

REMUNERATION OF THE EXECUTIVE DIRECTOR OF TF1 IN 2010

Report on remuneration in accordance with Article L. 225-102-1 and L. 225-37 paragraph 9 of the Commercial Code.

This chapter contains the reports required by the Commercial Code as well as the tables recommended in the Code of Corporate Governance issued by AFEP / MEDEF in December 2008 and in the AMF Recommendation of 22 December 2008 on the remuneration of corporate officers of listed companies.

PROCEDURES FOR DETERMINING REMUNERATION FOR TF1'S EXECUTIVE DIRECTOR FOR 2010

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.

Fixed remuneration and benefits in kind

Nonce Paolini

The fixed remuneration paid to Nonce Paolini stands at €700,000 in 2010 and has not changed since his arrival at TF1 on 22 May 2007.

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.

The in-kind benefits received by Nonce Paolini in 2010 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.

Variable remuneration

Nonce Paolini

Nonce Paolini's variable remuneration for 2010 is based on the performance of the TF1 and Bouygues groups, which is measured on the basis of quantitative and qualitative indicators, namely:

- quantitative indicators:
 - the consolidated net profit attributable to the Bouygues group;
 - the consolidated net profit attributable to the TF1 group;
- qualitative indicators: a greater importance to qualitative criteria has been granted, on the grounds that the performance of senior managers during an exceptional crisis extends to areas other than simply financial results. These criteria depend both on the duties assigned to the manager and on special situations.

The theoretical level of the variable portion has not been changed. By contrast, the Board of Directors decided to review the criterion concerning the increase or decrease in TF1's consolidated net profit, compared to the results achieved in the previous year.

Depending on their nature, these bonuses are individually weighted and capped. Overall, the variable remuneration corresponding to the aggregate value of these bonuses is capped at 150% of fixed remuneration.

Nonce Paolini's variable remuneration for 2010 amounted to €1,050,000.

Nonce Paolini's fixed and variable remuneration for 2010 for his duties as Chairman and CEO of TF1 totalled €1,750,000.

Other information concerning remuneration and supplementary pension

Nonce Paolini

As Nonce Paolini has an employment contract with the parent company Bouygues SA, the amount of fixed and variable remuneration granted by the TF1 Board of Directors, is re-invoiced to TF1 by Bouygues.

In addition to his duties as Chairman and CEO of TF1, Nonce Paolini was given an additional assignment by Bouygues in 2009. The assignment, which began on 1 July 2009, consists in studying technological convergence between the Internet, the media industries and fixed and mobile telephony, and developing strategies and proposals for managing this convergence. Mr Paolini was paid €290,000 for the assignment in 2010. This amount is not re-invoiced to TF1 because it concerns an assignment for the Bouygues group.

Moreover, 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 for each year of membership in the scheme. Nonce Paolini is a member of that committee. The supplementary pension is currently capped at eight times the upper earnings limit for social security contributions.

Bouygues re-invoices this supplementary pension to TF1 under a regulated agreement.

TABLE 1 – SUMMARY OF REMUNERATION, BENEFITS IN KIND AND STOCK OPTIONS GRANTED TO THE EXECUTIVE DIRECTOR IN 2010

Nonce Paolini – Chairman and CEO since 1 August 2008 (in euros)	2010	2009
Remuneration paid by TF1 for the year (details in Table 2)	1,811,037	1,271,386
Remuneration paid by Bouygues for the year (details in Table 2)	290,000	145,000
Value of options awarded during the year (details in Table 4)	201,916	829,035
Value of performance shares awarded during the year (details in Table 6)	0	0
TOTAL	2,302,953	2,245,421

