2015

REGISTRATION DOCUMENT ANNUAL FINANCIAL REPORT

TF1

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LABEL TRANSPARENCE This label recognizes the most transparent Registration Documents according to the criteria of the Annual Transparency Ranking.

The element of the annual financial report are clearly identifed in the table of content using the pictogram AFR

2015
REGISTRATION DOCUMENT
AND ANNUAL FINANCIAL REPORT

Disclaimer

This amended version of the Registration Document dated September 14th, 2016 includes an adjustment made in chapter 4 on page 167 regarding TF1's holding in the TEADS group. The correct figure being in fact shown elsewhere in chapter 4 on page 214.

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 9, 2016, 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 2015 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.

2015 TF1 GROUP INTEGRATED REPORT

Information included in the Annual Financial Report is clearly identified in the table of contents with the AFR symbol.

MESSAGE FROM NONCE PAOLINI

2015 : another great year for the TF1 Group

LADIES, GENTLEMEN, SHAREHOLDERS,

We maintained the positions of our free-to-air channels, to which LCI will be added in 2016. We also bolstered our position in the digital field with a new MYTF1 platform and took on an important position in content thanks to the acquisition of 70% of Newen.

The TF1 channel maintained its leadership position with a wide margin, with 98 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: 31 different and strong programme brands were in the top rankings for the year.

The multi-channel range has grown along with the increased strength of the group's DTT channels. They played a particular role in the Group's strong audience figures and represent the leading DTT range, with 8.6% in the target demographic of women aged under 50, responsible for purchasing decisions. TMC retained an outstanding audience share (3.6%) in a very harsh competitive environment. In prime time, it draws up to an average of 800,000 viewers. NT1 is having a very good year and has consolidated its growth in the target demographic of women aged under 50, responsible for purchasing decisions. HD1, remains a channel dedicated to dramas and continued to grow, achieving a 1.8% audience share in the target group of women aged under 50 responsible for purchasing decisions.

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 popular on IPTV and new uses result in high viewer numbers for our programmes.

With its increasingly digital and multi-format approach, MYTF1 now has four digital free-to-air channels as well as 100% digital content. The Group is keeping up with changes in content-consumption methods and the new advertising sales opportunities that have ensued.

Our Consumer Products division continues to grow by offering a varied range of products to the general public. TF1 Entreprises had a fantastic year, particularly with TF1 Games with original programming such as "Chrono Bomb" and "Saute qui peut", based on the ideas and initiatives of our own teams, highlighting our in-house talent. TF1 Vidéo continued its roll-out, in particular with the launch of its eCinéma brand, a premium digital service offering users exclusive access to feature films on the main VoD platforms as close as possible to general release in the movie's home country.

Moreover, in 2015, the CSA (French audiovisual industry regulator) accepted our bid to shift LCI to free-to-air. We are now in a position to breathe new life into LCI. LCI, a pioneering news channel, must establish its position by offering a distinctive quality product accessible via regular broadcasting or digital means.

In 2015, the group also announced the acquisition of 70% of Newen, an audiovisual content production and distribution company and a major player in this sector within France. Managing content has become a key issue, in the same way that the conquest of international markets is now essential.

2016 promises to be just as exciting.

Gilles Pélisson is taking over as Chairman and CEO of the Group and will continue to encourage and support its development and transformation.

He is a man of great talent, an accomplished entrepreneur and a humanist.

I wish him every success, with passionate, engaged employees and support from our shareholders.

Boulogne-Billancourt, February 17, 2016

Nonce PAOLINI
Chairman and CEO of TF1

MESSAGE FROM GILLES PÉLISSON

Remaining the leader through self reinvention

LADIES, GENTLEMEN, SHAREHOLDERS,

As I take over the role of Chairman and CEO of the TF1 Group, I would first of all like to thank Nonce Paolini for the high quality of our discussions over the past few months. This handover period has been conducted with the utmost transparency and goodwill.

As a Director since 2009, I have seen first-hand that the Group is full of talented individuals to be mentored and ideas to bring to fruition. Every individual must be able to express themselves whilst remaining mindful of controlling costs and simplifying our operating methods.

The TF1 Group is ready and willing to continue its transformation and to strengthen its position as leader in the television industry.

With LCI's shift to free-to-air on April 5, the Group now has 5 freeview channels. They are available on all devices and allow us to create events in all programme categories and to cover the full range of emotions.

We have many strengths. I will mention but a few but they are representative of our knowledge and expertise. On the TF1 channel, French drama is attracting record audience numbers and the UEFA Euro 2016 championship held in France this summer will be one of the biggest events of the year. As for our know-how in terms of news, this has been rewarded with the approval to move LCI to freeview DTT.

I could of course list many others; we shall gather our strength and remain innovative in the face of increasingly strong and diverse competition. We shall also continue to strengthen our position as leader. We shall affirm the identity of our brands, create new programmes, boost our digital offering and extend better and more effective communication solutions to our advertisers.

Our newly acquired stake in Newen Studios provides us with numerous opportunities in terms of programme production and distribution, both in France and abroad. It is a reflection of our desire to develop in new areas, an invaluable move for the future.

Together we will promote our brands and create value for your Group.

Boulogne-Billancourt, March 9, 2016

Gilles PÉLISSON
Chief Executive Officer of TF1

REGARDING THE REPORT

The TF1 group integrated report presents the Group and its environment, governance, economic model, strategy and performance from the perspective of the valuation of its capital for the short-, medium and long-term, in connection with its stakeholders.

METHODOLOGY

This report is based on the standards published by the International Integrated Reporting Council (IIRC). It is part of a voluntary effort following on from the work undertaken over the past several years on Corporate Social Responsibility and transparent communication with all stakeholders.

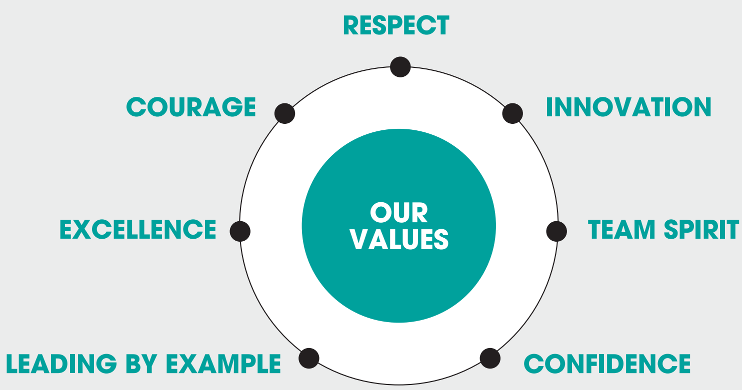
An internal working group, steered by the Financial Communication Department in close collaboration with several departments, particularly the Central Strategy and Planning Division (DSP) and the CSR Division, has been mobilized throughout the process in order to structure the information.

The Group has placed greater importance on the relevance of the information than its completeness.

SCOPE

The report covers the 2015 financial year (01/01/2015 to 12/31/2015) and the TF1 group entities consolidated within the financial scope. It reiterates the 2016 objectives and includes the medium-and long-term projections, thus offering a forward-looking outlook for the Group within its environment.

REMITS AND VALUES



GROUP PROFILE

LEADING
PRIVATE GROUP IN FREE TV IN FRANCE

4 FREE-TO-AIR CHANNELS

27.7%
GROUP AUDIENCE SHARE(1)

LEADING
TV GROUP IN DIGITAL(2)

€2,004 million
IN REVENUES

2,565
EMPLOYEES

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 and content adapted to all media.

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 27.7% in 2015. LCI is being added to the Group's free DTT channels in 2016.

The Group is strengthening this leadership position by continuously adapting to the new ways in which viewers are consuming content. TF1 is thus developing a powerful **digital format** for its channels. Exclusive digital content and video-on-demand products are also offered in order to reach all audiences across all platforms.

The Group also produces top-quality **theme channels** in Pay-TV that meet the specific viewer needs: TV Breizh, Histoire, Ushuaïa and Serieclub (50% owned, with 50% owned by M6).

TF1's **Advertising Department** makes it possible for advertisers to combine the broad audiences of its television channels with the benefits of personal digital media. It also sells advertising space on *Metronews.fr*, Indés Radio stations and many other websites.

The TF1 group also takes part in **the production and distribution of content** for its own channels. The majority equity interest acquired in Newen is primarily intended to accelerate the roll-out of production and distribution internationally.

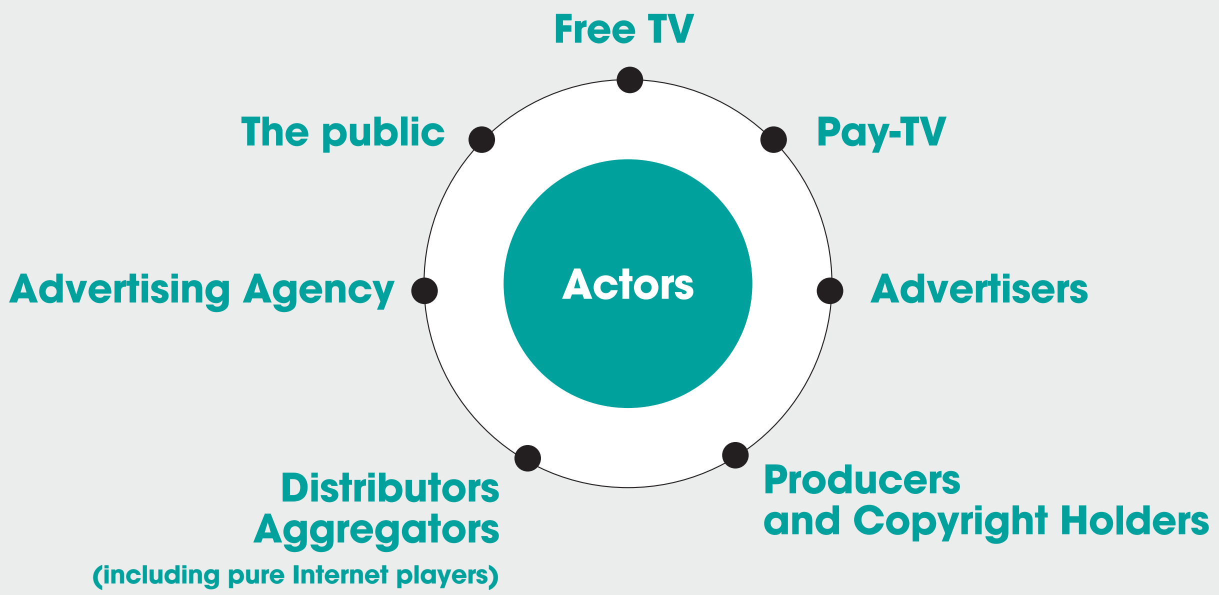
The TF1 group has also created a wide range of **merchandising spin-offs** in fields such as home shopping, licences, board games and the production of music and live shows, etc.

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.

(1) *Médiamétrie.*
(2) *Médiamétrie NetRatings – Fixed and video panels, France – November 2015.*

1. THE GROUP AND ITS ENVIRONMENT

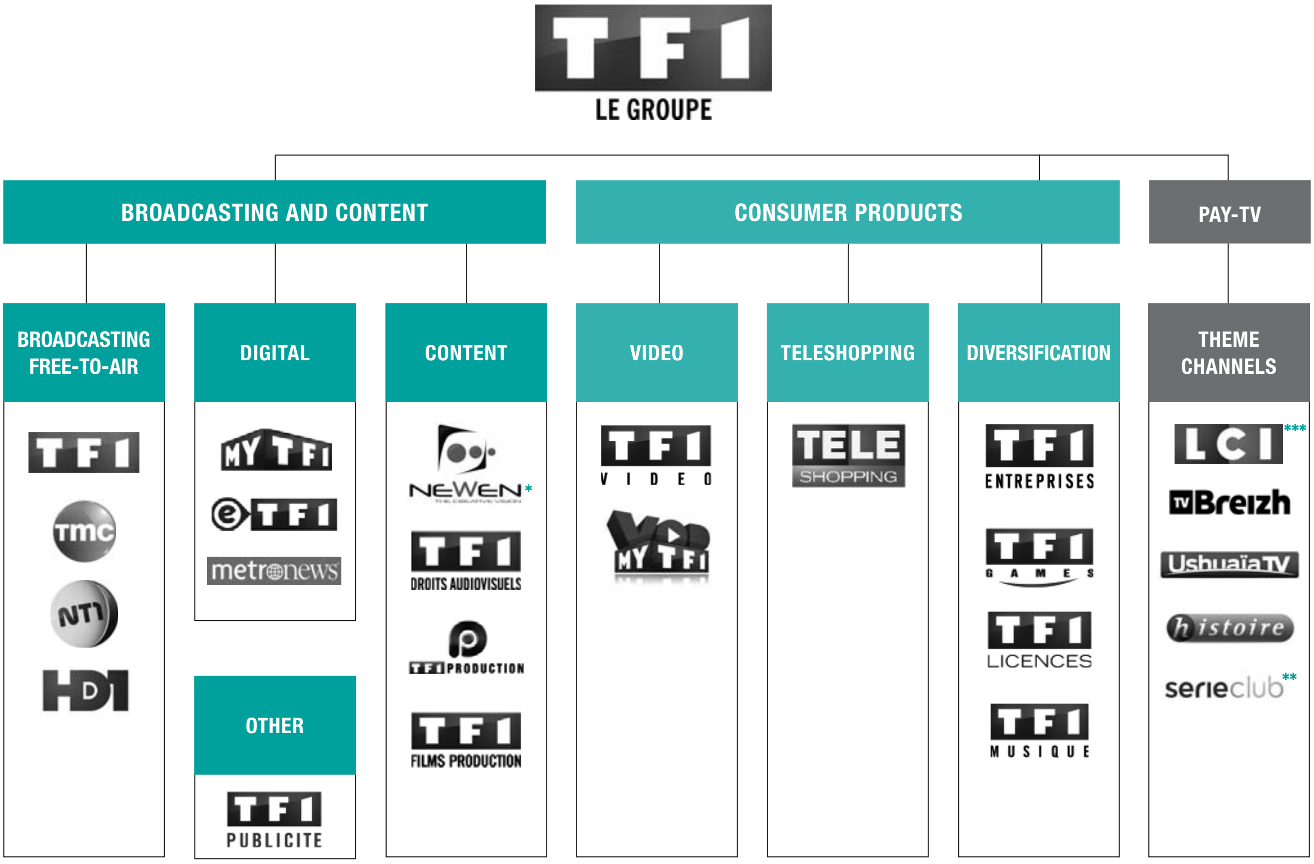
The TF1 group is a television group with **4 free-to-air channels**, and 4 pay channels. While continuing to build on its core business, television, the Group has diversified into other areas, including digital, audiovisual content and rights, production, home shopping, e-commerce, licences, games and live shows. The remit of the TF1 group is to use all its channels **to inform and entertain**.



SIMPLIFIED DIAGRAM OF THE GROUP'S BUSINESS ACTIVITIES

AT FEBRUARY 17, 2016

A simplified organisation chart of the Group's subsidiaries can be found on p. 230 in chapter 6 of this registration document and annual financial report.



* Owned 70% by TF1 group since January 26, 2016.

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

*** LCI will become part of TF1's free-to-air offer in 2016.

TF1 GROUP STAKEHOLDERS

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.

BUSINESS PARTNERS

These are individuals or entities the TF1 group has signed contracts with for the sale of services or the purchase of products or services.

CHALLENGES

- to maintain optimal relations with its clients and suppliers to preserve the value chain;
- to expand the Group's CSR policy to its value chain;
- to ensure responsible purchasing.

DIALOGUE METHOD

Creation of clauses in the terms and conditions and purchasing specifications, CSR assessments, exchange and sharing via the organisation of conferences.

MARKET REGULATORS

All those working on the standardisation of the media sector or the economy.

CHALLENGES

Ethical journalism, ethics and integrity of programmes, representation of national diversity, responsible advertising, business ethics.

DIALOGUE METHOD

Participation in governance bodies and/or working groups, creation of commitments and reports.

MAIN STAKEHOLDERS

CSA, ARPP, French Competition Authority.

TF1 LE GROUPE

INTERNAL STAKEHOLDERS

These are employees as well as internal groups of stakeholders within the Group that represent homogeneous sub-populations.

CHALLENGES

Social dialogue, remuneration policy, human resource planning, health and safety and equal opportunities.

DIALOGUE METHOD

Negotiation of agreements with trade unions, internal communication, annual performance reviews, satisfaction surveys.

MAIN STAKEHOLDERS

Employees and directors representing the staff.

SOCIAL INFLUENCERS

These are the members of civil society who have the power to influence the TF1 group's decisions and activities through their behaviour or their stated expectations or interests.

CHALLENGES

To raise public awareness of major issues, social connection, diversity and solidarity, visibility given to non-profit organisations, media education.

DIALOGUE METHOD

Television viewer services, information mediator, meetings among the Groups' leading individuals, partnerships.

MAIN STAKEHOLDERS

Non-profit organisations, other media.

