interests of the Group, the quality of relations with all internal and external stakeholders (including subsidiaries, employees, customers, suppliers, shareholders, institutions and public authorities), the protection of Group assets, the prevention of conflicts of interest and the fight against corruption.

The Code of Ethics also sets out the Group's commitments on environmental respect, social responsibility, patronage and responsible purchasing.

It involves the introduction of a whistleblowing system enabling employees to inform the Group Head of Ethics of any infringements of the Code of Ethics they may observe in the carrying out of their duties and within a pre-established scope.

Distributed to all permanent employees of the Group, the Code of Ethics is now available on line on the Group intranet and corporate website (www.groupe-tf1.fr).

THE CREATION OF FOUR COMPLIANCE PROGRAMMES

Special compliance programmes have been drafted for four major themes in the Code of Ethics.

The Code of Ethics is now supplemented by four compliance programmes:

- Competition;
- Anti-corruption;

- Conflicts of interest;
- Compliance in securities trading.

These programmes, approved by the TF1 Board of Directors on July 24, 2014, have been assigned individually to the senior managers. A system encompassing special training and awareness-raising initiatives has been implemented to help them manage and apply these programmes and inform their teams.

THE CREATION OF AN ETHICS AND CSR COMMITTEE

In parallel, the Board of Directors decided to set up an Ethics and Corporate Social Responsibility (CSR) Committee tasked with ensuring the respect of the Code of Ethics and the application of rules on ethics, conduct, compliance and with overseeing the Group CSR policy. Composed of two independent Directors, a Director representing employees, the Head of Ethics, the Legal Director and the Group Head of CSR, the Ethics and CSR Committee will be responsible for the following:

- in terms of ethics:
  - ensuring that the Group respects applicable laws and regulations, as well as agreements and commitments made with government authorities, and more broadly, the loyalty, honesty, sincerity and fairness with which it is duty bound to conduct its internal and external relations,
  - maintaining within the company rules based on trust, mutual respect, dignity and fairness, consistent with the principles set forth in the Code of Ethics;
- in terms of CSR:
  - overseeing the commitment of the Group and the relevance of its vision on CSR, by directing foresight work aimed at better understanding the expectations of customers and other stakeholders and taking account of the proper integration of CSR principles in the Group's global strategy,
  - transmitting to the Board of Directors an opinion of this Annual CSR Report.

The Ethics and CSR Committee has met for the first time in February 2015.

THE INTRODUCTION OF AN ORGANISATION STRUCTURE FOR THE IMPLEMENTATION OF THE CODE OF ETHICS AND COMPLIANCE PROGRAMMES

The operational rollout of the Code of Ethics and compliance programmes will be the responsibility of the Heads of Ethics and Compliance at each Business (Legal Directors) in coordination with and under the supervision of a Group Head of Compliance appointed in September 2014 and reporting to the Legal Director and Corporate Secretary/Group Head of Ethics.

Global Compact

In 2014 the TF1 group renewed its commitment alongside French and international companies to respecting and promoting the ten principles of the Global Compact on human rights, labour rights, the environment, and the fight against corruption.

7.3.7 RESPONSIBLE PURCHASING POLICY

TF1 entrusts a significant part of its revenue to external entities. To implement the Group's CSR policy at the Group's service providers and suppliers, in 2008 TF1 initiated a Responsible Purchasing and Purchasing Diversity policy excluding the purchasing of rights.

In 2013 the scope of Responsible Purchasing was extended to include Rights Acquisitions, covering the acquisitions of rights to broadcast programmes and live sporting events with a view to feeding the Group's different channels, and purchases by the Téléshopping company, notably through the introduction of CSR assessments of the major partners of these structures.

After signing the Charter of Inter-Company Relations in January 2012, in January 2014 TF1 obtained the Responsible Supplier Relations Label, awarded by the Inter-Company Mediation body and the French Purchasing Managers' Association (CDAF). The Label distinguishes French companies having demonstrated sustainable and well-balanced relations with their suppliers.

The 2014 Responsible Purchasing Committee Meeting brought together the heads of the main TF1 group structures to report on actions in 2014 and review the implementation and integration of the policy, including a progress report on the improvement plan relating to the Label and an overview of the outlook for the Responsible Purchasing policy.

Mapping of CSR risks relating to purchasing will be produced in first-quarter 2015.

EXTERNAL EXPENDITURE EXCLUDING RIGHTS

The TF1 group Purchasing Department, part of the Finance Division, is responsible for all external expenditure excluding purchases of rights and goods.

The remit of the Group Purchasing Department is to optimise all the Group's contractual conditions while maintaining the quality of the goods and services procured and seeking to build well-balanced and lasting relations with suppliers.

The Purchasing Department upholds the following values, which are posted for employees on a special intranet site: ethics and compliance (as expressed by the Responsible Purchasing and Purchasing Diversity policy), a clear and objective purchasing process, global management of supplier relations, two-way respect for contractual commitments, cross-functionality and synergies at Group level, and the rollout of the Responsible Purchasing and Diversity policy.

A section of the Responsible Purchasing Policy covers subcontractors' commitments to comply with the company's labour agreements and uphold its values. The conduct and anti-corruption policy is governed by the Code of Ethics of the TF1 group together with the four compliance programmes and notably covers aspects relating to active and passive corruption, conflicts of interest and the whistleblowing system for employees.

The purchasing process is secured within SAP and complies with the principles of internal control concerning the separation of roles and responsibilities for making supplier orders.

RIGHTS ACQUISITION PROCESS

The rights acquisition process at the TF1 group respects the Group's internal control procedures, presented in detail on page 65 of this document.

The Group endeavours to assess and control the risks inherent in all envisaged acquisitions.

To that end, the rights acquisition process is secured at each key step of the commitment by the multiplicity of the players involved, with any engagement made as part of a collegial decision and backed by a formal process including numerous indicators and a Group Contractual Policy established by the Legal Affairs Department, shared with the operational departments, then approved annually by the Executive Management.

These last enable the strict respect of Group objectives on compliance in business, law and competition and the Diversity Charter. By rallying managers and employees around shared values, the Group pays particular attention to the prohibition and prevention of anti-competitive, dishonest and corrupt practices. As stated on page 63 of this document, TF1 has for several years renewed its membership in the United Nations Global Compact, one of whose principles is aimed at fighting against corruption in all its forms.

THE ACQUISITION OF AUDIOVISUAL PROGRAMMES (EXCLUDING SPORTS RIGHTS)

The TF1 Rights Acquisitions consortium, including all of the Group's channels, and the Rights Acquisition and Trading Department (DGAAN), tasked with acquiring rights and optimising their circulation within the Group, acquire, as part of the Group Contractual Policy, broadcasting rights for feature films, series and TV films. Where applicable, they sell rights that are not being used by Group broadcasters to third parties to optimise inventory management.

The channels send their firm purchase requests to their representative in the consortium and the Executive Committee. A committee grouping the representatives of the consortium member channels is tasked with approving with the members the overall breakdown of the ordered rights, then sends on these requests and their breakdown to the DGAAN so as to proceed with the purchase of the programmes.

The Group calls on a broad range of producers. Acquisition decisions are based on the artistic quality of programmes and on the editorial policy of the Group's channels, the aim being to foster diversity and work with a diverse range of rights suppliers (location, size, innovation, etc.) in accordance with the principles of the Diversity Label.

Acquisitions are approved by *ad hoc* committees grouping all the decision-makers on the basis of objective criteria defined beforehand:

- the Rights Acquisition and Trading Department presents an overview of the project characteristics: unit price, number of broadcasts, rights transformation procedures, programming slots in the grids of the ordering parties, rights use period, sub-licensing (where applicable), territory, secondary use, and payment conditions;
- the Artistic Department is responsible for the compliance of the programme with the editorial line;
- the Programming Department ensures that the rights correspond to the programming grids of the Group's channels, ratings objectives and the channels' inventory control;
- the Deputy Director of the Finance Division approves the inscription of the acquisition in the cost of the programmes and the investment budget of the Programme Unit, the projected profitability of the acquisition, the inventory level, the compliance of the acquisition cost with the market price and the plan, and the presence of performance clauses;
- the Legal Affairs Department, which endeavours to respect the Group Contractual Policy, drafts and implements acquisition contract models and negotiates and approves any waiver clauses.

Final approval of the commitment is made in line with the procedures and delegations of powers implemented by the Executive Management.

The Rights Acquisition Department is responsible for updating the programmable inventory of broadcasters and ensuring the respect of contractual provisions concerning payment.

ACQUISITION OF SPORTS RIGHTS

Sports rights are acquired by the department responsible for sports, generally through calls for tender initiated by the rights-holders of sports events (federations, rights agencies, etc.). The calls for tender, generally open to all broadcasters, respect European and national regulations (Sports Code). For the most significant projects, the Board of Directors forms an *ad hoc* committee responsible for approving the proposals. Tender offers are ensured by the operational department working in permanent liaison with the Legal Affairs Department.

MAIN INITIATIVES

SUPPLIER ASSESSMENT WITH ECOVADIS

One area of the implementation of the Responsible Purchasing policy has since 2008 been based on CSR assessments of suppliers for ex-rights purchases. These assessments, carried out by EcoVadis, are focused on four components: the environment, social aspects, business ethics and purchasing policy. Assessments give rise to a report that supplies a rating on each component, an overall rating, the weak and strong points and opportunities of the company assessed, as well as a benchmark, 360° information and, more recently, a corrective action plan. The assessments are made through campaigns or as part of calls for tender or renegotiations of contracts worth over €500,000, so as to integrate the CSR criterion in the final decision.

At end-2014, 183 suppliers had been assessed using EcoVadis in the last three years. Analysis of these conclusions further contributes to the successful management of supplier relations and is also used to coordinate CSR initiatives with service providers.

In 2014 the CSR assessment campaigns of 15 producers initiated for the Acquisition Department (including producers of French drama and non-scripted programmes) and five major Téléshopping suppliers were finalised. The expansion of CSR assessments is part of the global policy of the TF1 group on responsible purchasing in all purchasing families.

PURCHASER TRAINING AND INVOLVEMENT

In 2014 all the buyers at the ex-rights Purchasing Department and the Rights Acquisition and Trading Department attended training on the Responsible Purchasing and Purchasing Diversity policy, concentrating on major aspects such as CSR integration in purchases, the management of financial dependency, CSR assessments of our partners, purchasing policy in terms of total cost of ownership or total cost, and the financial equity of our suppliers.

Further training for Téléshopping buyers will be organised in early 2015 to strengthen internal CSR skills.

In addition, 15% to 20% of the variable remuneration of buyers at the TF1 group Purchasing Department has for several years depended on their CSR actions and purchasing diversity, with CSR assessments and improvement plans, the integration of social and environmental criteria in purchasing, sheltered sector sourcing, and communication on the Responsible Supplier Relations Charter and Label.

USE OF THE SHELTERED/ADAPTED SECTOR

The Purchasing Department maintains a list of establishments in the sheltered/adapted sector for a range of services, including printing, catering, packaging and mailing, creation and communication, the maintenance of green spaces and the recycling of cassettes. It extended this panel in 2014 to include a passenger transport company.

The department raises awareness of the sheltered sector *via* internal communication tools, the Responsible Purchasing Committee and the Diversity Committee. It supports decision-makers and ensures the diversification of services.

COMMUNICATION

TF1's ex-rights Purchasing Department won an award in the "Purchasing and Diversity" category at the 10th International Diversity Meeting (RID) on October 2, 2014 in Pau, acknowledging the enhanced professional standards of the function. The award in this category goes to the purchasing policy that best integrates diversity on a day-to-day basis in purchases. TF1's Purchasing Department continued in 2014 to roll out a Diversity programme (taking account of diversity in supplier selection, action plans) and encourage and support its own suppliers to implement actions promoting diversity.

ENVIRONMENTAL, LABOUR AND SOCIAL CLAUSES IN CALLS FOR BIDS

Sustainable Development and Diversity clauses are included in contracts and in Purchasing Terms and Conditions stating that TF1 and TF1 group companies are signatories of the UN Global Compact. The Group's entities make a commitment to other French and international companies to respect and promote the ten principles of the Compact in human rights, labour rights, the environment and the fight against corruption.

TF1's Purchasing Department (excluding rights) also signed the Diversity Charter and obtained the Responsible Supplier Relations Label in January 2014. TF1 and TF1 group companies have thereby committed to fostering diversity at their suppliers (location, size, innovation, etc.) and to respecting and promoting the principles as set forth in those documents.

The contractor thus commits to respecting the principles set forth in the Compact and the Charter, available on the Internet, and makes sure its subcontractors do the same. The contractor is informed that not respecting these principles will result in contract termination and/or is liable to cause serious damage to the image of the TF1 group.

In addition, after drawing up initial mapping in 2009, the Purchasing Department produced revised mapping in November 2014 of risks by purchasing family (economic, operational, technological, financial and CSR) with a view to accurately integrating environmental criteria in purchasing in the long term. The mapping will concern critical issues in 57 ex-rights purchasing families so as to identify and record each risk and, in the initial phase, generate recommendations by family. The results of this initial phase will be delivered in 2015. The second phase will focus on analysing mapping in relation to the specific characteristics of our businesses and implementing relevant action plans in 2015.

RESPONSIBLE PURCHASING INDICATORS

	01/10/2013 to 30/09/2014	01/10/2012 to 30/09/2013	2012
Total business scope *(€m)*	1,450.5	1,623.8	1,702.9
Expenses addressed by CSR criteria	1,450.5	1,623.8	1,702.9
Share of expenses addressed by CSR criteria	639	671.2	-
Number of suppliers assessed by EcoVadis or in the process of assessment	161	169	214
Revenue of the Purchasing Department covered by an assessment by EcoVadis or in the process of assessment *(€m)*	339	115.6	150
Revenue with the sheltered/adapted sector *(€000)*	311.1	304.3	321
% of buyers trained in responsible purchasing (100% at the Purchasing Department)	100%	50%*	100%

* *Scope extended to Rights Acquisitions Department in 2014.*

7.3.8 RESPECT OF ETHICS AND COMPLIANCE RULES IN CONTENT

The issues covered in this document on produced and distributed content go above and beyond the requirements of the Grenelle 2 Act, as they are of particular importance for TF1.

The General Secretariat is responsible for the respect of commitments made through agreements signed by TF1, TMC, NT1 and HD1, and for dialogue with the CSA. This last structure works closely with the Compliance Department, part of Broadcasting and in particular tasked with verifying commitments on programme compliance and the protection of young viewers. Dialogue with the regulator is carried out *via* hearings and written contributions, giving rise to requests and proposals on quantified commitments and the drafting of reports.

7.3.9 NEWS

NEWS DEPARTMENT, SOCIETY OF JOURNALISTS

The News Department is tasked with ensuring that the ethical principles of the profession are applied.

It ensures the independence of the editorial staff. Through dialogue and debate, it creates an initial barrier against any attempt to breach the ethical boundaries of journalism. The editorial staff may tackle any issue and strive to treat each one in a balanced fashion, taking an approach that is commensurate with the importance of the news. The Society of Journalists, created following the privatisation of TF1, has as members 75% of the 230 or so journalists who make up the editorial team. Presenters and the News and Information and Editorial Team Directors are not members of the Society. The Society's role is to create a space for dialogue in which members of the editorial staff may broach any question concerning compliance in journalistic practice and the integrity and independence of journalists. The Society of Journalists promotes the concept of responsibility in journalism as a profession. The News Department meets with the Society upon request throughout the year.

The News Department will contribute in its areas of expertise to the work of the Ethics and CSR Committee with a view to supplementing and detailing the application of the ethical principles applicable to the department.

CHARTER OF PROFESSIONAL ETHICS FOR JOURNALISTS

The main unions representing journalists in France have adopted the Charter of Professional Ethics for Journalists, which is posted on the website of the National Union of Journalists (SNJ): www.snj.fr/IMG/pdf/Charte2011-SNJ.pdf. The National Collective Labour Agreement for journalists (CCNTJ), which applies to all 37,000 press card-carrying journalists in France, also establishes ethical principles.

The journalists of the Group's editorial teams, who all hold the Press Card, have *de facto* adopted these rules and principles.

Discussions are currently under way at the Group News Department with a view to drafting a Charter of Ethics specific to the editorial team.

NEWS ITEM VIEWING AND ERROR CORRECTION

Each news item is viewed by at least 4 persons: the assistant chief editor, the managing editor, the chief editor and the presenter. The Director of the Editorial Team also views many stories. If a mistake is made on air, it is frequently corrected before the end of the programme by the presenter. Wherever he so wishes, the Director of the Editorial Team can call on the Director of Legal Affairs at the News Department for his advice on the matter in question.

PRESS TRIPS AND EMBEDDED JOURNALISTS

The News Department management does not allow any press trips, other than official trips and certain medical conferences featuring presentations by specialist speakers, for the reimbursement of travel expenses.

TF1 regularly sends embedded journalists (those incorporated into the armed forces on the ground) with French and American forces, without, however, cutting itself off from other sources, because this offers a way to get physically closer to war zones. The journalist is rarely the only special correspondent on the ground. TF1 tries to do stories on peripheral topics outside the army. The practice of "embedding" is announced when the news coverage is broadcast.

TREATMENT OF HUMAN INTEREST STORIES, PREVENTION OF UPSETTING IMAGES

TF1 does not cover human interest stories unless they link to a wider social issue. The Editorial team endeavours to gauge this dimension by reading dispatches and conducting preliminary investigations.

One of the Editorial Department's principles is to avoid showing gratuitous violent images. If a story may be difficult to watch, the presenter will warn viewers, saying that "some of the following issues may be upsetting". Sources are always given for images. Also, images are never modified, except to add graphics.

QUALITY OF IMAGE SOURCES, AMATEUR VIDEO

The Editorial team pays very close attention to the quality of image sources, and the use of home videos is banned unless the source can be properly checked. When such material (which may be cropped and mounted) is used, the words "Home Video" are displayed and, if necessary, the date when the video was shot will be shown. These videos are paid for according to the type of event, the quality and the duration of the sequence used. TF1 has established a scale that takes into account the event, video quality and duration.

STATUS OF GROUP JOURNALISTS' BLOGS

If a journalist writes in the name of the channel, the Editorial Department considers that his or her contributions to blogs or social networks create exposure to personal and corporate liability. The rules that apply on air also apply to blogs. Any failure to act impartially will not be tolerated any more than it would be on the channel, and penalties are possible.

UNDERCOVER WORK

The editorial team considers that it is the duty of journalists to report what goes on even in closed countries. Outside war zones, experienced journalists from TF1's Investigations unit may work undercover if the subject justifies it, usually for social or economic subjects.

TRAINING PERSONNEL ON MEETING THEIR OBLIGATIONS

The Legal and Regulatory Affairs Department organises regular seminars on freedom and responsibility for all staff members involved in preparing reports for TF1 televised news broadcasts. Participants are reminded of the laws that apply to them in their role as news providers. In addition to the rights of the press, the seminars also discuss CSA rules and oversight.

INDICATORS ON THE CONFORMITY OF PROGRAMMES WITH ETHICAL AND COMPLIANCE COMMITMENTS

The scope for all content-related items is 2013, thus taking account of the CSA reviews on the activity of the TF1, LCI, TMC and NT1 channels relating to the signed agreements.

The CSA reviews for 2013 establish the number of actions at four: two warnings and one caution for TF1 and one warning for TMC. As a reminder, TF1 broadcast 7,715 hours of programmes (excluding advertising and channel advertising) and more than 11,300 topics in TV news programmes.

Channel	Subject	Programme	Type of breach	CSA action
TF1	**Protection of young viewers** Participation of minors	*Sept à Huit* programme on October 28, 2012* (*relative to 2012 but not taken into account in the review published in 2013)	Insufficient measures to protect identity in a report showing minors in difficult circumstances	Warning
TF1	**News compliance** News treatment	8 o'clock news programme on November 2, 2013	Lack of rigour in news presentation and treatment (illustration of the announcement of the kidnapping and killing in Mali of Ghislaine Dupont, a journalist at RFI, using a photo that was not of the journalist in question).	Warning
TMC	**News compliance** Image reproduction rights	*90' Enquêtes, Alerte hélico: quand les sauveteurs viennent du ciel* report on helicopter rescue services First aired on October 22, 2013	Disregard of Article 9 of the French Civil Code recognising each person's right to respect for private life and Article 2-3-4 of the TF1 Convention stipulating that the publisher respects rights concerning an individual's private life and image and that it endeavours in particular to ensure that testimonials by individuals relating to their private life are to be produced only with the informed consent of the individual (the channel did not have the authorisation to broadcast from the people in question, who were identifiable in the report).	Warning
TF1	**News compliance** News treatment	8 o'clock news programme on November 11, 2013	Lack of rigour in news presentation and treatment (report on the French President's visit to Oyonnax, in which the sound and image, delayed by a few seconds, were liable to modify the context of the filmed images).	Caution

Reminder of the gradual scale of the CSA's measures: Letter – Warning – Caution – Penalty.

7.3.10 PROTECTION OF YOUNG VIEWERS

RATING INFORMATION FOR YOUNG VIEWERS AND YOUTH PROGRAMMES

Since 2002 terrestrial television channels have been required to display content rating signage during all non-advertising programmes that are not recommended for general viewing. Each channel is responsible for introducing the signage system and informs the CSA of its composition but remains solely responsible for rating decisions. The signage provides practical information about age appropriateness for each of the five categories (general, -10, -12, -16, -18). The TF1 channel does not broadcast any -18 rated programmes.

The Viewing Committee set up by TF1 brings together the heads of broadcasting, programming, programme compliance, acquisitions and youth programming.

To see all the child protection commitments made by TF1, read the requirements for applying the CSA's content rating signage system at http://www.csa.fr/infos/controle/television_signaletique_C.php.

A PSYCHOLOGIST FOR TFOU'S YOUTH PROGRAMMES

Over the last 10 years, a child psychologist has viewed all the youth series purchased and works upstream in close cooperation with the artistic team on series co-produced by the channel. He or she suggests cuts or sometimes rates episodes as being unfit for broadcast, when he or she considers the images inappropriate for children. These recommendations are always followed.

CHILD PROTECTION AND CONNECTED TELEVISIONS

In 2009, by publishing a charter for French publishers on connected televisions, TF1 contributed to raising the awareness of the public authorities on the subject of the risks caused by the disappearance of the boundaries between television and the Internet. This subject was taken over by the CSA in 2012, which established a commission on connected televisions, for which one of the 4 main subjects was child protection. TF1 continued its contribution by participating in this working group.

TFOU AND INTERNET SECURITY FOR CHILDREN

TFou.fr is the TF1 group's youth site, attracting an average 200,000 unique visitors a month. Since it was created in February 2000, TFou has paid particular attention to securing the browsing of its internet users.

According to an internal benchmark, TFou.fr remains the most secure and most demanding site in its competitive sector. This involves the general moderation of all its content and the protection of the personal data of children (no photographs, contact details or personal information may be exchanged). All of the community areas are highly controlled: the contributory areas are moderated before publication and chats use a lexicon of words pre-selected by the TFou.fr team on the same principle as a predictive-text language. In this way, users of the TFou.fr site can learn to use the Internet in a way that is genuinely recreational, which lets them express their feelings or emotions, but using expressions and a vocabulary acceptable to all. In addition, a parents' corner includes information about web safety: http://www.tfou.fr/coin-parents/.

7.3.11 PROGRAMME ACCESSIBILITY

As a leading family-oriented channel, TF1 is duty bound to ensure that its programmes are accessible to everyone, particularly people with impaired hearing or vision.

SUBTITLING

Since September 2010 all TF1 programmes have been subtitled, in accordance with the Act of February 2005. In the case of news programmes, a special system has been introduced to deliver quick service combined with excellent quality when transcribing news item commentaries or what the journalist is saying in the studio. The system operates using a team of three people and voice recognition software. On December 12, 2011 TF1 signed the CSA's Charter on Subtitling Quality.