TABLE 2 – REMUNERATION OF THE EXECUTIVE DIRECTOR

Nonce Paolini - Chairman and CEO since 1 August 2008 (in euros)	2010		2009	
	Amount due	Amount paid	Amount due	Amount paid
Fixed remuneration	700 000	700 000	700 000	700 000
<i>Change</i>	-	-	-	-
Variable remuneration	1,050,000 ⁽¹⁾	510,230	510,230	551,530 ⁽²⁾
<i>change</i>	x 2.1		-7.5%	
<i>% variable / fixed</i>	150%		73%	
<i>Cap</i>	150%		150%	
Other remuneration ⁽³⁾	290,000	290,000	145,000	145,000
Directors' fees ⁽⁴⁾	56,000	56,000	55,696	55,696
Benefits in kind	5,037	5,037	5,460	5,460
TOTAL	2,101,037	1,561,267	1,416,386	1,457,686

(1) The variable remuneration paid in March 2011 to Nonce Paolini for his service as CEO in 2010 is €1,050,000 (150% of fixed remuneration), reflecting the performance of TF1.

(2) As CEO of the TF1 Group from 1 January to 31 July 2008 and as Chairman and CEO from 1 August to 31 December 2008 The variable remuneration for 2008 paid in March 2009 was €551,530, 47.47% less than the possible maximum (150% of fixed remuneration), reflecting the performance of TF1.

(3) Remuneration paid for the assignment on technological convergence. This remuneration is paid directly by Bouygues. The preceding information is provided in accordance with Article L. 225-102-1, paragraph 2 of the Commercial Code (remuneration paid by companies that exercise control or by controlled companies)

(4) In 2009, this comprised €18,500 for TF1, €25,000 for Bouygues, and €12,196 for Bouygues Telecom
In 2010 this comprised €18,500 for TF1, €25,000 for Bouygues, and €12,500 for Bouygues Telecom.

TABLE 3 – DIRECTORS' FEES AND OTHER REMUNERATION RECEIVED BY NON EXECUTIVE DIRECTORS

The Annual General Meeting of 23 April 2003 set the total amount of directors' fees payable to the corporate officers and directors of TF1 at €350,000 annually, leaving it the Board of Directors to determine how this amount should be allocated.

Directors' fees for 2010 were allocated as follows:

- to directors: the theoretical fee for each director is €18,500 per year, of which half is allocated on the basis of his or her responsibility, and half on the basis of the attendance at Board meetings,
- to committee members:
 - Audit Committee: €2,250 per quarter to each member;
 - Remuneration Committee: €1,350 per quarter to each member;
 - Selection Committee: €1,350 per quarter to each member.

Not all of the €350,000 available for directors' fees was used in 2010.

Directors' fees totalling €240,786 were paid to directors, as indicated below.

DIRECTORS' FEES PAID TO THE EXECUTIVE DIRECTOR

	Amounts paid in 2010 (€)	Amounts paid in 2009 (€)
Nonce Paolini	56,000 ⁽¹⁾	55,696 ⁽²⁾
TOTAL	56,000	55,696

(1) Comprises €18,500 paid by TF1, €25,000 by Bouygues, and €12,500 by Bouygues Telecom.

(2) Comprises €18,500 paid by TF1, €25,000 paid by Bouygues and €12,196 paid by Bouygues Telecom.

DIRECTORS' FEES AND OTHER REMUNERATION PAID TO NON-EXECUTIVE DIRECTORS

Non-executive directors	Amounts paid in 2010	Amounts paid in 2009
BARBIZET Patricia	30,587	32,900
BERDA Claude ⁽¹⁾	18,500	-
BOUYGUES Martin	23,900	23,900
BOUYGUES Olivier	11,562	18,500
DANON Laurence ⁽²⁾	9,250	-
LE LAY Patrick ⁽³⁾	-	18,500
MARIEN Philippe	32,900	32,225
PELISSON Gilles	13,875	16,650
PERNAUT Jean Pierre ⁽⁴⁾ (representing employees)	16,187	15,262
PETTON Céline ⁽⁴⁾ (representing employees)	18,500	18,500
POUYAT Alain	23,900	23,900
ROUSSAT Olivier	18,500	15,250
SABAN Haim ⁽⁵⁾	4,625	17,575
TOTAL	222,286	233,162

⁽¹⁾ Appointed as a Director on the recommendation of the Board of Directors (Board Meeting 17 February 2010)

⁽²⁾ Appointed as a Director on the recommendation of the Board of Directors (Board Meeting 22 July 2010)

⁽³⁾ Resigned on 20 December 2009

⁽⁴⁾ Directors' fees due to employee representatives were paid to two trade unions: CFTC (€16,187) and FO (€18,500).