MATERIALITY MATRIX

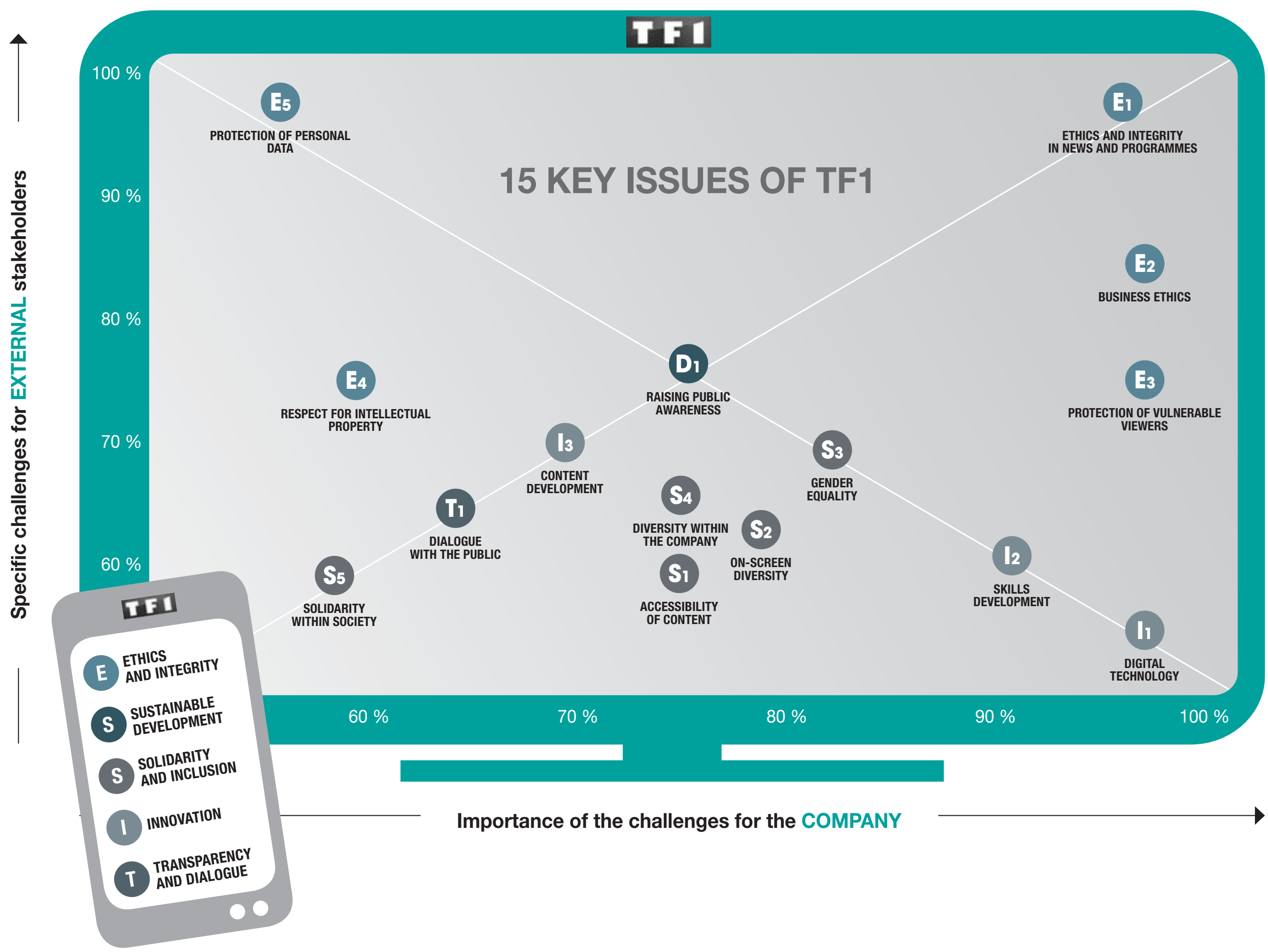
THE MATERIALITY MATRIX MAKES IT POSSIBLE TO PRIORITISE THE CSR CHALLENGES OF THE TF1 GROUP

These challenges are identified based on the following benchmarks and actions:

- the media sector analysis by RobecoSAM published in the 2014 “Sustainability Yearbook”;
- the GRI-G4 media sector supplement published in February 2014;
- a competitive analysis of the world leaders in the sector based on public information available on the Internet;
- questionnaires from the non-financial rating agencies (RobecoSAM/DJSI, Vigeo, Ethifinance/Gaia, etc.);
- the sector guide published by the FORUM RSE MEDIAS in France;
- finally, the prioritisation of these issues based on the materiality survey conducted by TF1 in 2014.

In 2014, the GLOBAL REPORTING INITIATIVE verified and approved the process used for this materiality study.

MATERIALITY MATRIX TF1 GROUP 2015



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 14, 2016
Shareholders' Combined General Meeting

APRIL 22, 2016
Ex-dividend date

APRIL 25, 2016
Positions closed for payment of the dividend

APRIL 26, 2016
Payment of dividend

APRIL 26, 2016
Revenue and financial statements for the first quarter of 2016

JULY 21, 2016
Revenue and financial statements for the first six months of 2016

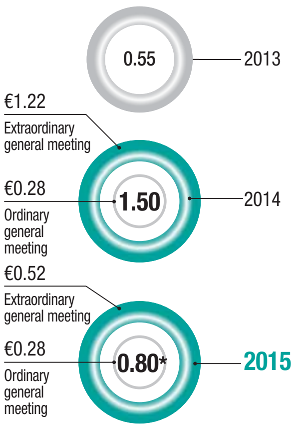
OCTOBER 27, 2016
Revenue and financial statements for the first nine months of 2016

FEBRUARY 18, 2017
Annual revenue and financial statelments for 2016

APRIL 13, 2017
2017 Shareholders' General Meeting

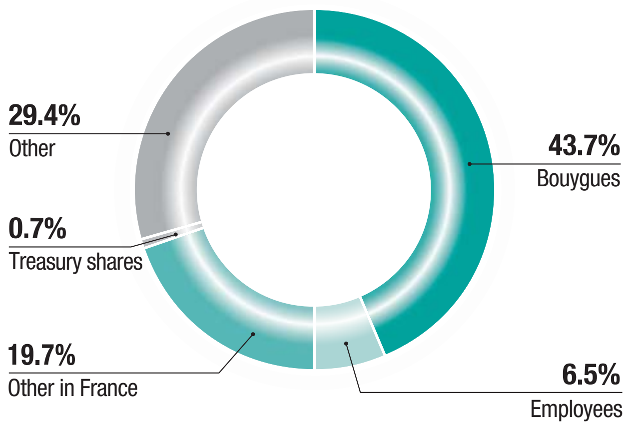
APRIL 19, 2018
2018 Shareholders' General Meeting

DIVIDEND FOR THE FINANCIAL YEAR (€)



* Subject to the approval of the general meeting of April, 16 2015.

OWNERSHIP STRUCTURE AT DECEMBER 31, 2015(1)



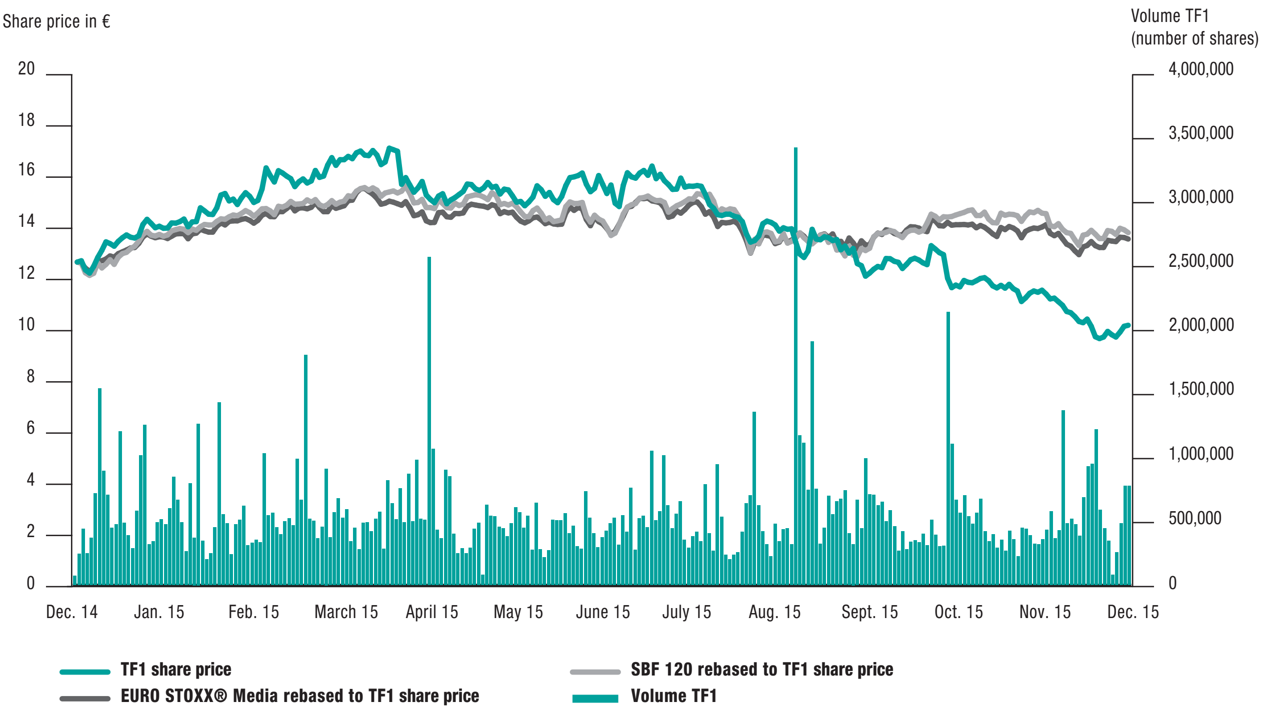
(1) Euroclear estimates to 12/31/2015 including unidentified holders.

STOCK MARKET DATA

Share price	2015	2014	2013
High(1)	17.17	14.80	14.40
Low(1)	9.73	10.63	7.51
Price at year-end	10.25	12.72	14.01
Change over the year	-19.4%	-9.2%	+58.3%
Change in the CAC 40 over the year	+8.5%	-0.5%	+18.0%
Change in the SBF 120 over the year	+9.8%	+0.7%	+19.5%
Market capitalisation at December 31 *(€m)*	2,158	2,691	2,960
Annual volume *(in thousands of securities)*(2)	552.3	442.7	335.6
Number of securities comprising the capital at December 31 *(€m)*	210.5	211.5	211.3
Rate of annual rotation of capital	0.26%	0.21%	0.16%

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

CHANGE IN TF1 SHARE PRICE



2. GOVERNANCE

COMPOSITION OF THE BOARD OF DIRECTORS

AT FEBRUARY 17, 2016

- Bouygues is the majority shareholder, and is responsible for complying with obligations, including those relating to business continuity.
- Act No. 86-1067 of September 30, 1986 requires one Director representing the staff for every six Directors.
- The composition of the Board takes into consideration the AFEP/MEDEF criteria (independence, inclusion of women).
- Accordingly, the Board of Directors has the following composition:

Nonce PAOLINI*	Directors with a connection to the majority shareholder	Directors representing the staff	Independent Directors	Directors
Chairman of the Board of Directors Chief Executive Officer	Martin BOUYGUES Olivier BOUYGUES Olivier ROUSSAT Philippe MARIEN, standing representative of Bouygues	Sophie LEVEAUX TALAMONI Fanny CHABIRAND	Janine LANGLOIS-GLANDIER Catherine DUSSART Laurence DANON	Gilles PÉLISSON* Claude BERDA

* Gilles Pélisson was appointed Chairman and Chief Executive Officer on February 17, 2016 and will officially assume his position on February 19, 2016, the day following the presentation of the 2015 financial statements.

- The Directors' biographies are available in chapter 2, page 58 fo this Registration Document and Annual Financial Report..

BOARD OF DIRECTORS PROFILE

AT FEBRUARY 17, 2016

12
DIRECTORS

8 YEARS
AVERAGE LENGTH OF SERVICE

30%
INDEPENDENT DIRECTORS(1)(2)

7
NUMBER OF MEETINGS IN 2015

2
REPRESENTING THE STAFF

59
AVERAGE AGE

30%
WOMEN DIRECTORS(1)(3)

(1) Excluding Directors representing the staff.

(2) This is a temporary situation following the announcement on October 28, 2015, of the choice of Gilles Pélisson, who was at that time an Independent Director not representing the staff, as the successor to Nonce Paolini in the roles of Chairman and CEO. The Board of Directors is submitting the appointment of Pascaline de Dreuzy as an Independent Director to the General Meeting on April 14, 2016. Subject to her appointment by the shareholders, the Board of Directors would include four Independent Directors out of nine Directors not representing the staff on the Board, representing proportionately 44% of the Board membership after the General Meeting.

(3) The Board of Directors proposes to the General Meeting of April 14, 2016, the appointment of Pascaline de Dreuzy as independent director. Subject to her appointment by the shareholders and following the General Meeting, four of the nine directors not representing the staff on the Board of Directors would be female (44%).

4 SPECIALISED COMMITTEES

AUDIT COMMITTEE

Since the Audit Committee was formed on February 24, 2003, its members have always been chosen for their expertise in finance and accounting. The Committee's members were Laurence Danon, Chairman (independent Director) and Philippe Marien*.

REMUNERATION COMMITTEE

The Remuneration Committee was created in 1988. It consists of Catherine Dussart, Chairman (independent Director), Fanny Chabirand, Director representing the staff, and Philippe Marien.

SELECTION COMMITTEE

The Director Selection Committee was created on February 24, 2003, and is composed of Martin Bouygues, Chairman, and Olivier Roussat.

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.

* *This is a temporary situation following the announcement on October 28, 2015, of the choice of Gilles Pélisson, who was at that time a member of the Audit Committee and an Independent Director not representing the staff, as the successor to Nonce Paolini in the roles of Chairman and CEO. To complete the membership of the Audit Committee, the Board of Directors is submitting for the approval of the General Meeting to be held on April 14, 2016, the appointment of Pascaline de Dreuzy as an Independent Director. She also has the financial and accounting expertise required for her to be appointed from April 14, 2016 to the Audit Committee, subject to shareholder approval.*

EXECUTIVE COMMITTEE/SENIOR MANAGEMENT COMMITTEE
AT DECEMBER 31, 2015

The Executive Committee is the Group's management body and reports to the Chairman and Chief Executive Officer.
It implements the strategic priorities established by the Board of Directors.
It meets weekly.

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, Finance and Purchasing

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

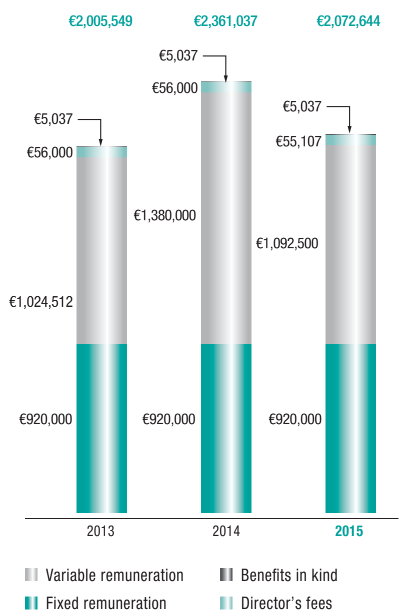
Laurent-Eric Le Lay
Chairman of TF1 Publicité

Catherine Nayl
Directrice générale adjointe en charge de l'Information du Groupe

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

AN EXECUTIVE DIRECTOR REMUNERATION POLICY ADAPTED TO THE ENVIRONMENT, RESPONSIBILITIES AND SKILLS

VARIATION IN THE REMUNERATION OF THE EXECUTIVE DIRECTOR OVER THE PAST THREE YEARS



There are no benefits associated with the taking up, termination or change of function or non-competition benefits.

No deferred annual variable remuneration, multi-year variable remuneration or exceptional remuneration.

The fixed remuneration of an Executive Director is reviewed annually by the TF1 Board of Directors, in accordance with Article L. 225-53 of the French Commercial Code, after seeking the opinion of the Remuneration Committee. It reflects the wider interests of the company and is based on the following components:

- the level and complexity of responsibilities;
- experience in the post or a similar post;
- length of service within the Group;
- the practices followed by the Group or companies carrying on similar businesses.

Variable remuneration is dependent on the achievement of objectives based on collective and individual criteria that are both quantitative and qualitative.

The variable remuneration of an Executive Director is defined according to 5 criteria and is capped at 150% of fixed remuneration.

3. ECONOMIC MODEL

THE 6 TYPES OF GROUP CAPITAL

FINANCIAL CAPITAL

- Capital contributed by shareholders.
- Capital contributed by the banks.
- Profits generated by the company.

2015 KEY EVENTS

2015: The TF1 Group allocated €40 million to a share buyback programme authorised on April 16, 2015 by the General Meeting.

April 28, 2015: payment of a dividend of €1.5 per share for 2014 comprising an ordinary part of €0.28 per share and an extraordinary part of €1.22 per share.

July 22, 2015: TF1 and Discovery Communications mutually agree that TF1 exercises its put option over its 49% interest in Eurosport and buys back from Discovery the latter's 20% interest in the Pay-TV channels TV Breizh, Histoire and Ushuaïa.

KEY FIGURES

Shareholders' equity attributable to the Group for 2015: **€1,741.7 million.**

Market capitalisation: **€2.2 billion.**

Net cash: **€701 million at December 31, 2015.**

MANUFACTURED CAPITAL

- The main TF1 building including 5 studios,
- All production material (from production to broadcasting),
- A plant for the manufacturing of board games for TF1 Entreprises,
- The home-shopping warehouse and shops.

2015 KEY EVENTS

May 21, 2015: plans to restructure Publications Metro France. Publication of the print edition of Metronews is to cease, but the digital business will continue with the aim of consolidating the position already built by the brand.

June 24, 2015: Dujardin receives the 2015 "Grand Prix du Jouet" in the action games category.

August 27, 2015: a new set for the TF1 TV news at 1.00pm and 8.00pm to provide better support for the editorial and to enable television viewers to feel more involved: 40m² screens, a central table that can accommodate up to 6 guests.

KEY FIGURES

Number of board games sold by TF1 Games/Dujardin: **2.2 million**

Number of hours of programming broadcast by TF1: **7,636 hours**

Number of news reports for TF1 television news programmes: **13,300**

NATURAL RESOURCES

TF1's business activities particularly use:

- electricity (management process of head offices);
- fuel oil (electrical generator units and news vehicles).

Most greenhouse gas emissions are generated outside the Group by the audiovisual productions. This fact led to the creation of the Ecoprod collective in 2009. TF1's primary impact remains its ability to raise public awareness on these issues.

2015 KEY EVENTS

The Group's commitment to obtaining ISO 50001 certification.

January 6, 2015: organisation of a conference on climate change solutions for the Group's partners.

May 12, 2015: signature of a partnership between Ecoprod and Film4climate (World Bank) for zero-carbon audiovisual and film production, followed by an international Ecoprod/CESER/Film4Climate conference on November 25.

October 12, 2015: signature of the Paris Climate Action Charter.

COP 21: exceptional coverage of environmental topics and of COP21 by TF1, LCI and Ushuaïa TV.

KEY FIGURES

9% decrease in electricity consumption since 2012;

Over **60%** of IT servers have undergone virtualization;

More than **800** televised news stories related to sustainable development.

INTELLECTUAL CAPITAL

- Editorial know-how,
- The production and acquisition of audiovisual rights (films, series, dramas, sports, etc.),
- The marketing know-how for the sale of advertising space,
- Internally-developed intellectual property (games, formats, licences, etc.),
- The ability to innovate particularly in business processes and technologies.

2015 KEY EVENTS

2015: launch of an open innovation effort within the TF1 group aimed at developing the Group's intellectual capital through innovative projects and external talents.

May 26, 2015: MYTF1 becomes the sole digital brand for the four TF1 group free-to-air channels and takes things a step further by offering new original content.

Editorial synergy between the channels, including Secret Story, which is broadcast on NT1, TF1 and through a digital platform.

KEY FIGURES

98 of the best 100 audiences for 2015.

8 start-ups incubated over the next 12 months.

More than 1.3 billion digital videos watched on the network's 4 screens[1]

HUMAN CAPITAL

- Employee talents and commitment,
- Training and development of skills, particularly in the digital field,
- Buy-in and company loyalty,
- Equal opportunities and Diversity.