The Group's theme channels go beyond their subtitling obligations.

INDICATOR: COMPLIANCE WITH SUBTITLING OBLIGATIONS BY GROUP CHANNELS

Channel	2014 obligation	2014 actual	2013 actual
TF1	100%	100%	100%
TMC	100%	100%	99.9%
NT1	60%	88%	84.2%
HD1	30%	75%	70%
Ushuaïa TV	10%	20%	19%
Histoire	10%	36%	22%
TV Breizh	20%	76%	74%
LCI	3 daily newscasts in the week 4 daily newscasts on the weekend	3 daily newscasts in the week 4 daily newscasts on the weekend	3 daily newscasts in the week 4 daily newscasts on the weekend

CONCERNING FRENCH SIGN LANGUAGE

Channel	2014 obligation	2014 actual	2012 actual
LCI	1 daily newscast in the week	8 pm news from Monday to Friday	8 pm news from Monday to Friday

AUDIO DESCRIPTION

To serve the one million people in France suffering from impaired vision, TF1 offers programmes with audio description, a technique developed by the Valentin Haüy charity for the blind and visually impaired that allows people to "see" what is going on through an audio description of the action and setting.

In 2014 TF1 broadcast 113 programmes with audio description, of which 34 for the first time with audio description.

INDICATOR: COMPLIANCE WITH AUDIO DESCRIPTION OBLIGATIONS OF THE TF1, TMC AND HD1 CHANNELS

Channel	2014 obligation	2014 actual	2013 actual
TF1	60 audio described programmes, including 30 new in audio description	113 audio-described programmes including 34 new in audio description	86 audio described programmes including 51 new in audio description
TMC	14 new programmes in audio description	17 new in audio description	21 audio described programmes including 12 new in audio description
HD1	6 new programmes in audio description	12 new in audio description	35 audio described programmes including 6 new in audio description

7.3.12 PROMOTING DIVERSITY

The TF1 company fights against stereotypes and seeks to broadly represent diversities in civil society, as do the channels, with all of the players involved in these issues and free of any competitive spirit. Concerning the promotion of diversity, the TF1 group endeavours to reflect the diversity of French society on its channels and in all of its content. Broadcasting aside, the Group encourages educational projects and professional integration for young people and also supports wide-ranging projects. The TF1 group conveys this conviction internally, advocating open and respectful relationships between employees and rejecting any idea or practice of discrimination. All employees responsible for programme production attend special training on taking account of diversity in all its aspects.

DIVERSITY COMMITTEE

The Diversity Committee has since 2009 included the managers of Broadcasting, Human Resources, Purchasing, the Corporate Foundation and CSR. It decides on and coordinates the diversity policy for the Group's channels, HR and TF1's work with the CSA on developing the regulatory framework.

7.3.13 COMPLIANCE AND ETHICS IN ADVERTISING

RELATIONS WITH ADVERTISERS

TF1 Publicité provides its clients and partners with a website, www.tf1pub.fr, containing General Terms and Conditions of Sales (GTCS), a newsletter, the latest news in the sector and numerous proposals for innovation in the field of advertising.

The GTCS are presented every year, 15 days before their official publication, to the Advertisers' Union, to shed light on the major principles underpinning campaigns in the coming year. The GTCS are then presented to media agencies.

Even if the media agency handles the budget of the advertiser and remains a day-to-day partner of TF1 Publicité, each of the advertisers is accorded at least one presentation meeting a year by the sales staff. To strengthen this direct contact, TF1 Publicité decided in late 2013 to set up a sales team dedicated to advertisers. This preferred contact exists at sales, department and Chairman level. An event reserved for advertisers is organised for the presentation of the programme grid.

A satisfaction survey is carried out every year with advertisers and used as a means of improving relations with TF1 Publicité.

Over 100 public relations campaigns are organised every year, along with two "Campus" events, theme-based meetings bringing together all players to focus on current events in the profession.

In contrast to received wisdom, TF1 is affordable to all and particularly to small- and medium-sized businesses, for which TF1 is an undisputed development booster. In 2012 TF1 Publicité developed a written press communication campaign intended for SMBs: "Since I have been communicating on TF1, my competitors see me differently".

COMPLIANCE WITH REGULATIONS

Advertising messages broadcast on Group channels are subject to General Regulations, sector co-regulation *via* the ARPP, and CSA opinions. These advertising regulations and compliance rules apply to all advertising messages, whatever the medium and broadcasting format. In particular, since January 1, 2012 TF1 has applied the ARPP ruling, which seeks to extend the commitments made to the CSA in 1990 for the channel (MYTF1.fr, MYTF1 on IPTV, MYTF1 apps on smartphones) (advance filing with the ARPP, internal viewing of advertising messages) to include advertising messages in Group on-demand audiovisual media services.

The prior opinion of the ARPP is always taken into account before broadcasting advertisements on television or on-demand audiovisual media services (ODAMS). TF1 Publicité's Programming and Broadcasting Department, assisted where required by the Legal Department, views or listens to every TV, radio or internet advertising message before it goes out.

TF1 Publicité's advertising airtime sales agency may refuse a message, even if the ARPP has approved it, or impose special broadcasting conditions if the message does not seem appropriate for the editorial line of the media on which it is to be aired, and particularly for TF1's family audience. In this case, a letter is sent to the person, advertiser or PR agency that created the message. A solution is sought to adjust the message or its time slot to fit the editorial line of the medium. If no solution can be found, the message does not go out. The general terms and conditions of sale address such situations.

TF1 Publicité is represented on the ARPP Board and in the main joint negotiating organisations (SNPTV, CESP, EDI). The Group thus plays a part in building the ethical and compliance framework for the industry.

7.3.14 ISSUES IN DIGITAL MEDIA

REGULATORY FRAMEWORK

DEFINITION OF REGULATED/NON-REGULATED SCOPE

The TF1 group is for its digital audiovisual services subject to regulation on on-demand audiovisual services (see "Audiovisual regulations applying to ODAMS" below) and, as such, subject to CSA regulation. Where these services do not correspond with the legal definition of on-demand audiovisual services (for example, MYTF1News), the Group is subject to the Act of June 21, 2014 on confidence in the digital economy. In all cases, the Group is also bound to respect the Act of July 29, 1881 on the freedom of the press (notably the prohibition of defamatory and insulting remarks and the vindication or negation of crimes against humanity) as well as, for all media, the regulations arising from the French Data Protection Act of January 6, 1978 and the ruling of December 5, 2013 on cookies, and thus under the regulation of the CNIL. Regulation on cookies is aimed at ensuring transparency with users as to the number and objectives of the cookies stored in users' computers and in particular at countering "targeted" cookies.

AUDIOVISUAL REGULATION APPLYING TO ODAMS

Following the Act of March 5, 2009, the implementing orders of July 2, 2010 and November 12, 2010, and the CSA's ruling of December 14, 2010, the TF1 group is bound to respect regulation on ODAMS for all its non-linear services under the meaning of the corresponding legal definition (particularly the MYTF1 service irrespective of the media used, be it a PC, IPTV, smartphone, tablet or game console, as well as all the non-linear services of all Group channels). This regulation leads to obligations in terms of (i) the contribution to the production of European and French-speaking film and audiovisual works (for example, financing web series), (ii) exposure to European and French-speaking film and audiovisual works, (iii) advertising and sponsorship, (iv) the protection of young viewers (CSA signage on all programmes concerned and trusted zone listing programmes for general viewing) and (v) compliance.

THE FIGHT AGAINST PIRACY AND THE PROTECTION OF COPYRIGHT

TF1 is Europe's most active media group in the fight against piracy. To protect broadcasting content, in 2009 TF1 introduced Signature, a fingerprinting technology developed by France's National Audiovisual Institute (INA). Signature is based on the generation and recognition of video fingerprints. All content that has been protected and signed by TF1 in the INA's database is therefore automatically detected and rejected before being placed on online streaming platforms such as Dailymotion, WAT and Kewego.

In January 2012 TF1 signed an agreement on content management and identification with Google Ireland Limited that will allow TF1 to use YouTube and Google Video proprietary digital fingerprinting technologies (named "Content ID") and thus protect its content on the aforementioned shared-content streaming sites. This technology was implemented in September 2012.

TF1 has also obtained tools for immediately deleting videos on YouTube and Dailymotion, which are run by the anti-piracy oversight team based at e-TF1.

The TF1 group continues to appoint a service provider to detect (using robots) and close (*via* automatic notifications) links corresponding to programmes for which the TF1 group owns rights, on direct download and streaming sites (several million links closed each year).

The TF1 group initiated two major lawsuits in 2008 against YouTube and Dailymotion aimed at:

- gaining acknowledgement of the infringing nature of content belonging to the Group and available on these platforms;

- convicting these services for failing to withdraw content in a timely fashion after notification;
- requalifying them as publishers (these services wrongly benefiting in TF1's opinion from the status of host).

The dispute with YouTube gave rise to a transaction between the TF1 group and the Google group (including YouTube) on November 14, 2014 putting a definitive end to the case. The transaction consisted of several components, among which YouTube reaffirmed its determination to support the use by rightsholders of its content protection system, Content ID, and, more broadly, to undertake to guarantee rightsholders control of their content on the web.

The dispute with Dailymotion concluded on December 3, 2014 with a Paris appeal court ruling whereby Dailymotion was held liable to pay €1.38 million in damages for counterfeiting and unfair competition.

After signing a historic agreement with several associations representing writers, artists, composers and other creators (SACEM, SDRM and SESAM), WAT negotiated another agreement in early 2012 with several similar associations (SACD, SCAM and ADAGP). Under the agreement, WAT pays royalties to these associations in the name of and on behalf of platform users, backdated to the founding of WAT (2006) through to December 31, 2012. These agreements are currently being reviewed for renewal through 2017.

TF1 is still faced with the issue of piracy, which has shifted to social media sites such as Vine, a problem primarily in terms of sports images. In such cases, TF1 communicates on infringing contributions in the social networks to rightsholders, who then endeavour to gain respect for their rights.

TF1 also participates on a regular basis in the work of HADOPI and contributes its expertise and skills to the authorities.

DATA PROTECTION

PROTECTION OF PERSONAL DATA AT THE GROUP

The Group introduced a general policy on information security in 2007.

Concerning the protection of employees' data, the general policy document specifies:

- that it is the duty of information-system administrators not to read the personal data of users;
- that the information present in the information system must be classified with a confidentiality criterion that expresses the personal nature of the information;
- that within business lines and subsidiaries, the owner of the information is always identified. He or she must ensure the legal compliance of processing, by contacting the Social Affairs Department, particularly when handling personal data (declaration to French data-protection authority, CNIL);
- that each new sensitive application is subject to a security audit including an intrusion test, such as, for example, the HR intranet Déclic, which contains personal data.

PROTECTION OF USERS' DATA

The Group's sites and apps are compliant with all legal provisions available on the French data-protection site at the following link: http://www.cnil.fr/english/. The policy governing the confidentiality of consumers' personal data is online at http://s.tf1.fr/mmdia/a/56/1/10577561hnwfl.pdf?v=1 and is the subject of express subscription on registration. Concerning the recommendation relative to cookies and plotters addressed by Article 32-II of the Act of January 6, 1978 (the "Deliberation"), the Group regularly carries out verifications, notably in the form of technical audits of the cookies stored when visiting electronic communication services produced by e-TF1 (web/mobile sites and apps) with a view to ensuring compliance. The Group has also addressed all its partners by mail calling their attention to the responsibilities set forth by the CNIL in Article 3 of the Deliberation for players "introducing" and "reading" cookies. Similarly, the Group strives in the contracts it signs with its technological partners, publishers and advertisers to enforce respect of regulation on the protection of the personal data of web users. The online communication services developed by TF1 are now covered by a policy on cookies http://s.tf1.fr/mmdia/a/32/8/11109328cexpb.pdf?v=1.

To ensure the security of data on its sites and apps, the Group has also introduced a policy on the treatment and security of the personal data compiled, consistent with the latest technology and regularly checked and audited.

Regarding digital advertising, the contracts of the sub-department guarantee that both the advertiser and itself have included in their respective media, in a special area separate from the General Terms and Conditions of Use, clear and unequivocal information for users on:

- the collection of information regarding their browsing behaviour from their connected computer and, to that end, the use of cookies;
- the use of said information for advertising purposes and in particular the sending of targeted advertising by the advertiser and/or the sub-department;
- their right to refuse the use of cookies by indicating several procedures to that effect, the period of time over which collection may be stored and the consequences of such refusal on the use of the services proposed on the type of media concerned.

The sub-department guarantees that the use of cookies does not involve the collection of personal data according to prevailing regulation, including the IP address of the computer *via* which the user is connected. Regarding targeted advertising, only partners having signed the IAB Europe Charter are authorised to work with the Group.

8

General Meeting

8.1 **TAKING PART IN THE COMBINED GENERAL MEETING OF APRIL 16, 2015** **294**

Formalities to be completed before participating in the General Meeting 294

Voting at the General Meeting 294

Requests to include items or draft resolutions on the Meeting agenda 295

Submission of written questions 296

Documents available to shareholders 296

Securities lending 296

Dates of General Meetings for the next two years 296

8.2 **AGENDA** **297**

Within the authority of the Ordinary General Meeting 297

Within the authority of the Extraordinary General Meeting 297

8.3 **REPORT OF THE BOARD OF DIRECTORS ON THE RESOLUTIONS SUBMITTED** **299**

Earnings for the year 299

Information on the share capital 299

Acquisitions and disposals of holdings 299

Resolutions submitted by the Board of Directors to the General Meeting – Ordinary business 299

Resolutions submitted by the Board of Directors to the General Meeting – Extraordinary Business 311

8.4 **PRESENTATION OF THE DRAFT RESOLUTIONS AND STATEMENT OF THE REASONS FOR THE RESOLUTIONS** **314**

Ordinary General Meeting 314

Extraordinary part 318

8.1 TAKING PART IN THE COMBINED GENERAL MEETING OF APRIL 16, 2015

Any shareholder may participate in the Combined General Meeting, irrespective of the number of shares he owns, either by attending in person, or by being represented by a legal or natural person of his choice, or by voting by mail, in accordance with statutory and regulatory requirements.

FORMALITIES TO BE COMPLETED BEFORE PARTICIPATING IN THE GENERAL MEETING

Shareholders wishing to attend the Meeting, be represented at it or vote by mail must proceed as follows:

- holders of registered shares must be entered in the shareholders' register of the company no later than midnight (CET) on Tuesday 14 April 2015;
- holders of bearer shares must arrange for the authorised intermediary who manages their share account to provide an attendance certificate showing that their shares have been recorded or book-entered no later than midnight (CET) on Tuesday April 14, 2015.

Pursuant to Article R. 225-85 of the Commercial Code, only shareholders who can prove they are shareholders no later than the second business day preceding the Annual General Meeting at midnight (CET), i.e. on Monday April 14, 2015 at midnight, under the aforementioned conditions, may participate to the Meeting.

VOTING AT THE GENERAL MEETING

No arrangements have been made for voting via electronic telecommunication media at this Meeting. Accordingly, none of the sites provided for in Article R. 225-61 of the Commercial Code will be set up for this purpose.

In accordance with Article R. 225-85 of the Commercial Code, when a shareholder has already voted remotely, sent a proxy, requested an admission card or an attendance certificate to attend the General Meeting, he or she may not choose another voting method thereafter.

- **Voting in person at the Meeting:** shareholders wishing to attend the Meeting must request an admission card as follows:
  - holders of registered shares should request the admission card from TF1 – Service Titres – c/o Bouygues – 32 avenue Hoche – 75008 Paris (Tel.: +33 (0)1 44 20 11 07 – fax: +33 (0)1 44 20 12 42);
  - holders of bearer shares should ask the authorised intermediary who manages their share account to see that TF1 sends them the admission card on the basis of the attendance certificate that has been issued. Any holder of bearer shares who has not received the admission card can have the attendance certificate issued directly by the authorised intermediary who manages their share account.
- **Voting by mail:** shareholders who do not plan to attend in person but wish to vote by mail must proceed as follows:
  - holders of registered shares should return the proxy/mail vote form sent to them with the invitation to TF1 – Service Titres – c/o Bouygues – 32 avenue Hoche – 75008 Paris;
  - holders of bearer shares should ask the authorised intermediary who manages their share account to provide the proxy/mail vote form and return it together with the attendance certificate to TF1 – Service Titres – c/o Bouygues – 32 avenue Hoche – 75008 Paris.

  Proxy/mail vote forms are also available on the company website, www.groupe-tf1.fr, under Investors/General Meeting.

  Duly completed and signed proxy/mail vote forms must be received by TF1 – registered office ("Siège social") or Securities Department (Service Titres) – c/o Bouygues – 32 avenue Hoche – 75008 Paris, no later than midnight (CET) on Monday 13 April, 2015, which is three days before the date of the Meeting.
- **Voting by proxy:** shareholders who do not plan to attend the Meeting in person may be represented by giving a proxy to the Chairman, their spouse or civil union partner, another shareholder or any other legal or natural person of their choice, as set forth in Article L. 225-106 of the Commercial Code; they may also give a proxy with the name left blank.
  - holders of registered shares should send in the proxy/mail vote form, which will be sent to them with the notice of Meeting, to TF1 – Service Titres – c/o Bouygues – 32 avenue Hoche – 75008 Paris;

– holders of bearer shares should ask the authorised intermediary who manages their share account to provide the proxy/mail vote form and return it together with the attendance certificate to TF1 – Service Titres – c/o Bouygues – 32 avenue Hoche – 75008 Paris.

Proxy/mail vote forms are also available on the company website, www.groupe-tf1.fr, under Investors/General Meeting.

In accordance with Article R. 225-79 of the Commercial Code, shareholders must sign the proxy voting form, which may be sent electronically, where applicable, in the following manner: a scanned signed copy of the proxy form, stating the full name and address of the shareholder, and the full name and address of the appointed proxy in the case of a natural person, or the company name and address of the head office in the case of a legal person, must be sent as an email attachment to tf1mandatag2015@bouygues.com. Proxies may not be replaced by another person.

Note that in the case of a blank proxy, the Chairman of the General Meeting will vote in favor of the draft resolutions submitted or authorised by the Board of Directors and against all other draft resolutions. To vote otherwise, the shareholder must choose a proxy who agrees to vote in accordance with the shareholder's wishes.

Scanned proxy voting forms that are unsigned will not be considered valid.

Shareholders may cancel a proxy in writing, in the same way as they appointed the proxy, and send the cancellation to the company. To appoint a new proxy, the shareholder must ask either the company (for registered shareholders) or his or her financial intermediary (for bearer shareholders) to send a new proxy voting form indicating a change of proxy.

To be valid, proxy appointments or cancellations sent electronically must be received no later than 3pm CET on the day before the General Meeting, *i.e.* Wednesday 15 April, 2015.

REQUESTS TO INCLUDE ITEMS OR DRAFT RESOLUTIONS ON THE MEETING AGENDA

In accordance with the provisions of Article L. 225-105 of the French Commercial Code, one or more shareholders meeting the criteria set out in Article R. 225-71 of the Commercial Code or an association of shareholders meeting the criteria set out in Article L. 225-120 of the Commercial Code may ask to include items or draft resolutions on the Meeting agenda.

The Chairman of the Board of Directors acknowledges receipt of such requests by registered letter within five days of receipt. The item or draft resolution will be included on the Meeting agenda and brought to the attention of shareholders in accordance with current regulations.

In accordance with Articles R. 225-71 and R. 225-73 of the Commercial Code, requests to include items or draft resolutions on the Meeting agenda by shareholders that demonstrate as legally required that they possess or represent the requisite share of the company's capital must be sent to the registered office – "Secrétariat général" – by registered letter with return receipt or by email to tf1inscriptionodjag2015@tf1.fr, within 20 days from the publication of the Meeting notice in the legal gazette (BALO).

A request to include an item on the agenda must be accompanied by a brief description of its purpose. A request to include a draft resolution should be accompanied by the draft resolution.

The persons making the request must provide evidence, as at the date of their request, that they possess or represent the requisite share of the company's capital by recording the shares either in the registered share accounts kept by the company, or in the bearer share accounts kept by an authorised intermediary. They must provide a book-entry attestation with their request.

Before an item or draft resolution may be considered by the Meeting, the persons making the request must first submit a new attestation proving that the shares were book-entered in the same accounts two business days before the Meeting, *i.e.* at midnight (CET) on Tuesday 14 April 2015.

If a draft resolution concerns a proposed Director, it should be accompanied by the information required under paragraph 5 of Article R. 225-83 of the Commercial Code, *i.e.* the full name and age of the candidate, professional references and professional activities over the last five years, notably positions currently or previously held in other companies, as well as, where applicable, positions and functions held by the candidate in the company and the number of registered or bearer shares owned.

SUBMISSION OF WRITTEN QUESTIONS

In compliance with Article R. 225-84 of the Commercial Code, shareholders may submit questions in writing until midnight CET on the fourth business day before the General Meeting, *i.e.* Friday 10 April, 2015. Questions must be sent to the Chairman of the Board of Directors at the registered office of the company by registered letter with return receipt or by email to tf1questionecriteag2015@tf1.fr. Bearer shareholders must send a book-entry attestation along with their questions.

DOCUMENTS AVAILABLE TO SHAREHOLDERS

The documents to be provided to shareholders in connection with the General Meeting are available at the registered office of the company, in accordance with statutory and regulatory requirements.

In addition, the documents to be presented at the General Meeting will be posted on the www.groupe-tf1.fr website at least 21 days before the Meeting date, in accordance with statutory and regulatory requirements.

SECURITIES LENDING

Any person that has temporary ownership of shares representing more than 0.5% of the voting rights must inform the company and the French financial markets authority (AMF), on the terms stipulated in Article L.225-126 I of the French Commercial Code and Article 223-38 of the AMF General Regulation, no later than the second business day preceding the Annual General Meeting, i.e. no later than midnight on Tuesday April 14, 2015.

In accordance with AMF instruction 2011-04, persons to whom this applies must submit the required information electronically to the AMF at the following address: declarationpretsemprunts@amf-france.org

The same information must also be submitted electronically to TF1 at the following address: declarationpretemprunt2015@tf1.fr

If the company and the AMF are not informed on the terms specified above, the shares acquired in the temporary transactions concerned will be deprived of voting rights at the Annual General Meeting of April 16, 2015 and at any subsequent shareholders' meeting that may be held until such shares are returned to the transferor.