⁽⁵⁾ Resigned on 27 April 2010

The remuneration received in 2010 by Martin Bouygues and Olivier Bouygues is mentioned in Bouygues' registration document.

The salaried directors, Jean-Pierre Pernaut and Céline Petton, received no exceptional remuneration in consideration of their corporate office in TF1.

STOCK OPTIONS AND PERFORMANCE SHARES IN 2010

Presentation required by Articles L. 225-184 and L. 225-197-4 of the Commercial Code

This chapter contains the reports required under the Commercial Code. It also includes the tables recommended by the AFEP / MEDEF Corporate Governance Code of December 2008 and by the AMF Recommendation of 22 December 2008 on the information to be provided in registration documents concerning the remuneration of corporate officers.

The Board of Directors awarded no stock options or performance shares in 2010.

PRINCIPLES AND RULES FOR GRANTING STOCK OPTIONS AND BONUS SHARES

The 15th resolution of the Combined General Meeting on 17 April 2008 authorised the Board of Directors on one or more occasions to allot bonus shares, whether in existence or to be issued in the future. This authorisation was given for a period of thirty-eight months and requires the beneficiaries of these shares to be employees and / or corporate officers of TF1 or companies related to it. To that end, the General Meeting delegated powers to the Board of Directors to set rules for grants of bonus shares.

General rules applicable to grants of stock options and bonus shares

It should be noted 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;
- more than 150 employees benefit from each 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 potential high-flyers;
- no discount is applied to grants of options and shares;
- a rule has been set that prohibits employees from exercising their options or selling option shares in the fifteen calendar days leading up to the TF1 Board of Directors meetings that approve the quarterly, half-year and full-year financial statements, or during the two trading days following such meetings.

Specific rules applicable to corporate officers

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 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).

General information: characteristics of stock options

All the stock options granted by the Board of Directors have the following characteristics:

- exercise price: average of the opening prices quoted on the 20 trading days prior to the option grant, with no discount,
- validity period: seven years as from the date the options are granted,
- lock-up period: three years following the date the options are granted (negotiable from the fourth anniversary),
- exercise period: during the four-year period 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 TO OR EXERCISED BY THE EXECUTIVE DIRECTOR AND SALARIED DIRECTORS IN 2010

No options were granted to the executive director in 2010.

TABLE 4 – OPTIONS GRANTED TO THE EXECUTIVE DIRECTOR

OPTIONS TO SUBSCRIBE OR PURCHASE SHARES GRANTED DURING THE YEAR TO THE EXECUTIVE DIRECTOR BY THE ISSUER AND BY ANY GROUP COMPANY

Name of executive director	Plan number and date	Nature 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 price
Nonce Paolini	Plan Bouygues Date of Board meeting: 01/06/2010 Grant date: 30/06/2010	Subscription	1.5532	130,000	€34.52	30 June 2014 to 30 December 2017
TOTAL				130,000		

TABLE 5 – OPTIONS EXERCISED BY THE EXECUTIVE DIRECTOR OF TF1 IN 2010

No options were exercised by the executive director of TF1 in 2010.

PERFORMANCE SHARES

TABLE 6 – PERFORMANCES SHARES ALLOTTED TO THE EXECUTIVE DIRECTOR

No performance shares were granted by the company in 2010.

TABLE 7 – PERFORMANCE SHARES THAT BECAME AVAILABLE TO THE EXECUTIVE DIRECTOR DURING THE YEAR

No performance shares became available the executive director, Nonce Paolini, since none have been granted to him.