2015 KEY EVENTS

November 9, 2015: Signature of the Autre Cercle LGBT Charter;

Signature of new three-year agreements on gender equality and disabled employees;

Development of the TF1 University programmes with masterclasses open to all employees and learning experiences for Group managers;

Second #Labcomwomen event

KEY FIGURES

6 TF1 University masterclasses on the changes in the generation and broadcasting of digital content.

8th class of the TF1 Corporate Foundation

Launch of the "Gender diversity and performance" network

Over **60%** of positions filled through internal transfers

SOCIAL CAPITAL

- Public trust and loyalty,
- Respect for ethical and compliance commitments is central to its mission,
- The Group listens to its viewers and internet users,
- The Group plays a role in creating social connections *via* promotion of the worthiest causes (support for Restos du coeur, etc.) and through its unifying programmes.

2015 KEY EVENTS

October 17, 2015: highest 2015 audience for the France vs. New Zealand quarter-final (12.2 million viewers)

September 2015: launch of Focus, the TF1 digital newscast.

2015: TF1 has remained in the main non-financial indices (DJSI Europe and World, Ethibel, FTSI4Good, OEKOM), 2nd place in Gaïa ranking.

KEY FIGURES

98 of the best 100 audiences for TF1.

€36.5 million of property improvements donated to **140** non-profit organisations.

More than **30 million** followers on social networks.

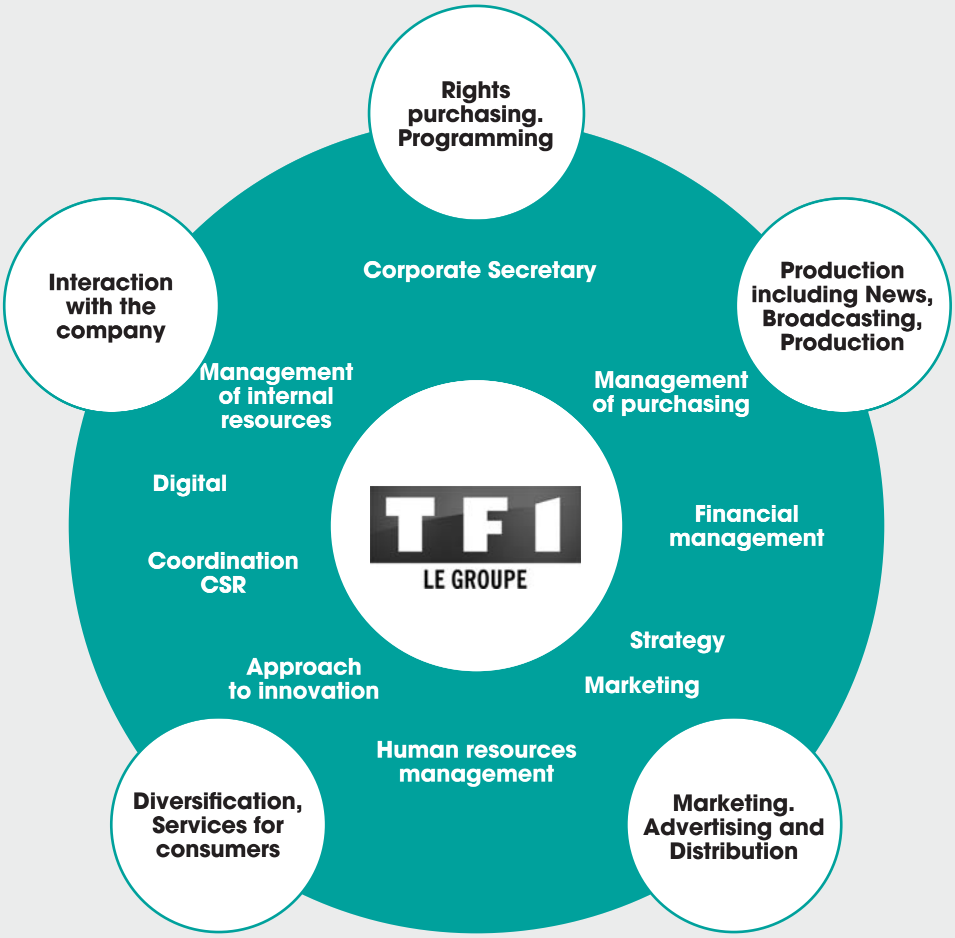
(1) *Médiamétrie eStat'Streaming, AT Internet, ISP data.*

VALUE CREATION AND DISTRIBUTION

CAPITAL

- Financial capital
- Manufactured capital
- Natural resources
- Intellectual capital
- Human capital
- Social capital

TF1 GROUP BUSINESS CYCLE



INCOME

Broadcasting

Production of free and pay-channels.
Digital broadcasting platform.
Broadcasting of content.

Advertising space

Content

Production of film and television programmes

Acquisition

Distribution

Trading

Diversification

Fee-based VOD distribution platform

Home-shopping/e-commerce

Licences, board games, entertainment, music

VALUE CREATED / R.O.I

OUR PUBLIC

- All types of content on 5 complementary free channels;
- A range available live or in replay on all types of media, for all audiences.

R.O.I: Large audiences who are loyal and committed: 1st French audiovisual group

OUR ADVERTISERS

- Varied advertising space with a powerful impact on all target audiences;
- Innovative solutions, multi-platform, targeted, in real time, etc.

R.O.I: Loyal and multi-media advertisers: TF1 Publicité recognised for the best advertising sales in France[(1)].

FRENCH CONSUMERS

- A varied range of quality services and products (VOD, DVD, Entertainment, home-shopping, etc.) for consumers.

R.O.I: Revenues that are not dependent on advertising: MYTF1VOD, 2nd distribution platform in France

THE REGULATOR, THE STATE

- Scrupulous compliance with the law, regulations and commitments coupled with active participation in their development;
- A significant good citizen contribution in the form of taxes paid in France.

R.O.I: More favourable changes in laws and regulations for better value creation: Decree applied in 2015 providing co-production rights to broadcasters

THE FRENCH AUDIOVISUAL ENVIRONMENT

- A significant financial contribution resulting from the requirement for French production playing a role in the growth of the sector;
- A responsible employer of the French audiovisual stars.

R.O.I: Supplying quality content nationally: French drama The influence brought together up to 10 million viewers.

CIVIL SOCIETY, NON-PROFIT ORGANISATIONS

- Promoting diversity within the company and its programmes;
- A channel open to non-profit organisations via donations and free advertising space.

R.O.I: Valuable employees: Hiring of 21 young people from underprivileged areas through the TF1 Corporate Foundation since it was created.

OUR EMPLOYEES

- A favourable social context;
- Support for career paths and skills that promote employability.

R.O.I: Recruitment and retention of the best talents

OUR SHAREHOLDERS

- Maximisation of share value;
- Transparency in communication;
- Historically high dividend distribution rates.

R.O.I: Involved and loyal shareholders: Bouygues has been a shareholder since the privatisation of TF1 in 1987.

(1) *Survey carried out by Harris Interactive for CB News.*

4. RISKS AND OPPORTUNITIES

<table>
<tr><th>MACRO TRENDS</th><th>BACKGROUND</th><th>OPPORTUNITIES & RISKS</th><th>KEY INDICATORS</th></tr>
<tr>
<td>1
CONTENT CONSUMPTION IS INCREASINGLY DIGITAL</td>
<td>Content consumption is growing, particularly thanks to the possibilities provided by digital technology: linear and catch-up television, VOD products, SVOD, 100% digital content.

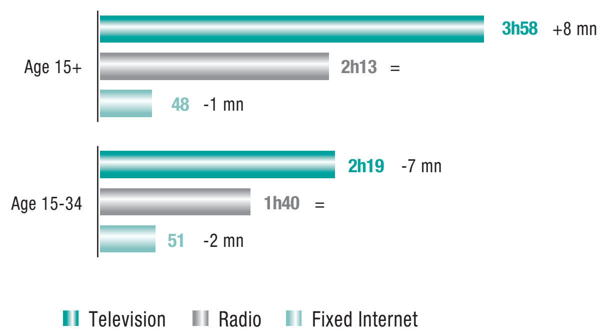
The growth of IPTV in France makes it possible to access a wide range of digital content from a television set, also available on all types of media thanks to the improvements made to telephone networks.

Television viewers are increasingly being given more ability to make their own choices, anywhere and any time.</td>
<td>The increase in the overall range of media has expanded the Group's sphere of activity. It is able to bolster its content and reach audiences in different ways by being more in tune with their expectations as expressed on the social networks in particular.

The Group must continue to meet these expectations, while continually adapting its content and the methods used to broadcast it.

It must also do its best to enhance this offering to consumers and advertisers despite heterogeneous measurement indicators among the various media.

Finally, in certain activities, the Group is facing international competitors who are not subject to the same regulatory constraints.</td>
<td>TELEVISION IS THE MOST POPULAR MEDIA WITH THE FRENCH POPULATION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<tr>
<td>2
AN INCREASINGLY TENUOUS DELINEATION BETWEEN FREE AND PAY MODELS FOR BROADCASTERS</td>
<td>Broadcasting methods are evolving toward paying bundled IPTV-type offerings versus free DTT products.

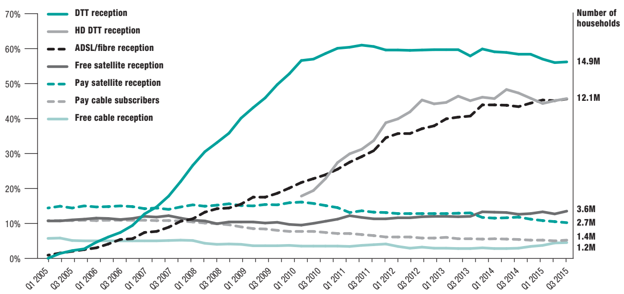
Similarly, some originally free content is evolving toward a paying model (premium sports broadcasting rights) and vice versa (news).

Low cost products are offering unlimited content consumption (S-VOD).

Finally, content is directly produced by a brand for advertising and image purposes (Brand Content).</td>
<td>Facing ever-increasing competition, the Group is seeking to obtain the best rights possible.

These rights may be used on multiple platforms and through new offerings that facilitate and increase their exposure and duration.

These models provide broadcasters with an opportunity to vary their sources of revenue. Similarly, advertisers have the opportunity to explore new message formats that go beyond traditional advertising space.</td>
<td>TELEVISION RECEPTION MODES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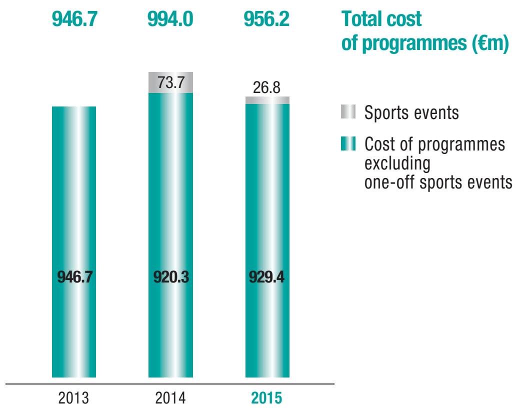
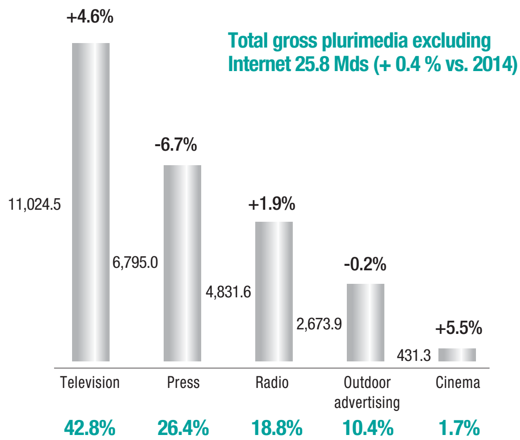
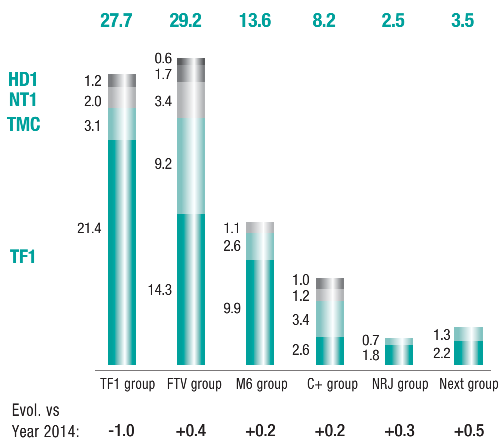
</tr>
</table>

MACRO TRENDS	BACKGROUND	OPPORTUNITIES & RISKS	KEY INDICATORS
3 **BROADCASTERS SEEKING EXCLUSIVE RIGHTS AND DIFFERENTIATION**	The global market is characterised by an offering that is being rationalised by concentration in the production sector and increasing demand associated with the rise in the number of broadcasters. They seek to distinguish themselves through original and exclusive content. This effort results in tension regarding certain existing premium rights while promoting the emergence of new production entities and new rights.	In the face of increasing difficulty obtaining some premium content on profitable terms (sports broadcasting rights), the Group is seeking to distinguish itself through a general offering that prioritises a wide range of content (news, entertainment, sports, series, dramas, etc.). In order to secure the supply of rights and to meet the public's expectations, the Group is investing in production and in the ownership of audiovisual rights through the acquisition of production companies, internal production and global alliances between broadcasters and producers.	**COST OF PROGRAMMES OF THE TF1 GROUP'S FOUR FREE-TO-AIR CHANNELS (€M)** 
4 **ADVERTISERS EXPECT INDIVIDUALISATION OF AUDIENCES**	Return on investment is the core issue for advertisers. More than ever, advertisers need to reach greater numbers of people, which means that incumbent channels cannot be avoided. Beyond this, new expectations have been created by digital technology, which promises individualised contact (data).	Individualised contact is part of a technological transformation that can only be implemented slowly. Faced with constantly evolving offerings, the market must arrive at a successful combination of strength and targeting components in terms of value. Traditional broadcasters are in an advantageous position due to their ability to combine these two indicators. Their exploitation requires investments that may necessitate partnerships among broadcasters to avoid the supremacy of a few suppliers.	**PLURIMEDIA.** **GROSS INVESTMENT FOR 2015** 

5. STRATEGY AND RESOURCE ALLOCATION

<table>
<tr><th></th><th>STRATEGIC PRIORITIES</th><th>STRATEGIC LEVERS</th><th>KEY INDICATORS</th></tr>
<tr><td>1
FREE TV</td><td>Reinforce our leadership position to consolidate our economic model in free TV and seize any opportunities created by changes in the practices and needs of our advertising clients.</td><td>Continue to adapt our programming offering to changes in the market and practices.
Use a portfolio of brands on our 4 free channels.
Increase our presence in the new digital media by offering the content best suited to each channel.
Transform the methods for selling advertising by relying on technology and data, particularly on the digital channels.
Increase our position in content (formats, production, distribution).</td><td>AUDIENCES (IN %)

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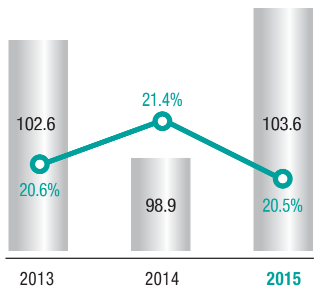
<tr><td>2
SOURCES OF GROWTH</td><td>Accelerate the growth of the TF1 group in related and complementary activities that are less dependent on the advertising and national market.</td><td>Increase our position in content (formats, production, distribution), international partnerships.
In digital technology, through the development of new offers (internet channels, second screen, non-linear offerings, etc.).
Seize opportunities in other historical/natural markets of the Group.
Possible use of M4E, start-up incubator.</td><td>8 START-UPS INCUBATED OVER THE NEXT 12 MONTHS
E-TF1 REVENUE AND MARGIN

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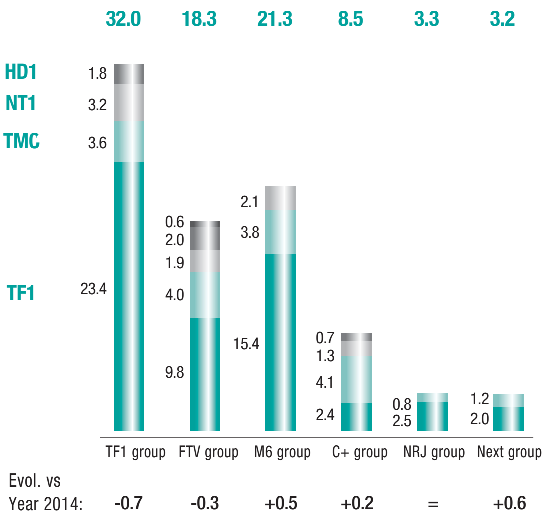
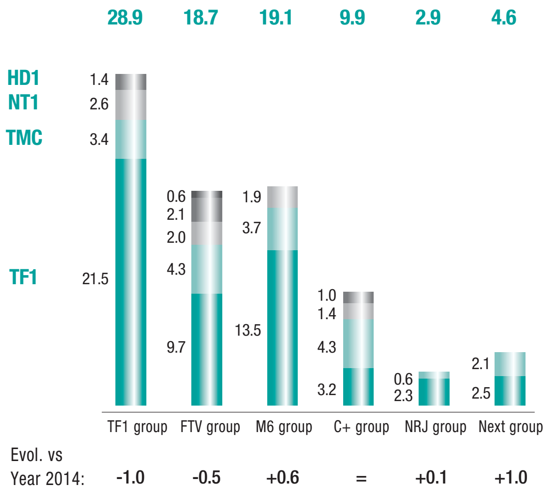
6. PERFORMANCE

GROUP AUDIENCE SHARE FOR WOMEN AGED UNDER 50 PURCHASING DECISION-MAKERS (IN %)



GROUP AUDIENCE SHARE FOR INDIVIDUALS AGED 25 TO 49 (IN %)



INDIVIDUAL VIEWING TIMES 2015

Individuals aged 4 and over: 3h44: +3 min vs 2014

Women aged under 50 purchasing decision-makers: 3h38: +1 min vs 2014

PUBLIC

98 of the best 100 audiences

9 million
unique visitors per month(1) on IPTV

4,000 videos
for 3-12 year-olds watched on TFOU MAX

500,000
visitors for Harry Potter, l'Exposition

2.2 million
games and toys sold in 2015

CSR INDICATORS

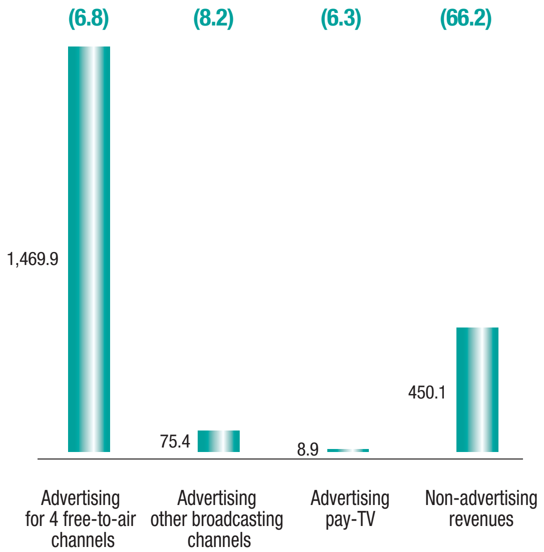
€36.5 million
supporting enhancing solidarity efforts

2,565
Employees

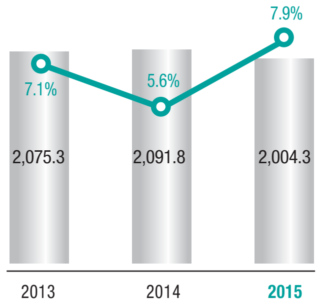
(1) 2015 average, Médiamétrie Médiamat.

