REPORT ON REMUNERATION

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 December 22, 2008 on the information related to the remuneration of directors of listed companies to be included in their registration document.

Remuneration of executives and non-executives directors

REMUNERATION OF THE EXECUTIVE DIRECTOR FOR 2011

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 stood at €920,000 in 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.

The in-kind benefits received by Nonce Paolini in 2011 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 2011 is based on the performance of the TF1 and Bouygues Groups, which is measured on the basis of significant 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 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 reviews the evolution of TF1's consolidated net profit compared to 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 2011 amounted to €936,284.

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 July 1, 2009, consisted in studying technological convergence between the Internet, the media industries and fixed and mobile telephony, and developing strategies and proposals for managing this convergence. The assignment was not renewed in 2011.

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.

Lastly, 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.

SUMMARY OF REMUNERATION OF THE EXECUTIVE DIRECTOR

TABLE 1 – SUMMARY OF REMUNERATION, BENEFITS IN KIND AND STOCK OPTIONS GRANTED TO THE EXECUTIVE DIRECTOR IN 2011

Nonce Paolini – Chairman and CEO since 01/08/2008 ***(in euros)***	**2011**	**2010**
Remuneration paid by TF1 for the year (details in Table 2)	1,917,321	1,811,037
Remuneration paid by Bouygues for the year (details in Table 2)	0	290,000
Value of options awarded during the year (details in Table 4)	135,595	201,916
Value of performance shares awarded during the year (details in Table 6)	0	0
TOTAL	**2,052,916**	**2,302,953**

TABLE 2 – REMUNERATION OF THE EXECUTIVE DIRECTOR

Nonce Paolini – Chairman and CEO since 01/08/2008 ***(in euros)***	**2011**		**2010**	
	Amount due	**Amount paid**	**Amount due**	**Amount paid**
Fixed remuneration	920,000	920,000	700,000	700,000
Change	*+31%*	*+31%*	-	-
Variable remuneration(2)	936,284(1)	1,050,000	1,050,000	510,230
Change	*-11%*		*x 2.1*	
% Variable / Fixed	*102%*		*150%*	
cap	*150%*		*150%*	
Other remuneration(3)	-	-	290,000	290,000
Directors' fees(4)	56,000	56,000	56,000	56,000
Benefits in kind	5,037	5,037	5,037	5,037
TOTAL	**1,917,321**	**2,031,037**	**2,101,037**	**1,561,267**

(1) The variable remuneration to be paid in March 2012 to Nonce Paolini for his service as CEO in 2011 is €936,284 (102% of fixed remuneration, capped at 150% of it), reflecting the performance of TF1.

(2) The variable remuneration for 2010 paid in March 2011 was €1,050,000 (150% of fixed remuneration), reflecting the performance of TF1.
The variable remuneration for 2009 paid in March 2010 was €510,230, or 73% of fixed remuneration (capped at 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 2010 this comprised €18,500 for TF1, €25,000 for Bouygues, and €12,500 for Bouygues Telecom.
In 2011 this comprised €18,500 for TF1, €25,000 for Bouygues, and €12,500 for Bouygues Telecom.

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 for 2011 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 2011.

Directors' fees totalling €257,941 were paid to Directors, as indicated below.

TABLE 3 – DIRECTORS' FEES AND OTHER REMUNERATION PAID TO NON-EXECUTIVE DIRECTORS (IN EUROS)

Non-Executive Directors	Amounts paid in 2011	Amounts paid in 2010
BARBIZET Patricia	32,900	30,587
BERDA Claude(1)	18,500	18,500
BOUYGUES Martin	23,900	23,900
BOUYGUES Olivier	17,343	11,562
DANON Laurence(2)	24,093	9,250
MARIEN Philippe	32,900	32,900
PELISSON Gilles	18,500	13,875
PERNAUT Jean Pierre(3) (staff representative)	12,718	16,187
PETTON Céline(3) (staff representative)	18,500	18,500
POUYAT Alain	23,900	23,900
ROUSSAT Olivier	16,187	18,500
SABAN Haïm(4)	-	4,625
TOTAL	**239,441**	**222,286**

(1) Appointed as a Director on the recommendation of the Board of Directors on February 17, 2010.
(2) Appointed as a Director on the recommendation of the Board of Directors on July 22, 2010.
(3) Directors' fees due to employee representatives were paid to two trade unions: CFTC (€12,718) and FO (€18,500).
(4) Resigned on April 27, 2010.