DATES OF GENERAL MEETINGS FOR THE NEXT TWO YEARS

2016 General Meeting: April 14th.

2017 General Meeting: April 13th.

8.2 AGENDA

WITHIN THE AUTHORITY OF THE ORDINARY GENERAL MEETING

- Reading of the Board of Directors' reports, the Chairman's report and Statutory Auditors' reports – approval of these reports,
- Approval of the individual annual financial statements and transactions in 2014,
- Approval of the consolidated financial statements and transactions in 2014,
- Approval of the related-party agreements and undertakings between TF1 and Bouygues,
- Approval of the related-party agreements and undertakings other than those between TF1 and Bouygues,
- Appropriation of earnings in 2014 and setting of the dividend,
- Renewal of Claude Berda's term as a Director for one year,
- Renewal of Gilles Pélissons's term as a Director for one year,
- Renewal of Olivier Roussat's term as a Director for one year,
- Renewal of Olivier Bouygues' term as a Director for two years,
- Renewal of Catherine Dussart's term as a Director for two years,
- Renewal of Nonce Paolini's term as a Director for two years,
- Renewal of Martin Bouygues' term as a Director for three years,
- Renewal of Laurence Danon's term as a Director for three years,
- Renewal of Bouygues' term as a Director for three years,
- Favoral opinion on the remuneration due or granted to Nonce Paolini, Chairman and Chief Executive Officer, for the business year 2014,
- Authorisation given to the Board of Directors to buy back the company's own shares,

WITHIN THE AUTHORITY OF THE EXTRAORDINARY GENERAL MEETING

- Reading of the Board of Directors' reports and Statutory Auditors' reports,
- Authorisation given to the Board of Directors to decrease the share capital by cancelling shares held by the company,
- Delegation of authority to the Board of Directors to increase the share capital through a public offering, with pre-emptive subscription rights maintained, of shares or securities giving entitlement immediately and/or in the future to shares in the company,
- Delegation of authority to the Board of Directors to increase the share capital through the incorporation of issue premiums, reserves, profits or other means,
- Delegation of authority to the Board of Directors to increase the share capital through a public offering, with the waiver of any pre-emptive subscription rights, of newly issued shares or securities giving entitlement immediately and/or in the future to shares in the company,
- Delegation of authority to the Board of Directors to increase the share capital through the private placement, with the waiver of any pre-emptive subscription rights, of newly issued shares or securities giving entitlement immediately and/or in the future to shares in the company, in accordance with section II, Article L. 411-2 of the Monetary and Financial Code,
- Authorisation given to the Board of Directors to set the issue price, according to the conditions determined by the General Meeting, of shares to be issued immediately or in the future, without pre-emptive subscription rights, for public offerings or private placements, as provided for in section II, Article L. 411-2 of the Monetary and Financial Code,
- Authorisation given to the Board of Directors to increase the number of shares to be issued in the event of a capital increase, with or without pre-emptive subscription rights,

- Delegation of powers to the Board of Directors to increase the share capital, with the waiver of pre-emptive subscription rights, to remunerate contributions in kind granted to the company and consisting of shares or securities giving entitlement to shares in another company, except in the case of a public exchange,
- Delegation of authority to the Board of Directors to increase the share capital, with the waiver of pre-emptive subscription rights, to remunerate the contribution of shares in the event of a public exchange offering initiated by the company,
- Limitation of total financial authorisations,
- Delegation of authority to the Board of Directors to increase the share capital, with the waiver of pre-emptive subscription rights, for the benefit of employees or corporate officers of the company or of companies in its group who are members of a company savings plan,
- Modification of Article 22 of the Articles of Association so as not to institute double voting rights,
- Modification of Article 10 of the Articles of Association to increase the terms of office of Directors who do not represent the personnel from two to three years,
- Harmonisation of the Articles of Association,
- Authorisation to carry out formalities.

8.3 REPORT OF THE BOARD OF DIRECTORS ON THE RESOLUTIONS SUBMITTED

Ladies, Gentlemen, Shareholders,

This report is part of the management report of the Board of Directors on the resolutions submitted to the Combined General Meeting of April 16, 2015.

EARNINGS FOR THE YEAR

The consolidated and individual financial statements are included in this registration document and Annual Financial Report in chapter 4, page 111.

INFORMATION ON THE SHARE CAPITAL

See chapter 6, page 221, of this registration document and annual financial report.

ACQUISITIONS AND DISPOSALS OF HOLDINGS

See chapter 3, page 107 of this registration document and annual financial report.

RESOLUTIONS SUBMITTED BY THE BOARD OF DIRECTORS TO THE GENERAL MEETING – ORDINARY BUSINESS

Your Statutory Auditors will provide you with their reports on the accounts for 2014 and on agreements and undertakings relative to Article L. 225-38 of the French Commercial Code. See chapter 5, page 201 of this registration document and annual financial report.

In the resolutions that are submitted to you, we propose that you:

- **approve the individual and consolidated financial statements for 2014 as well as the transactions recorded in the statements;**

The results of TF1's activities and its financial results over the past five years are presented in the Board of Directors' management report in this registration document and annual financial report, chapter 3, page 109. Market trends are presented in chapter 1, page 7. In the 1st and 2nd resolutions submitted to you for approval, we propose that you approve the individual and consolidated financial statements for 2014.

- **approve related-party agreements and undertakings;**

The 3rd and 4th resolutions concern the approval of the related-party agreements and undertakings described in Article L. 225-38 of the Commercial Code and mentioned in the Statutory Auditors' special report, excluding routine operations, decided by the Board and in particular those concluded between the company and other companies with Directors or officers in common with it, or between the company and shareholders owning more than 10% of the share capital.

Related-party agreements and undertakings submitted to the vote of the Combined General Meeting of April 16, 2015 are covered by separate resolutions. One concerns related-party agreements and undertakings between TF1 and Bouygues and the other, related-party agreements and undertakings to which Bouygues is not a party.

PROCESS FOR AUTHORISING RELATED-PARTY AGREEMENTS AND UNDERTAKINGS

French legislation on related-party agreements, which covers both agreements and undertakings, is intended to prevent any conflicts of interest for a Director and/or a major shareholder entering into agreements with the company.

These agreements are subject to prior authorisation by the Board of Directors under the conditions provided by law. The Board of Directors takes note of the agreements between the company and its corporate officers, between the company and other companies with Directors or officers in common with it, and between the company and shareholders owning more than 10% of the share capital. Related-party transactions covered by the law are reviewed by the TF1 Board of Directors, which considers the benefit of each agreement to TF1 and its group and its financial terms and conditions. The preceding provisions do not apply to agreements relating to routine transactions carried out under conventional terms and conditions.

The TF1 Board of Directors decides in principle whether to sign or renew such agreements at its Meeting in the fourth quarter of the year. Each year it reviews ongoing related-party agreements including the commercial lease agreements between TF1 and Aphélie and Firélie, which manage its real estate holdings. Directors concerned by the agreements do not take part in the vote, thus protecting the interests of all shareholders. The Statutory Auditors are informed of new agreements concluded during the year and of ongoing agreements authorised in previous years.

These agreements are then submitted to the General Meeting for approval after the reading of the Statutory Auditors' special report. In accordance with proposal No. 29 of AMF Recommendation No. 2012-05, any significant related-party agreement authorised and concluded after the close of the financial year must be submitted to the next General Meeting for approval, on condition that the Statutory Auditors have been able to review this agreement in time to include it in their report. When the General Meeting votes on the corresponding resolutions, the number of shares held by the parties concerned by the agreements is not included in the calculation of the quorum and majority.

Agreements between the company and its wholly owned subsidiaries are not subject to this authorisation process.

TYPES OF RELATED-PARTY AGREEMENTS AND UNDERTAKINGS

Most of the agreements mentioned below and in the Statutory Auditors' special report are service agreements. TF1 Directors considered it appropriate and financially advantageous for TF1 to use the expert services of Bouygues. Similarly, they deemed it advisable that TF1 subsidiaries benefit from TF1's corporate services.

All related-party agreements and undertakings approved by TF1 are covered by the Bouygues group's Internal Charter on Regulated Agreements, which defines the scope of application of regulations on such agreements in the Group. With respect to the concept of indirect interest, this charter refers to the definition suggested by the Chamber of Commerce and Industry of Paris: "A person is considered to be indirectly concerned by an agreement to which he is not a party where, due to his connections with the parties and the powers he has to influence their behaviour, he derives benefit from the agreement."

This charter is found at: http://www.bouygues.com/en/finance-shareholders/corporate-governance/bouygues-group-internal-charter-on-regulated-agreements/

To clarify the nature and objectives of the related-party agreements and undertakings involving TF1, in particular for the Group's shareholders, and to comply as fully as possible with the proposals in the AMF Recommendation No. 2012-05, the paragraphs below describe these related-party agreements and undertakings in detail. An assessment of each one is also included in the Statutory Auditors' report.

The agreements that will be submitted to shareholders for approval at the General Meeting of April 16, 2015 are indicated in the column "Status of Agreements".

DESCRIPTION OF AGREEMENTS AND UNDERTAKINGS BETWEEN TF1 AND ITS SUBSIDIARIES

WITH TF1 GROUP SUBSIDIARIES NOT IN WHOLLY OWNED

The related-party agreements between TF1 and its subsidiaries, described in the Statutory Auditors' special report on such agreements, pertain to:

Agreements on corporate services

Authorisation: On October 29, 2014, the Board of Directors approved the renewal for one year, starting January 1, 2015, of support function agreements with its subsidiaries TMC, TV Breizh, Histoire and Ushuaïa TV under which TF1 provides services to them, notably in the areas of management, human resources, consulting, finance and strategy.

Parties concerned:

- TMC: Nonce Paolini (Director);
- TF1 is a shareholder.

Benefit: The purpose of the support function agreements is to enable the subsidiaries to benefit from services provided by the parent company and to divide the corresponding expenses among the TF1 companies using these services.

For example, the internal communications services provided by the Group (an online site for employees, communications media, etc.) are intended for all employees. These services are reinvoiced to the subsidiaries in proportion notably to the number of employees concerned.

Financial conditions: These corporate services are invoiced to each subsidiary in proportion to its headcount and individual company revenues. In 2014, the total amount invoiced for agreements with companies in which TF1 has less than 100% interest, including Eurosport from January to May, was €2.3 million. Services performed at the request of a subsidiary are invoiced at market prices. It will be recalled that under Article L. 225-39 of the Commercial Code, agreements between two companies where one of them owns, directly or indirectly, all the share capital of the other, are not subject to the authorisation process for related-party agreements and undertakings. The wholly owned subsidiaries of TF1 are thus not included in the calculation of the aforementioned amount.

Status of agreements

The renewal of these agreements for a period of one year, starting April 17, 2014, was approved by the General Meeting of April 17, 2014.

Agreements approved during the previous financial year and submitted to the General Meeting of April 16, 2015 for approval.

WITH WHOLLY OWNED SUBSIDIARIES OF THE TF1 GROUP

The following agreements, which were concluded with wholly owned subsidiaries, are not subject to the authorisation process for related-party agreements described above:

- service agreements with the subsidiaries in the TF1 group;
- a contract with La Chaîne Info (LCI) guaranteeing news coverage of any major event;
- a leasing-management agreement with e-TF1;
- a leasing-management agreement with TF1 Entreprises.

Status of agreements

Agreements settled and approved during the previous years, which continued to be executed in 2014.

Board of Directors on October 29, 2014, reassessed the commercial leases with TF1, and maintained them.

DESCRIPTION OF AGREEMENTS AND UNDERTAKINGS BETWEEN TF1 AND ITS MAIN SHAREHOLDER

Since TF1 was privatised in 1987, Bouygues has been the main shareholder in TF1, holding 43.5% of the capital on February 18, 2015.

The terms and condition of the agreements are decided by voting Directors. As regards agreements with Bouygues, Martin Bouygues, Olivier Bouygues and Nonce Paolini did not vote. The Statutory Auditors are informed of the Directors' decisions.

The related-party agreements and undertakings described in the Statutory Auditors' special report concern the following:

WITH BOUYGUES

Corporate Services Agreement

Authorisation: On October 29, 2014, the Board of Directors approved the renewal for one year, starting January 1, 2015, of the corporate services agreement with Bouygues under which Bouygues provides services to TF1.

Parties concerned:

- Bouygues: Martin Bouygues (Chairman and CEO, Director), Olivier Bouygues and Nonce Paolini (Directors);
- Bouygues is a shareholder.

Benefit: Two types of services are provided: expertise and coordination of the subsidiaries.

Expertise

Bouygues provides companies in the Bouygues group with expert services in fields such as finance, legal affairs, human resources, administration, information systems and new technologies.

TF1 may decide to use these services in response to issues as they arise under the terms of this agreement, which is approved annually by the Board of Directors. Each subsidiary may avail itself of these services at any time to discuss an issue where its in-house expertise is limited.

Coordination of the subsidiaries

Besides advice and assistance, services include coordination in the corporate functions, in particular the setting up of Meetings where staff in a particular function (e.g. cash management) can exchange views, discuss technical issues and familiarise themselves with new developments (e.g. accounting standards).

Examples of these types of services in 2014 included:

- human resources: a number of TF1 group senior managers received training in Bouygues group techniques and values at the Bouygues Management Institute. Newly hired employees in the TF1 group took part in a Welcome Day organised by the Bouygues group. In addition, the TF1 group Management Committee participated in the four annual Board Meetings of the Bouygues group. Bouygues also brought together human resources experts from various areas in the Group (e.g. Employee Affairs, Training, School Relations) for discussions. Its employee Legal Affairs Departments held a one-day training session on current legal issues for TF1's HR Directors and managers. Also, the TF1 Human Relations and Organisation Department was given access to the Bouygues HR data query system;
- internal control: the TF1 group received support from Bouygues concerning internal control and risk management tools and methodologies. During 2014, this support took the following forms:

the setting up of compliance programmes and the continued updating of internal control principles:

- the updating of the internal control principles used in the businesses continued in 2014, with the focus on purchasing. Bouygues worked with the businesses to review and supplement existing principles in view of market trends and practices observed elsewhere,
- in addition, four Compliance Programmes were set up to define rules in the areas of corruption, competitive practices, conflicts of interest, and stock market practices. They were drawn up by the Corporate Secretary of the Bouygues group, in cooperation with each of the businesses and in particular the TF1 Corporate Secretary's Office and Legal Affairs Department. The internal control principles evolved as a result of these programmes.

Meetings to discuss internal control and risk mapping:

  - in 2014, Bouygues continued to organise and lead Meetings at which representatives of the businesses learned about changes in regulations and shared their knowledge of best practices in internal control. At the beginning of the year, the Bouygues group gave its findings to a consulting firm tasked with identifying areas for improvement in the current system,
  - these interactions also allow TF1 to benefit from contributions from outside sources: Bouygues participates in working groups made up of CAC 40 companies; what is learned about the Group's performance in light of other companies' practices is and will be regularly communicated.

- Corporate Social Responsibility (CSR): The TF1 group's CSR coordinator and other staff in charge of CSR activities in their departments draw support from initiatives implemented by the Bouygues group's department in charge of sustainable development.

Status of the agreement

The renewal of this agreement for a period of one year, starting January 1, 2014, was approved by the General Meeting of April 17, 2014.

Agreement approved for the previous financial year and submitted for approval to the General Meeting of April 16, 2015.

By participating in cross-group Meetings, information sessions, and training, they discuss experiences on specific issues (non-financial indicators, reduced energy consumption and carbon emissions, responsible purchasing and responsible communication). They also benefit from the monitoring of CSR news and legal developments as well as the sharing of tools (CSR reporting with Enablon).

In 2014, all the businesses took part in a competition on the theme of innovation related to energy and carbon.

- Information Systems Department: The TF1 group Information Systems Department benefits from synergies with Bouygues group departments, thanks to active coordination by Bouygues. As a result, TF1 belongs to a virus-warning network and enjoys more general benefits such as IT security and global purchasing for IT hardware and software.

Last, in 2014 the Bouygues group, as majority shareholder, regularly offered its support formally and/or informally in dealing with operational issues, notably in the legal and financial areas. For example, Meetings were held to discuss the obligations arising from the implementation of the European Market Infrastructure Regulation (EMIR).

Financial conditions: The services provided to TF1 by Bouygues are invoiced by dividing the cost among the companies using them. In 2014, Bouygues invoiced TF1 a total of €3.1 million, equivalent to 0.15% of the TF1 group's total revenues (compared with €3.4 million in 2013, or 0.14% of revenues).

The actual cost of these shared corporate functions is reinvoiced to TF1 using a formula tailored to the nature of the service: the ratio of TF1 headcount to total Bouygues group headcount for human resources, long-term capital for financial matters, and revenue for all other functions.

Supplementary retirement pension granted to executives of the company

Authorisation: On October 29, 2014, the Board of Directors approved the renewal for a period of one year, starting January 1, 2015, of the supplemental retirement pension granted to Nonce Paolini under the agreement on the collective pension plan, with benefits determined by Bouygues.

Parties concerned:

- Bouygues: Martin Bouygues (Chairman and Chief Executive Officer, Director), Olivier Bouygues and Nonce Paolini (Directors);
- Bouygues is a shareholder.

Benefit: With this agreement, a supplemental retirement pension is granted to Nonce Paolini, Chairman and Chief Executive Officer of TF1 and employee of the Bouygues group. The Board of Directors approved the renewal of the supplementary retirement pension under the agreement on the collective pension plan with defined benefits for the members of the Bouygues General Management Committee, of which Nonce Paolini is a member. Under this supplementary plan, beneficiaries accrue 0.92% of the reference salary (average of the best three years) for each year in the plan. The supplementary annual pension is capped at eight times the social security annual cap. This supplementary pension plan is outsourced to an insurance company. This agreement is intended to enable Bouygues to retain the members of its General Management Committee. TF1 also benefits from the negotiations in the Bouygues group between Bouygues and the executives in its businesses.

Financial conditions: Premium totalled €638,170 excluding VAT in 2014, corresponding to the share of the premiums paid to the insurance company.

Status of the agreement

The renewal of this agreement for a period of one year, starting January 1, 2014, was approved by the General Meeting of April 17, 2014.

Agreement approved for the previous financial year and submitted for approval to the General Meeting of April 16, 2015.

WITH THE ECONOMIC INTEREST GROUP (GIE) "32 AVENUE HOCHE"

Provision of offices

Authorisation: On October 29, 2014, the Board of Directors approved the renewal for a period of one year, starting January 1, 2015, of the agreement for the provision of offices on the first floor of the building at 32, avenue Hoche.

Parties concerned:

- Bouygues: Martin Bouygues (Chairman and Chief Executive Officer, Director), Olivier Bouygues and Nonce Paolini (Directors);
- Bouygues is a member of the Economic Interest Group (GIE).

Benefit: Under this agreement, the GIE "32 avenue Hoche" provides TF1 with offices for the reception of visitors and meeting rooms on the first floor located in central Paris as well as related services for receiving visitors, computers facilities and secretarial services.

Financial conditions: The GIE was paid €12,988 excluding VAT in 2014.

Status of the agreement

The renewal of this agreement for a period of one year, starting January 1, 2014, was approved by the General Meeting of April 17, 2014.

Agreement approved for the previous financial year and submitted for approval to the General Meeting of April 16, 2015.

WITH AIRBY	
For the use of aircraft held by AirBy **Authorisation:** On October 29, 2014, the Board of Directors approved the agreement entitling TF1 to use aircraft leased or owned by Bouygues and operated by AirBy, with the airplane and all related services included in the cost. **Parties concerned:** ■ Bouygues: Martin Bouygues (Chairman and Chief Executive Officer, Director), Olivier Bouygues and Nonce Paolini (Directors); ■ Bouygues is a partner. **Benefit:** This agreement offers TF1 the use of aircraft operated by AirBy, a company owned indirectly by Bouygues and SCDM. TF1 is entitled to use AirBy's Global 5000 or an equivalent aircraft. TF1 has not used this facility since 2009. **Financial conditions:** Use of a Global 5000 is charged at a flat rate of €7,000 per flight hour, which includes the aircraft and all related services (pilot, fuel, etc.) provided during its use. When the aircraft provided by AirBy is leased, the cost is the leasing cost plus €1,000 excluding VAT for the chartering service provided by AirBy to TF1. This amount is invoiced each time such an aircraft is provided. No amount was invoiced in 2014.	**Status of the agreement** The renewal of this agreement for a period of one year, starting January 1, 2014, was approved by the General Meeting of April 17, 2014. **Agreement approved for the previous financial year and submitted for approval to the General Meeting of April 16, 2015.**

- **appropriate and distribute profits;**

In the 5th resolution, having noted the existence of distributable profits of €494,395,940.41, comprising net profit for the period of €293,720,236.14 and retained earnings of €200,675,704.27, we ask you to appropriate this sum as follows:

- distribution of a cash dividend of €317,293,146.00 (*i.e.* a dividend of €1.50 per share with a par value of €0.20);
- the balance of €177,102,794.41 to be carried forward as retained earnings.

The ex-date of the dividend on the Euronext Paris market will be April 24, 2015. The date of record (*i.e.* the day at the end of which the post-settlement positions entitled to the dividend are determined) will be April 27, 2015. The payment date of the dividend will be April 28, 2015.

This dividend is eligible for the 40% tax rebate mentioned in paragraph 2, section 3 of Article 158 of the General Tax Code.

We also ask for your authority to transfer to retained earnings the amount of dividend accruing to any of its own shares that TF1 may hold, in accordance with Article L. 225-210 of the French Commercial Code.

The amount of dividend distributed in respect of the three previous financial years was as follows:

Year ended	Dividend per share*
December 31, 2011	€0.55
December 31, 2012	€0.55
December 31, 2013	€0.55

* *For natural persons domiciled for tax purposes in France, the dividend is eligible for the tax rebate of 40% provided by Article 158.3.2 of the General Tax Code.*

- **renew the Directors' terms of office that expire in 2015;**

The Board of Directors has examined its composition, organisation and functioning with regard to the governance rules set forth in the Articles of Association and Internal Procedures and the recommendations of the AFEP/MEDEF corporate governance code.

Noting that almost all the Directors' terms of office are renewed at the same time (nine are being renewed at the 2015 General Meeting), thus failing to ensure the balanced succession process recommended by the AFEP/MEDEF, the Board of Directors, on a proposal by the Director Selection Committee, has decided to stagger the terms of office. It therefore proposes to extend those of Directors not representing the personnel from two to three years by submitting the corresponding modification of the Articles of Association for approval by vote of the shareholders.

Thus, among the nine terms of office to be renewed at the General Meeting, three would be renewed exceptionally for only one year, three for two years and three for three years. Once this new spacing is in place, all terms of office will be renewed for a period of three years. The terms of office of Directors representing the personnel will continue to be two years.

The Board of Directors has examined the renewals taking into account the Directors' expertise, the need to maintain the same number of independent Directors, and the policy of seating more women on the Board.

The Board of Directors looked especially closely at the expertise, experience and knowledge of the Group's businesses that each Director must possess to contribute effectively to the work of the Board and its four committees.

To implement this new system, the Board of Directors proposes to renew the terms of office of Claude Berda, Gilles Pélisson and Olivier Roussat for one year (*i.e.* until the 2016 General Meeting), those of Olivier Bouygues, Catherine Dussart and Nonce Paolini for two years (*i.e.* until the 2017 General Meeting), and those of Martin Bouygues, Laurence Danon and Bouygues for three years (*i.e.* until the 2018 General Meeting).

Among the Directors not representing the personnel, there will continue to be four independent Directors as well as three women Directors in addition to the two women Directors representing the personnel.

The Directors' curricula vitae are found in Part 2.1.3, pages 40 to 48, of this registration document and annual financial report.

The composition of the Board of Directors is updated regularly on the company's website (www.groupe-tf1.fr, Groupe TF1 > Investors > Governance > Board of Directors).

- **approve the components of remuneration due or allocated in respect of FY 2014 to the Executive Director of the company;**

In accordance with the recommendations of the AFEP/MEDEF Code revised in June 2013 (Article 24.3), which is the Code to which the company refers pursuant to Article L. 225-37 of the French Commercial Code, shareholders shall be consulted on the components of remuneration due or allocated in respect of the closed financial year to the Executive Director of the company, including:

- the fixed portion;
- the annual variable portion and where necessary the multi-year variable portion along with the objectives that contribute to the determination of this variable portion;
- extraordinary remuneration;
- stock options, performance shares, and any other component of long-term remuneration;
- benefits linked to taking up or terminating office;
- supplementary pension scheme;
- any other benefits.

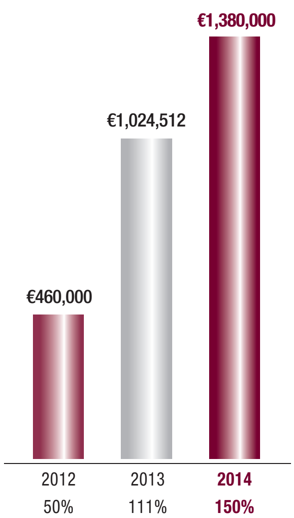
The vote concerns only the remuneration due or allocated in respect of FY 2014 to the Chairman and CEO, Nonce Paolini.