At the 17th annual Grand Prix des Médias event organised by CB News, the TF1 group won an impressive six awards: best TV channel (TF1), best advertising airtime sales agency (TF1 Publicité), best entertainment broadcast/stream (*L'Emprise*), best news/documentary programme (Le Petit JT, broadcast on LCI), best editorial or journalistic scoop (report from Kobane, Syria) and best social media strategy (*Clem*, French drama).

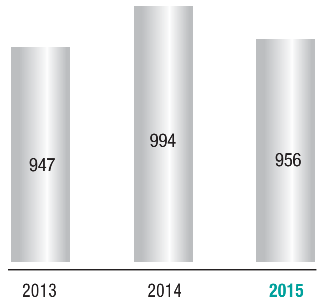
ADVERTISING AND NON-ADVERTISING REVENUES COMPARISON TO 2014 (IN €MILLION)



GROUP TOTAL REVENUE (IN €MILLION)/CURRENT



COST OF PROGRAMMES FOR THE 4 FREE CHANNELS (IN €MILLION)



DYNAMIC ASSET MANAGEMENT

DISPOSAL OF
49%
STAKE IN EUROSPORT GROUP

ACQUISITION OF
70%
STAKE IN NEWEN STUDIOS

€701M
MILLION IN CASH AT 12/31/2015

7. OUTLOOK

Low visibility in 2016 together with a lack of sustainable improvement in the French economic climate should lead to stability for the television advertising market.

The Group will continue to control the cost of programmes for its 5 free channels (including LCI), which in 2016 should be in the region of €980 million, excluding one-off sports events.

The Group estimates that the amount of non-current costs in 2016 will be in the region of €50 million, for the news (free-to-view launch of LCI) and production (integration of Newen Studios).

In 2016, the TF1 group will continue to pursue changes in its channels' economic model, will accelerate digital transformation throughout all its business lines, will finalise the transition to free-to-air of its LCI news channel and will find new areas for growth in production and content, particularly through its acquisition of Newen Studios.

1

PRESENTATION OF THE TF1 GROUP

1.1 GROUP MARKETS

1.1.1 THE TELEVISION MARKET

Television has long been the core business of the TF1 Group. It produces four freeview channels (TF1, TMC, NT1, and HD1) and theme channels on Pay-TV, including LCI(1), TV Breizh, Histoire, Ushuaïa and Serieclub.

Television has changed considerably in the last ten years. New uses and media have developed:

- TV viewers gained access to a growing number of channels with the arrival of DTT in 2005;
- 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. 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 consolidated their position, 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.

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

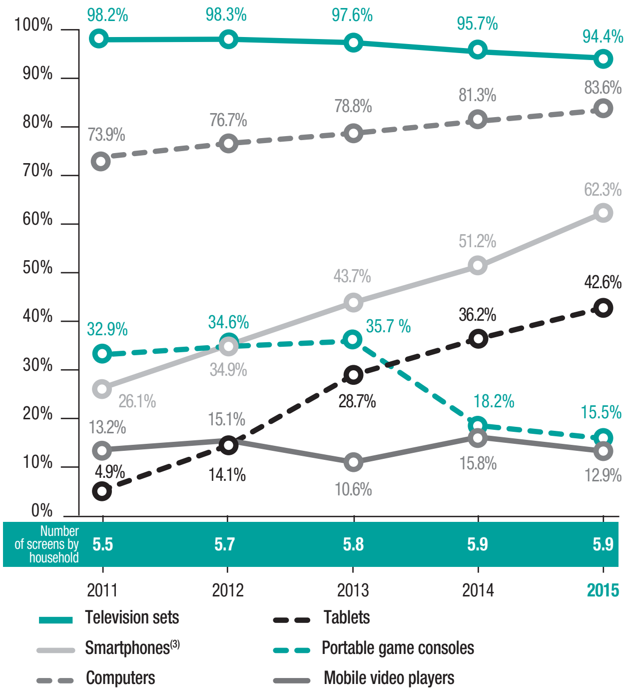
AUDIOVISUAL EQUIPMENT

More and more screens in French households(2)

Almost every French household now has a television set. 94% have at least one TV set and 48% have at least two.

Televisions are also becoming increasingly high-tech. 88% of households have an HD-compatible screen and 58% have a television connected to the Internet *via Smart TV* (having a direct connection to the ISP box), a games console or a multimedia gateway such as Apple TV or Chromecast.

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



(1) *LCI's migration to freeview DTT starting in April, 2016.*

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

(3) *GfK/REC, Individuals aged 11 and over.*

Internet access increasingly widespread[1]

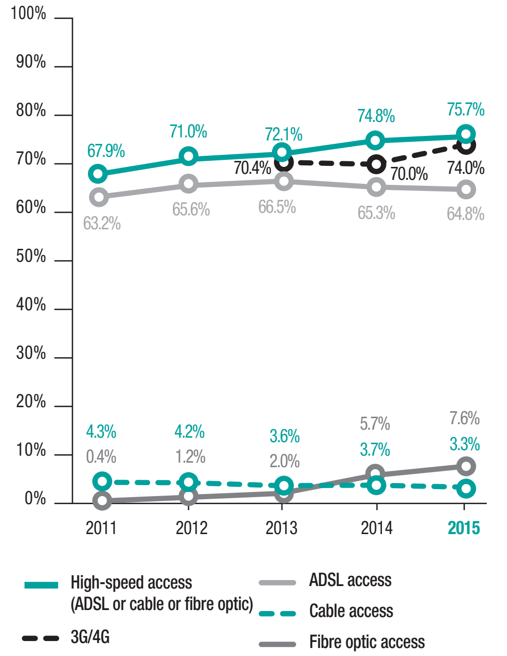
The development of and widespread access to the Internet has led to changes in use.

Some 24.1 million French households were connected to the Internet in the fourth-quarter of 2014, for a penetration rate of 86%. (+3 points in 1 year).

The penetration rate of high-speed internet also continues to increase, with 21.2 million French homes connected to the Internet *via* ADSL, cable or fibre optic, or 76% of total households.

Ultra-high-speed internet is developing, with 8% of French households connected *via* fibre optic.

INTERNET ACCESS TYPE (AS OF Q4)



RECEPTION MODES[1]

Television reception modes

DTT is the most popular way of receiving television, with 56% 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 is increasing, now accounting for 46% of households.

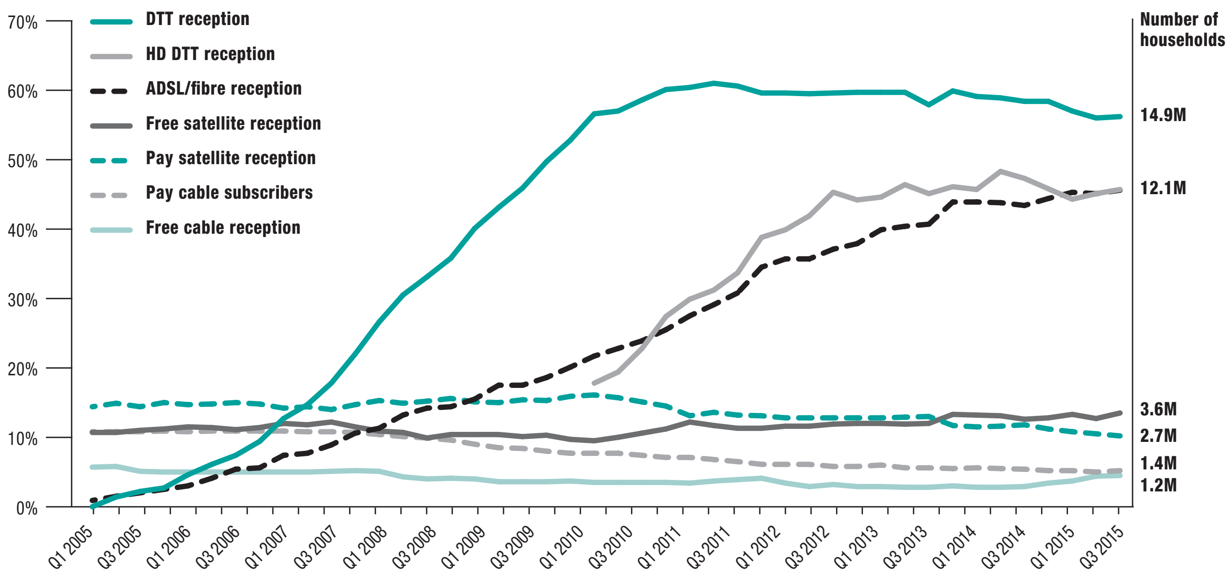
ADSL/fibre optic ranks second, with 46% of homes connected, and is the fastest-growing reception mode.

Satellite has stabilised. It is now received by 24% of households, of which 10% with a pay subscription and 14% with a free router, such as TNT Sat or Fransat.

The decrease of cable has stabilised, with a roughly 10% penetration rate, of which 5% *via* a pay subscription and 5% *via* a free offer.

TRENDS IN TELEVISION RECEPTION MODES

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



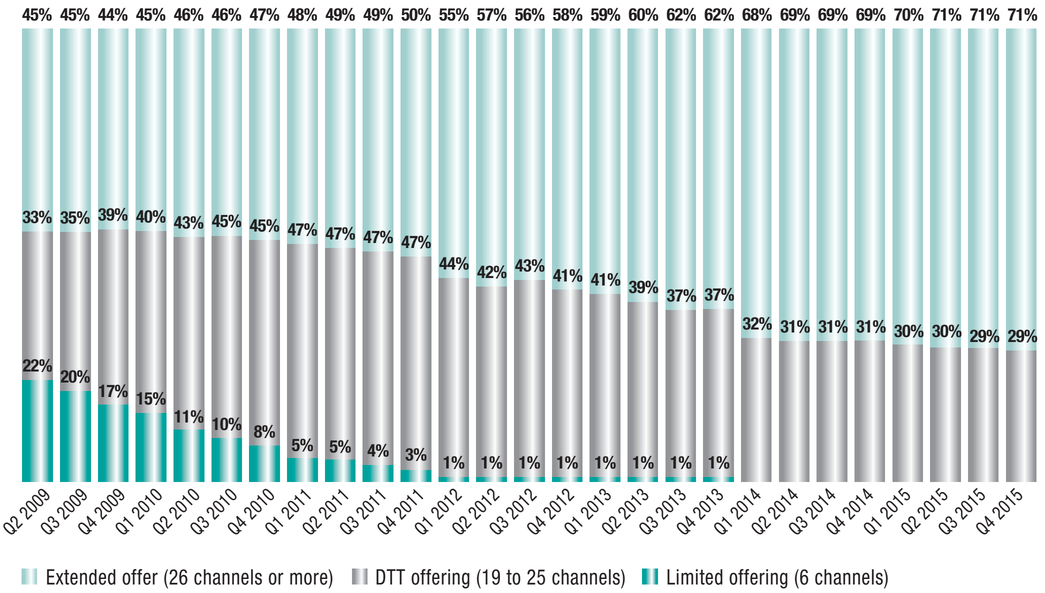
(1) *Médiamétrie/GfK – Reference of Multimedia Equipment through 2013/Médiamétrie Home Devices starting in 2014.*

The rise of multi-channel access[(1)]

At end-2015, all French households received at least the 19 channels of the first wave of free DTT.

The 6 channels launched in 2012 are now received by households equipped to receive HD, or 82% of French households. In addition, 69% of French households received a wider range of channels *via* ADSL, satellite, cable or pay DTT.

TREND IN THE MULTI-CHANNEL OFFERING OF TV HOUSEHOLDS[(2)]



A changing audiovisual landscape in France

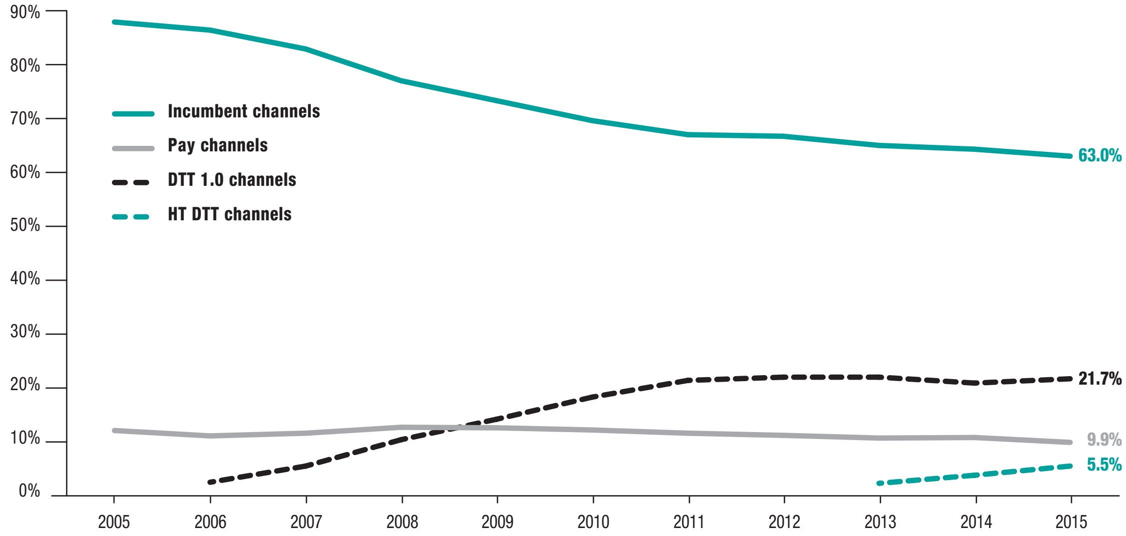
The French audiovisual landscape has changed considerably over the past several years. The number of freeview channels gradually increased from six in 2005 to 19 at end-2011 and has will reach 26 channels with the arrival of LCI in 2016.

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 new channels entering the market.

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

(2) Médiamétrie – Médiamat – 2015.

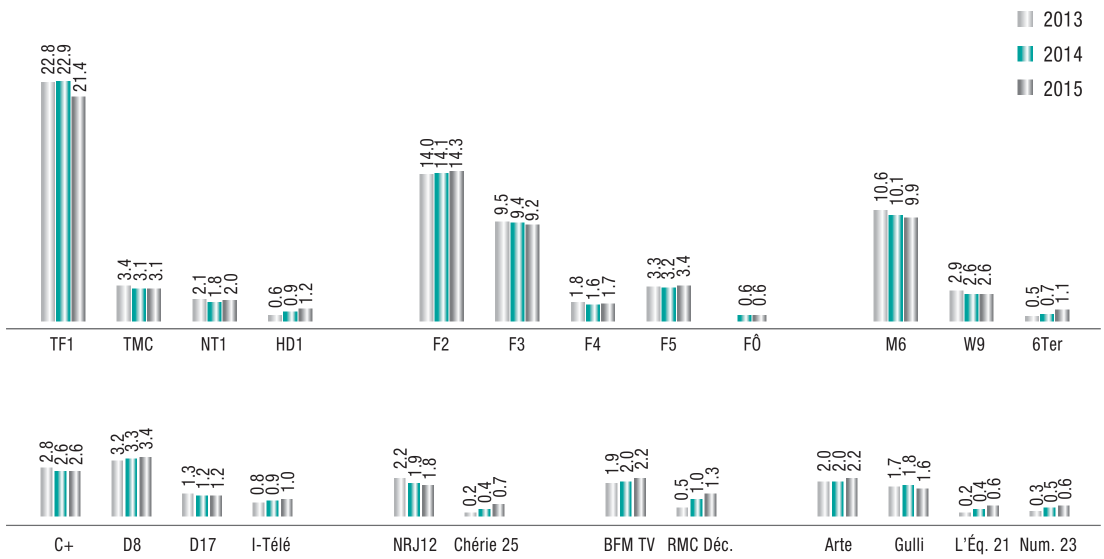
TREND IN AUDIENCE SHARE BY CHANNEL FOR INDIVIDUALS AGED 4 AND UP(1)



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 INDIVIDUALS AGED 4 AND UP(1)

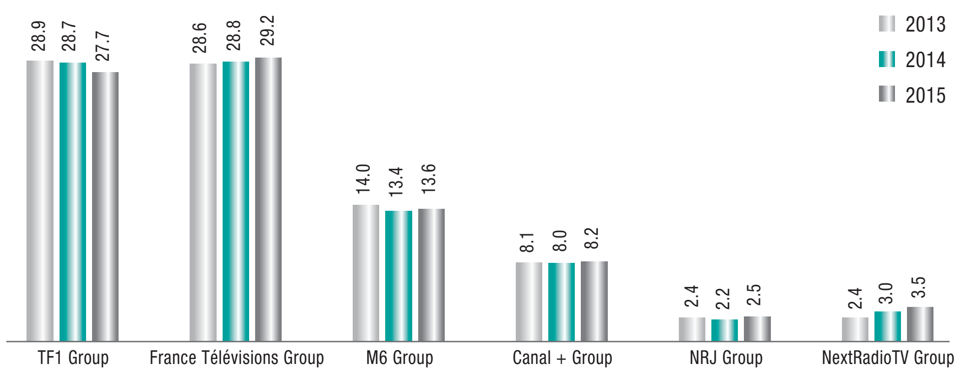
(in %)