The remuneration received in 2011 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 group.

Directors' fees paid to the Executive Director were as follows:

DIRECTORS' FEES PAID TO THE EXECUTIVE DIRECTOR

	Amount paid in 2011	Amount paid in 2010
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.

Stock options and performance shares

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 December 22, 2008 on the information to be provided in registration documents concerning the remuneration of Directors.

The Board of Directors has awarded stock options in 2011, but no performance share were distributed.

POLICY ON GRANTING STOCK OPTIONS AND BONUS SHARES (PERFORMANCE SHARES)

AUTHORISATIONS GRANTED TO THE BOARD OF DIRECTORS BY THE ANNUAL GENERAL MEETING

The 28th and 29th resolution of the Combined Annual General Meeting on April 14, 2011 authorised the Board of Directors on one or more occasions to allot stock options, calls and/or 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, with a view to establishing closer links between senior executives and the performance of the Group and its future and also the results of their work.

There are plans for a common ceiling set at 3% of the authorised capital.

The 28th and 29th resolutions on options and bonus shares provide that:

- the Board of Directors sets the conditions, notably the maximum cap, for 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 criteria they must fulfil.

Furthermore, the 28th 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 options entitling their holders to subscribe for new TF1 shares, subject to company performance, in 2011.

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 potential managers;
- 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 thirty calendar days leading up to release of the quarterly, half-year and full-year financial statements, or the day of this release.

SPECIFIC RULES APPLICABLE TO DIRECTORS

The 28th and 29th resolutions on options and bonus shares 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 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: 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:
  - Plan nos. 10 and 11: three years following the date the options are granted (negotiable from fourth anniversary);
  - Plan no. 12: four years following the date the options are granted;
- 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 OR EXERCISED IN 2011

DETAILS ON THE SHARE SUBSCRIPTION OPTION PLAN IN 2011

In 2011 the Board of Directors introduced a TF1 subscription option plan, called Plan no. 12, granting options entitling their holders to subscribe for new shares, subject to company performance.

The grant date was June 10, 2011. The number of options granted was 1,500,000 at €12.47.

The options were granted to 130 beneficiaries, senior managers or salaried employees of the company or Group companies, belonging to one of the three management bodies, excluding the Chairman.

The exercise price of the options was calculated on the basis of the average of the opening prices quoted on the 20 trading days prior to the date of June 10, 2011 (from May 13, 2011 to June 9, 2011). No discount has been applied.

These options are valid for seven years after the date granted.

Exercise of the options is subject to performance conditions. The Board of Directors has set the performance criteria, independently of each other, that determines the number of options that can be definitively acquired. 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 will be made on the basis of the arithmetic average of performances in 2011, 2012 and 2013 on a consistent basis, compared with the budgets set in 2010, 2011 and 2012 for the respective fiscal years of 2011, 2012 and 2013.

The Remuneration Committee will review the fulfillment of performance criteria on which the exercising of options depends. The Board of Directors decides on the number of options that beneficiaries may exercise from June 10, 2014, the first day after the lock-up period.

At February 15, 2012 the total number of non-exercised options was 5,042,986, or 2.4% of the total shares on that date.

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

In 2011 Nonce Paolini did not benefit from TF1 purchase or subscription options. As such, he received no option subscription in Plan no. 12.

As part of his functions at Bouygues, in the 2011 fiscal year he received options entitling him to subscribe new Bouygues shares, granted, effective on June 14, 2011, by the Board of Directors of the Bouygues company at a meeting on May 16, 2011.