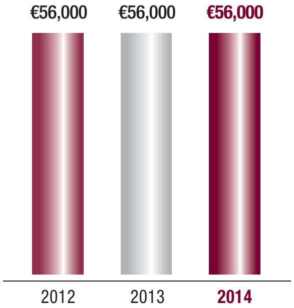
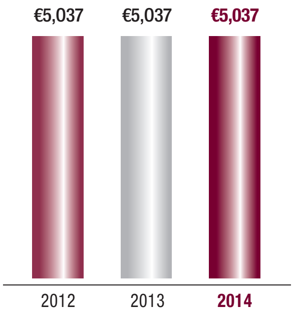
Information about remuneration is presented in the Corporate Governance report by the Chairman of the Board of Directors (see part 2.3 of this registration document and annual financial report, page 74).

The information was also posted on the company's website on February 19, 2015, at http://www.groupe-tf1.fr/fr/investisseurs/gouvernance/renumeration-des-dirigeants.

The TF1 Board of Directors determines Nonce Paolini's fixed and variable remuneration, in accordance with Article L. 225-53 of the French Commercial Code, after seeking the opinion of the Remuneration Committee.

When voting on the 15th resolution, we ask you to approve the components of remuneration due or allocated in respect of FY 2014 to Chairman and CEO Nonce Paolini, namely:

Components of remuneration due or allocated in respect of the closed financial year	Amounts or value put to a vote	Description
Fixed remuneration	€920,000	Gross amounts due before tax No change since 2011 **Policy for determining fixed remuneration:** Criteria considered: level and complexity of the responsibilities, experience in the post and length of service with the Group, as well as the practices followed by the Group or companies carrying on similar businesses. **Past years' fixed remuneration:** ■ 2013: €920,000; ■ 2012: €920,000.
Annual variable remuneration	€1,380,000 To be paid in March 2015 150% of fixed remuneration	**Quantitative criteria Gross amounts due before tax:** ■ P1 criterion: change in consolidated net profit attributable to the Bouygues group. This criterion represents 30% of fixed remuneration on achieving the objective and takes into consideration all Bouygues group financial performances; ■ P2 criterion: change, compared with the business plan, in consolidated net profit attributable to the TF1 group. This criterion represents 35% of fixed remuneration on achieving the objective and rewards the Executive Director for meeting budget commitments; ■ P3 criterion: year-on-year change in consolidated net profit attributable to the TF1 group. This criterion represents 35% of fixed remuneration on achieving the objective and takes into consideration the year-on-year growth performance. **Qualitative criteria:** ■ P4 criterion: this criterion consists of four qualitative criteria that are not disclosed for confidentiality reasons. They represent 50% of fixed remuneration on achieving the objectives. In 2013, the Remuneration Committee decided that, for 2014, these qualitative criteria would include a qualitative criterion on CSR performance (namely TF1's continued inclusion in at least three CSR rating indices). During the year, the TF1 group remained in the previous years' indices and was also included in other indices (Euronext Vigeo France 20; listed as one of the stocks recognised by the Oekom research institute). The CSR performance recognition objective was therefore achieved from its first year of implementation. **Indicators:** ■ measured with reference to significant economic indicators, which are intended to be stable and appropriate over time; ■ annual review of the appropriateness of these indicators **Cap:** ■ 150% of fixed salary. **Past years' annual variable remuneration and percentage of fixed remuneration:** 

Components of remuneration due or allocated in respect of the closed financial year	Amounts or value put to a vote	Description
Deferred variable remuneration	Not applicable	No deferred variable remuneration
Multi-year variable remuneration	Not applicable	No multi-year variable remuneration
Exceptional remuneration	Not applicable	No exceptional variable remuneration
Stock options, performance shares, and any other component of long-term remuneration	Not applicable	**TF1 stock options:** ■ None granted in 2013 and 2014, ■ Nonce Paolini has received no TF1 options since 2010, ■ he was not a beneficiary of plans 12 and 13 allocated in 2011 and 2012. **Bouygues stock options**: Nonce Paolini was allocated: ■ in 2013, 80,000 options that may be exercised from 2017 at an exercise price of €22.28; ■ in 2014, 80,000 options that may be exercised from 2018 at an exercise price of €30.32.
Directors' fees	€56,000 Gross amount, before tax	■ €18,500 in respect of his TF1 Directorship. Amount calculated in accordance with the provisions set at the 2003 General Meeting (see 2.3 of this registration document and annual financial report, page 77). ■ €25,000 in respect of his Bouygues Directorship. ■ €12,500 in respect of his Bouygues Telecom Directorship. 
Value of other benefits	€5,037	**In-kind benefits**: ■ unchanged. **Benefits provided:** ■ company car; ■ part-time assignment of a personal assistant; ■ driver-bodyguard. 

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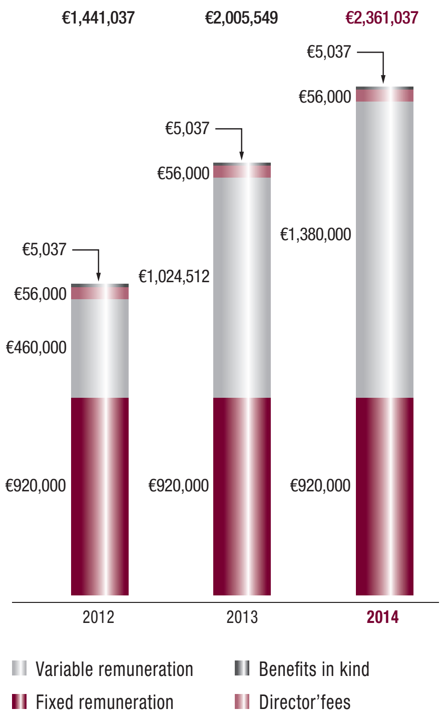
Components of remuneration due or allocated in respect of the closed financial year that are or have been put to a vote by the General Meeting under the procedure governing regulated agreements and commitments	Amounts put to a vote	Description
Benefits for taking up a position or termination	Not applicable	**Take-up, termination or change of function:** ■ no benefit; ■ no benefit due or likely to be due; ■ no commitment has been made and no promise made to grant termination benefits; **if termination benefits were paid to Nonce Paolini, they would be charged to TF1 in proportion to the years spent as an employee or corporate officer within the TF1 group.**
Non-competition benefit	Not applicable	No non-competition clause.
Supplementary pension scheme	0.92% of the reference salary (average of three best years) for each year of membership, or eight times the upper earnings limit for social security contributions (currently €304,320).	■ Under a policy governed by the French Insurance Code, Bouygues offers the members of its Senior Management Committee a supplementary pension set at 0.92% of the reference salary (average of three best years) for each year of membership. Nonce Paolini is a member of that committee. The annual supplementary pension is capped at eight times the upper earnings limit for social security contributions (currently €304,320). ■ This entitlement is acquired after ten years of service at the Bouygues group and applies only to those who are at the Group when they take their retirement. ■ The annual supplementary pension is subject to the procedure on regulated agreements, and Bouygues charges TF1 for the portion corresponding to premiums paid to the insurance company.

Nonce Paolini holds 4,050 TF1 shares of which 3,950 are held in regard to the retention obligation following the exercise of stock options in 2013.

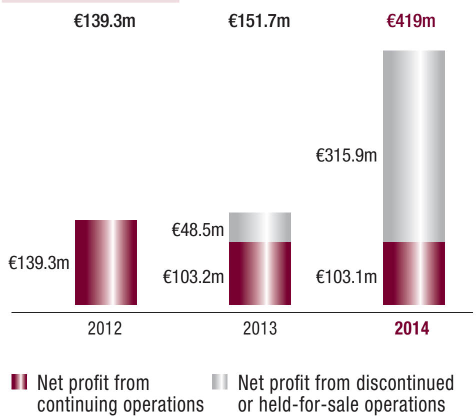
To summarise, Nonce Paolini's total remuneration in the last three financial years is as follows:



The Board of Directors determines this remuneration in the general interest of the company and on the basis of:

– the company's performance: the Board deemed that this remuneration reflected the work done and outcomes achieved in a highly complex economic, regulatory and competitive environment. Despite the broadcast of the 2014 FIFA World Cup (acquired for €130 million in 2005), net profit attributable to the Group from continuing operations was stable in 2014. Total net profit was €419 million in 2014: this includes the gain on the sale of a controlling interest in Eurosport to Discovery Communications and therefore reflects the value that was created;

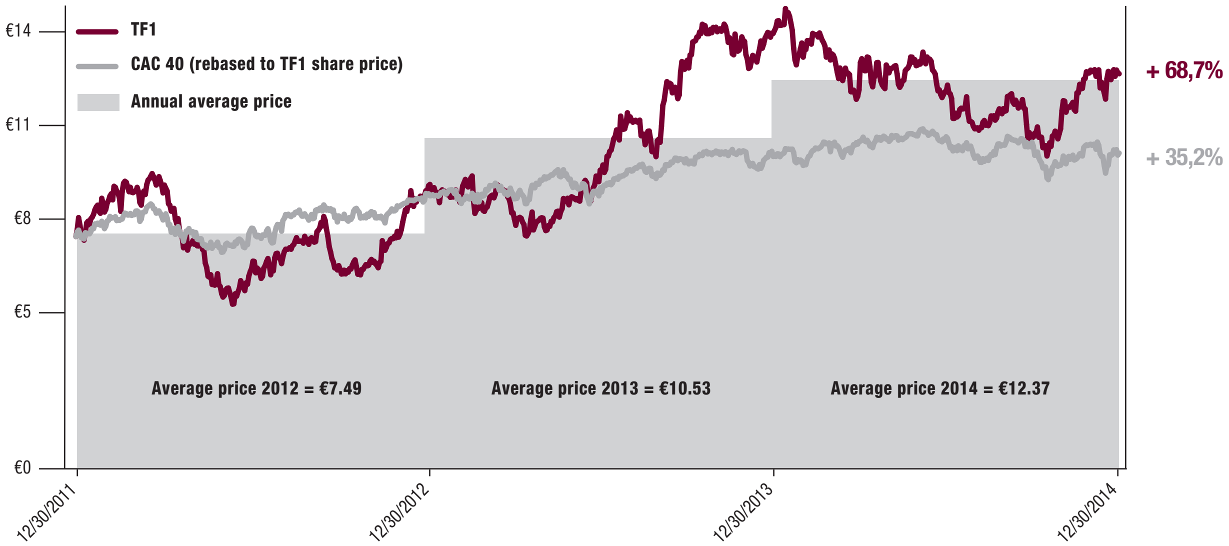
NET PROFIT (€M)



– share price performance.

Remuneration was considered against the company's share price performance.

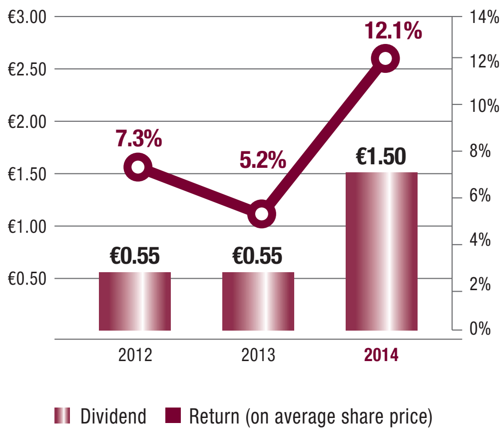
SHARE PRICE 2012-2014



Between January 1, 2012 and December 31, 2014, the period under consideration, TF1's share price rose by 68.7%, compared with the 35.2% rise in the CAC 40.

Remuneration was also considered against total shareholder return.

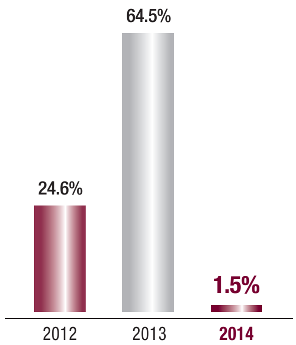
RETURN ON THE TF1 SHARE



The average return (dividends received for years 2012-2013-2014 / average price for the period) was 25.7%.

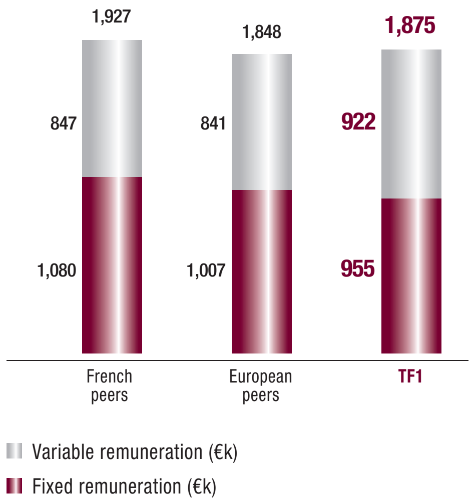
Incorporating these two criteria (dividends received and capital gains realised), total shareholder return for the TF1 share was 103.1% between January 1, 2012 and December 31, 2014;

TOTAL SHAREHOLDER RETURN



– intra-group and sector comparison: remuneration is assessed against that of other French and European senior managers in the sector. It is also determined using rules applied consistently across the Bouygues group's different business lines.

COMPARISON OF FIXED AND VARIABLE REMUNERATION*



* Average of the last three years available:

- 2011-2013 for French peers (M6, Canal+, Vivendi) and European peers (ITV, ProSieben Sat1, Mediaset Italia and Mediaset España),
- 2012-2014 for TF1.

- **authorise your company to trade in its own shares;**

The 16th resolution authorises the company to trade in and buy back shares representing up to 10% of the company's share capital, within the limits set by the shareholders and in accordance with law. This resolution supersedes the authorisations given by the shareholders at previous General Meetings.

DETAILS OF THE PROGRAMME SUBMITTED FOR APPROVAL

- securities concerned: shares;
- maximum percentage of the capital authorised for repurchase: 10%;
- maximum overall amount: €300 million;
- maximum price per share: €25;
- duration: 18 months.

AIMS

The aims of the buyback programme are the same as for the previous programme. A description of the share buyback programme is provided in this registration document and annual financial report (chapter 6, page 237).

Share buybacks, which must not exceed 10% of the capital, can be used in particular to cancel shares under the authorisation set forth in the 17th resolution, in order, among others, to offset the dilutive impact on shareholders from the exercise of stock options allocated to employees and corporate officers. Buybacks can also, in accordance with a market practice accepted by the AMF (Autorité des Marchés Financiers) ensure the liquidity of and organise the market for the company's shares, through an investment service provider acting completely independently. They can also be used as a medium of payment or exchange for acquisitions, mergers, demergers or transfers of assets or upon the exercise of rights attached to securities through redemption, conversion or exchange.

The purchased shares can subsequently be disposed of under the conditions set by the AMF in its position of November 19, 2009 on the implementation of the new rules on share buybacks.

These transactions may be carried out in any manner and at any time, except during a takeover bid, a public offer of exchange or a standing market offer for the company's shares, and using derivative financial instruments, in compliance with regulatory requirements, pursuant to Article L. 225-209 of the French Commercial Code and the regulations set forth by the Autorité des Marchés Financiers (AMF). The Board of Directors wanted to expand the options for share buybacks by seeking authorisation to go through top-rated banks to use derivative financial instruments and make purchases on or off-market, on multilateral trading systems or on systematic internalisers or over the counter. The Board felt that the terms offered by this approach might be in the financial interest of the company and shareholders. The purchase price cannot exceed €25 per share. The maximum amount of funds that can be used for the share buyback programme is €300 million.

The authorisation for the company to buy back its own shares is subject to several legal limits, in particular:

- the company may not own, directly or through an intermediary acting in its own name but on behalf of the company, more than 10% of the total number of shares making up its share capital;
- the acquisition of shares must not reduce shareholders' equity below the amount of capital plus non-distributable reserves;
- throughout the period of ownership of the shares, the company must have reserves, in addition to the legal reserve, at least equal to the value of all the treasury shares it owns.

Treasury shares have no voting rights and dividends accruing to them are carried forward as retained earnings.

The company did not purchase any of its own shares between February 18, 2014 and February 18, 2015.

As at February 18, 2015, the company owned none of its shares.

RESOLUTIONS SUBMITTED BY THE BOARD OF DIRECTORS TO THE GENERAL MEETING – EXTRAORDINARY BUSINESS

The financial authorisations and powers granted by the previous General Meetings are listed in a table on page 238 et seq., chapter 6 in this registration document and annual financial report.

Between February 18, 2014 and February 18, 2015, the Board of Directors did not use the financial powers granted by the General Meeting. In the resolutions that are submitted to you, we propose that you:

- **authorise a capital reduction through the cancellation of shares;**

The purpose of the **17th resolution** is to authorise the Board of Directors to reduce the capital of the company, on one or more occasions and by up to 10% of the capital per 24-month period, by cancelling some or all of the shares acquired under the buyback programmes authorised by the General Meeting. This authorisation will be given for an 18-month period and will replace the one given at the Combined Annual General Meeting of April 17, 2014.

Cancelling repurchased shares makes it possible, if the Board deems it appropriate, to offset the dilutive impact on shareholders arising from the creation of new shares following, for example, the exercise of stock options.

TF1 did not buy back any TF1 shares in 2014 and did not cancel any of its shares. On February 18, 2015, no treasury shares were held.

- **authorise the following financial powers to issue shares and securities;**

The financial authorisations and powers granted by the 2013 and 2014 General Meetings to issue shares and securities giving access to the capital with or without pre-emptive rights expire in 2015 and were not used by the Board. The authorisations to grant options and award performance shares that expire on June 17, 2017 remain valid.

Over the years, the General Meeting has regularly granted the Board of Directors the authorisations it needs to be able to seize opportunities on the financial market so it can carry out the transactions that best meet the company's capital needs, insofar as it has a choice of securities giving access to the capital, with or without pre-emptive rights for shareholders.

We ask you to renew the previous authorisations by delegating the General Meeting's authority to the Board of Directors for a 26-month period.

These new delegations are in the same vein as similar ones authorised by previous AGMs and are consistent with usual practice and recommendations concerning amounts, ceiling and duration (26 months).

The Board of Directors, in principle, prefers to carry out capital increases with pre-emptive rights. It may, however, prove necessary to do so without pre-emptive rights for certain financial transactions. They may only be carried out if shareholders agree to waive this right in favour of designated beneficiaries or categories of beneficiaries, or with no designated beneficiaries if the company offers its shares to the public or to qualified investors or to a limited circle of investors in a private placement. The Board of Directors may nevertheless grant shareholders a priority right to a certain number of subscription rights (*à titre irréductible*) and/or to an additional number of subscription rights.

The individual and total amounts of authorised capital increases are covered by the **26th resolution**. The maximum nominal amount of immediate and/or deferred capital increases that can be made by virtue of authorisations to be granted would be fixed at €8.4 million ("overall ceiling" of 20% of the capital) with pre-emptive rights or €4.2 million ("sub-ceiling" of 10% of the capital) without pre-emptive rights. The corresponding issue options are limited by the overall ceiling. The maximum nominal amount of debt securities that may be issued under the authorisations would be €900 million.

The sub-ceiling applies to the following types of transactions:

- capital increases through a public offer or private placement without pre-emptive rights (20th resolution and 21st resolution);
- additional issues by application of the green-shoe clause, if the issue is organised without pre-emptive rights (23rd resolution);
- issues for in-kind contributions (24th resolution);
- issues for contributions of shares (25th resolution).

In accordance with the law, the issue price for the shares must be at least equal to the weighted average share price in the last three trading sessions prior to the date on which it is set, to which a maximum discount of 5% may be applied. However, you are asked to exempt the Board of Directors from the price-setting conditions set forth in the 20th and 21st resolutions by allowing an issue price equal to the average share price quoted on the stock exchange over a maximum period of six months prior to the issue or an issue price equal to the weighted average market price on the day prior to the issue (one-day VWAP) with a maximum discount of 10%.

In the **18th resolution**, you are asked to grant the Board of Directors the power to increase the capital with pre-emptive rights by issuing ordinary shares of the company and securities of any kind, issued against payment or allotted as bonus shares, giving immediate and/or subsequent access to new or existing ordinary shares of the company.

Shareholders will therefore have, in proportion to the number of shares they own, a pre-emptive right to a certain number of subscription rights and, if the Board so decides, to an additional number of subscription rights to ordinary shares and securities that may be issued on the basis of this resolution.

The total nominal amount of capital increases may not exceed €8.4 million, *i.e.*, approximately 20% of the current capital, and the total nominal amount of debt securities giving immediate and/or subsequent access to the capital would be capped at €900 million. These amounts count against the capital increase ceilings authorised in the 26th resolution.

In the **19th resolution**, you are asked to authorise the Board of Directors to increase capital through the incorporation of reserves, profits, issuance premiums or other amounts that may be capitalised by law and under the Articles of Association, by allotting bonus shares or increasing the nominal value of existing shares or by a combination of these two processes, up to a limit of a nominal amount of €400 million. This ceiling is separate and distinct from the overall ceiling set in the 26th resolution.

The **20th and 21st resolutions** seek to authorise the Board of Directors to increase the capital without pre-emptive rights by issuing ordinary shares of the company and securities of any kind, issued against payment or allotted as bonus shares, giving immediate and/or subsequent access to new or existing ordinary shares of the company up to a limit of 10% of the capital (€4.2 million) and €900 million for debt securities. These amounts count against the capital increase ceilings authorised in the 26th resolution.

The 20th resolution would authorise capital increases through a public offer; the 21st through a private placement. The aim is for the company to optimise its access to the capital markets and thus enjoy more favourable market conditions.

Unlike public share offers, capital increases through private placement are intended for persons who provide third-party asset management investment services, or qualified investors or a limited circle of investors, provided these investors are acting on their own behalf. In that case, they would be capped at 10% of the capital over a 12-month period.

The issue price for ordinary shares and securities must be such that the amount received immediately by the company, plus any amount it may subsequently receive, for each ordinary share issued, is at least equal to the minimum amount required by law, unless the provisions of the 22nd resolution, granting the Board of Directors the power to establish other price-setting methods under certain conditions, up to a limit of 10% of the capital, apply.

The **22nd resolution** seeks, in accordance with Article L. 225-136 paragraph 1 of the French Commercial Code, to exempt the Board of Directors from the price-setting conditions provided for by applicable regulation (Article R. 225-119 of the French Commercial Code) for issues carried out through a public offer or private placement, and to authorise it to set, based on methods to be determined by the General Meeting, the issue price of shares to be issued immediately or at a later date, up to a limit of 10% of the capital over a 12-month period.

The issue price would be set as follows:

- for securities to be issued immediately, the Board may choose between the following two methods:
  - issue price equal to the average share price quoted on the stock exchange over a maximum period of six months prior to the issue,
  - issue price equal to the weighted average market price on the day prior to the issue (one-day VWAP), with a maximum discount of 10%;
- for securities to be issued at a later date, the issue price will be such that the amount received immediately by the company plus the amount that may subsequently be received by the company for each share is at least equal to the amount indicated above.

The **23rd resolution** would give the Board of Directors the option, for any capital increase with or without pre-emptive rights, to increase the number of shares to be issued, during a 30-day period after the subscription closes, up to a limit of 15% of the initial issue, and up to the ceiling provided for in the resolution under which the capital increase will be decided, and at the same price as for the initial issue.

The **24th resolution** seeks to authorise the Board of Directors to carry out, based on the Merger Auditor's report, one or more capital increases, up to a limit of 10% of the capital (€4.2 million) and €900 million for debt securities, as payment for in-kind contributions to the company and consisting of shares or securities giving access to the capital of another company, excluding public offers. Transactions carried out under this authorisation will count against the ceilings for capital increases and issues of debt securities stipulated in the 26th resolution.

In the **25th resolution**, you are asked to authorise the Board of Directors to decide, in light of the Statutory Auditors' opinion on the conditions and consequences of the issue, to carry out one or more capital increases, up to a limit of 10% of the capital (€4.2 million) and €900 million for debt securities, to remunerate securities tendered as part of a public exchange offer initiated by the company for securities of a company whose shares are admitted to trading on a regulated market. Transactions carried out under this authorisation will count against the ceilings for capital increases and issues of debt securities stipulated in the 26th resolution.