(1) *Médiamétrie – Médiamat – 2015.*

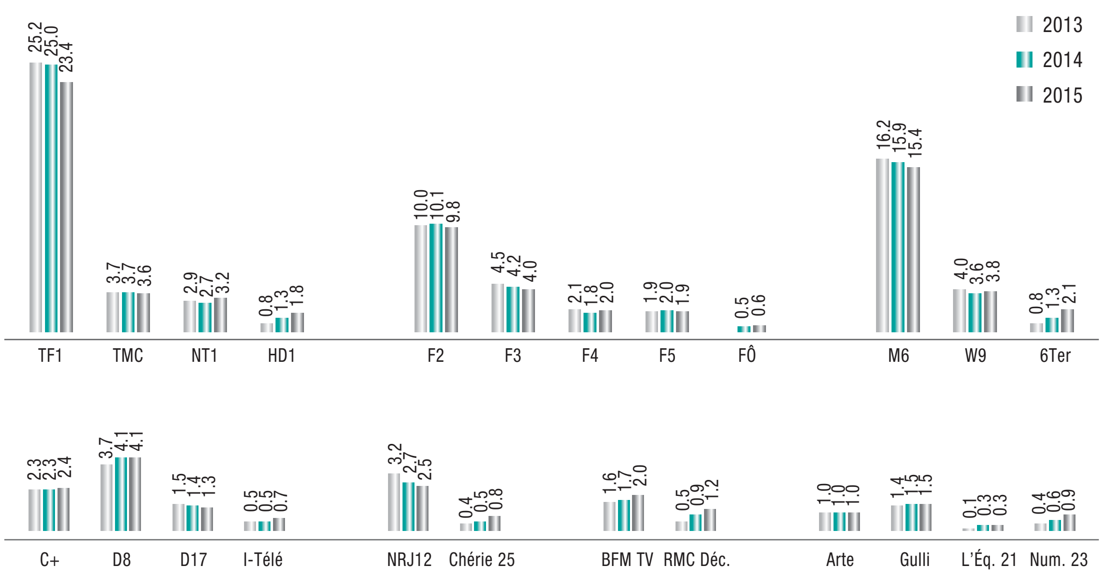
GROUP AUDIENCE SHARE OF INDIVIDUALS AGED 4 AND UP(1)

(In %)



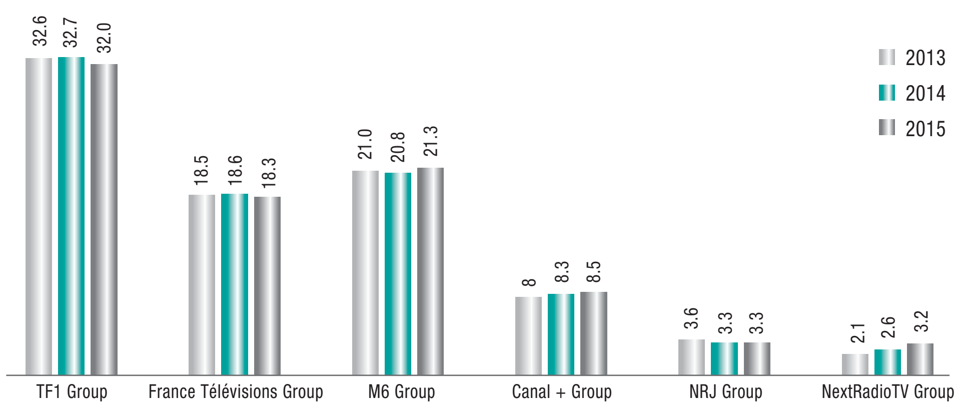
AUDIENCE SHARE OF WOMEN AGED UNDER 50 PURCHASING DECISION-MAKERS(1)

(In %)



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

(In %)



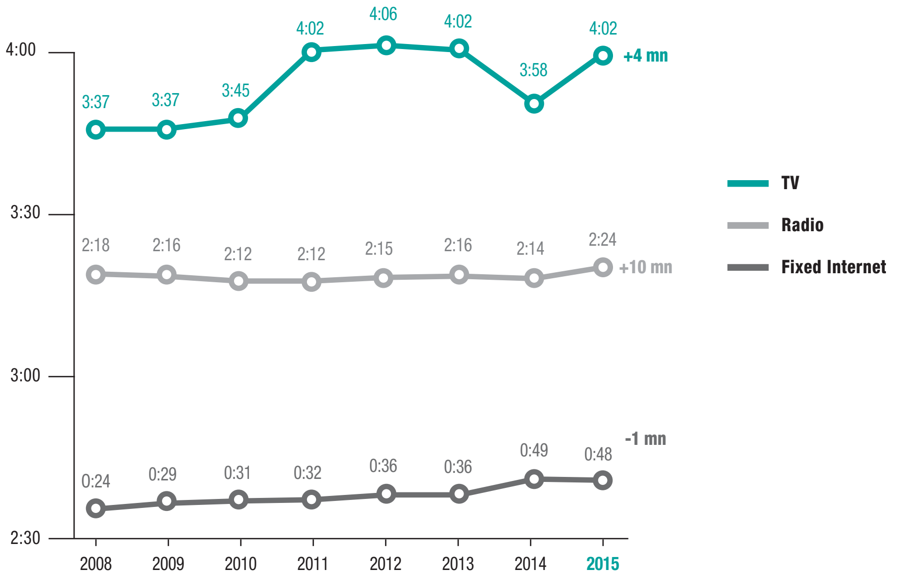
(1) *Médiamétrie – Médiamat – 2015.*

CONSUMPTION

Television – the top media choice(1)

Television is still the most popular media with the French population on a daily basis. The average individual aged 15 and over in France watches an average of 4 hours and 2 minutes of television a day, compared with 2 hours and 24 minutes for radio and 48 minutes for surfing on fixed internet.

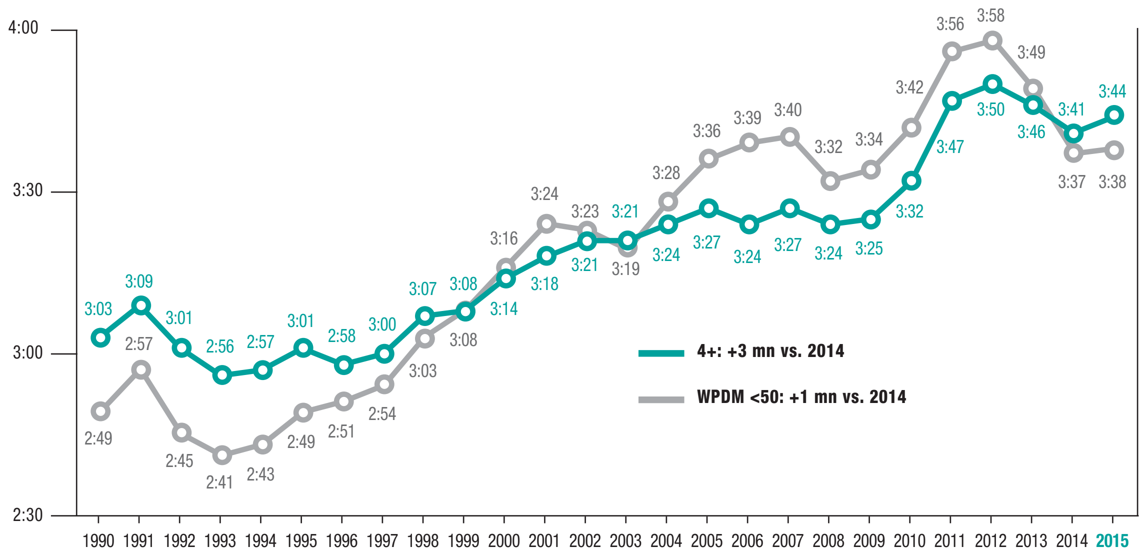
MEDIA CONSUMPTION OF 15+ INDIVIDUALS/2015 - HOURS/DAYS/INDIVIDUALS



TV viewing time remains at high levels(2)

Television consumption was up year on year for individuals aged 4 and over and women aged under 50 purchasing decision-makers.

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



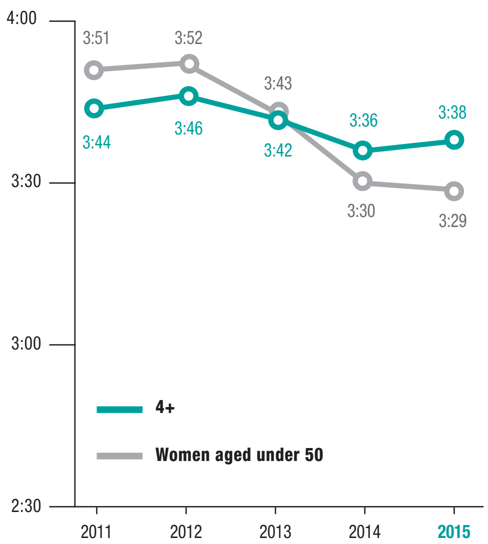
(1) Médiamétrie – Médiamat/126.000 Radio/NetRatings – 2015.
(2) Médiamétrie – Médiamat – Consolidated data since 2011.

The gradual integration of time-shifted viewing(1)

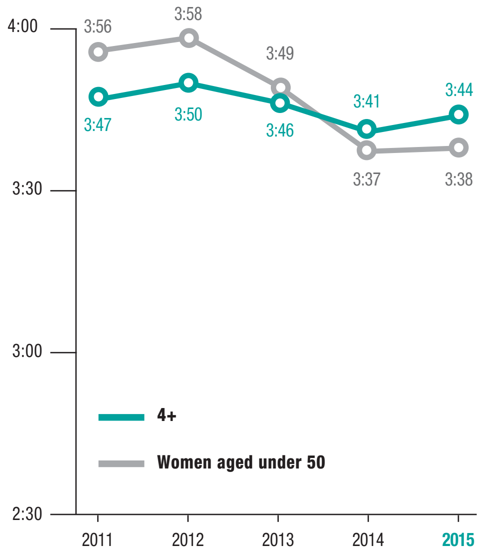
Médiamat audience ratings have since January 2011 integrated private recordings on hard disk, DVD recorders and video cassette recorders. Catch-up TV viewing was included in audience ratings in October 2014.

In all, catch-up TV viewing on individuals aged 4 and over and women aged under 50 purchasing decision-makers (WPDM < 50) accounts for 3% and 4% respectively of total viewing as measured by Médiamat (6 and 9 minutes a day respectively).

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 10 minutes, 30 seconds of viewing per day, or 4.7% of the total:

- live viewing outside the home totals four minutes a day, or 1.8% of total consumption. This figure does not include viewing at relatives' or friends' homes, which is already included in Médiamat statistics;
- live viewing on a non-TV medium (computer, smartphone or tablet) comes out at 3 minutes, 30 seconds a day, or 1.6% of the Médiamat total;
- catch-up TV viewing on media other than TV sets comes out at 3 minutes a day, or 1.3% of the Médiamat total.

Video viewing with online pure players is equal to 1.4% of total television viewing. The market is dominated by YouTube with 16.9 billion videos watched, ahead of Facebook with 4.4 billion, Dailymotion with 3 billion and TF1/Wat with 0.5 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 and original content (bonus content, comedy programmes etc.), promote new talent, provide catch-up TV and develop innovative advertising formats (*Brand Content*, etc.).

(1) Médiamétrie – Médiamat – Live and consolidated data since 2011.
(2) Médiamétrie – Global TV – April/June 2015 – 15+ Individuals.
(3) Médiamétrie – Netratings 2 + Individuals, 2015.

The growth in popularity of multi-screen usage

At the end of December 2015, nearly 44 million French citizens aged 15 and over had access to the Internet, or over 84% of the population (80% at the end of December 2014[1]).

In October 2015, 84.5% of the French population were connecting to the Internet *via* more than one screen, compared with 78% of the French population in January 2015[2].

This increase can be attributed to the growth in use of smartphones and tablets.

The number of French citizens using mobiles has increased by over 3 million in one year and now totals 35.5 million individuals. The number of tablet users was up 30% (20.5 million French citizens), whilst connection *via* computer remained unchanged over a year at 80% of the French population[2].

These uses are forcing publishers to optimise users' experience on their mobile media by developing sites with responsive design, new functionalities designed to make content (Facebook Instant articles, *Google* AMP and Twitter, etc.) easier to access.

Digital audience ratings were fine-tuned in early 2015 with the launch of Médiamétrie's global internet ratings panel. The panel makes it possible to differentiate between French users accessing TV *via* computers, smartphones and tablets (coverage per screen, duplication, deduplication between screens, etc.).

Multi-screen technology has, however, been on offer from the TF1 group for a long time now, particularly for its entertainment, news and sports content:

- 19.7 million French citizens per month access its websites and apps *via* the three digital screens[2];
- 11.9 million French citizens connect *via* their computers[2];
- 8.7 million French citizens connect *via* their smartphones[2];
- 5.3 million French citizens connect *via* tablets[2].

Online video and television content viewing is on the rise

The consumption of online videos continues to grow both in terms of the number of videos viewed, time spent on viewing and viewing frequency. On the other hand, the number of video viewers remains unchanged, year on year, with 30 million 15+ individuals, or 60% of the French population. 75% of them watch at least 1 video a week[3].

68% of the French population watch videos of televised programmes on *replay* or as bonus content on one of four screens (television, computer, mobile, tablet) every month, or 20 million French citizens[3], up from 17 million a year earlier[4].

The upward trend in viewing *via* replay is due to the sharp rise in the viewing of programmes aired the previous evening *via* catch-up TV (+96% in one year)[4].

The television is French citizens' screen of choice for viewing *via* replay. 65% of catch-uppers use it, 41% use their computers, 15% use their tablets and 10% use their smartphones[4].

TF1 group channels, *via* their inclusion within the MYTF1 digital brand (TF1, TMC, NT1 and HD1), are achieving good digital audience ratings, whatever the screen:

- 14.7 million French citizens connect to MYTF1 *via* the four screens[5];
- 12 million French citizens watch replay or 100% digital content on MYTF1[4];
- 8 million French citizens watch *via* their television set[6];
- 6.9 million French citizens connect *via* their computer[2];
- 3.7 million French citizens access the website or app *via* their smartphone[2];
- 2.2 million French citizens connect *via* their tablet[2].

Web users spend, on average, 2 hours and 46 minutes a month watching videos on the MYTF1 website, an increase of over an hour in one year[2].

MYTF1 is the 2nd largest television group offering digital content.

This major shift towards the development of multi-screen viewing and French citizen's renewed appetite for viewing *via* replay have confirmed the relevance of merging TV and digital audience data.

Médiamétrie and the television groups have launched a series of development initiatives aimed at merging linear TV audience ratings with digital audience ratings by channel, and by programme, over the course of 2016.

1.1.1.2 TRENDS IN THE TELEVISION MARKET

SLOWDOWN IN THE FRAGMENTATION OF FREEVIEW TELEVISION

The number of freeview 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. This transfer will take place overnight between April 4 and 5, 2016.

(1) Médimétrie/Netratings – global Internet ratings panel, 15+ Individuals, October 2015 (vs Médiamétrie – Internet Use Observatory Q3 2014).
(2) Médimétrie/Netratings – global Internet ratings panel, 15+ Individuals, October 2015 (vs October 2014, excluding tablets, vs January 2015).
(3) Médiamétrie – Screen 360, 15+ Individuals, for laptop/mobile/tablet/TV – 2015 (vs 2014).
(4) Médiamétrie – Global TV, 15+ Individuals, for laptop/mobile/tablet/TV – Q2 2015 (vs Q2 2014).
(5) Médiamétrie/Netratings and Médiamétrie – estimates based on the global Internet ratings panel, 15+ Individuals and from the Médiamat panel, 15+ Individuals, October, 2015.
(6) Médiamétrie – Médiamat, 15+ Individuals, October 2015.

CAPITALISING ON STRONG BRANDS TO DEVELOP NEW DIGITAL OFFERINGS

Digital operators need to develop strong brands in order to set themselves apart in a climate where publishers and individuals publish a massive amount of content on a daily basis on websites and social networks.

A number of media brands have widened the scope of their offering in order to go beyond the limits of linear broadcasting in order to win new audiences and increase the engagement of web video users (time spent, amount of content viewed per visit, etc.).

With this in mind, e-TF1 conducted several initiatives with the aim of expanding the reach of some of its brands with new areas of expression or new content.

In early 2015, the TFou brand was in evidence on the occasion of the launch of TFou Max, the very first TF1 group SVOD service.

In May 2015, further to the termination of the agreements set by the French Competition Authority within the context of the takeover of the TMC and NT1 channels by the TF1 group, MYTF1 reinvented itself across all four screens to regroup the televised offering of 4 of the group's channels (TF1, TMC, NT1, HD1).

In September 2015, MYTF1 launched a new brand, XTRA, with a rich and varied range of content:

- 100% digital talent shows and web-series (*Skizz Family*, *Good Monique*, *Random*);
- cult animation programmes (*Olive et Tom*, *Nicky Larson*);
- programmes which build on the group's assets:
  - *Focus*, a 100% digital daily newscast, also published on the Facebook page "TF1 Le JT", fronted by the presenters of TF1's 8pm news,
  - *Le Chris Marques*, a weekly drama written by Chris Marques, the iconic panellist from *Danse avec les Stars*.

IMPROVED CUSTOMER INSIGHT RESULTS IN THE PROVISION OF AN INCREASINGLY PERSONALISED SERVICE

Publishers need to offer web users an increasingly personalised and targeted service that satisfies their preferences in terms of content and screen use, as well as offering advertising content that closely matches their profile.

To do so, they use data which, in itself, raises a number of issues: data collection, use and the strict legislative framework surrounding such issues.

TF1 conducted various initiatives to develop customer knowledge and optimise its linear TV, non-linear TV and exclusive video offering.

The reworking of MYTF1 and the development of cross-recommendation between the content of the four channels and XTRA means that it is now much easier to recommend videos that may be of interest to web users. Work on targeted advertising is being conducted in parallel.

Furthermore, the TF1 Conso couponing offer was relaunched in March 2015 with a mobile app which enables users' food, health and beauty and recreational consumption habits to be better understood.

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 30 national channels divided into eight multiplexes, uses the 470-790 MHz band. Law No. 2015-1267 of October 14, 2015 on the second digital dividend and the ongoing modernisation of Digital Terrestrial Television lays down, in particular, that the 694-790 MHz band is to be allocated to mobile services. So as to maintain the DTT offering, there are plans to extend the MPEG-4 standard, which is the most efficient of all the standards, across all channels overnight between April 4 and 5, 2016. At this time, two multiplexes will be switched off and almost the entire DTT offering will be upgraded to HD. Secondly, the 700 MHz band will be freed up, geographical area by geographical area, between April 2016 (Île-de-France hub) and June 2019, with the reallocation of frequencies on a localised basis. Frequencies will then gradually be made available for use by telecoms operators.

Lastly, the aforementioned law provides that the 470-694 MHz band is to be allocated to television services up until December 31, 2030. At least five years prior to that date, the French Government will submit a report to Parliament on the outlook for the broadcasting and distribution of television services in France for the period beyond 2030.

1.1.2 THE ADVERTISING MARKET

The slowdown in the plurimedia advertising market continued in 2015, albeit at a lesser pace. There was a drop in net revenue of between 0.9 and 1.0% compared to 2014 (-1.4% in 2014 and -3% in 2013).

Nevertheless, changes have differed according to the media. This year internet (Display + Search, all devices) has again shown the greatest growth, with net revenues increasing from 4 to 5% in 2015, confirming its second-place ranking in terms of media investment, after television. Furthermore, the drop in advertising revenues continues for the press, with an estimated drop of between 7.5 and 8% in 2015 (compared to an 8.7% fall in 2014).