TABLE 8 - STOCK OPTION ALLOCATION HISTORY

	Plan n° 8	Plan n° 10	Plan n° 11
Date of General Meeting	23/04/2002	17/04/2007	17/04/2008
Date of Board meeting	31/08/2004	20/02/2008	18/02/2009
Grant date	16/09/2004	20/03/2008	20/03/2009
Total options granted	1,008,000	2,000,000	2,000,000
<i>to corporate officers</i>	0	56,000	56,000
PAOLINI Nonce	0	50,000	50,000
PERNAUT Jean-Pierre	0	6,000	6,000
<i>to the 10 employees receiving the highest grants</i>	100,000	340,000	340,000
Options exercisable beginning	16/09/2007	20/03/2011	20/03/2012
Expiry date	16/09/2011	20/03/2015	20/03/2016
Subscription/purchase price	€23.46	€15.35	€5.98
Exercise rules	Exercisable on 3 rd anniversary. Negotiable on 4 th anniversary		
Number of shares subscribed as of 31/12/2010	0	0	0
Total number of cancelled or lapsed options	127,500	141,500	180,103
Options outstanding at the end of the year	880,500	1,858,500	1,819,897

The above options are currently the only instruments issued by TF1 that have a potentially dilutive effect.
 In view of the average TF1 share price in 2010, a dilutive impact has been taken into account for plan no. 11.

Earlier matured plans:

- plan no. 1 lapsed on 10 October 2002
- plan no. 2 lapsed on 8 April 2004
- plan no. 3 lapsed on 18 March 2005
- plan no. 4 lapsed on 20 September 2006
- plan no. 5 lapsed on 6 December 2007
- plan no. 6 lapsed on 11 December 2008
- plan no. 7 lapsed on 12 March 2010.

PLAN NO. 9: BONUS SHARE ALLOTMENT PLAN

- | | |
|--|------------------|
| • Date of General Meeting | 12 April 2005 |
| • Date of Board Meeting | 21 February 2006 |
| • Provisional allotment date | 8 March 2006 |
| • Vesting date | 31 March 2008 |
| • End of lock-up period for shares acquired under the plan | 31 March 2010 |

Nature of shares: existing shares

- | | |
|--|---------------|
| • Number of bonus shares allotted on inception: | 445,725 |
| - with no conditions other than being a Group employee on March 31, 2008 | 191,025 |
| - subject to performance-related and market-related conditions | 254,700 |
| • Number of shares allotted: | 176,400 |
| - with no conditions other than being a Group employee on March 31, 2008 | 176,400 |
| <i>number of which can be subscribed or purchased by executive Directors⁽¹⁾</i> | <i>82,500</i> |
| <i>to 10 employees receiving the most shares</i> | <i>42,375</i> |
| - subject to performance-related and market-related conditions | 0 |
| • Number of bonuses shares held at 31 December 2010: | 44,775 |

⁽¹⁾ The corporate officers concerned by this bonus share plan were Patrick Le Lay, Etienne Mougeotte and Claude Cohen.

The vesting period ran from 8 March 2006 to 31 March 2008 and the holding period from 1 April 2008 to 31 March 2010. Grantees can sell their shares as from 1 April 2010.

TABLE 9 – STOCK OPTIONS GRANTED TO OR EXERCISED BY THE TEN TF1 EMPLOYEES (NON-CORPORATE OFFICERS) RECEIVING THE HIGHEST GRANTS IN 2010

No stock options were granted or exercised in 2010 by employees not holding a corporate office at TF1.

TABLE 10 – OTHER INFORMATION CONCERNING THE EXECUTIVE DIRECTOR

	Employment contract ⁽¹⁾		Supplementary pension plan (see § 1.3) ⁽²⁾		Remuneration or benefits due or likely to be due in connection with relinquishing or changing post ⁽³⁾		Remuneration 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 TF1 SA

(2) The annual supplementary pension entitlement, i.e. 0.92% of the reference salary for each year of scheme membership, is capped at eight times the annual upper limit for social security contributions (currently €282,816). 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 regulatory agreement procedure.

(3) Golden parachutes: neither the company nor its subsidiaries have made any commitment or promise to award severance pay either for the executive director or for salaried directors.

Since the executive director has an employment contract with the parent company, he is subject to the collective bargaining agreement for construction company executives in the Paris region. Nonce Paolini is entitled to the remuneration provided for under that agreement if his employment contract is terminated by Bouygues SA.