- **authorise a capital increase for employees and corporate officers participating in a company savings plan;**

The purpose of the **27th resolution** is to authorise the Board of Directors to carry out capital increases reserved for employees of the TF1 group participating in a Group company savings plan, as the previous authorisation granted at the Combined Annual General Meeting of April 18, 2013 (28th resolution), which the Board did not use, expires in 2015.

At December 31, 2014, 75.5% of eligible employees participated in TF1's group savings scheme. Through the "FCPE TF1 Actions" company savings plan, employee shareholders owned 6.8% of the capital and voting rights. The FCPE TF1 Actions management company buys TF1 shares held finally by employees on the market at no discount.

The company firmly believes that it is important to enable employees to benefit from the Group's success, to which they are key contributors. Employee savings transactions and capital increases reserved for employees enable them to build their savings and be directly rewarded and involved in the Group's current operations, which helps to enhance their motivation and commitment to the company.

We ask you to renew the authorisation granted to the Board of Directors, for a period of 26 months, to decide to carry out, in the proportions and at such times as it shall determine, one or more capital increases reserved for employees and corporate officers of the company and associated companies as defined by Article L. 225-180 of the French Commercial Code, up to a maximum limit of 2% during the validity period of 26 months, by issuing new shares to be paid up in cash and, where appropriate, through the incorporation into the capital of reserves, profits or issuance premiums and the grant of bonus shares or other securities giving access to the capital. In accordance with Article L. 3332-19 of the French Labour Code, the subscription price will be equal to the average of the opening share prices quoted on the Euronext Paris market for the 20 trading sessions prior to the day of the Board of Directors' decision setting the opening date for subscription, with a maximum discount of 20%.

- **amend the company's Articles of Association;**

The **28th and 29th resolutions** seek to amend TF1 SA's Articles of Association.

The **28th resolution** seeks to remove the double voting right provided for in Article 225-123 of the French Commercial Code from all fully paid-up shares proven to have been registered in the name of the same shareholder for at least two years.

The Board of Directors considered that this double voting right mechanism could, in practice, present difficulties for a company licensed to operate a domestic television service due to the maximum ownership percentages set by Act no. 86-1067 as amended on September 30, 1986.

The **29th resolution** seeks to increase the term of office of Directors who are not employee representatives from two to three years and to amend the first three paragraphs of point III of Article 10 of the Articles of Association accordingly.

The terms of office of nine Directors who are not employee representatives will expire at this General Meeting. To stagger the reappointments of Directors who are not employee representatives, the Board of Directors, on the recommendation of the Selection Committee, asks you to decide to increase the length of their terms of office from two to three years, it being specified that, on an exceptional basis for the reappointments made at this General Meeting, the term of office will be limited to one year for three of the Directors and to two years for three other Directors. The length of the term of office of Directors who are employee representatives remains two years.

The purpose of the **30th resolution** is to harmonise the Articles of Association with legal and regulatory requirements regarding the representation of shareholders at General Meetings by removing an old reference by deleting the second paragraph of Article 21, titled "Access to General Meetings – Powers".

- **delegate powers to carry out corporate formalities;**

The purpose of the **31st resolution** is to allow all legal and administrative formalities, filings and disclosures provided for by prevailing law to be carried out.

Information on the company's operations, to be provided under the law, is included in the management report that you received.

You are asked to vote on the proposed resolutions.

The Board of Directors

8.4 PRESENTATION OF THE DRAFT RESOLUTIONS AND STATEMENT OF THE REASONS FOR THE RESOLUTIONS

ORDINARY GENERAL MEETING

Purpose of the first and second resolutions

The purpose of the first and second resolutions is to seek shareholders' approval of:

- *TF1 SA's annual accounts (also known as the company accounts) for the 2014 business year, and the transactions recorded in these accounts,*
- *the TF1 Group's annual accounts for the 2014 business year, and the transactions recorded in these accounts.*

Every year, within six months of the end of the financial year, the General Meeting must been convened to approve the annual accounts of the company and the group for the previous business year, after having acknowledged the management report by the Board of Directors and the auditors' reports. The annual accounts must be approved before any dividends can be paid.

FIRST RESOLUTION

(APPROVAL OF THE COMPANY ANNUAL ACCOUNTS AND TRANSACTIONS FOR THE 2014 BUSINESS YEAR)

The General Meeting, acting in compliance with the quorum and majority rules required for Ordinary General Meetings, having heard the reports of the Board of Directors, the Chairman of the Board of Directors and the Statutory Auditors, approves the annual company accounts for the 2014 business year as submitted, as well as the operations reflected in these accounts and summarised in these reports.

SECOND RESOLUTION

(APPROVAL OF THE CONSOLIDATED ANNUAL ACCOUNTS AND TRANSACTIONS FOR THE 2014 BUSINESS YEAR)

The General Meeting, acting in compliance with the quorum and majority rules required for Ordinary General Meetings, having heard the reports of the Board of Directors, the Chairman of the Board of Directors and the Statutory Auditors, approves the consolidated accounts for the 2014 business year as submitted, as well as the operations reflected in these accounts and summarised in these reports.

Purposes of the third and fourth resolutions

The third and fourth resolutions relate to agreements and undertakings between TF1 and its major shareholder, and between TF1 and its subsidiaries. These agreements and undertakings are described on pages 299 to 304 of Chapter 8 of the Registration Document and the Annual Financial Report.

These agreements provide a transparent, efficient framework through which the Group can benefit from expert services in specific areas (legal, financial, information systems, etc.). They also enable the Group to insource various expenses, which facilitates cost variabilisation. Related-party agreements are applied in accordance with a strict decision-making process, with clear rules and several levels of ex ante control.

THIRD RESOLUTION

(APPROVAL OF RELATED-PARTY AGREEMENTS AND UNDERTAKINGS BETWEEN TF1 AND BOUYGUES)

The General Meeting, acting in compliance with the quorum and majority rules required for Ordinary General Meetings, having noted the Statutory Auditors' special report, notably on related-party agreements and undertakings between TF1 and Bouygues, and in accordance with the provisions of Articles L. 225-38 *et seq.* of the French Commercial Code, approves the related-party agreements and undertakings between TF1 and Bouygues described in this report.

FOURTH RESOLUTION

(APPROVAL OF RELATED-PARTY AGREEMENTS AND UNDERTAKINGS OTHER THAN THOSE BETWEEN TF1 AND BOUYGUES)

The General Meeting, acting in compliance with the quorum and majority rules required for Ordinary General Meetings, having noted the Statutory Auditors' special report, notably on related-party agreements and undertakings other than those between TF1 and Bouygues, and in accordance with the provisions of Articles L. 225-38 *et seq.* of the French Commercial Code, approves the related-party agreements and undertakings other than those between TF1 and Bouygues described in this report.

Purpose of the fifth resolution

The accounts for the business year ending on December 31, 2014 show available profits of €494,395,940.41, consisting of net profit for the 2014 business year of €293,720,236.14 and retained earnings of €200,675,704.27.

The TF1 Group is offering to pay shareholders a dividend of €1.50 per share:

- *the ordinary part, reflecting performance in 2014, of €0.28 per share, representing 60% of net profit for the year. Note: the average dividend payout rate over the past five years has been 69%;*
- *in addition, for this year, there is an exceptional part of €1.22 per share in connection with the value created by the sale of the controlling interest in Eurosport. The TF1 group wishes to reward shareholders for their investment and the associated risk.*

The proposed dividend would be paid on April 28, 2015. The ex-dividend date would be April 24, 2015.

FIFTH RESOLUTION

(APPROPRIATION OF PROFITS FOR THE 2014 BUSINESS YEAR AND SETTING THE AMOUNT OF THE DIVIDEND)

The General Meeting, acting in compliance with the quorum and majority rules required for Ordinary General Meetings, having noted the existence of available profits of €494,395,940.41, taking into account the net profit for the period of €293,720,236.14 and retained earnings of €200,675,704.27, approves the following appropriation and distribution proposed by the Board of Directors:

- distribution of a cash dividend of €317,293,146.00 (i.e., a dividend of €1.50 per share with a par value of €0.20);
- appropriation of the balance, *i.e.* €177,102,794.41.

The ex-dividend date for the Euronext Paris market shall be April 24, 2015.

The cut-off date for positions qualifying for payment shall be April 27, 2015.

The dividend shall be paid in cash on April 28, 2015.

The full dividend is eligible for the 40% tax relief referred to in indent 2 of paragraph 3 of Article 158 of the General Tax Code.

The General Meeting authorises the appropriation to Retained Earnings of the dividends arising on the TF1 shares that TF1 is authorised to hold as treasury shares, in accordance with Article 225-210 of the Commercial Code.

The General Meeting notes that the dividends distributed for the last three business years were as follows:

Period ending:	Dividend per share	Eligible for tax relief*
31/12/2011	€0.55	Yes
31/12/2012	€0.55	Yes
31/12/2013	€0.55	Yes

* *Eligible for the 40% tax relief available to individuals tax-resident in France under Article 158.3.2 of the General Tax Code.*

Purposes of the sixth, seventh, eighth, ninth, tenth, eleventh, twelfth, thirteenth and fourteenth resolutions

Most of the recommendations of the business federations Association Française des Entreprises Privées (AFEP) and Mouvement des Entreprises de France (MEDEF) have been applied at TF1 for many years. On the basis of an opinion from the Selection Committee, each year the Board of Directors examines the status of each director individually with respect to the rules in the AFEP/MEDEF Corporate Governance Code, including the rules on director independence.

The Board of Directors wishes to benefit from a range of viewpoints and profiles among its members. It seeks properly qualified directors, who understand the complex issues confronting the media industry. The Board also ensures a fair proportion of independent directors. Lastly, the Board has successfully for several years in an effort to increase the number of women among its members. Considering the balanced and diversified composition of the current Board of Directors, the shareholders are asked to renew the terms of Claude Berda, Laurence Danon, Catherine Dussart and Gilles Pelisson, the latter three of whom are independent directors.

Furthermore, the proposal to appoint five directors linked to the Bouygues Group (Nonce Paolini, Martin Bouygues, Olivier Bouygues, Olivier Roussat, and the Bouygues company) is justified because of the specific status of TF1, due to the fact that pursuant to the Privatisation Act of September 30, 1986, a group of acquirers led by the Bouygues company was designated on April 4, 1987 as the transferee of 50% of TF1's capital and that since January 27, 2006, Bouygues has been the sole agent of TF1's privatisation and, as such, is responsible for the fulfillment of the obligations undertaken by the group of acquirers, particularly the obligation to ensure continuity of operations.

In order to enable a phased renewal of the terms of the directors who are not employee representatives, in accordance with the AFEP-MEDEF's recommendation, the Board of Directors, acting on a proposal from the Selection Committee, asks the shareholders to approve the extension of these directors' terms from two to three years, with the proviso that exceptionally, as part of the renewal of the directors' terms at this General Meeting, the duration of the mandates of three of the directors shall be limited to one year, and those of three other directors shall be limited to two years..

SIXTH RESOLUTION

(RENEWAL OF CLAUDE BERDA'S TERM OF OFFICE AS A DIRECTOR FOR ONE YEAR)

The General Meeting, acting in compliance with the quorum and majority rules required for Ordinary General Meetings, renews the term of office of Claude Berda.

Subject to approval of the twenty-ninth resolution, this appointment shall run until for one year the end of the Ordinary General Meeting convened to approve the 2015 financial statements.

SEVENTH RESOLUTION

(RENEWAL OF GILLES PELISSON'S TERM OF OFFICE AS A DIRECTOR FOR ONE YEAR)

The General Meeting, acting in compliance with the quorum and majority rules required for Ordinary General Meetings, renews the term of office of Gilles Pélisson.

Subject to approval of the twenty-ninth resolution, this appointment shall run for one year until the end of the Ordinary General Meeting convened to approve the 2015 financial statements.

EIGHTH RESOLUTION

(RENEWAL OF OLIVIER ROUSSAT'S TERM OF OFFICE AS A DIRECTOR FOR ONE YEAR)

The General Meeting, acting in compliance with the quorum and majority rules required for Ordinary General Meetings, renews the term of office of Olivier Roussat.

Subject to approval of the twenty-ninth resolution, this appointment shall run for one year until the end of the Ordinary General Meeting convened to approve the 2015 financial statements.

NINTH RESOLUTION

(RENEWAL OF OLIVIER BOUYGUES'S TERM OF OFFICE AS A DIRECTOR FOR TWO YEARS)

The General Meeting, acting in compliance with the quorum and majority rules required for Ordinary General Meetings, renews the term of office of Olivier Bouygues.

Subject to approval of the twenty-ninth resolution, this appointment shall run for two years until the end of the Ordinary General Meeting convened to approve the 2016 financial statements.

TENTH RESOLUTION

(RENEWAL OF CATHERINE DUSSART'S TERM OF OFFICE AS A DIRECTOR FOR TWO YEARS)

The General Meeting, acting in compliance with the quorum and majority rules required for Ordinary General Meetings, renews the term of office of Catherine Dussart.

Subject to approval of the twenty-ninth resolution, this appointment shall run for two years until the end of the Ordinary General Meeting convened to approve the 2016 financial statements.

ELEVENTH RESOLUTION

(RENEWAL OF NONCE PAOLINI'S TERM OF OFFICE AS A DIRECTOR FOR TWO YEARS)

The General Meeting, acting in compliance with the quorum and majority rules required for Ordinary General Meetings, renews the term of office of Nonce Paolini.

Subject to approval of the twenty-ninth resolution, this appointment shall run for two years until the end of the Ordinary General Meeting convened to approve the 2016 financial statements.

TWELFTH RESOLUTION

(RENEWAL OF MARTIN BOUYGUES'S TERM OF OFFICE AS A DIRECTOR FOR THREE YEARS)

The General Meeting, acting in compliance with the quorum and majority rules required for Ordinary General Meetings, renews the term of office of Martin Bouygues.

Subject to approval of the twenty-ninth resolution, this appointment shall run for three years until the end of the Ordinary General Meeting convened to approve the 2017 financial statements.

THIRTEENTH RESOLUTION

(RENEWAL OF LAURENCE DANON'S TERM OF OFFICE AS A DIRECTOR FOR THREE YEARS)

The General Meeting, acting in compliance with the quorum and majority rules required for Ordinary General Meetings, renews the term of office of Laurence Danon.

Subject to approval of the twenty-ninth resolution, this appointment shall run for three years until the end of the Ordinary General Meeting convened to approve the 2017 financial statements.

FOURTEENTH RESOLUTION

(RENEWAL OF THE BOUYGUES COMPANY'S TERM OF OFFICE AS A DIRECTOR FOR THREE YEARS)

The General Meeting, acting in compliance with the quorum and majority rules required for Ordinary General Meetings, renews the term of office of the Bouygues company.

Subject to approval of the twenty-ninth resolution, this appointment shall run for three years until the end of the Ordinary General Meeting convened to approve the 2017 financial statements.

Purpose of the fifteenth resolution

The purpose of this resolution is to approve the proposed remuneration for Nonce Paolini, Chairman and Chief Executive Officer, for 2014 business year. The proposed remuneration for Nonce Paolini, Chairman and Chief Executive Officer, for the 2014 business year is €1,380,000, an increase of €355,488. While the fixed portion of the remuneration has not changed, the performance-related portion has risen, reflecting both the work accomplished and the results achieved in a particularly complex economic, regulatory and competitive environment. Despite the broadcast of the FIFA World Cup 2014, the net profit Group share of ongoing business operations remained stable. Total net profit, by contrast, increased strongly, incorporating a capital gain on the sale of the controlling interest in Eurosport to Discovery Communications, reflecting the value created, partly paid to shareholders.

The remuneration is also assessed in the light of the remuneration of Chairmen and CEOs of other major European media companies.

FIFTEENTH RESOLUTION

(APPROVAL OF THE REMUNERATION DUE OR GRANTED TO NONCE PAOLINI, CHAIRMAN AND CHIEF EXECUTIVE OFFICER, FOR THE 2014 BUSINESS YEAR)

The General Meeting, acting in compliance with the quorum and majority rules required for Ordinary General Meetings approves the remuneration due or granted to Mr. Nonce Paolini in his capacity as Chairman and Chief Executive Officer, as they appear in the report on the resolutions.

Purpose of the sixteenth resolution

The purpose of this motion is to renew, for a period of 18 months, the authorisation granted to the Board of Directors to buy back TF1 shares on behalf of the Company, in accordance with legal provisions.

The aims of the new buyback programme are the same as for the previous programme and are detailed in the resolution.

Share buybacks, which may not exceed 10% of the Company's capital, can be used especially to cancel shares under the authorisation provided for in the seventeenth resolution, with a view, to enabling the implementation of the Company's policy of rewarding shareholders.

The price at which the Company may purchase its own shares may not exceed €25 per share, up to a limit of €300 million.

The Board of Directors has not used the previous authorisation, which expires in 2015.

SIXTEENTH RESOLUTION

(AUTHORISATION GRANTED TO THE BOARD OF DIRECTORS TO TRADE IN THE COMPANY'S OWN SHARES)

The General Meeting, acting in compliance with the quorum and majority rules required for Ordinary General Meetings, and having acquainted itself with the Board of Directors' report, including a description of a share buyback programme, in accordance with the provisions of Articles L. 225-209 *et seq.* of the Commercial Code:

1. hereby authorises the Board of Directors to buy back, under the conditions set out below, shares representing up to 10% of the company's share capital at the date of the buyback, in compliance with the prevailing legal and regulatory conditions applicable at that date, particularly the conditions laid down by Articles L. 225-209 *et seq.* of the Commercial Code, by European Commission Regulation no. 2273/2003 of December 22, 2003, and by the AMF (Autorité des Marchés Financiers) General Regulation;
2. decides that this authorisation may be used for the following purposes:
   - cancel shares under the conditions provided for by law, subject to authorisation by the Extraordinary General Meeting,
   - grant shares to employees or corporate officers of the company or related companies under the terms and conditions laid down by law, in particular as part of profit-sharing schemes, stock option schemes, corporate savings plans and inter-company savings schemes or through an allotment of bonus shares,
   - ensure the liquidity of and organise the market for the company's shares, through an investment service provider acting under the terms of a liquidity agreement that complies with a Code of Conduct recognised by the AMF,
   - retain shares with a view to using them subsequently as a medium of payment or exchange for acquisitions, mergers, demergers or transfers of assets, in compliance with market practices accepted by the AMF and with regulatory requirements,
   - retain shares with a view to delivering them subsequently upon exercise of rights attached to securities through redemption, conversion or exchange, presentation of a warrant or in any other manner,
   - implement any market practice accepted by the AMF and generally to carry out any other transaction in compliance with prevailing regulations;
3. resolves that the acquisition, sale, transfer or exchange of these shares may be carried out, on one or several occasions, in compliance with rules issued by the market authorities, on or off market, including on a multilateral trading facility (MTF) or *via* a systematic internaliser, or over the counter, in any manner, including the acquisition or disposal of blocks of shares, by using derivative financial instruments, and at any time, except during a takeover bid, a public offer of exchange or a standing market offer for the company's shares. The entire programme may be carried out through block trades. The purchased shares can subsequently be disposed of under the conditions set by the AMF in its position of November 19, 2009 on the implementation of the new rules on share buybacks;
4. resolves that the purchase price cannot exceed €25 (twenty-five euros) per share, subject to any adjustments relating to share capital transactions. If share capital is increased by incorporating premiums, earnings, reserves or bonus shares into capital, or in the event of a stock split or reverse stock split, the price indicated above shall be adjusted by a multiplication factor equal to the ratio of the number of shares making up the share capital before the transaction to the number of shares after the transaction;
5. sets at €300,000,000 (three hundred million euros), the maximum amount of funds that can be used for the share buyback programme;
6. notes that, in accordance with law, the total shares held at any given date may not exceed 10% of the share capital outstanding at that date;
7. gives full powers to the Board of Directors, with the power to sub-delegate, in accordance with applicable law, to implement this authorisation, place all stock orders, conclude all agreements, in particular with a view to the registration of purchases and sale of shares, completing all declarations and formalities with the AMF or any other body, and in general taking all necessary measures to execute the decisions taken within the scope of this authorisation;
8. resolves that the Board of Directors shall inform the Annual General Meeting of the transactions carried out, in accordance with applicable regulations;
9. grants this authorisation for eighteen months as from the date of this Meeting and notes that it supersedes the unused portion of any previous authorisation given for the same purpose.

EXTRAORDINARY PART

Purpose of the seventeenth resolution

Given that the authorisation granted by the General Meeting of 17 April 2014 is due to expire in 2015, this motion is designed to delegate all requisite powers to the Board of Directors to cancel all or part of the Company's shares acquired as part of the share purchase programmes authorised by the General Meeting under the sixteenth motion, in one or more instances, subject to an overall cap of 10% of the share capital of the Company in any given period of 24 months.

The authorisation would be granted for 18 months. If the Board deems it beneficial, the purchased shares may be cancelled to compensate for the dilution for shareholders resulting from new shares created, for example, by the exercise of stock options.

SEVENTEENTH RESOLUTION

(AUTHORISING THE BOARD OF DIRECTORS TO REDUCE THE SHARE CAPITAL BY CANCELLING THE COMPANY'S OWN SHARES THAT IT HOLDS)

The General Meeting, ruling in accordance with the conditions governing quorum and majority that apply to Extraordinary General Meetings, having taken note of the report of the Board of Directors and of the special report of the Statutory Auditors, and acting in accordance with the provisions of Article L. 225-209 of France's Commercial Code:

1. hereby authorises the Board of Directors to cancel, at its sole discretion, in one or more instances, all or part of the shares that the company holds or might come to hold as a result of the use of the various authorisations to buy up its own shares granted by the General Meeting to the Board of Directors, to the extent of up to 10% of the total number of the shares comprising the company's share capital on the date of the operation, in any given period of twenty-four months;
2. authorises the Board of Directors to charge the difference between the purchase value of the cancelled shares and their nominal value to all available premium and reserve funds;
3. delegates to the Board of Directors, with the power to sub-delegate under and in accordance with applicable law, full powers to carry out the capital reduction(s) resulting from cancellations of shares authorised by this resolution, to have the relevant entries made in the financial statements, to amend the Memorandum and Articles of Association accordingly, and generally to attend to all necessary formalities;
4. grants this authorisation, which supersedes the unused portion of any previous authorisation given for the same purpose, for eighteen months from the date of this Annual General Meeting.

Purposes of the eighteenth to the twenty-sixth resolutions

These delegations of powers, for a period of 26 months, are designed to enable the issuing of securities that provide immediate or deferred access to the Company's share capital, in France and abroad, while maintaining the shareholders' preferential right of subscription (capped at €8.4 million) or suspending it (capped at €4.2 million). They shall enable the Board of Directors to take advantage of the opportunities offered by the financial markets, in order to accomplish the best operations depending on the Company's requirements in terms of shareholder equity, using a selection of securities that provide access to the share capital. The twenty-fourth resolution would enable TF1 to carry out acquisitions or mergers with other companies without having to pay cash. The twenty-fifth resolution would enable TF1 to offer the shareholders of a listed company to exchange their shares for TF1 shares issued for that purpose and to thus enable TF1 to acquire the shares of the company concerned without, for example, having to contract a bank loan.