Gross advertising spend excluding the Internet increased slightly, up 0.4% in 2015 (compared to +3.4% 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.

TRENDS IN PLURIMEDIA ADVERTISING SPEND IN 2015[1][2]

Note: Due to the difficulty of obtaining reliable data on digital investments, we excluded the plurimedia analysis of Search investments, as well as the changes in gross revenues of internet display. However, to properly represent it, the estimate of gross advertising revenues in internet display is included in the calculation of media market share in 2015.

With 36.0% of gross advertising spend, television remained the top medium in 2015. Gross revenue once again grew this year to reach €11.0 billion (up 4.6% compared to 2014). Within this medium, revenue for incumbents grew by 3.3% to gross €6.1 billion. This year, despite slowed growth, freeview DTT once again saw significant revenue growth, up 6.9% (compared to growth of 19.0% in 2014) to reach €4 billion. Lastly, Cab/sat gross revenue increased by 3.5% to €883 million. In net revenue terms, television has seen estimated growth that was slight for 2015, up by 0.5%, after 2014 remaining stable at 0.1%.

Press, with 22.2% of investment in 2015 (€6.8 billion gross), maintains its second-place position in terms of media investment. Year on year, media continues to fall considerably, with a gross decrease of 6.7% compared to 2014. In net terms, this drop is estimated at between 7.5 and 8.0% for 2015, following the same trend as in 2014 (-8.7%) and 2013 (-8.2%).

Gross revenues for radio were up 1.9% to €4.8 billion (compared to +2.5 in 2014). National stations are forecast for net revenues down by between 1.2 and 1.5% (compared to 1.1% in 2014).

Outdoor advertising was almost stable (-0.2% compared to 2014) with gross revenues totalling €2.7 billion. In net terms, outdoor advertising should fall between 0.7 and 1% after the 0.8% rise in 2014.

After a 2.7% drop for cinema, growth picked back up in 2015. Gross revenue was up by 5.5% to €431 million. No IREP net investment estimate exists for this medium.

PLURIMEDIA ADVERTISING SPEND – GROSS DATA[2]

	Gross revenues 2015	Change in revenues 2015/2014	Market share 2015
Press	**€6,795.0 million**	**-6.7%**	**22.2%**
Radio	**€4,831.6 million**	**+1.9%**	**15.8%**
Television	**€11,024.5 million**	**+4.6%**	**36.0%**
Freeview TV	€10,141.9 million	+4.7%	33.1%
o/w Incumbent	*€6,121.9 million*	*+3.3%*	*20.0%*
o/w DTT	*€4,020.1 million*	*+6.9%*	*13.1%*
Cab/sat	*€882.6 million*	*+3.5%*	*2.9%*
Outdoor advertising	**€2,673.9 million**	**-0.2%**	**8.7%**
Cinema	**€431.3 million**	**+5.5%**	**1.4%**
Total excluding internet	**€25,756.3 million**	**+0.4%**	**84.1%**
Internet (excluding search)	**€4,854.7 million**	**na**	**15.9%**
TOTAL	**€30,610.9 MILLION**	**na**	**100.0%**

(1) Net advertising spend – IREP estimates, January 29, 2015 (excluding cinema, ISA and advertising; radio: national radio only).
(2) Gross advertising spend – Kantar Media – Excluding TV sponsorship, self-promotion and subscriptions. 2015 vs. 2014.

TELEVISION IN 2015[1]

In television, TF1 remained the leading channel in 2015 with gross advertising revenues of €3.6 billion, up 2.1% on 2014. TF1's gross market share (excluding sponsorship) was 32.4%, down 0.8 point on 2014.

M6 was the number-two channel, with gross revenues of €1.8 billion, (up 4.8% on 2014) and a gross market share that was stable at 16.6%.

Following the TF1 Publicité and TMC Régie partnership agreement in 2015, gross advertising revenues of TF1 Publicité reached €4.0 billion in 2015 (up 4.8% compared to 2014, on a like-for-like basis), i.e., a stable market share of 43.5% in 2015. TF1 Publicité confirms its top position, ahead of M6 Publicité (22.7% of market share, or €2.5 billion) and Canal+ Régie (13.2% of market share, or €1.5 billion).

GROSS MARKET SHARE OF CHANNELS – ALL TV[1]

	2015	2014	2013
Total television	**100.0%**	**100.0%**	**100.0%**
Incumbents	**55.5%**	**56.2%**	**58.8%**
TF1	32.4%	33.2%	35.1%
M6	16.6%	16.6%	17.4%
France 2	3.0%	2.7%	2.6%
Canal+	1.9%	2.0%	1.9%
France 3	1.2%	1.4%	1.4%
France 5	0.3%	0.3%	0.3%
Other DTT	**36.5%**	**35.7%**	**32.9%**
Cab/sat	**8.0%**	**8.1%**	**8.3%**

GROSS MARKET SHARE OF FREEVIEW DTT CHANNELS – ALL TV[1]

	2015	2014	2013
Other DTT	**36.5%**	**35.7%**	**32.9%**
DTT 2005	**30.9%**	**32.1%**	**30.3%**
W9/6Ter Puissance TNT	5.1%	5.2%	5.2%
D8	4.1%	4.2%	3.1%
TMC	4.1%	4.1%	4.5%
BFM TV	3.1%	3.5%	3.5%
NRJ12	3.5%	3.4%	3.6%
I>Télé	3.2%	3.3%	3.1%
NT1	3.1%	3.0%	3.1%
D17	2.5%	3.1%	2.0%
Gulli	1.9%	1.9%	2.0%
France 4	0.2%	0.2%	0.3%
HD DTT (excl. 6Ter)	**5.5%**	**3.6%**	**2.6%**
HD1	1.6%	1.3%	1.1%
RMC Découverte	1.5%	0.9%	0.5%
Équipe 21	1.0%	0.6%	0.4%
Numéro 23	0.8%	0.5%	0.3%
Chérie 25	0.7%	0.3%	0.3%

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

DIGITAL MEDIA IN 2015[1]

Investment in internet display makes up 33% of internet investment in 2015 (compared to 56% for Search) and for the first time exceeds €1 billion.

Display is the digital market segment that shows the most growth, with net revenues growing an estimated 10% in 2015. This trend can be mostly explained by the vitality of Video, the increased investment in Mobile Display, and the ongoing development of programmatic buying.

Video once again has shown strong growth in 2015, with an increase of 35%, reaching €309 million (compared to €224 million in 2014). This format now makes up 30% of Display investments. Instream remains largely dominant (77% of net revenues) and grew by 36% in 2015, compared to 30% growth for Outstream.

With the launch of the new MYTF1, grouping catch-up content for TF1, TMC, NT1 and HD1 (market leader for the catch-up offer in France with an increase of 44% in videos watched in 2015), TF1 Publicité reinforces its position as a major player in Instream. After the integration of catch-up content viewing measurements *via* ISP boxes into the Médiamat audience ratings of Médiamétrie, IPTV continues to gather market strength. As a true relay of broadcast television, IPTV is now the number 2 medium in terms of investment for TF1 Publicité, with net revenues up by 60% in 2015. Moreover, the division now sells 100% digital video content advertising space, including MYTF1 XTRA, and the Finder Studios MCN offer.

Programmatic buying grew 61% in 2015 to €423 million. It makes up 40% of Display purchases in 2015, compared to 27% in 2014.

TF1 Publicité also saw very strong growth in programmatic buying in 2015 (+150% in net revenues). The division sells part of its Display inventory through La Place Média, a leading premium Ad exchange for Display banners, as well as through the One Exchange offer, the top web video and IPTV programmatic buying platform in Europe, launched in 2015.

THE OUTLOOK FOR 2016[2][3]

After a slight return to growth in 2015 (GDP up 1.1%), 2016 will reflect an economic context that is positive, but still fragile, with forecast GDP growth of 1.5%.

In this environment, the advertising market is forecast to remain virtually stable (+0.6% vs 2015), nevertheless with an increase in TV (+1.5%), internet (+4.6%) and Outdoor Advertising (+2.0%).

In 2016, TF1 Publicité will focus on three key strengths of its offer:

- The context and complementarity of its broadcasting, with strong programme brands and large unifying events that guarantee unique exposure and coverage for advertisers across all advertising target audiences;
- The digital and cross-media offer that can multiply contact points with viewers and web users across all media, *via* catch-up TV and the 100% digital inventory offer (XTRA, Finder Studio);
- R&D, with the development of new marketing methods (programmatic buying in particular) and continuing to use Data for optimisation of targeting, and the proven effectiveness of campaigns.

1.1.3 AUDIOVISUAL PRODUCTION

TF1 has a presence in television production *via* its subsidiary, TF1 Production and Newen, in which TF1 has had a 70% interest since January 26, 2016.

This industry has undergone significant change in the last two years throughout the world.

Firstly, major industry players have merged. Endemol and Shine announced their merger in late 2014, Zodiak and Banijay in 2015.

In addition, traditional television operators acquired major interests in production companies. One of the most striking events was the merger of Discovery Communications and Liberty Global in order to purchase the All3Media production company as well as the British television group, ITV, which concluded its takeover of Talpa Media. Vivendi also signed an agreement to acquire a 26% stake in the company resulting from the Banijay and Zodiak merger. Lastly, the TF1 group acquired a controlling interest in the Newen production company, a major player in television production in France and with an international presence.

In France, the industry is built around the relationship between producers and broadcasters which is governed by regulatory restrictions prohibiting the emergence of large national groups. In order to compete on an international level, French broadcasters, including public service broadcasters, aspire to integrate production companies. This would require a change in the law which currently prohibits TF1 from devoting any more than 25% of its obligation to invest in the production of proprietary audiovisual works to dependent companies (companies in which TF1 has no more than a 15% interest).

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

(1) Net SRI data – 2015.
(2) Economic forecast for 2016 - Pair Conseil, September 2015.
(3) Advertising forecast for 2016 - Zénith Optimédia, December 2015.

1.1.4 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;
- freeview television distribution: TF1 – TMC – NT1 – HD1;
- catalogue distribution: TF1 Droits Audiovisuels.

Through its TF1 Films Production subsidiary, the Group co-produces and pre-buys mostly entertainment 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 *Suite Française*, released in 2015.

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*		
				Freeview TV and Pay-TV (excluding cinema services) *where the service applies co-production commitments of a minimum 3.2% of revenues*			
						Freeview TV and Pay-TV (excluding cinema services) *in other cases*	
							SVOD

In 2015, cinema attendance remained particularly high with 206 million tickets sold(1) (-1.4% compared with 2014). The total largely exceeded the average for the past ten years (199.6 million)(1). Cinema attendance in France is still the highest in Europe.

Three films sold more than five million tickets and twelve films sold more than three million tickets, the best result of the decade.

In 2015, French films' market share stood at 35.2%, or down 9.2 percentage points on 2014, losing out to American films whose market share rose by 9.1 percentage points (54.5%).

Two French films sold over three million tickets (four in 2014), six French films sold a total of over two million tickets (10 in 2014) and 14 French films sold over one million tickets in 2015 (20 in 2014).

The table below lists the biggest box-office successes at December 31, 2015:

Film	Country	Tickets sold
Star Wars, Episode VII: The Force Awakens	USA	9.6
Minions	USA	6.4
Jurassic World	USA	5.1
007 Spectre	USA, UK	5.0
Fast and Furious 7	USA	4.6
Inside Out	USA	4.5
Les Nouvelles Aventures d'Aladin	FRANCE	4.4
Avengers: Age of Ultron	USA	4.3
Fifty Shades of Grey	USA	4.0
Les Profs 2	FRANCE	3.5

(1) CUC, movie theatres attendance estimates.

In 2015, TF1 Films Production co-produced four films selling more than one million tickets (10 in 2014):

Film	Country	Tickets sold
Les Profs 2	France	3.5
BIS	France	1.5
Connasse Princesse des Coeurs	France	1.2
Une heure de Tranquillité	France	1.0

1.1.5 THE VIDEO MARKET(1)

The TF1 Group operates in the video market through its subsidiary TF1 Vidéo:

- as a publisher of multimedia programmes to be used in physical video formats (DVD and Blu-ray) and digital video (Video-on-Demand). TF1 Vidéo acquires operating rights for audiovisual programmes (including films, series and live shows) for these uses;
- as a digital distributor: TF1 Vidéo operates the digital video-on-demand service, MYTF1VOD, currently available via certain ISPs (Free, Bouygues Telecom), some hardware manufacturers (connected products: TV, game consoles, etc.) as well as directly in OTT (Web, Ios/Android apps).

The physical video market in France remains in a difficult situation. In 2015, this market represented €680 million (inclusive of VAT) versus €798 million (inclusive of VAT) in 2014, a drop of -14.8%.

As a result of some significant successes (*Jeff Panacloc*, *La Pat'Patrouille*, *Florence Foresti*) and the integration of the Ad Vitam label, TF1 Vidéo's market share of the physical video market remained stable at around 6% in 2015 .

The digital video market is structured around three types of consumer products:

- fixed price rental (or video on demand) ;
- fixed price purchase - via permanent downloads (or EST, Electronic Sell-Through) ;
- unlimited access subscription (or SVOD, Subscription Video on Demand).

This market remained dynamic in 2015 due to the supply of popular titles, the deployment of the EST products supported by the operators (Orange) and the major US studios, as well as the launch of Netflix in France.

As an important player with innovative products (Premium VOD, new apps, launch of EST), MYTF1VOD ranks second among VOD consumers' stated brand preferences(2) .

In 2015, TF1 Vidéo also strengthened its position in the digital promotion of its exclusive rights by launching e-Cinema, a new event-based and exclusive premium Cinema scheme.

TF1 Vidéo anticipated the future changes in the sole video market and, in 2013, began to reposition itself on more stable markets and to implement a new «all rights» operating strategy by acquiring the entirety of the rights to films that could be promoted throughout the value chain (from cinemas to video products and including TV/SVOD sales).

1.1.6 THE HOME-SHOPPING MARKET(3)

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

Internet sales continued to rise in 2015. The French population spent €64.9 billion on the Internet, up 14.3% on 2014. The number of transactions increased by 19%.

1.1.7 THE BOARD GAME MARKET(4)

The TF1 group operates in the board game market through TF1 Games-Dujardin, a department of TF1 Entreprises.

The board game market was worth €255 million in 2015, for a 10.1% share of the toy market, up by 0.7 point year on year.

The board game market was up significantly by 10.8% year on year. By value, 66% of board game sales occur in the last three months of the year.

In 2015, the main player in France was Hasbro (*Monopoly, Pay Day, Pie Face*) with a 21.5% share of the market. Hasbro's main competitors are Asmodee (*Time's up, Dobble*) with a 13.7% market share and TF1 Games-Dujardin with an 8.7% market share. By the end of the year, TF1 Games-Dujardin was also the 3rd most successful operator, with a market share of 10.4%.

(1) GfK.
(2) CNC-Harris Interactive 2014.
(3) Fevad, end 2015.
(4) NPD (covering 75% of retailers).

TF1 Games-Dujardin 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.

TF1 Games-Dujardin also successfully develops and distributes action games for children including *Saute Qui Peut, Beurky Sneaky*, as well as *Trésor Detector*, the best new product at the end of 2015. In addition, *Chrono Bomb',* developed entirely by TF1 Games-Dujardin, was the highest selling board game in France in 2015 and took second place on the board game market.

1.1.8 THE LICENCE MARKET

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

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, France Télévisions Distribution).

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 (*The Voice*, *Miraculous*, etc.) as well as for a range of diverse and powerful brands (*Barbapapa*, *Hello Kitty*, *All Blacks*). These brands can be divided into two main categories: “Children” for the youth market and “Family” for a broader public.

1.2 GROUP ACTIVITIES

1.2.1 GROUP ACTIVITIES BY SECTOR

1.2.1.1 BROADCASTING AND CONTENT

BROADCASTING[1]

TF1

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 2015, in a highly competitive environment of 25 free-to-air channels, TF1 confirmed its position as leader with women aged under 50 purchase decision-makers, its main advertising target audience. TF1 once again demonstrated the vitality of its programming by scoring 98 of the top 100 ratings of the year. TF1 claimed the highest ratings of the year with the New Zealand/France match, played during the Rugby World Cup, drawing 12.2 million viewers for a 47% share of individuals aged four and over.

TMC

TMC is the benchmark channel when it comes to free-to-air DTT channels. Aimed at an audience of between 25 and 49 years of age, it broadcasts programmes focused on 4 main areas: a strong line-up of feature films, investigative reports, inside stories and light entertainment programmes with the nation's favourite comedy shows and drama series. In 2015, TMC was the leading free-to-air DTT channel with the highest ratings throughout the evening.

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

NT1

NT1 is aimed at 15-34 year-olds and targets female audiences. It has a broad line-up of programs with a strong identity focused on 3 main areas: light entertainment (*Bachelor, Secret Story*), magazine programmes (*Super Nanny, Flics leur vie en direct*) a line-up of generational drama series (*The Walking Dead*, *Friends*) and films popular with young people (*Je préfère qu'on reste amis*, *The Devil Wears Prada* and *Percy Jackson*).

HD1

HD1, launched on December 12, 2012, is a storytelling channel, fully dedicated to cinema, series, drama and narrative programmes. It includes an ambitious selection of films (nearly 250 a year), the best in French drama, and original and first-air international series such as *666 Park Avenue,* the sitcom *2 Broke Girls* as well as the complete seasons of cult series like *Dr House*. HD1 also broadcasts first-air episodes of the shortcom *Pep's* on a daily basis.

1.8% of HD1's audience share is women aged under 50 purchasing decision-makers[1].

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, TMC, NT1 and HD1 channel products through the MYTF1 brand. The offer features an extended range of catch-up programmes available online, *via* smartphones and tablets and included in the TV offers (IPTV) of the main internet service providers in France. MYTF1 also provides content which goes beyond what is broadcast over-the-air, under the XTRA label.

e-TF1 brings audiences and advertisers a unique and powerful video offering and ranks 4th in video platforms in France in terms of viewing time behind web giants Google/YouTube, Facebook and Dailymotion. e-TF1 also has an online presence with theme sites (including the news site, MYTF1News) and with TF1 Agency, a digital agency that develops bespoke internet products for advertisers.

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

TF1 Publicité – advertising

TF1 Publicité, Europe's number-one multimedia advertising sales agency, sells advertising space for channels in the Turner group, as well as channels Numéro 23 and beIN SPORTS. It also sells advertising space on websites, including MYTF1.fr, MYTF1 News, TFou.fr, Automoto.fr, Bouyguestelecom.fr, metronews.fr, and Finder studio. TF1 Publicité continues to roll out its digital strategy across the five screens of television, IPTV, internet, mobiles and tablets, supported the brands and audiovisual rights of the TF1 group. TF1 Publicité sells space on the Les Indés Radios and MFM Radio websites. 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 via a website and a digital app that can be accessed on smartphones and tablets. *Metronews* broadcasts rolling news items in a wide range of formats. It is both educational and entertaining, whilst staying in touch with its audience. In 2015, *Metronews* refocused on digital content, abandoning its free newspaper version.