TABLE 4 – OPTIONS GRANTED TO THE EXECUTIVE DIRECTOR IN 2011

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	Adjusted number of options granted during the year *	Adjusted exercise price *	Exercise period
Nonce Paolini	Bouygues Plan Board Meeting date: 16/05/2011 Grant date: 14/06/2011	Subscription	€1.38	98,257	€31.43	June 14, 2015 to December 14, 2018
TOTAL			**€135,595**	**98,257**		

* Adjustment following the 2011 Bouygues share repurchase tender offer

The exercise price was calculated on the basis of the average of the opening prices quoted on the 20 trading days prior to June 14, 2011, with no discount.

TABLE 5 – OPTIONS EXERCISED BY THE EXECUTIVE DIRECTOR OF TF1 IN 2011

No options were exercised by the Executive Director of TF1 in 2011.

SUBSCRIPTION OPTIONS GRANTED DURING THE YEAR TO SALARIED DIRECTORS BY THE ISSUER AND BY ANY GROUP COMPANY

The Board of Directors of TF1 granted, effective on June 10, 2011, options entitling the beneficiary to subscribe new TF1 shares to a salaried directors, owing to the person's mandates and functions at the company.

Jean-Pierre Pernaut, a salaried employee and director of TF1, benefitted from this plan. The company's other salaried directors did not in the 2011 fiscal year receive options granted by the companies linked to the company under the conditions set forth in Article L. 255-180 of the Commercial Code or by companies controlled by the company as provided for by Article L. 223-16 of the Commercial Code.

Name of salaried 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 period
Jean-Pierre Pernaut	Plan no. 12 Board Meeting date: 12/05 and 25/07/2011 Grant date: 10/06/2011	Subscription	€1.18	7,200	€12.47	June 10, 2015 to June 10, 2018
TOTAL			**€8,496**	**7,200**		

PERFORMANCE SHARES

TABLE 6 – PERFORMANCE SHARES GRANTED TO THE EXECUTIVE DIRECTOR

No performance shares were granted by the company in 2011.

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
Date of General Meeting	17/04/2007	17/04/2008	14/04/2011
Date of Board Meeting	20/02/2008	18/02/2009	12/05 and 25/07/2011
Grant date	20/03/2008	20/03/2009	10/06/2011
Total subscription options granted	2,000,000	2,000,000	1,500,000
to directors	*56,000*	*56,000*	*7,200*
Nonce Paolini	50,000	50,000	0
Jean-Pierre Pernaut	6,000	6,000	7,200
to the 10 employees receiving the highest grants	*340,000*	*340,000*	*272,000*
Total options granted subject to performance	0	50,000	1,500,000
Options exercisable beginning	20/03/2011	20/03/2012	10/06/2015
Expiry date	20/03/2015	20/03/2016	10/06/2018
Subscription price *(euros)*	€15.35	€5.98	€12.47
Exercise rules	Exercisable on 3rd anniversary. Negotiable on 4th anniversary.		Exercisable and negotiable on 4th anniversary.
Number of shares subscribed as of 31/12/2011	0	11,111	0
Total number of cancelled or lapsed options	198,000	219,103	28,800
Options outstanding at the end of the year	1,802,000	1,769,786	1,471,200

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 2011, a dilutive impact has been taken into account for Plan no. 11.

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.

A total of 11,111 share subscription options were exercised by Group employees in 2011 as part of Plan no. 11. The exercise price was €5.98, with no discount.

TABLE 9 – STOCK OPTIONS GRANTED TO OR EXERCISED BY THE TEN TF1 EMPLOYEES (NON DIRECTORS) RECEIVING THE HIGHEST GRANTS IN 2011

	Total number of attributed options/subscribed or purchased shares	**Average weighted price**	**Maturity**	**Plan no.**
Options granted during the fiscal 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	272,000	€12.47	10/06/2018	12
Options held by the issuer, and the aforementioned companies, exercised during the fiscal year by the ten employees of the issuer and said companies with the highest number of options thus purchased or subscribed	11,111	€5.98	20/03/2016	11

Other information concerning the Executive Director

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 €290,976). 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.