EIGHTEENTH RESOLUTION

(DELEGATION OF POWERS TO THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL BY A PUBLIC OFFERING, WHILE MAINTAINING THE SHAREHOLDERS' PREFERENTIAL RIGHT OF SUBSCRIPTION, BY ISSUING SHARES OR ANY SECURITIES THAT PROVIDE IMMEDIATE AND/OR DEFERRED ACCESS TO THE COMPANY'S SHARES)

The General Meeting, ruling in accordance with the conditions governing quorum and majority that apply to Extraordinary General Meetings, having taken note of the report of the Board of Directors and of the special report of the Statutory Auditors, and acting in accordance with the provisions of Articles L. 225-129, L. 225-129-2, L. 228-91, L. 228-92 and L. 228-93 of France's Commercial Code:

1. hereby delegates all requisite powers to the Board of Directors, with the facility to sub-delegate them in accordance with the law, to decide to proceed with one or more increases of the share capital, in the proportions, at the times and in accordance with the terms that it shall see fit, by issuing, in France or abroad, in euros or in any foreign currency or currency unit based on several currencies, while maintaining the shareholders' preferential right of subscription, (i) common shares of the company, and (ii) any securities whatsoever, issued free of charge or in return for consideration, which provide immediate or deferred access by any means to common shares to be issued by the company, to be subscribed to either in cash, or by offsetting debts;
2. decides that the sum total of the increases of share capital in return for cash contributions that might take place immediately and/or from time to time by virtue of this delegation may not exceed an overall nominal value of €8,400,000 (eight million four hundred thousand euros), plus the nominal value of the additional shares to be issued in order to preserve the rights of the bearers of securities providing access to common shares of the company, in accordance with the law; the nominal value of the common shares that may be issued by virtue of the twentieth, twenty first, twenty fourth and twenty fifth motions tabled on the agenda of this General Meeting shall be offset against this overall cap;
3. resolves that the securities convertible into ordinary shares in the company issued in this manner may consist of debt securities or be associated to the issuance of debt securities, or enable issuance as

intermediate securities. They may take the form of subordinated or unsubordinated securities, with or without a fixed term, and be issued in euro, foreign currency or any monetary unit based on a basket of currencies;

4. decides that the nominal value of all of the debentures that might be issued by virtue of this delegation of powers may not exceed €900,000,000 (nine hundred million euros) or the counter-value of this sum in any other currency or any unit of account on the date of the decision to issue them, bearing in mind that this sum shall not include any above par redemption premiums. The nominal value of the debentures that might be issued under the twentieth, twenty first, twenty fourth and twenty fifth motions shall be offset against this overall cap. Any debt instruments providing access to common shares of the company may accrue interest at a fixed or variable rate which might be capitalised, and might be redeemable, with or without any premium or amortisement, with the securities being redeemable on the market, or subject to purchase or exchange offers by the company;
5. hereby decides that should the Board of Directors make use of this delegation of powers:
   a. shareholders will have, proportional to the amount of their shares, a pre-emptive right to subscribe to a set amount of any ordinary shares and securities issued by virtue of this resolution,
   b. the Board of Directors will have the power to grant shareholders the right to subscribe to shares that will be allocated in proportion to their rights and demand,
   c. if the subscriptions for a set amount of shares and a proportional amount of shares do not absorb all of the issue of ordinary shares or securities issued by virtue of this authorisation, the Board can use, in the order it decides, one or more of the following powers:
      – limit the issue to the amount of subscriptions received, on the condition that demand fulfils at least three-quarters of the issue,
      – allocate freely all or some of the unsubscribed securities,
      – offer to the public some or all of the unsubscribed securities in the French and/or international market and/or abroad,
   d. the Board of Directors will decide on the characteristics, amount and terms of any issue as well as of the securities issued. In particular, the Board will determine the category of securities issued and will set, given the indications in its report, the subscription price, with or without a premium, terms of payment, the dividend date, possibly retroactive, or the conditions on which the securities issued by virtue of this resolution can be converted into ordinary shares in the company, as well as the conditions on which the allotment right of holders of securities convertible into ordinary shares will be provisionally suspended, in accordance with the applicable legal provisions,
   e. the Board of Directors will have full powers, with the power to sub-delegate under and in accordance with applicable law, to implement this authorisation, in particular by entering into any agreement for this purpose, in particular with a view to the proper implementation of any issue, to conduct the abovementioned issues on one or more occasions, in the amounts, at the times it considers appropriate, in France and/or abroad and/or in the international market, – and, if necessary, to suspend them – to have the relevant entries made in the financial statements, to amend the Memorandum and Articles of Association accordingly, and generally to attend to all necessary formalities and declarations and request all the necessary authorisations to carry out these issuances;
6. is informed that this authorisation implies that the shareholders forgo their pre-emptive right to subscribe for the ordinary shares in the company to which the holders of the securities issued by virtue of this authorisation would be entitled;
7. grants this authorisation, which supersedes the unused portion of any previous authorisation given for the same purpose, for twenty-six months from the date of this Annual General Meeting.

NINETEENTH RESOLUTION

(DELEGATION OF POWERS TO THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL BY THE INCORPORATION OF PREMIUMS, RESERVES, PROFITS OR OTHERWISE)

The General Meeting, ruling in accordance with the terms governing quorum and majority stipulated by Article L. 225-98 of France's Commercial Code, having taken note of the report of the Board of Directors, and acting in accordance with the provisions of Articles L. 225-129, L. 225-129-2 and L. 225-130 of France's Commercial Code:

1. gives full powers to the Board of Directors, with the power to sub-delegate under and in accordance with applicable law, to make, in the amounts, at the times and on the terms it considers appropriate, one or more capital increases, through the successive or simultaneous capitalisation of share premium, reserves, profits or other amounts whose capitalisation is legal or statutory, by an allotment of bonus shares or by raising the value of outstanding shares or by a combination of the two processes;
2. Decides that the sum total of the increases of share capital that may take place by virtue of this motion may not exceed a nominal value of €400,000,000 (four hundred million euros), plus the nominal value of the additional shares to be issued in order to preserve the rights of the bearers of securities providing access to common shares of the company, in accordance with the law. The cap on this delegation of powers shall be separate and distinct from the overall cap set in the eighteenth motion;
3. Decides that should the Board of Directors make use of this delegation of powers, in accordance with the provisions of Article L. 225-130 of France's Commercial Code, then in case of an increase of the share capital by way of the allocation of shares free of charge, any rights that would lead to the allocation of fractional shares shall not be tradable or transferable, and the corresponding equity shares shall be sold; the moneys arising from the sale shall be allocated to the holders of the rights within the timescale stipulated by law;
4. resolves that the Board of Directors will have full powers, with the power to sub-delegate under and in accordance with applicable law, to implement this authorisation, and generally to take all the necessary action and attend to all necessary formalities to carry out each capital increase, to have the relevant entries made in the financial statements, to amend the Memorandum and Articles of Association accordingly;
5. Sets at twenty-six months as of the date of this General Meeting the period of validity of this authorisation, which hereby cancels, to the extent of any unused amounts, and replaces any prior authorisation in connection with the same subject-matter.

TWENTIETH RESOLUTION

(DELEGATION OF POWERS TO THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL BY A PUBLIC OFFERING, WITH THE SUPPRESSION OF THE SHAREHOLDERS' PREFERENTIAL RIGHT OF SUBSCRIPTION, BY ISSUING SHARES OR ANY SECURITIES THAT PROVIDE IMMEDIATE AND/OR DEFERRED ACCESS TO THE COMPANY'S SHARES)

The General Meeting, ruling in accordance with the terms governing quorum and majority at Extraordinary General Meetings, having taken note of the report of the Board of Directors and of the special report of the Statutory Auditors, and acting in accordance with the provisions of Articles L. 225-129-2, L. 225-135, L. 225-136, L. 228-92 and L. 228-93 of France's Commercial Code:

1. hereby delegates all requisite powers to the Board of Directors, with the facility to sub-delegate them in accordance with the law, to decide to proceed with one or more increases of the share capital, in the proportions, at the times and in accordance with the terms that it shall see fit, by issuing, in France or abroad, in euros or in any foreign currency or currency unit based on several currencies, while suspending the shareholders' preferential right of subscription, (i) common shares of the company, and (ii) any securities whatsoever, issued free of charge or in return for consideration, which provide immediate or deferred access by any means to common shares to be issued by the company, to be subscribed to either in cash or by offsetting debts;
2. decides that the sum total of the increases of share capital in return for cash contributions that might take place immediately and/or from time to time by virtue of this delegation may not exceed an overall nominal value of €4,200,000 (four million two hundred thousand euros), plus the nominal value of the additional shares to be issued in order to preserve the rights of the bearers of securities providing access to common shares of the company, in accordance with the law; this amount shall be offset against the overall cap set in the eighteenth motion;
3. resolves that the securities convertible into ordinary shares in the company issued in this manner may consist of debt securities or be associated to the issuance of debt securities, or enable issuance as intermediate securities. They may take the form of subordinated or unsubordinated securities, with or without a fixed term, and be issued in euro, foreign currency or any monetary unit based on a basket of currencies;
4. decides that the nominal value of all of the debentures that might be issued by virtue of this delegation of powers may not exceed €900,000,000 (nine hundred million euros) or the counter-value of this sum in any other currency or any unit of account on the date of the decision to issue them, this sum being offset against the overall cap set in the eighteenth motion, bearing in mind that it shall not include any above par redemption premiums. Any debt instruments that provide access to common shares of the company may accrue interest at a fixed or variable rate which might be capitalised, and might be redeemable, with or without any premium or amortisement, with the securities being redeemable on the market, or subject to purchase or exchange offers by the company;
5. resolves to cancel shareholders' pre-emptive right to subscribe for the securities that would be issued by virtue of this authorisation, and to empower the Board of Directors to grant shareholders the possibility to subscribe as of right and/or up to the amounts requested by them, in accordance with the provisions of Article L. 225-135 of the Commercial Code. If the subscriptions, including those from shareholders, if any, do not absorb all of the issue, the Board of Directors may limit the amount of the operation in the manner stipulated by the legislation;
6. is informed that this authorisation implies that the shareholders forgo their pre-emptive right to subscribe for the ordinary shares in the company to which the holders of the securities issued by virtue of this authorisation would be entitled;
7. decides that the Board of Directors shall set the characteristics, the amount and the terms of any issue, as well as those of the securities that are issued. It shall in particular set the category of the securities that are issued, and shall set their subscription price, in keeping with the statements featuring in its report, with or without a premium, their dividend date, which may be retroactive, and the terms whereby the securities issued by virtue of this motion shall grant access to common shares of the company, as well as the terms under which the allocation rights of the holders of securities providing access to common shares shall be temporarily suspended, in accordance with the applicable legal provisions. Save where the provisions of the twenty second motion are applied, the issue price of the common shares and of the securities that are issued shall be such that the moneys that are received immediately by the company, plus any moneys that are to be received subsequently by the company, for each common share that is issued, shall be at least equal to the minimum amount stipulated by the prevailing regulations at the time of the use of this delegation of powers, *i.e.* currently, in accordance with the provisions of Article R. 225-119 of France's Commercial Code, the weighted average of the prices in the last three trading days prior to the setting of the price, minus a possible mark-down of up to 5%;
8. decides that the Board of Directors shall have all the requisite powers, with the facility to sub-delegate them in accordance with the law, to implement this delegation of powers, such as by signing any agreement to that end, in particular to ensure the proper completion of any issue of securities, to proceed with the abovementioned issues in one or more instances, in whatever proportions and at whatever times it shall see fit, in France and/or abroad and/or on the world market, as appropriate, as well as to postpone same where need be, to acknowledge the completion thereof and to make the corresponding changes to the Memorandum and Articles of Association; to accomplish all formalities and make all declarations and request any authorisations that should be necessary for the realisation and the accomplishment of these issues;
9. sets at twenty-six months as of the date of this General Meeting the period of validity of this authorisation, which hereby cancels, to the extent of any unused amounts, and replaces any prior authorisation in connection with the same subject-matter.

TWENTY FIRST RESOLUTION

(DELEGATION OF POWERS TO THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL BY PRIVATE PLACEMENT IN KEEPING WITH POINT II OF ARTICLE L. 411-2 OF FRANCE'S FINANCIAL AND MONETARY CODE, WITH THE SUPPRESSION OF THE SHAREHOLDERS' PREFERENTIAL RIGHT OF SUBSCRIPTION, BY ISSUING SHARES AND ANY SECURITIES THAT PROVIDE IMMEDIATE OR DEFERRED ACCESS TO THE COMPANY'S SHARES)

The General Meeting, ruling in accordance with the conditions governing quorum and majority that apply to Extraordinary General Meetings, having taken note of the report of the Board of Directors and of the special report of the Statutory Auditors, and acting in accordance with the provisions of Article L. 411-2 II of France's Financial and Monetary Code, and Articles L. 225-129, L. 225-129-2, L. 225-135, L. 225-136, L. 228-92 and L. 228-93 of France's Commercial Code:

1. hereby delegates all requisite powers to the Board of Directors, with the facility to sub-delegate them in accordance with the law, to decide to proceed with one or more increases of the share capital, in the proportions, at the times and in accordance with the terms that it shall see fit, by making one or more offers in keeping with point II of Article L. 411-2 of France's Financial and Monetary Code, involving issuing, in France or abroad, in euros or in any foreign currency or monetary unit based on several currencies, while suspending the shareholders' preferential right of subscription, (i) common shares of the company, and (ii) any securities whatsoever, issued free of charge or in return for consideration, which provide immediate or deferred access by any means to common shares to be issued by the company, to be subscribed to either in cash, or by offsetting debts;
2. decides that the sum total of the increases of share capital in return for cash contributions that might take place immediately and/or from time to time by virtue of this delegation of powers may not exceed either 10% of the share capital over any given 12 month period, or an overall nominal value of €4,200,000 (four million two hundred thousand euros), the nominal value of these increases of share capital being offset against the overall cap set in the eighteenth motion. To this sum shall be added the nominal value of the additional shares to be issued in order to preserve the rights of the bearers of securities providing access to common shares of the company, in accordance with the law;
3. decides that the securities providing access to common shares of the company that are thus issued might in particular consist of debentures or might be associated with the issuing of such securities, or might be designed to enable the issuing of same, as being intermediate securities. They might take the form of subordinated or non-subordinated, fixed-term or open-ended debentures, and might be issued either in euros, or in foreign currencies, or in any currency units based on several currencies;
4. decides that the nominal value of all of the debentures that are likely to be issued by virtue of this motion may not exceed €900,000,000 (nine hundred million euros) or the counter-value of this sum in any other currency or any unit of account on the date of the decision to issue them, this sum being offset against the overall cap set in the eighteenth motion, bearing in mind that it shall not include any above par redemption premiums. Any debt instruments providing access to common shares of the company may accrue interest at a fixed or variable rate which might be capitalised, and might be redeemable, with or without any premium or amortisement, with the securities being redeemable on the market, or subject to purchase or exchange offers by the company;
5. decides to suspend the shareholders' preferential right of subscription to the common shares and/or the securities that shall be issued under this delegation of powers;
6. hereby acknowledges that this delegation of powers implies a waiver by the shareholders of their preferential right to subscribe to the common shares of the company to which the securities that may be issued pursuant to this delegation of powers may grant access;
7. decides that the Board of Directors shall set the characteristics, the amount and the terms of any issue as well as those of the securities that are issued. It shall in particular set the category of the securities that are issued, and shall set their subscription price, in keeping with the statements featuring in its report, with or without a premium, their dividend date, which may be retroactive, and, where applicable, the duration and terms under which the securities issued by virtue of this motion shall grant access to common shares of the company, as well as the terms under which the allocation rights of the holders of securities providing access to common shares shall be temporarily suspended, in accordance with the applicable legal provisions. Save where the provisions of the twenty second motion are applied, the issue price of the common shares and of the securities shall be such that the moneys received immediately by the company, plus any moneys that are to be received subsequently by the company, for each common share that is issued, shall be at least equal to the minimum amount stipulated by the prevailing regulations at the time of the use of this delegation of powers, *i.e.* currently, in accordance with the provisions of Article R. 225-119 of France's Commercial Code, the weighted average of the prices over the last three trading days prior to the setting of the price, minus a possible mark-down of up to 5%;
8. decides that the Board of Directors shall have all powers, with the facility to sub-delegate them in accordance with the law, to implement this delegation of powers, such as by signing any agreement to that end, in particular to ensure the proper completion of any issue, and to proceed with the abovementioned issues in one or more instances, in whatever proportions and at whatever times it shall see fit, in France and/or abroad and/or on the world market as may be appropriate, or to postpone them where applicable, to acknowledge the completion thereof and to make the corresponding changes to the Memorandum and Articles of Association, as well as to accomplish all formalities and make all declarations, and to request any authorisations which should turn out to be necessary for the accomplishment and proper completion of these issues;
9. sets at twenty-six months as of the date of this General Meeting the period of validity of this authorisation, which hereby cancels, to the extent of any unused amounts, and replaces any prior authorisation in connection with the same subject-matter.

TWENTY SECOND RESOLUTION

(AUTHORISING THE BOARD OF DIRECTORS, ACTING IN ACCORDANCE WITH THE TERMS LAID DOWN BY THE GENERAL MEETING, TO SET THE ISSUE PRICE OF EQUITY SHARES TO BE ISSUED IMMEDIATELY OR AT SOME POINT IN THE FUTURE BY WAY OF A PUBLIC OFFERING OR BY PRIVATE PLACEMENT AS PER POINT II OF ARTICLE L. 411-2 OF FRANCE'S FINANCIAL AND MONETARY CODE, AFTER SUSPENDING THE SHAREHOLDERS' PREFERENTIAL RIGHT OF SUBSCRIPTION)

The General Meeting, ruling in accordance with the conditions governing quorum and majority that apply to Extraordinary General Meetings, having taken note of the report of the Board of Directors and the special report of the Statutory Auditors, and acting in accordance with the provisions of section 2 of Article L. 225-136-1. of France's Commercial Code, and inasmuch as the equity shares to be issued immediately or at some point in the future are akin to equity shares listed on a regulated market:

1. hereby authorises the Board of Directors, with the facility to sub-delegate its corresponding powers in accordance with the law, for each of the issues decided in accordance with the twentieth and twenty first motions, and to the extent of up to 10% of the share capital (as at the date of this General Meeting) over any given period of twelve months, to depart from the terms governing the setting of the price stipulated by the prevailing and applicable rules and regulations at the time of the use of this authorisation, *i.e.* currently by Article R. 225-119 of France's Commercial Code, and to set the issue price of the equity shares to be issued immediately or at some point in time in the future, by a public offering or by an offer covered by point II of Article L. 411-2 of France's Financial and Monetary Code, in accordance with the following terms:
   a. in the case of equity shares that are to be issued immediately, the Board may opt between the following two procedures:
      - issue price equal to the average price witnessed over a maximum period of six months prior to the issue,
      - issue price equal to the weighted average market price on the day prior to the issue (1 day VWAP), discounted by up to 10%,
   b. in the case of equity shares that are to be issued at some point in time in the future, the issue price shall be such that the moneys received immediately by the company plus any moneys that are to be received subsequently by it for each share, shall be at least equal to the sum mentioned in point a) above;
2. decides that the Board of Directors shall have all the requisite powers to implement this motion in keeping with the terms stipulated by the motion under which the issue is decided;
3. sets at twenty-six months as of the date of this General Meeting the period of validity of this authorisation, which hereby cancels, to the extent of any unused amounts, and replaces any prior authorisation in connection with the same subject-matter.

TWENTY THIRD RESOLUTION

(AUTHORISING THE BOARD OF DIRECTORS TO INCREASE THE NUMBER OF SECURITIES TO BE ISSUED IN CASE OF AN INCREASE OF THE SHARE CAPITAL, WHILE MAINTAINING OR SUPPRESSING THE SHAREHOLDERS' PREFERENTIAL RIGHT OF SUBSCRIPTION)

The General Meeting, ruling in accordance with the conditions governing quorum and majority that apply to Extraordinary General Meetings, having taken note of the report of the Board of Directors and of the special report of the Statutory Auditors, and acting in accordance with the provisions of Article L. 225-135-1 of France's Commercial Code:

1. authorises the Board of Directors, with the power to sub-delegate under and in accordance with applicable law, to decide in the event of a capital increase with or without preferential subscription rights, to increase the number of shares issued during a thirty-day period from the closing of the subscription period by up to 15% of the initial issue, at the same price as the initial issue, on condition that the ceiling(s) stipulated in the resolution by which the issue was decided is (are) not exceeded;
2. grants the present delegation for twenty-six months as from the date of the present Meeting, and notes that it cancels and replaces the unused portion of any previous delegation granted for the same purpose.

TWENTY FOURTH RESOLUTION

(DELEGATION OF POWERS TO THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL, WITH THE SUPPRESSION OF THE SHAREHOLDERS' PREFERENTIAL RIGHT OF SUBSCRIPTION, IN ORDER TO REMUNERATE CONTRIBUTIONS IN KIND MADE TO THE COMPANY IN THE FORM OF EQUITY SHARES OR SECURITIES THAT PROVIDE ACCESS TO THE SHARE CAPITAL OF ANOTHER COMPANY, EXCLUDING PUBLIC SWAP OFFERINGS)

The General Meeting, ruling in accordance with the conditions governing quorum and majority that apply to Extraordinary General Meetings, having taken note of the report of the Board of Directors and of the special report of the Statutory Auditors, and acting in accordance with the provisions of Article L. 225-147 of France's Commercial Code:

1. hereby delegates all requisite powers to the Board of Directors, with the facility to sub-delegate them in keeping with the applicable legal provisions, to issue common shares of the company or securities that provide immediate or deferred access by any means to common shares to be issued by the company, in order to remunerate contributions in kind made to the company in the form of equity shares or securities that provide access to the share capital of another company, based on the report of the commissioners in charge of valuing such contributions mentioned in the 1st and 2nd sections of Article L. 225-147 of France's Commercial Code, where the provisions of Article L. 225-148 of France's Commercial Code are not applicable;
2. decides that the total nominal value of the increases of share capital that might take place, immediately and/or at some point in the future, by virtue of this delegation of powers, shall amount to 10% of the share capital on the date of this General Meeting. This nominal value shall be offset against the overall cap stipulated by the eighteenth motion;
3. decides that the nominal value of all of the debentures that might be issued by virtue of this delegation may not exceed €900,000,000 (nine

hundred million euros) or the counter-value of this sum in any other currency or any unit of account on the date of the decision to issue them, bearing in mind that this sum shall not include any above par redemption premiums. This nominal value shall be offset against the overall cap set in the eighteenth motion;

4. decides, for the avoidance of doubt, to suspend the shareholders' preferential right of subscription to the shares and/or the securities that may be issued under this delegation of powers, in favour of the bearers of the equity shares or securities contributed to the company;
5. hereby acknowledges that this delegation of powers implies a waiver by the shareholders of their preferential right to subscribe to the common shares to which the securities that might be issued under this delegation of powers may grant access;
6. decides that the Board of Directors shall have all powers, with the facility to sub-delegate them in accordance with the law, to implement this motion, for instance to take a decision, based on the report of the commissioners in charge of valuing contributions, on the valuation of the contributions and to approve the granting of preferential benefits, to witness the irrevocable completion of the increases of share capital accomplished by virtue of this delegation of powers, to make the corresponding changes to the Memorandum and Articles of Association, to accomplish all formalities and make all declarations, to request any authorisations that should turn out to be required for the completion of the contributions, as well as to lay down the conditions under which the allocation rights of the holders of securities providing access to common shares shall be temporarily suspended, in accordance with the applicable legal provisions;
7. grants this delegation for twenty-six months as from the date of the present Meeting, and notes that it cancels and replaces the unused portion of any previous delegation given for the same purpose.