4.3 million people access the website every month[3] and 2.7 million people access the site on their mobile phones and *via* mobile apps[4]. For over a year now, the app has been one of the top 5 news apps in France.

(1) *Médiamétrie-Médiamat.*
(2) *Médiamétrie/NetRatings video panel.*
(3) *MNR Panel – November 2015.*
(4) *MNR Panel – October 2015.*

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, is one of France's main sellers of international rights. It is present in all the main marketplaces: Los Angeles, Cannes, Berlin, Venice, Toronto, etc.

In France, TF1 Droits Audiovisuels is also a distributor of films for cinema. Lastly, it has a substantial portfolio of audiovisual rights, marketed through its catalogue of films and TV dramas as part of second-cycle sales.

TF1 Production

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

- the Magazines Department mainly produces magazine programmes (*50 mn Inside, 90' Enquêtes, Appel d'urgence*, etc.);
- the Entertainment, Games and Reality TV Department is responsible for entertainment programming (*Danse avec les Stars*, *Bachelor*, *C'est Canteloup*, *NRJ Music Awards*, etc.);
- the Drama Department develops and produces drama series, standalone dramas and scripted reality series);
- the Sports Department produces sporting events for which TF1 holds the rights (Football World Cups, Rugby World Cup) 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*) as well as producing content for brands or institutions;
- the Animated Film Department delivered *Mini Ninjas* in 2015, its first animated series.

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).

1.2.1.2 CONSUMER PRODUCTS

TF1 VIDEO

Launched in 1989, TF1 Vidéo is the video publishing subsidiary of the TF1 group. TF1 Vidéo has successfully reinvented itself in line with changes in viewing habits and operates in the following areas: video publishing (DVD, Blu-ray), online publishing and distribution with MYTF1VOD, e-Cinema and the acquisition of 'all rights reserved' films.

With an editorial line focused on event-based content and strong brands, TF1 Vidéo works successfully across all genres, with French and international cinema, the biggest comedy stars, youth programming and TV series.

MYTF1VOD is now the most widely distributed VOD service in France, available on all IPTV services, online (www.mytf1vod.fr) on tablets and mobiles *via* a dedicated app and on connected TVs and video game console VOD portals. 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 television sets and will soon be offered *via* PowaTag technology;
- Euroshopping broadcasts *infomercials* on a number of free-to-air, cable and satellite DTT 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.

This company is expanding into five areas of activity: music, entertainment, licences, games/toys and collections.

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. 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.

1.2.1.3 PAY-TV

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 has an online presence through the Group's news website, MYTF1News, featuring its own content along with the best of TF1 and LCI news with a powerful video offering.

Further to the decision taken by the CSA on December 17, 2015, the LCI news channel became part of TF1's free-to-air service in 2016.

TV Breizh

As the number 1 Pay-TV channel[(1)], TV Breizh offers its subscribers access to the best TV series and the greatest TV heroes for all the family. *Columbo*, *Hercule Poirot*, *Monk*, *Femmes de Loi*, *Section de Recherches*, etc. are all on TV Breizh.

Discovery Division

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

Histoire broadcasts documentaries, magazine programmes, docu-reality programmes and historical films in an attempt to use history to explain current events.

Ushuaïa TV is dedicated to the wonders of the peoples of the world and the beauty of nature. The extraordinary images broadcast by the channel, which celebrated its 10-year anniversary in March 2015, open a window onto the wonders of the world and promote a better understanding of, and greater respect for, the Planet on which we live.

1.2.2 HOLDINGS

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.

AB GROUP

The AB Group is the leading independent publisher of Pay-TV channels and services, offering 15 French-speaking theme channels. It also has one of the most substantial French-speaking audiovisual rights catalogues in Europe. The Group also produces and co-produces dramas, animation and documentaries.

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.

NEWEN STUDIOS

Newen is a major audiovisual producer and distributor in France, producing over 1,300 hours of programmes a year through its 3 subsidiaries, Telfrance, Capa, and 17 juin Media. The Group has a varied catalogue of over 5,000 hours of programmes covering all audiovisual genres: dramas, game shows, light entertainment, documentaries, news bulletins and animation. Its flagship productions are broadcast on the largest French channels and include, in particular, the series *Plus Belle La Vie*, *Braquo*, *Candice Renoir*, *Le sang de la vigne*, *Nina*, and *Versailles*, as well as non-scripted programmes such as *Les Maternelles*, *L'effet Papillon*, *le jeu Harry*, *Magazine de la Santé* and *Faites Entrer l'Accusé*. Newen Studios' ambition is to be a melting pot for original French creative programming and already distributes productions in over 80 countries. The Group is supported by an industrial framework with studios in the Paris region as well as in the south of France. On an international level, Newen Studios has built up the Newen Network which brings together major independent producers in Germany, Spain, the Netherlands and Canada. The Group also has an online presence *via* its subsidiary Neweb.

1.2.3 REAL PROPERTIES

The TF1 group mainly operates in the buildings listed below. TF1 owns one of them, 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) *Médiamat'Thématik (January - June 2015).*

1.3 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 2015 the amount of R&D expenses for the TF1 group was €5.1 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 expenses 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 2014 FIFA World Cup and further enriched by the camera worn by the referee at the 2015 Rugby World Cup, the multi-camera system accessible on PCs, mobiles and tablets and on the television set *via* Orange ISP 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 opinion or play live during the programme;
- changes in video players and synergies between linear programming and digital media continue. Now advertising can be attached to both linear content and that same content when viewed on tablets, smartphones and computers, to show the advertising again according to the viewer's profile;
- 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 2015 and will continue in 2016.

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;
- capitalising on TF1 group client data and the development of its businesses around the opportunities presented by big data; TF1 is going to put specific human resources and software in place, including a Data Management Platform (DMP);
- deploying an online reservation platform that is hosted entirely on the cloud for the planned concert venues at the Cité Musicale.

DEVELOPMENT OF INTERNAL SOFTWARE AND SYSTEMS

TF1 is continuing to update its programme broadcasting infrastructure, and complete the Media-Factory, by implementing an Enterprise-grade Media Asset Management solution. Optimising media management (increasingly digital) has led to implementing flexible workflows. The solution that has been put in place allows the TF1 group to meet the challenges of its multi-channel strategy and prepare for the future, optimising media and different versions for the digital domain.

Production and post-production of trailers (Trailers-Factory) is automated, both in terms of days and times of broadcast and in terms of graphic charters of the Group's different channels. The process of optimising the broadcast rights for all of the Group's channels (TF1, TMC, NT1, HD1, TV Breizh, Ushuaïa, Histoire) is consolidated using workflows that are mostly file exchanges.

As of the end of January 2015, according to the requirements of the CSA, modernisation and automation efforts have made crossed self-promotion of programmes possible on the Group's different channels, consolidating the TF1 group's leadership.

The file exchange acceleration platform provides for strong responsiveness between the remote sites and the head office in Boulogne-Billancourt (Monaco and Téléshopping). This platform now allows the Group to be directly upstream with the American studios that are beginning to send their programmes to the TF1 group as digital files with strong security requirements.

This same platform, connected to the Group's *News-Factory* since mid-2015, allows the Group to exchange information regarding news topics. This technological switch (IP and file exchange) consequentially brought about the ending of contracts for satellite capacity with telecoms operators. At present, the only remaining satellite connections are used for sites that are not connected *via* IP. However, efforts to modernise continue in order to reduce the number of these connections in the coming years, opting for lighter solutions based on 4G mobile telephone data solutions.

Deployment of 4G telephony technology was reinforced during the 2015 Rugby World Cup, and these same systems are also the ones usually used for the news programmes on the Group's channels. The process of modernising the reporting teams' equipment continues, using new wireless technologies to make video reporters more autonomous in relation to the relay vehicle. TF1 is preparing for new uses with new resources.

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, which began in 2015, is being deployed using a new Media Asset Management solution which opens up the Group's video programming to all available media (Vision 360°), and links a large offer of existing services and services to come (multilingual content, subtitling, photos, articles, links to document databases, etc.). The 2016 stage will include the standardisation of media processes using a workflow tool, and the first BPM (Business Process Management) bricks.

The challenges of UHD are analysed on multiple technologies, such as increases in frequencies and ranges of colours. TF1 also worked on the most promising technology, HDR (High Dynamic Range), which can reproduce 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. TF1 is continuing its approach using analyses and tests to better understand the impacts of these future technologies when they become available to our viewers.

TF1 started an analytical approach to security within the Group's businesses in 2015 that resulted in an audit of our processes and information systems. The results indicate that there is no major vulnerability. However, an action plan was put in place in mid-2015, and will continue in 2016.

The plan's objectives are as follows:

- tighter security on workstations connected to the information system: encrypted disk drives and mobile device management (MDM);
- improved detection capacities: implementation of a Security Operation Centre (SOC);
- application of the principle of least privilege: segmentation of Windows and Network accounts;
- continued targeted action to raise security awareness among personnel of the TF1 group;
- stepping up the pace of preventive audits.

TF1 continued its policy of deploying mobile applications on portable computers, smartphones and tablets. The sales force benefits from such applications and tools, following on those dedicated to advertising, human resources, news, and broadcasting.

TF1 has a resource renewal policy available to employees through:

- substantial digitalisation of administrative processes (digital signature, both in-house and externally, paperless workflows, etc.);
- deployment of collaborative and office productivity tools that are entirely cloud-based (Yammer, OneNote, Sharepoint, etc.);
- development of advanced BI (Business Intelligence) tools so that all businesses can analyse data from all perspectives and in complete autonomy (advertising revenue, programmes, audience information);

In 2015, TF1 continued its research into new uses and markets. The Group was the first to offer contextual ads in France (World Cups, sports betting, etc.) and invite viewers to take part in the creation of advertising spots. In 2015, advertisers were enthusiastic about their customers being able to participate live and interact with their 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.

1.4 TF1 GROUP HISTORY AND 2015 KEY EVENTS

1.4.1 TF1 GROUP HISTORY

1974

"Channel One" becomes TF1 following ORTFs 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 July 24. Francis Bouygues becomes the Chairman and CEO of TF1

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 TFI 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.

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 June 24.

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, 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

1

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 Métro France, publisher of the free daily, Métro.

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

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

Nonce Paolini is named CEO of TF1 on May 22, 2007, and Chairman and CEO on July 31, 2008.

2008

TF1 is now available in HD on DTT.

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

2010

In June 2010, 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 Groupe AB.

The Diversity Label is awarded to all TF1 group companies.

2011

TF1 launches its app for iPad and iPhone.

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

TF1 groups its digital offer around the unifying brand 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 2012, the TF1 group launches HD1, the Groups fourth unscrambled channel.

TF1 and the Discovery Communications group sign a strategic partnership in December, 2012 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.

2015

TF1 announces the acquisition of 70% of the share capital of the NEWEN group.

TF1 sells its stake in Eurosport to the Discovery Communication group.

The CSA approves free broadcasting for the LCI channel.

1.4.2 2015 KEY EVENTS

JANUARY

January 6, 2015:

In anticipation of the "COP 21" climate conference, TF1 organises a one-off conference to explore climate change issues.

January 19, 2015:

The TF1 and CANAL Plus groups announce that they have reached agreement on use of the broadcasting rights to the 2015 Rugby World Cup, taking place between September 18 and October 31, 2015.

January 27, 2015:

Expiry of the undertakings made by the TF1 group to the French Competition Authority following the takeover of the TMC and NT1 channels in 2010.

FEBRUARY

February 18, 2015:

Ushuaïa TV celebrates its tenth anniversary.

MARCH

March 17, 2015:

TF1 Publicité launches OneData. This new platform draws on extensive consumer data to offer advertisers better targeting of their campaigns.

March 31, 2015:

Acquisition of 100% of Eurosport France by Eurosport SAS, a company owned 51% by Discovery Communications and 49% by the TF1 group.

APRIL

April 13, 2015:

NBCUniversal, Mediengruppe RTL Deutschland and TF1 announce that they have entered into a unique international alliance to co-produce original US-style series.

MAY

May 1, 2015:

TF1 Vidéo launches its eCinéma brand, a premium digital service offering users access to feature films across the main VOD platforms as close as possible to general release in the movie's home country.

May 19, 2015:

TMC and NT1 begin offering their programmes in High Definition, in addition to standard definition. HD is available immediately across all the channel's output and throughout France, *via* the FRANSAT satellite bundle.

May 21, 2015:

Announcement of plans to restructure Publications Metro France. Publication of the print edition of *Metronews* is to cease, but the digital business will continue with the aim of consolidating the position already built by the brand.

May 26, 2015:

MYTF1 becomes the single digital brand for all four of the TF1 group's freeview channels, and extends its reach by offering content not previously shown on TV alongside the pay-to-view content accessible *via* MYTF1VOD.

JUNE

June 17, 2015:

The *Conseil d'État* reverses the July 29, 2014 decision by the CSA (the French audiovisual regulator) to reject the application for LCI to switch to freeview.

June 24, 2015:

At the "TV Notes" media awards, organised by puremedias.com, 20 Minutes and RTL, TF1 is chosen as the favourite incumbent channel for the third year running.

JULY

July 22, 2015:

It is announced that TF1 and Discovery Communications have mutually agreed that TF1 will exercise its put option over its 49% interest in Eurosport and buy back from Discovery the latter's 20% interest in the Pay-TV channels TV Breizh, Histoire and Ushuaïa.

AUGUST

August 31, 2015:

The TF1 group's Innovation Unit signs a partnership deal with Paris&Co (the city's economic development and innovation agency) to develop an incubator for ground-breaking start-ups.

SEPTEMBER

September 4, 2015:

At the 17th annual Grand Prix des Médias event organised by CB News, the TF1 group wins an impressive six awards: best TV channel (TF1), best advertising airtime sales agency (TF1 Publicité), best entertainment broadcast/stream (*L'Emprise*), best news/documentary programme (Le Petit JT, LCI), best editorial or journalistic scoop (report from Kobane, Syria) and best social media strategy (*Clem*, French drama).

September 8, 2015:

The TF1 group submits four bids to the *Conseil Supérieur de l'Audiovisuel* (CSA), the French audiovisual regulator, in connection with the call for tenders to provide DTT and HD television services:

- the TMC channel for broadcast in HD;
- the NT1 channel for broadcast in HD;
- the LCI channel for broadcast in freeview and HD;
- the Ha26 home shopping channel, in partnership with the M6 group.

September 10, 2015:

The TF1 group retains its place in the DJSI World sustainable development stock market index.

September 24, 2015:

TF1 launches a scheme to select the best business ideas submitted by students at the Epitech innovation and IT school. The scheme benefits the successful candidates by supporting them as they develop their projects, while also enabling TF1 to get in on the ground floor of exciting new projects.

OCTOBER

October 1, 2015:

TF1 group and Discovery Communications confirm finalisation:

- of the acquisition, by Discovery Communications, of 49% of the Eurosport group, now wholly-owned by Discovery Communications;
- of the acquisition, by TF1, of Discovery's 20% interest in the Pay-TV channels TV Breizh, Histoire and Ushuaïa, now wholly-owned by TF1.

October 9, 2015:

The TF1 group signs the LGBT (Lesbian, Gay, Bisexual and Transgender) charter promoting diversity and non-discrimination.

October 12, 2015:

The TF1 group signs the Paris Climate Action Charter at Paris City Hall. The Group undertakes to frame its activity in the objectives of the "Paris Climate and Energy Action Plan" by managing its energy consumption and reducing its greenhouse gas emissions.

October 12, 2015:

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

NOVEMBER

November 6, 2015:

On the occasion of the 10th *Trophées de la Diversité* (Diversity Trophy) organised by the Diversity Conseil RH [HR Diversity Council], the TF1 group was awarded the 2015 Diversity Prize, within the "recruitment/integration" category, for the innovative approach taken by the TF1 Foundation in terms of social and professional integration of young people from disadvantaged areas.

November 9, 2015:

TF1 and FLCP, a Newen group holding company, sign an agreement to enable TF1 to acquire a 70% capital interest in FLCP. The current shareholders, including the management team, continue to hold a 30% capital interest.

November 25, 2015:

Ecoprod, a collective in which TF1 was a founding partner, organises a conference with Film4Climate, a World Bank programme, to mobilise the entire audiovisual and cinematographic industry to reduce its environmental footprint.

DECEMBER

December 1, 2015:

TF1 acquires the *Ninja Warrior* format. Its ambition is to expand its range of event-based, unifying brand content to be offered across all screens *via* original digital devices.

December 8, 2015:

On the occasion of COP21, the cinematographic and audiovisual industry was mobilised to reduce the carbon impact of its activities and raise awareness of climate change issues amongst professionals.

December 17, 2015:

The French audiovisual regulator (CSA) authorises LCI's migration to freeview DTT, subject to certain undertakings.