TWENTY FIFTH RESOLUTION

(DELEGATION OF POWERS TO THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL, WITH THE SUPPRESSION OF THE SHAREHOLDERS' PREFERENTIAL RIGHT OF SUBSCRIPTION, IN ORDER TO REMUNERATE CONTRIBUTIONS OF SECURITIES IN CASE OF A PUBLIC SWAP OFFERING INITIATED BY THE COMPANY)

The General Meeting, ruling in accordance with the conditions governing quorum and majority that apply to Extraordinary General Meetings, having taken note of the report of the Board of Directors and of the special report of the Statutory Auditors, and acting in accordance with the provisions of Articles L. 225-129, L. 225-129-2, L. 225-148 and L. 228-92 of France's Commercial Code:

1. hereby delegates all requisite powers to the Board of Directors, with the facility to sub-delegate them in keeping with the applicable legal provisions, to decide to issue common shares of the company and/or other securities as remuneration for securities offered to the company as part of a public swap offering initiated by the company, in France or abroad, in accordance with the local rules, namely the securities of another company whose shares are listed on a regulated market as per Article L. 225-148 of France's Commercial Code;
2. decides that the overall nominal value of all of the increases of share capital that might be authorised immediately and/or at some point in the future under this motion shall not exceed €4,200,000 (four million two hundred thousand euros), plus the nominal value of the additional shares to be issued to preserve the rights of the bearers of securities providing access to common shares of the company, if any, in accordance with the law. This sum shall be offset against the global cap set in the eighteenth motion;
3. decides that the nominal value of all of the debentures that might be issued under this motion shall not exceed €900,000,000 (nine hundred million euros) or the counter-value of this sum in any other currency or in any unit of account on the date of the decision to issue them, bearing in mind that this sum shall not comprise any above par redemption premiums. This nominal value shall be offset against the overall cap set in the eighteenth motion;
4. decides to suspend the shareholders' preferential right to subscribe to the common shares and/or the securities to be issued under this delegation of powers;
5. acknowledges that this delegation of powers implies a waiver by the shareholders of their preferential right to subscribe to the common shares to which the securities that might be issued under this delegation of powers might grant access;
6. decides that the Board of Directors shall have all the requisite powers to implement this motion, with the facility to sub-delegate them in accordance with the law, and in particular:
   - to set the parity swap rate as well as the extent of the equalisation payment to be paid in cash, if any,
   - to witness the number of securities contributed as part of the swap,
   - to set the dates and the terms of the issue, and in particular the price and the dividend date of the new shares or, where applicable, of the securities that provide immediate and/or deferred access to common shares of the company,
   - to lay down the terms under which the allocation rights of the holders of securities that provide access to common shares shall be temporarily suspended, in accordance with the applicable legal provisions,
   - to enter the difference between the issue price of the new common shares and their nominal value in the balance sheet under the liabilities section in a line entitled "contribution surplus", over which all the shareholders shall have full rights,
   - to offset against this contribution surplus all of the costs and fees incurred in connection with the authorised operation,
   - to take all useful measures and sign any agreements in order to ensure the proper completion of the authorised operation, to witness the resulting increases of share capital, and to modify the Memorandum and Articles of Association accordingly;
7. sets at twenty-six months as of the date of this General Meeting the period of validity of this delegation of powers, which hereby cancels, to the extent of any unused amounts, and replaces any prior delegation of powers in connection with the same subject-matter.

8

TWENTY SIXTH RESOLUTION

(OVERALL CAP ON THE FINANCIAL AUTHORISATIONS)

The General Meeting, ruling in accordance with the conditions governing quorum and majority that apply to Extraordinary General Meetings, having taken note of the report of the Board of Directors, decides that:

- the overall nominal value of the increases of share capital that might take place immediately and/or at some point in time in the future by virtue of the authorisations granted under the twentieth, twenty first, twenty second, twenty third, twenty fourth and twenty fifth motions tabled on the agenda of this General Meeting, not including the nominal value of any additional shares to be issued to preserve the rights of the bearers of securities that provide access to common shares of the company, shall amount to €4,200,000 (four million two hundred thousand euros) and shall be offset against the overall cap of €8,400,000 (eight million four hundred thousand euros) mentioned in the eighteenth motion tabled on the agenda of this General Meeting;
- the overall nominal value of the debentures that might be issued by virtue of the authorisations granted under the eighteenth, twentieth, twenty first, twenty fourth and twenty fifth motions tabled on the agenda of this General Meeting shall amount to €900,000,000 (nine hundred million euros) or its counter-value in euros, bearing in mind that this sum shall not comprise any above par redemption premiums.

Purpose of the twenty-seventh resolution

This resolution is designed to authorise the Board of Directors, for a period of 26 months and up to 2% of the Company's capital, to proceed with increases of the share capital earmarked for employees of the TF1 Group who are affiliated to a corporate savings plan (French acronym: PEE) run by the Group. The subscription price could be set by applying a maximum discount of 20% to the market price, in return for an obligation to hold the shares for five years. The Company is convinced that it is important to have the employees share in the success of the Group, in which they are the key players. The implementation of employee savings schemes backed by increases of share capital earmarked for the employees would provide them with savings and would enable them to share directly in the successes of the group, thereby enhancing their commitment and motivation.

TWENTY SEVENTH RESOLUTION

(DELEGATION OF POWERS TO THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL IN FAVOUR OF THE EMPLOYEES OR DIRECTORS OF THE COMPANY OR OF AFFILIATED COMPANIES WHO ARE MEMBERS OF A CORPORATE SAVINGS PLAN, WITH THE SUPPRESSION OF THE SHAREHOLDERS' PREFERENTIAL RIGHT OF SUBSCRIPTION)

The General Meeting, ruling in accordance with the conditions governing quorum and majority that apply to Extraordinary General Meetings, having taken note of the report of the Board of Directors and of the special report of the Statutory Auditors, and acting in accordance with the provisions of France's Commercial Code, and in particular Articles L. 225-129-6 (section 1) and L. 225-138-1 thereof, as well as Articles L. 3332-1 *et seq.* of France's Labour Code:

1. hereby delegates to the Board of Directors the power to decide to proceed with one or more increases of the share capital, at its sole discretion, in whatever proportions and at whatever times it shall see fit, up to a limit of 2% of the company's share capital, throughout the period of validity of twenty-six months of this authorisation, by issuing new shares to be paid up in cash, and/or where applicable, by the incorporation of reserves, profits or premiums into the share capital and the allocation of free shares or of other securities that account for a share of its capital in keeping with the applicable legal provisions; decides that the cap that is applicable to this delegation of powers shall be separate and distinct, and that the resulting value of the increases of share capital shall not be offset against the other caps stipulated by the resolutions tabled on the agenda of this General Meeting or by the General Meeting that was held on April 17, 2014;
2. earmarks the right to subscribe to all of the shares to be issued, to the employees and Directors of TF1 and to the employees and Directors of the French or foreign companies that are linked to it as per the meaning of this term in the prevailing legislation, who are affiliated to a corporate or group savings scheme or to an inter-company savings plan;
3. decides that the subscription price of the new shares set upon each issue by the Board of Directors or its representative, in accordance with the provisions of Article L. 3332-19 of France's Labour Code, may not be more than 20% lower than the average of the quoted prices of the company's shares on the Euronext Paris market during the twenty trading days prior to the date of the decision setting the start date of the subscription;
4. hereby acknowledges that this resolution implies a waiver of the shareholders' preferential right of subscription in favour of the employees and Directors to whom the increase of share capital shall be earmarked and a waiver of any right to the shares or other securities that account for a share of its capital that shall be allocated free of charge under this resolution;
5. delegates all powers to the Board of Directors:
   - to set the date and the terms of the issues that shall take place by virtue of this resolution; and in particular to decide whether the shares shall be subscribed to directly or through a mutual fund or *via* another entity in accordance with the prevailing legislation; to set the terms governing the free allocation of shares or of other securities that account for a share of its capital, in accordance with the authorisation granted above; to set the issue price of the new shares to be issued while complying with the abovementioned rules, the opening and closing dates of the subscription periods, the dividend dates, the paying-up timescales, subject to a maximum period of three years, as well as to set the maximum number of shares that each employee may subscribe to and that may be included in each share issue,
   - to witness the accomplishment of the increases of share capital to the extent of the amount of shares that are effectively subscribed to,
   - to accomplish any operations and formalities, directly or through an agent,
   - to make the requisite changes to the memorandum and Articles of association corresponding to the increases of the company's share capital,
   - to offset the costs of the increases of the company's share capital against the premiums yielded by each increase and to draw off from this sum the moneys needed to raise the statutory reserve fund to a level of one tenth of the new share capital after each increase,
   - and, in general, to do anything that may be necessary.

The Board of Directors may delegate to the Chief Executive Officer or, with the latter's agreement, to one or more Deputy Chief Executive Officers, the powers that are entrusted to it by this resolution, within the limits stipulated by law and those that the Board shall have set beforehand;

6. sets at twenty-six months as of the date of this General Meeting the period of validity of this authorisation, which hereby cancels, to the extent of any unused amounts, and replaces any prior authorisation in connection with the same subject-matter.

Purpose of the twenty-eighth resolution

Article 225-123 of France's Commercial Code introduced a possibility to allocate double voting rights to any fully paid-up share which it can be shown has been registered in the name of the same shareholder for at least two years.

The Board of Directors, having debated the matter, considers that this double voting right mechanism may, if implemented, cause problems within a company that holds a permit to operate a national television service, owing to the maximum percentage shareholdings set by France's law no. 86-1067 (since modified) of 30 September 1986 (and specifically articles 39 & 40 of the law, which institute maximum percentages of 15 and 49% "of the share capital or voting rights" for "one and the same natural or legal person, acting on their own behalf or in conjunction with others", and 20% for "the percentage of the share capital held by foreigners"), these caps being likely to create discrepancies between the treatment of the shareholders.

The purpose of this resolution is to rule out the "double voting right" provided for in article 225-123 of France's Commercial Code.

TWENTY EIGHTH RESOLUTION

(MODIFICATION OF ARTICLE 22 OF THE MEMORANDUM AND ARTICLES OF ASSOCIATION TO RULE OUT THE ALLOCATION OF DOUBLE VOTING RIGHTS)

The General Meeting, ruling in accordance with the conditions governing quorum and majority that apply to Extraordinary General Meetings, having taken note of the report of the Board of Directors, decides not to allocate double voting rights as per Article 225-123 of France's Commercial Code to all fully paid-up shares that are shown to have been registered for at least two years in the name of the same shareholder, and to therefore modify the first paragraph of section II of Article 22 of the Memorandum and Articles of Association as follows:

Former wording

II. The voting right that is attached to the shares shall be proportional to the amount of the share capital that they represent. Any equity or dividend share of equal nominal value shall have one voting right.

New wording

II. The voting right that is attached to the shares shall be proportional to the amount of the share capital that they represent. Any equity or dividend share of equal nominal value shall have one voting right. There shall not be any double voting right.

Purpose of the twenty-ninth resolution

The terms of nine directors who do not represent employees are due to expire at the end of this General Meeting.

In order to enable a phased renewal of the terms of the directors who are not employee representatives, the Board of Directors, acting on a proposal from the Selection Committee, asks the shareholders to approve the extension of these directors' terms from two to three years, with the proviso that exceptionally, as part of the renewal of the directors' terms at this General Meeting, the duration of the mandates of three of the directors shall be limited to one year, and those of three other directors shall be limited to two years.

The Board of Directors has thus determined the durations of the new mandates of each of the nine directors who do not represent the workforce, and whose mandate is due to expire at the end of this General Meeting, based on a proposal of the Selection Committee.

The duration of the terms of the directors who are not employee representatives shall be maintained at two years.

TWENTY NINTH RESOLUTION

(MODIFICATION OF ARTICLE 10 OF THE MEMORANDUM AND ARTICLES OF ASSOCIATION IN ORDER TO EXTEND THE DURATION OF THE MANDATES OF THE DIRECTORS WHO DO NOT REPRESENT THE WORKFORCE FROM TWO TO THREE YEARS)

The General Meeting, ruling in accordance with the conditions governing quorum and majority that apply to Extraordinary General Meetings, having taken note of the report of the Board of Directors, decides to raise the duration of the mandates of the Directors who do not represent the workforce from two to three years and to modify the first three paragraphs of section III of Article 10 of the Memorandum and Articles of Association as follows:

Former wording

III- The Directors shall serve for a term of two years.

The mandate of a Director who does not represent the workforce shall end pursuant to the meeting of the Ordinary General Meeting that is held to rule on the accounts of the past trading year, in the year during which the mandate of the said Director is due to expire.

The mandate of a Director who represents the workforce shall end pursuant to the announcement of the outcome of the ballots of the electoral colleges culminating in the appointment of the new Directors who represent the workforce; this appointment should normally take place two weeks prior to the General Meeting of the past trading year held in the year during which the mandate of the said Director expires.

New wording

III-1. The Directors who do not represent the workforce and who are appointed or renewed as of the General Meeting held to rule on the accounts of the trading year ending on December 31, 2014 shall serve for a term of three years, subject to the following provisions:

The mandate of a Director who does not represent the workforce shall end pursuant to the Ordinary General Meeting that is held to rule on the accounts of the past trading year in the year during which the mandate of the said Director expires.

8

- *As an exception to the above, in order to enable a phased renewal of the Directors, the mandates of six of the nine Directors who do not represent the workforce shall be renewed for the following terms at the General Meeting that is held to rule on the accounts of the trading year ending on December 31, 2014, and at this General Meeting alone:*
- *the mandates of three of the Directors shall last for one year, ending pursuant to the Ordinary General Meeting that is held to rule on the accounts of the 2015 trading year;*

the mandates of the other three Directors shall last for two years, ending pursuant to the Ordinary General Meeting that is held to rule on the accounts of the 2016 trading year;

III-2.The Directors who represent the workforce shall serve for a term of two years.

The mandate of a Director who represents the workforce shall end pursuant to the announcement of the outcome of the ballots of the electoral colleges culminating in the appointment of the new Directors who represent the workforce; this appointment should normally take place two weeks prior to the General Meeting of the past trading year held in the year during which the mandate of the said Director expires.

Purpose of the thirtieth resolution

The purpose of this resolution is to bring the articles of association into line with the legislation and regulations on the representation of shareholders at General Meetings.

THIRTIETH RESOLUTION

(HARMONISATION OF THE MEMORANDUM AND ARTICLES OF ASSOCIATION)

The General Meeting, ruling in accordance with the conditions governing quorum and majority that apply to Extraordinary General Meetings, having taken note of the report of the Board of Directors, decides to harmonise the memorandum and Articles of association with the statutory and regulatory provisions governing the representation of shareholders at General Meetings.

The General Meeting therefore decides to strike out the second section of Article 21 entitled “Access to the General Meetings – Powers”, which reads as follows:

“Any shareholder may only arrange to be represented by his spouse or by another shareholder who is able to produce a power of attorney, or should he not be domiciled in France, by a registered intermediary who is registered as a shareholder in accordance with the provisions of Article L. 228-1 of France’s Commercial Code.”

Purpose of the thirty-first resolution

The purpose of this resolution is to enable the fulfilment of all legal and administrative formalities.

THIRTY FIRST RESOLUTION

(GRANTING POWERS FOR PROCEEDING WITH REGISTRATIONS AND ACCOMPLISHING FORMALITIES)

The General Meeting, ruling in accordance with the terms governing quorum and majority at Extraordinary General Meetings, hereby grants all powers to the bearer of an original, a copy or a transcript of the minutes of this General Meeting to accomplish all the legal or administrative formalities and to make all publications and registrations required by the prevailing legislation.

9

Additional information

9.1 **PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT AND INFORMATION CONCERNING THE VERIFICATION OF THE ACCOUNTS** **328**

9.1.1 Certificate of the person responsible for the registration document 328

9.1.2 Information concerning Statutory Auditors and auditors' fees 329

9.1.3 Name of the independent third-party verifier of social, environmental and societal information 329

9.2 **RELATIONS WITH SHAREHOLDERS** **330**

9.3 **2015-2017 DIARY DATES** **331**

9.4 **INFORMATION INCLUDED BY REFERENCE** **331**

9.5 **FINANCIAL PRESS RELEASES PUBLISHED IN 2014** **332**

9.6 **ADDRESSES OF MAIN SUBSIDIARIES AND PARTICIPATIONS** **333**

9.7 **REGISTRATION DOCUMENT AND CROSS-REFERENCE TABLE** **334**

Cross-reference table – Subjects of the first appendix of EU regulation 809/2004 334

9.8 **TABLE OF CONCORDANCE OF THE MANAGEMENT REPORT** **336**

9.9 **ANNUAL FINANCIAL REPORT TABLE OF CONCORDANCE** **337**

9.10 **TABLE SHOWING CORRESPONDENCE WITH DECREE NO. 2012-557 DATED APRIL 24, 2012 (ARTICLE 225 OF THE GRENELLE 2 ACT)** **338**

9.11 **GLOSSARY** **341**

9.11.1 Operational glossary 341

9.11.2 Financial and legal glossary 342

9.11.3 Acronyms 342

9.1 PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT AND INFORMATION CONCERNING THE VERIFICATION OF THE ACCOUNTS

9.1.1 CERTIFICATE OF THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

The person assuming responsibility for the registration document: Mr Nonce Paolini, Chairman and CEO.

I hereby certify that, having taken all reasonable steps, the information contained in this registration document, reflects the facts, to the best of my knowledge, and contains no omission that could alter its scope.

I hereby certify that, to the best of my knowledge, the accounts have been prepared in compliance with applicable accounting norms and give a faithful picture of the assets, the financial situation and the results of the company and the consolidated companies, and that the management report (a cross-reference table being included on page 336), presents a true image of the development and performance of the business, results and financial situation of the company and the consolidated companies, as well as a description of the main risks and uncertainties facing them.

I have received from the legal auditors of the accounts, KPMG and Mazars, a letter of completion of accounts indicating that they have verified the information concerning the financial situation and the accounts contained in the present registration document and read the whole of the document.

The historical information provided in this document or incorporated herein by reference is covered by reports issued by the Statutory Auditors, as presented on page 201 of this document or incorporated herein by reference on page 331. The reports issued by the Statutory Auditors for fiscal years 2013 and 2012 contained no comment.

Boulogne-Billancourt, March 10, 2015

Chairman and CEO

Nonce Paolini

9.1.2 INFORMATION CONCERNING STATUTORY AUDITORS AND AUDITORS' FEES

Permanent	Date of first appointment	Expiry date of present term of office
KPMG Audit IS SAS Immeuble Le Palatin – 3, Cours du Triangle 92939 La Défense Cedex	General Meeting of January 14, 1988	General Meeting approving the 2016 accounts
Mazars Immeuble Exaltis – 61, rue Henri Regnault 92075 La Défense Cedex	General Meeting of May 15, 2001	General Meeting approving the 2018 accounts
Alternate auditors	**Date of first appointment**	**Expiry date of present term of office**
KPMG Audit ID Immeuble Le Palatin – 3, Cours du Triangle 92939 La Défense Cedex	General Meeting of April 14, 2011	General Meeting approving the 2016 accounts
Thierry COLIN Immeuble Exaltis – 61, rue Henri Regnault 92075 La Défense Cedex	General Meeting of May 15, 2001	General Meeting approving the 2018 accounts

The fees paid to the Statutory Auditors by TF1 and its subsidiaries are shown in chapter 4 note 33, page 172 of this registration document and annual financial report.

9.1.3 NAME OF THE INDEPENDENT THIRD-PARTY VERIFIER OF SOCIAL, ENVIRONMENTAL AND SOCIETAL INFORMATION

In 2014, in accordance with Decree no. 2012-557 dated April 24, 2012 (Article 225 of the Grenelle 2 act), the social, environmental and societal information has been verified by an independent verifier, ERNST & YOUNG et Associés, Sustainable Development Department. ERNST & YOUNG et Associés is the independent third-party verifier of which the admissibility of the application for accreditation has been accepted by the COFRAC under the number 3-1050.

9.2 RELATIONS WITH SHAREHOLDERS

LEGAL INFORMATION AND INVESTOR RELATIONS

TF1

1, quai du Point-du-Jour

92656 Boulogne-Billancourt Cedex

Tel.: 00 33 1 41 41 12 34

General Councel: Jean-Michel Counillon

Group Legal and Business Affairs Director and Board Secretary: Sébastien Frapier

email: relationsactionnaires@tf1.fr

Executive Vice President, Group Strategy, Purchasing and Finance: Philippe Denery

email: comfi@tf1.fr

DOCUMENTS AVAILABLE FOR PUBLIC CONSULTATION

Documents such as the internal rules of the Board of Directors, the registration document, the other reports of the Board of Directors to the General Meeting of April 16, 2015 may be consulted on the company website: http://www.groupe-tf1.fr/en/.

Anybody wishing to obtain additional information on the TF1 group may, without obligation, ask for documents at TF1 – Legal Affairs Department, 1 quai du Point du Jour, 92656 Boulogne-Billancourt Cedex, Tel.: 00 33 1 41 41 40 75.

You can also receive information on the group TF1 and obtain on demand historical data about the company by mail at TF1-Investor Relations Department – 1, Quai du Point du Jour – 92656 Boulogne-Billancourt Cedex or by e-mail: comfi@tf1.fr. Tel: 00 33 1 41 41 12 34.

Internet website: http://www.groupe-tf1.fr/en/

9.3 2015-2017 DIARY DATES

April 16, 2015: Shareholders' Annual General Meeting

April 24, 2015: 2014 dividend ex-date

April 27, 2015: date of record for 2014 dividend

April 28, 2015: payment date for 2014 dividend

April 29, 2015: revenue and financial statements for the first quarter of 2015

July 23, 2015: revenue and financial statements for the first half of 2015

October 28, 2015: revenue and financial statements for the first nine months of 2015

April 14, 2016: Shareholders' Annual General Meeting

April 13, 2017: Shareholders' Annual General Meeting

These dates may be subject to change.

9.4 INFORMATION INCLUDED BY REFERENCE

In application of Article 28 of Regulation (EC) no. 809/2004 of the Commission of April 29, 2004, the following information is included by reference in the present registration document and annual financial report:

- the consolidated accounts for the year ended December 31, 2013, the relevant report of the Statutory Auditors and the Group's management report appearing on pages 79 to 213 of the registration document registered with the AMF on March 11, 2014 with number D. 14-0132;
- the consolidated accounts for the year ended December 31, 2012, the relevant report of the Statutory Auditors and the Group's management report appearing on pages 71 to 199 of the registration document registered with the AMF on March 13, 2013 with number D. 13-0129;

9.5 FINANCIAL PRESS RELEASES PUBLISHED IN 2014

Date of release	Subject
January 21, 2014	Opening of negociations for the acquisition by Discovery Communications of the TF1 group's controlling interest in Eurosport
February 19, 2014	TF1 2013 full year financial results
February 26, 2014	Formalities for obtaining or gaining access to the preparatory documents for the Combined Annual General Meeting
March 12, 2014	Availability 2013 registration document
March 13, 2014	TF1 sub-licences a part of the 2014 FIFA World Cup rights to beIN Sports
March 26, 2014	Formalities for obtaining or gaining access to the preparatory documents for the Combined Annual General Meeting of April 17, 2014
April 17, 2014	Voting results – 2014 Annual General Meeting
April 30, 2014	TF1 – Q1 2014 financial results
May 30, 2014	Eurosport closing
July 25, 2014	TF1 – H1 2014 results
July 29, 2014	Decision by the French media regulator on LCI's request to migrate to free-to-air digital terrestrial TV
September 10, 2014	The TF1 and ITAS groups enter into exclusive negotiation for the potential change of control of OneCast
October 15, 2014	Partnership between ProSiebenSat.1 and the TF1 group
October 29, 2014	TF1 group – 9m 2014 Financial information
October 30, 2014	TF1 group finalises the sale of Onecast
November 14, 2014	Termination of a judicial litigation between TF1 and YouTube

All the regulated information is available on the website http://www.groupe-tf1.fr/en/investisseurs/regulated-information.

9.6 ADDRESSES OF MAIN SUBSIDIARIES AND PARTICIPATIONS

(February 2015)

1, quai du Point-du-Jour
92100 BOULOGNE-BILLANCOURT

GIE TF1 ACQUISITIONS DE DROITS

HISTOIRE

HD1

LA CHAÎNE INFO – LCI

MONTE-CARLO PARTICIPATION

NT1

PREFAS 18

TF1 DS

TF1 DISTRIBUTION

TF1 THÉMATIQUES

TF1 EVENTS

TV BREIZH

UNE MUSIQUE

USHUAÏA TV

Atrium – 6, place Abel-Gance
92100 BOULOGNE-BILLANCOURT

e-TF1

TF1 DROITS AUDIOVISUELS

TF1 ENTREPRISES

TF1 FILMS PRODUCTION

TF1 INTERNATIONAL

TF1 PRODUCTION

TF1 PUBLICITÉ

TF1 VIDÉO

WAT

L'Amiral – 3, rue Gaston et René-Caudron
97988 ISSY-LES-MOULINEAUX Cedex

EUROSPORT

EUROSPORT France

45, boulevard Victor-Hugo – Bâtiment-264
93534 AUBERVILLIERS Cedex

TÉLÉSHOPPING

TOP SHOPPING

6 bis, quai Antoine Ier
MONACO

TELE MONTE-CARLO (TMC)

ZA du Pot au Pin – Entrepôt A4
33612 CESTAS Cedex

DUJARDIN

44, rue de Strasbourg
44000 NANTES

OUEST INFO

35, rue Greneta
75002 PARIS

PUBLICATIONS METRO FRANCE

89, avenue Charles-de-Gaulle
92200 NEUILLY-SUR-SEINE

SERIECLUB

24, avenue Charles-de-Gaulle
92200 NEUILLY-SUR-SEINE

UGC DISTRIBUTION

132, avenue du Président-Wilson
93210 LA-PLAINE-SAINT-DENIS

GROUPE AB

40/42, rue Pierre-Curie
93120 LA COURNEUVE

SYLVER

43, boulevard Barbès
75018 PARIS

LA PLACE MÉDIA

15, rue Édouard Branly
44980 Sainte Luce sur Loire

OPTIQUAL

9.7 REGISTRATION DOCUMENT AND CROSS-REFERENCE TABLE

CROSS-REFERENCE TABLE – SUBJECTS OF THE FIRST APPENDIX OF EU REGULATION 809/2004

1	**Persons responsible**	328
2	**Legal auditors of the accounts**	201-219; 329
3	**Selected finance information**	
3.1	Historical information	28-32; 109; 235; 242; 243-246; 332
3.2	Interim information	NA
4	**Risk factors**	84-91; 158-166; 254; 269; 278
5	**Information about the issuer**	
5.1	History and development of the company	6; 28-34; 222-223; 233-235
5.2	Investments	26-27
6	**Business overview**	
6.1	Principal activities	22-25; 95-107
6.2	Principal markets	7-21; 133-134
6.3	Exceptional events	NA
6.4	Possible dependence	168-170; 173; 197
6.5	The basis for statements made by the issuer regarding its competitive position	7-21; 235
7	**Organisational structure**	
7.1	Summary	22
7.2	List of main subsidiaries	198-199; 222
8	**Property, plant and equipment**	
8.1	Main tangible fixed assets, existing or planned	26; 124;138;183;187;
8.2	Environmental issues that may affect the use of the tangible fixed assets	269-277
9	**Operating and financial review**	
9.1	Financial situation	95-109; 201-219
9.2	Operating results	95-109
10	**Cash and capital resources**	
10.1	Capital resources of the issuer	97; 112-113; 116; 144-145; 242-246
10.2	Sources and amounts of cash flows	117; 180
10.3	Borrowing conditions and financial structure	96-97; 146; 158-159
10.4	Information on any restrictions on the use of capital resources that have materially affected or could materially affect the issuer's operations	237-242
10.5	Anticipated sources of funding	158-166
11	**Research and Development, patents and licences**	26-27
12	**Trend information**	7-21; 93-107; 235
13	**Profit forecasts or estimates**	104-105
14	**Administrative, management and supervisory bodies and senior management**	
14.1	Administrative and management bodies	35; 38-48
14.2	Administrative and management bodies' conflicts of interest	50; 56-57

15	**Compensation and benefits**	
15.1	Amount of compensation paid and benefits in kind	74-83; 170; 196; 208 253; 259-260; 263; 305-310; 316
15.2	Total amounts set aside or accrued to provide pensions, retirement or other benefits	128; 147-148
16	**Board and management practices**	
16.1	Date of expiration of current terms of office	38-48; 51; 55; 297; 304-305; 313;315-316; 325-326
16.2	Service contracts binding members of the administrative bodies	207-212
16.3	Information about the Audit Committee and Compensation Committee	38; 50-61
16.4	Corporate governance	49-61
17	**Employees**	
17.1	Number of employees	32; 109; 255-257
17.2	Share holdings and stock options	76; 79-83; 109; 116; 150; 167; 213; 239-241
17.3	Agreements for involving employees in the capital of the issuer	214; 239-241; 260; 297; 312-313; 324-325
18	**Main shareholders**	
18.1	Shareholders owning more than 5% of capital and voting rights	34; 243-246
18.2	Different voting rights	236; 298; 313; 325
18.3	Control of the issuer	34; 222; 243-246
18.4	Agreements known to the issuer, the operation of which may at a subsequent date result in a change in the control of the issuer	243-244
19	**Related party transactions**	106; 170-171; 201-212
20	**Financial information concerning the assets and liabilities, financial situation and profits & losses of the issuer**	
20.1	Historical financial information	26-27; 32-34; 95-107; 109
20.2	Pro forma financial information	33; 95; 120
20.3	Financial statements	111-199
20.4	Auditing of the historical annual information	203
20.5	Date of the latest financial information	331
20.6	Interim and other financial information	NA
20.7	Dividend policy	97; 106; 304; 314-315
20.8	Legal and arbitration proceedings	87-90; 128; 149; 185; 191
20.9	Significant changes in the trading or financial situation	NA
21	**Additional information**	
21.1	Share capital	144; 226; 236-242
21.2	Memorandum and Articles of Incorporation	222-232
22	**Major contracts**	NA
23	**Third party information and statements by experts and declarations of interest**	NA
24	**Documents available to the public**	294-296; 330
25	**Information on holdings**	107; 131-132; 139; 222; 333

9.8 TABLE OF CONCORDANCE OF THE MANAGEMENT REPORT

The 2014 management report reporting of the elements mentioned below is included in this registration document. It was approved by the Board of Directors of TF1 SA on February 18, 2015.

Elements of the management report as required by the Commercial Code, the Monetary and Financial Code, the General Tax Code and the Autorité des Marchés Financiers General Regulation	Registration document
Activity	
Activity, results and financial condition of the company during the past financial year (Articles L. 225-100 and L. 232-1 of the Commercial Code)	7-21; 95-104
Activity, results and financial condition of the TF1 group during the past financial year (Articles L. 225-100-2 and L. 233-26 of the Commercial Code)	7-21; 95-104
Activity and results of the company's subsidiaries (Article L. 233-6 of the Commercial Code)	95-104
Forecasted developments in the company's position (Articles L. 232-1 and L. 233-26 of the Commercial Code)	104-105
Significant shareholdings in companies based in France (Article L. 233-6 of the Commercial Code)	107
TF1 group's financial risk management strategy (Articles L. 225-100 and L. 225-100-2 of the Commercial Code)	91; 158-166
TF1 group's exposure to price, credit, liquidity and cash-flow risks (Articles L. 225-100 and L. 225-100-2 of the Commercial Code)	91; 158-166
Research and Development activities (Articles L. 232-1 and L. 233-26 of the Commercial Code)	26-27
Post balance-sheet events (Articles L. 232-1 and L. 233-26 of the Commercial Code)	105
Trade creditors by due date (Article L. 441-6-1)	107
CSR – Corporate Social Responsability	
Information relating to the company's taking into account the environmental impact of its activities (Articles L. 225-100, L. 225-102-1 and R. 225-105 of the Commercial Code)	269-277; 278-292; 338-339
Information relating to the company's taking into account the social impact of its activities (Articles L. 225-100, L. 225-102-1 and R. 225-104 of the Commercial Code)	254-268; 278-292; 338-339
Corporate governance	
Rules concerning appointment as Director (Article L. 225-100-3)	39; 51; 53-54
Transactions relating to shares held by managers (Article L. 621-18-2 of the Monetary and Financial Code and Article 223-26 of the AMF General Regulation)	237
Remunerations and benefits of every type for each of the members of the Board (Article L. 225-102-1 of the Commercial Code)	77-83
List of offices or positions held by each of the members of the Board in all companies (Article L. 225-102-1 of the Commercial Code)	40-48
Capital and ownership	
Identity of shareholders holding more than 5% of the share capital; treasing shares (Article L. 233-13 of the Commercial Code)	244-248
Information required by Article L. 225-211 of the Commercial Code in cases of transactions carried out by the company with its treasury shares	236-237
Information required by Article L. 225-100-3 of the Commercial Code that may have an impact on a public offer	224-225
Report on employee profit sharing plans at the balance sheet date (Article L. 225-102 of the Commercial Code)	244
Other	
Dividends distributed during the last three years (Article 243 bis of the General Tax Code)	106; 304; 315
Statement and report on the delegations for a share capital increase and uses of these delegations during the exercise (Article L. 225-100 of the Commercial Code)	238-239
Statement of company operations over the last five business year (Article R. 225-102 of the Commercial Code)	109

9.9 ANNUAL FINANCIAL REPORT TABLE OF CONCORDANCE

In order to facilitate the reading of annual financial report, the following table provides the page references of the main information required by Article L. 451-1-2 of the French Monetary and Financial Code and by Article 222-3 of the General Regulation of the Autorité des Marchés Financiers.	Registration document
Annual Statements	177-199
Parents consolidated Financial Statement	112-176
Management report of the Board of Directors	Refer to table of concordance 9.8
Declaration by the person responsible for the registration document	328
Annual Statutory Auditors' report on the financial statements	205-206
Statutory Auditors' report on the consolidated financial statements	203-204
Fees of Statutory Auditors	172; 329
Report of the Chairman of the Board of Directors on corporate governance, on internal control procedures and on risk management	49-73; 84-91
Statutory Auditors' report on the report prepared by the Chairman of the Board of Directors	202

9.10 TABLE SHOWING CORRESPONDENCE WITH DECREE NO. 2012-557 DATED APRIL 24, 2012 (ARTICLE 225 OF THE GRENELLE 2 ACT)

Information concerning employees	Paragraph in the document	Page
Employment		
Total workforce and breakdown of employees by sex, age and geographical zone	**7.1.3 The workforce: Open-and and fixed-term/** temporary/labour external to the company/hires and departures	255
Hires and dismissals		257
Compensation and its development	**7.1.5 Compensation and employee savings schemes/** gross compensation/profit-sharing-agreements and incentive shares	259
Worktime organisation		
Organisation of working time	**7.1.4 Organisation of working hours/** annual worktime/Bonuses related to working times/Absenteeism and reasons for absence in the TF1 group	257
Absenteeism		259
Management/employee relationships		
Organisation of management/employee dialogue	**7.1.6 Professional relationships and report on collective agreements/** overview of professional relationships within the TF1 group	
Report on collective agreements		260
Health and safety		
Health and safety conditions at work	**7.1.8 Health and safety conditions/** indicators on work-related accidents/the players in the health and safety policy/health and safety training	
Report on agreements signed with the trade unions or personnel-representative bodies concerning health and safety		
Work-related accidents, notably frequency and severity, and job-related illnesses		264
Training		
Policies implemented on training	**7.1.9 Support to employees/professional training arrangements/** Indicators "total training hours, all training systems"	
Total number of hours of training		266
Equality of treatment		
Measures taken in favour of equality between women and men	**7.1.7 The fight against discrimination, equality of opportunity/** professional equality between men and women	262
Measures taken in favour of the employment and employability of disabled persons	**7.1.7 Equal opportunities and the fight against discrimination/** disabled workers	262
Policy on fighting discrimination	**7.1.7 Equal opportunities and the fight against discrimination/** from charter to label	262
Promotion and compliance with the provisions of the fundamental agreements of the ILO	**7.1.1 Employee policy and employee risks** reminder of the promotion and compliance with the fundamental agreements of the ILO	254
Environmental information		
General policy in environmental matters		
Organisation for taking environmental questions into account and, if necessary the processes of environmental assessment and certification	**7.2.1 Environmental policy and risks** **7.2.4 From EMS to HQE certification** a first building certified "HQE Exploitation"/certification	269; 270

Actions to train and inform employees on environmental protection	**7.2.5 Environmental management of head offices/** Staff training and communication	276
Resources devoted to preventing environmental risks and pollution	**7.2.5 Environmental management of head offices/** Expenditure committed to deal with the consequences of the activity on the environment	275
Amount of provisions and guarantees for environmental risks	**Not applicable** (TF1's activity does not generate environmental risks. Given the place of the TF1 company, a budget has been allocated for the continuity of the process in case of flooding/Please refer to the report of the President/Risk factors/industrial Risks)	–
Pollution and waste management		
Measures to prevent, reduce or compensate discharges into air, water, ground…	**7.2.5 Environmental management of head offices/** waste management/discharges to water and ground, measures taken to limit harm to biological balance	274
Prevention measures, measures for recycling and waste disposal…	**7.2.6 Environmental footprint of Metronews publication**	276
Consideration of noise nuisance and any other form of pollution specific to an activity	**7.2.5 Environmental management of head offices/** noise and odour pollution	274
Sustainable use of resources		
Water consumption	**7.2.5 Environmental management of head offices/** water consumption **7.2.6 Environmental footprint of Metronews publication**	270
Water supply according to local restrictions	**Not applicable** (head offices located in Paris region, water from network only)	276
Raw materials consumption	**7.2.5 Environmental management of head offices/** consumption of raw materials	–
Measures to improve efficiency in use	**7.2.6 Environmental footprint of Metronews publication**	271
Energy consumption	**7.2.5 Environmental management of head offices/** Energy consumption	276
Measures taken to improve energy efficiency and the use of renewable energy	**7.2.5 Environmental management of head offices/** measures taken to improve energy efficiency (buildings, production process, computers)	271
Use of ground	**Not applicable** (head offices only)	272
Climate change		–
Discharges of greenhouse gases	**7.2.5 Environmental management of head offices/** greenhouse gases	
Adaptation to the consequences of climate change	**Not applicable** no sites located in sensitive, seismic	272
Protection of biodiversity		–
Measures taken to preserve/develop biodiversity	**Not applicable** no site located in protective zones	–
Societal information		
Regional, economic and social impact of the activity		
in matters of employment	**7.3.3 Territorial, economic and social impact/** corporate foundation initiatives	
and regional development	**7.3.3 Territorial, economic and social impact/** economic contribution of the company	279
on local residents	**Not applicable** no direct impact on local residents, but TF1 has a direct impact on the French population through its programmes see: Group policy on ethics and social reponsibility	–

Relationships with stakeholders		
Conditions of dialogue with these persons or organisations	**7.3.4 Dialogue with stakeholders/** table of stakeholders/public	280
Partnership or sponsorship actions	**7.3.5 Partnership and sponsorship initiatives**	282
Subcontracting and suppliers		
Social and environmental issues taken into account in the purchasing policy	**7.3.7 Responsible Purchasing Policy/** external expenditure excluding rights/rights acquisition/main initiatives	283
Importance of subcontracting and taking into account the social and environmental responsibility of suppliers and subcontractors in relationships with them		284
Honest practices		
Actions undertaken to prevent corruption	**7.3.6 Ethics and governance, honest practices/** legal framework for the Group’s activities/TF1 Code of Ethics, Global Compact **7.3.7 “Responsible Purchasing” Policy**	282 283
Measures taken in favour of the health and safety of consumers	**7.3.10 Protection of young viewers/** rating information for young viewers/protection of children in a connected world/fight against obesity **7.3.13 Compliance and Ethics In Advertising** **7.3.14 Issues in digital media** data protection, fight against piracy, and protection of copyright, protection of personal data at the Group, protection of internet users’ data	288 290 291
Other actions in favour of human rights		
	7.3.8 Respect of ethics and compliance rules in content **7.3.9 News** **7.3.11 Programme accessibility** **7.3.12 Promoting diversity/** Diversity Commitee	286 286 289 290

9.11 GLOSSARY

9.11.1 OPERATIONAL GLOSSARY

16/9: Aspect ratio with a width of 16 units and a height of 9 units. A widescreen format similar to cinema formats, it is systematically offered on HD Ready and HD TV television screens.

ADSL: Asymmetric Digital Subscriber Line. Network technology that uses a traditional telephone line and a router to offer simultaneous access to internet and telephone services. Television provided by an ADSL operator is called IPTV.

Analogue: In television, a method for producing and transmitting pictures in which the intensity of the electric signals is continuous (analogue) with the sound or light source. In France, the analogue television signal ended on November 30, 2011, replaced by terrestrial broadcasting in digital mode only. See also DTT.

Delayed audience: Audience for programmes watched after they are broadcast, either recorded on a DVD, VHS or DVR or watched with a time delay on a router.

Catalogue: Collection of films and dramas that form a corpus of audiovisual rights, either created in-house or acquired from production companies.

Individual viewing time: A ratings indicator measuring the average television viewing time per day of the individuals of a given population.

Display: Conventional display of graphics-based advertising on websites.

Internet service provider (ISP): Company that provides internet access *via* ADSL, cable or optical fibre. Equipment provided by the operator (modem, router, etc.) is essential.

WPDM: Advertising target of women aged under 50 purchasing decision makers.

Global Reporting Initiative (GRI): A global initiative to develop principles applicable worldwide for rendering account of economic, environmental and social performance, initially for companies and subsequently for any governmental or non-governmental organisation.

Gross rating point (GRP): An indicator measuring the advertising pressure of a campaign on a given target. A GRP is equal to the average number of contact opportunities of an advertising campaign with its target, expressed in share points. It is calculated by multiplying coverage of the target by average repetition.

High Definition (HD): Picture resolution with definition in excess of 720 lines. A full HD picture may have up to 1080 lines x 1920 pixels, *i.e.* nearly 2.1 million pixels, almost five times more than a standard image (576 x 720 pixels). At source, works may be filmed in HD (native HD) and broadcast by various means (satellite, optical fibre, DVD, etc.).

Interactivity: TV programme or website that seeks audience participation (voting, taking part in a game, etc.).

M4E, M4R: Media for Equity/Media for Revenue. A business model whereby a start-up is allocated advertising slots in exchange for a share of its revenues and/or capital.

Over the top (OTT): Method of distributing content *via* the Internet with no intermediary action, without the involvement of an internet service provider.

Audience share: Percentage of audience for a particular medium (TV channel, radio station, etc.) calculated in relation to the total audience for the medium.

Advertising market share: Advertising investments made by an advertising sales agency or entity in a media market (television, radio, etc.), expressed as a percentage.

Prime time: Part of the schedule when the audience is largest. In France, television prime time is in the evening, generally from 8.45pm. “Access prime time” is between 6.00pm and 8.00pm.

Real-time bidding (RTB)/ad exchange: RTB is carried out on an automated platform for buying and selling advertising space (ad exchange) between purchasing parties (advertisers, media agencies and retargeting networks) and selling parties (publisher support sites, networks, ad sales agencies).

Second screen: A mobile device, smartphone or tablet, used by TV viewers while watching a programme on television.

Stock programmes: Television programmes that can be conserved and reused over the long term (including drama, documentaries, animated films and performing arts) unlike non-scripted programmes (for example, entertainment shows and sports events).

Catch-up TV: Television programming offered by television content providers on the Internet so that viewers can watch programmes at their convenience. A free or pay service, it may also include supplements not shown with the original programme, such as summaries. MYTF1 offers catch-up services *via* router, PC, smartphone and tablet.

Connected television: Refers both to a television set connected directly or indirectly to the Internet and the television offering from internet providers, broadcast *via* internet protocol television (see entry).

Personal mobile television: A new digital method for accessing television on a mobile or remote reception device. Channels will be broadcast using point-to-multipoint communication *via* the terrestrial network, in addition to current point-to-point resources (3G, 4G).

Digital Terrestrial Television (DTT): Digital television broadcasting *via* the terrestrial network through a router, independent or integrated in the TV set, that converts images compressed at source.

Internet protocol television (IPTV): A television broadcasting protocol using an internet-type IP network.

Unique visitors: The total number of individuals who have visited a website or used an application at least once during the period under consideration. Individuals who visit the same website or use the same application several times are counted only once.

VoD: Video On Demand. A pay service whereby viewers can watch the programme of their choice by ordering it with their remote control *via* a multi-services router such as the Bbox or from their computer. MYTF1VOD, the most widely distributed VoD platform in France, is available on all IPTV services, on the Internet at www.mytf1vod.fr and on Samsung connected televisions.

9.11.2 FINANCIAL AND LEGAL GLOSSARY

Working capital requirement: Current assets minus current liabilities (including current provisions but excluding current financial liabilities and debt hedging instruments).

Gross advertising revenues: Catalogue prices given by sellers of advertising space in accordance with their general conditions of sale, excluding discounts and reductions, applied to a volume of advertising sold.

Net advertising revenues: Gross advertising revenues minus discounts granted to advertisers.

Operating cash flow: Cash flow minus the cost of financial debt and net tax charges for the year, before changes in the working capital requirement and paid and reimbursed taxes.

Cost of programmes: The cost of programmes over a given period is equal to the sum of the cost of the programmes broadcast on the Group's four freeview channels and the cost of written-off or rights-expiring programmes, provisions made for programming (excluding sports events) and capital gains or losses from intra-group disposals.

Goodwill: Difference between the acquisition price of a company and its net book value.

International Financial Reporting Standards (IFRS): Accounting standards drawn up by the International Accounting Standards Board applied on a mandatory basis by listed companies when producing annual and quarterly financial statements, the aim being to harmonise the presentation and clarity of their financial results.

Current operating profit: Profit calculated on the basis of revenues and other current operating income minus current operating costs.

Operating profit: Profit calculated on the basis of current operating profit minus other non-current operating income and costs.

Net cash: Available cash after the deduction of total debt.

9.11.3 ACRONYMS

AMF: Autorité des Marchés Financiers. AMF, the French securities regulator, is an independent public authority tasked with protecting savings invested in financial products, informing investors and ensuring the proper functioning of the financial markets in France.

ARPP: Autorité de Régulation Professionnelle de la Publicité. ARPP, the French advertising self-regulatory organisation, strives to foster legal, honest and truthful advertising in the interests of consumers, the public and advertising professionals.

CNC: Centre national du cinéma et de l'image animée. CNC, France's national cinema and animation centre, is a public establishment operating under the authority of the Ministry of Culture. It ensures the unity of the design and implementation of government policy in cinema and other animation arts and industries, notably audiovisual, video, multimedia (including video games).

AFEP/MEDEF corporate governance code: A set of recommendations on corporate governance and the remuneration of the corporate officers of listed companies, published by the Association française des entreprises privies (AFEP, the French association of large companies) and the Mouvement des entreprises de France (MEDEF, the French business confederation). TF1 has adopted the AFEP/MEDEF Code as its reference Code.

CSA: Conseil Supérieur de l'Audiovisuel. Independent administrative authority created in 1989 to guarantee the freedom of audiovisual communication in France under the conditions defined in Act 86-1067 of September 30, 1986 (the Freedom of Communications Act).

SACD: Société des auteurs et compositeurs dramatiques. The SACD, short for Society of dramatic authors and composers, collectively manages copyright by collecting and distributing the royalties of its 53,000 members, working in the performing arts and audiovisual sector and comprising playwrights, choreographers, directors, composers and scriptwriters. It works to defend the material and moral interests of the profession as a whole.

SDRM: Société pour l'administration du droit de reproduction mécanique. The SDRM (the collecting society for mechanical reproduction rights for authors, composers & publishers) is composed of several societies that manage copyright for French artists, collecting and distributing royalties related to the mechanical reproduction of their recorded works.

Registration document is available on www.groupe -tf1.fr

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