December 31, 2015:

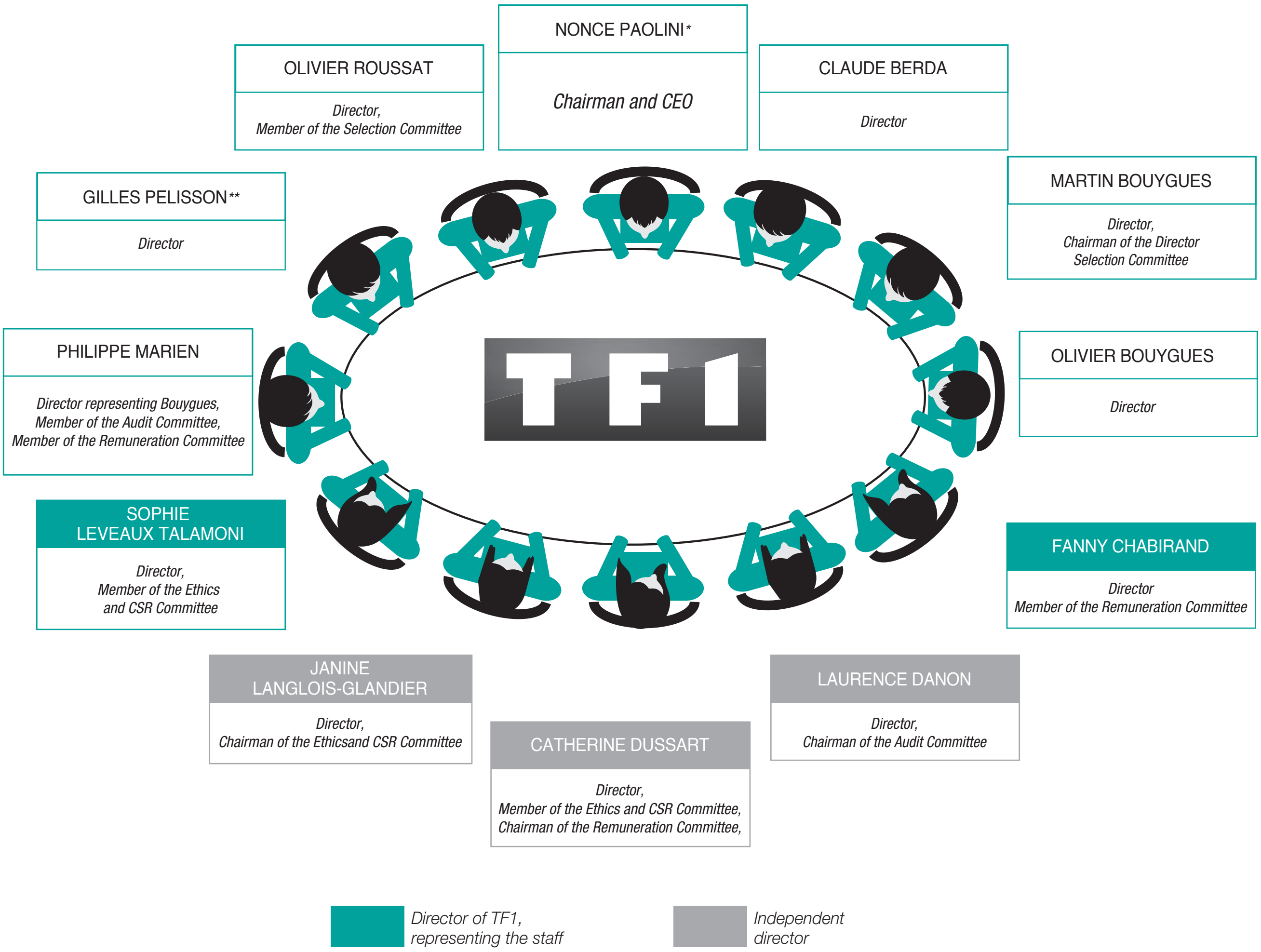
TF1 scored 98 of the top 100 audiences in 2015.

2

REPORT BY THE CHAIRMAN OF THE BOARD OF DIRECTORS

2.1 ORGANISATION OF GOVERNANCE

2.1.1 COMPOSITION OF THE BOARD OF DIRECTORS AND ITS COMMITTEES AT FEBRUARY 17, 2016



* Leaving the Group on retirement, Nonce PAOLINI resigned from his duties as Director and Chairman and CEO on February 17, 2016, with his resignation taking effect on February 19, 2016.

** Appointed Chairman and CEO on February, 17 2016, his appointments take effect on February 19, 2016.

CHANGES IN THE COMPOSITION OF THE BOARD OF DIRECTORS IN 2015

Reappointments at the General Meeting on April 16, 2015		Serving Directors
Claude Berda	Nonce Paolini	Fanny Chabirand**
Martin Bouygues	Gilles Pélisson	Janine Langlois-Glandier
Olivier Bouygues	Olivier Roussat	Sophie Leveaux Talamoni**
Laurence Danon	Bouygues*	
Catherine Dussart		

* *Whose standing representative is Philippe Marien.*
** *Directors representing the staff.*

CHANGES IN THE COMPOSITION OF COMMITTEES IN 2015

Remuneration Committee	Until October 28, 2015	From October 28, 2015
Chairman level	Gilles Pélisson	Catherine Dussart
Member	-	Fanny Chabirand*
Member	Philippe Marien	Philippe Marien

* *Director representing the staff.*

Audit Committee	Until October 28, 2015	From October 28, 2015
Chairman	Laurence Danon	Laurence Danon
Member	Philippe Marien	Philippe Marien
Member	Gilles Pélisson	- To be replaced on April 14, 2016

The composition of the other committees remained unchanged in 2015.

2.1.2 NEW CHAIRMAN AND CHIEF EXECUTIVE OFFICER ON FEBRUARY 19, 2016

Following the recommendation of its Selection Committee and having concluded that it was not desirable to separate the roles of Chairman and of CEO, the Board of Directors has chosen Gilles Pélisson to fulfil the role of Chairman and CEO.

Gilles Pélisson is 58 years old and is a graduate of ESSEC and the Harvard Business School. He has formerly managed Eurodisney and Accor, two major listed companies which provide services to the general public, and also Noos and Bouygues Telecom, companies involved in regulated businesses in markets experiencing significant technological changes. Gilles Pélisson has extensive international experience and has always ensured high-quality working relationships. Having been a Director since 2009, he knows TF1 well.

Gilles Pélisson was appointed Chairman and CEO at the meeting of the Board of Directors on February 17, 2016, with his appointment taking effect on February 19, 2016, the day after the presentation of the financial statements for the 2015 financial year.

At its meeting on October 28, 2015, the Board of Directors had chosen the successor to Nonce Paolini whose term of office as Chairman and CEO was expiring in the first quarter of 2016.

Gilles Pélisson has been preparing for his new responsibilities since November 2015 with Nonce Paolini's support.

The Board of Directors warmly thanked Nonce Paolini for his nine years at the head of TF1 group. It emphasised the importance of his achievements and constant attention to working relationships. TF1 has maintained its leading position during a highly complex period that was notable both for a serious economic recession and for major technological, regulatory, competitive and commercial changes.

2.1.3 PROPOSAL ON THE COMPOSITION OF THE BOARD OF DIRECTORS SUBMITTED TO THE GENERAL MEETING ON APRIL 14, 2016 - REAPPOINTMENT OF THREE DIRECTORS WHO ARE NOT STAFF REPRESENTATIVES - APPOINTMENT OF A NEW DIRECTOR WHO IS NOT AN EMPLOYEE REPRESENTATIVE - ELECTION OF TWO DIRECTORS WHO ARE STAFF REPRESENTATIVES

Appointment	Reappointments	Election*	Serving Directors
Pascaline de Dreuzy	Janine Langlois-Glandier Gilles Pélisson Olivier Roussat	Fanny Chabirand Sophie Leveaux Talamoni	Martin Bouygues Olivier Bouygues Laurence Danon Catherine Dussart Bouygues**

* *Only the Directors representing the staff are affected.*
** *Whose standing representative is Philippe Marien.*

The Directors' *curricula vitae* are found in Part 2.1.4, pages 58 to 66, 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, TF1 group > Investors > Governance > Board of Directors).

The Board of Directors ensures the improvement and effectiveness of TF1's governance by regularly evaluating 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 organisation and functioning.

At its meeting on February 17, 2016, the Board of Directors reviewed the terms of office of Directors that were expiring at the next General Meeting, taking into account the expertise of current Directors and the need to maintain the same level of independent directors as well as the Board's commitment to the integration of women.

The Board of Directors therefore sought the opinion of the Selection Committee in preparation for the General Meeting of Shareholders.

DIRECTORS NOT REPRESENTING THE STAFF

REAPPOINTMENT OF THREE DIRECTORS

The terms of office of Janine Langlois-Glandier, Gilles Pélisson and Olivier Roussat expire after the General Meeting on April 14, 2016 to approve the financial statements for the 2015 financial year.

The Board of Directors, following the opinion of the Selection Committee, considers these three Directors to be active members of the Board; their contribution is valued and their knowledge and expertise of the media and the French audiovisual environment assists the Board in its work. Retaining them on the Board of Directors enhances the Board's independence and integration of women as well as its skills.

The Board of Directors submits for the approval of shareholders their reappointment as Directors, for three years *i.e.* until the General Meeting called to approve the 2018 financial statements.

In addition, the Board of Directors has chosen not to fill the Director position vacated by Nonce Paolini with effect from February 19, 2016, and recommends to the shareholders that the Board of Directors no longer comprise a fixed number of twelve Directors but a number varying between three and eighteen; to this end, shareholders are asked to amend the company's Articles of Association (18th resolution).

APPOINTMENT OF A NEW DIRECTOR

Having received the recommendation of the Selection Committee, the Board of Directors proposes that shareholders appoint Pascaline de Dreuzy as a director not representing the staff, for a three-year term, *i.e.* until the General Meeting called to approve the financial statements for the financial year ending December 31, 2018 in replacement of Claude Berda whose term of office is expiring at the end of this meeting.

The Board of Directors considers that the appointment of this new Director to the Board of Directors will strengthen the effectiveness of the Board's work by including alongside the current Directors with experience in the audiovisual field, a consummate professional with strong ethical, social and humanist values who has extensive experience in the business world. Pascaline de Dreuzy's former position as a Director of the PSA Group's family-owned holding company and current position as a Director of the *Institut Français des Administrateurs* will also contribute to the quality of the Board's discussions.

The Board of Directors has also examined the position of Pascaline de Dreuzy pursuant to the independence criteria defined by the AFEP-MEDEF Code. In particular, it concluded that she has no business relationship with the TF1 group and is therefore considered to be an independent director.

Curriculum vitae of Pascaline de Dreuzy

Born: September 5, 1958. Paediatrician, doctor at Paris hospitals, Executive MBA from HEC, holder of the Company Directors Diploma (IFP – IEP), Pascaline de Dreuzy is first and foremost a paediatrician at the Necker-Enfants Malades University Hospital, where she oversees innovative and pioneering cross-functional projects that place the patient at the heart of performance: outpatient medicine, casualty department and same day diagnostic services, pain management, palliative care and ethical issues.

As a strategic consultant in the field of health and care, in 2013 she founded and chaired the French Institute for Autonomy and Technology (*Institut Autonomie & Technologie*) which, by means of innovative technologies, aims to secure the independence and mobility of people who are frail or at risk.

Offices and positions held in other companies: French Institute of Directors (*Institut Français des Administrateurs*), SAMU Social International, Croix-Saint Simon Foundation and Diaconesses-Croix Saint Simon Hospital Group.

Offices and positions that have expired in the last five years, Paul Parquet Foundation (2015) - SAPAR family-owned holding company controlling the PSA Peugeot Citroën Group (2014).

Number of TF1 shares: Pascaline de Dreuzy has declared that she would acquire the 100 TF1 shares required to be owned in accordance with the Articles of Association by each new Director, following the closed period between the Board of Directors on February 17, and the General Meeting.

DIRECTORS REPRESENTING THE STAFF

Since the company's privatisation, TF1's employees have been represented by two Directors, pursuant to Article 66 of Act no. 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 perform their roles under the same conditions as Directors who do not represent the staff.

It should be noted that TF1 is not subject to Act no. 2015-994 of August 17, 2015, on social dialogue and employment which provides, in Article L. 225-102-1 of the French Commercial Code, rules on compulsory employee representation for Boards of Directors of public limited companies above a certain size. Similarly, TF1 is not obliged to elect Directors representing employee shareholders, pursuant to Article L. 225-23 of the French Commercial Code.

The terms of office of the two Directors representing the staff, Fanny Chabirand and Sophie Leveaux Talamoni, expire in 2016. In accordance with the legal provisions, Directors representing the staff are directly elected by TF1 employees before the General Meeting. The elections shall take place on March 15, 2016.

The General Meeting on April 14, 2016, will be informed of the names of the directors representing the staff who are elected for two years by the electoral colleges, and it must duly record their appointment as directors representing the staff.

COMPOSITION OF THE BOARD OF DIRECTORS FOLLOWING THE GENERAL MEETING

Subject to approval by the General Meeting of resolutions 6 to 9, resolution 18 and the results of the elections of Directors representing the staff on March 15, 2016, the composition of the Board of Directors will, following the meeting, be as follows:

- four Independent female Directors: Laurence Danon, Pascaline de Dreuzy, Catherine Dussart and Janine Langlois-Glandier;
- two female Directors representing the staff: Fanny Chabirand and Sophie Leveaux Talamoni;
- one Executive Director: Gilles Pélisson;
- four Directors representing the controlling shareholder: Martin Bouygues, Olivier Bouygues, Olivier Roussat and Bouygues, represented by Philippe Marien.

The TF1 Board of Directors would include four independent directors (44% of its members) and also four women (44% of its members) among its Directors not representing the staff (Directors elected by employees are not taken into account when calculating percentages).

Subject to the same reservation, the composition of the committees will be as follows:

Audit Committee

- Chairwoman: **Laurence Danon**, independent Director;
- Members: **Pascaline de Dreuzy**, independent Director and **Philippe Marien**.

Ethics and CSR Committee

- Chairwoman: **Janine Langlois-Glandier**, independent Director;
- Members: **Catherine Dussart**, independent Director, and **Sophie Leveaux Talamoni**, Director representing the staff.

Director Selection Committee

- Chairman: **Martin Bouygues**;
- Member: **Olivier Roussat**.

Remuneration Committee

- Chairwoman: **Catherine Dussart**, independent Director;
- Members: **Fanny Chabirand**, Director representing the staff and **Philippe Marien**.

2.1.4 TERMS OF OFFICE AND ROLES OF THE BOARD MEMBERS AT FEBRUARY 17, 2016

Listed below are the terms of office and functions exercised by the Directors of TF1 in or outside the company, in 2015 and over the past five years. The Directors are [or are in the process of becoming] compliant with the rules relating to the number of directorships that may be held simultaneously.

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 16, 2015, expiring 2017**
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 OFFICES HELD WITHIN THE TF1 GROUP

In France: Representative of TF1, Director of AB Group, the TF1 Acquisitions de Droits Economic Interest Group, and Extension TV

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

OFFICES HELD OUTSIDE THE TF1 GROUP

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

OTHER OFFICES HELD WITHIN THE LAST FIVE YEARS

2015 / 2016 Chairman-Director of the TF1 Corporate Foundation and of Monte-Carlo Participation; Representative of TF1, Director of TF6 Gestion

2014 – Chairman of Holding Omega Participations – HOP

2013 – President of NT1

2012– Chairman of TF1 Management, PREFAS 4 (European Francophone Audiovisual Programmes) and HD1; Representative of TF1 Management; manager of La Chaîne Info; Representative of TF1 Management; manager of TF1 DS

* *Listed company.*

CLAUDE BERDA

Born February 3, 1947 – French citizenship

Director of TF1 since February 17, 2010
Most recent renewal: **April 16, 2015, expiring 2016**
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 AB Group 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 AB Group to TF1. In 2010 he finalised an agreement for the sale of NT1 and TMC to TF1, thus refocusing AB Group on its catalogue and Pay-TV channels.

OFFICES HELD OUTSIDE THE TF1 GROUP

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

OTHER OFFICES HELD WITHIN THE LAST FIVE YEARS

None

2

MARTIN BOUYGUES

Born May 3, 1952 – French citizenship

Director of TF1 since September 1, 1987
Most recent renewal: **April 16, 2015, expiring 2018**
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.

OFFICES 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; Standing representative of SCDM; Chairman of ACTIBY and SCDM Participations; member of the Board of Directors of the Francis Bouygues Foundation and the Skolkovo Foundation

OTHER OFFICES HELD WITHIN THE LAST FIVE YEARS

2015 – Representative of SCDM Invest–3

* *Listed company.*

OLIVIER BOUYGUES

Born September 14, 1950 – French citizenship

Director of TF1 since April 12, 2005
Most recent renewal: **April 16, 2015, expiring 2017**
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's 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.

OFFICES HELD OUTSIDE THE TF1 GROUP

In France: Deputy CEO of Bouygues*; Standing representative of SDCM, Director of Bouygues*; CEO of SCDM; Director of Colas*, Bouygues Telecom, Bouygues Construction and Alstom*; Chairman of SAGRI-E and SAGRI-F;

Outside France: Chairman of the Board of Directors and Director of Bouygues Europe (Belgium); Chairman of SCDM Énergie (UK); Chairman and CEO and Director of SECI (Côte d'Ivoire)

OTHER OFFICES HELD WITHIN THE LAST FIVE YEARS

2015 – Director of ERANOVE; 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); Chairman of SCDM Énergie; Liquidator of SIR

2014 – Director of Eurosport

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

* *Listed company.*

FANNY CHABIRAND

Born September 14, 1976 – French citizenship

Staff representative Director of TF1 since March 13, 2012
Member of the Remuneration Committee of TF1
Most recent renewal: **April 3, 2014, expiring 2016**
Holds **20 shares in TF1**
Business address: **1, Quai du Point du Jour – 92100 Boulogne-Billancourt**

Fanny Chabirand holds a master degree in Sciences and Techniques of Tourism, she joined TF1 on January 1, 2007 and since then has acted as Commercial Assistant within the TF1 Works Council.

OFFICES HELD OUTSIDE THE TF1 GROUP

None

OTHER OFFICES 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 16, 2015, expiring 2018**
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 had 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 Chairwoman 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 Chairwoman of the Executive Committee until December 2012.

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

In 2013 and 2014, she was Chairwoman of the Board of Directors of the investment bank Leonardo & Co. (renamed as Natixis Partners since its sale to Natixis in June 2015).

From 2006-2015, she was a Director of Diageo Plc (UK).

In 2015 she joined her family firm Cordial Investment & Consulting Ltd as a Director. She is also a Director of Amundi and a member of the Académie des Technologies.

OFFICES HELD OUTSIDE THE TF1 GROUP

In France: Director of Amundi*; Senior Advisor to Natixis Partners

Outside France: Director of Cordial Investment & Consulting plc (UK)

OTHER OFFICES HELD WITHIN THE LAST FIVE YEARS

2015 – Chairwoman of the Board of Directors of Leonardo & Co.; Director of Diageo plc (UK)

2013 – Member of the Supervisory Board of BPCE (Banques Populaires – Caisse d’Épargne); 2012 – Chairwoman of the Executive Committee of Edmond de Rothschild Corporate Finance

2011 – Director of Rhodia

CATHERINE DUSSART

Born July 18, 1953 – French citizenship

Director of TF1 since April 18, 2013 – independent
Most recent renewal: **April 16, 2015, expiring 2017**
Chairwoman of the Remuneration Committee of TF1
Member of the Ethics and CSR Committee
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.

As 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 (CNC). 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; *France Is Our Mother Country by* Rithy Panh (Fipa 2015); *Chauti Koot (The Fourth Direction) by Gurvinder* Singh (India) presented as an official selection at the 2015 Cannes Film Festival, *Kalo Pothi (The Black* Hen) by Min Bahadur Bham (Nepal) critics prize at the 2015 Venice Film Festival.

OFFICES 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 OFFICES 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
Last renewal: **April 17, 2014 until 2016**
Chairwoman of the Ethics and CSR Committee
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 Chairwoman of FR3 in 1985 and Chairwoman 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.

OFFICES HELD OUTSIDE THE TF1 GROUP

In France: Chairwoman of the French Mobile Media Forum; Director of Fransat; member of the Cultural Council of Monnaie de Paris

OTHER OFFICES 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 Committee
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.

OFFICES HELD OUTSIDE THE TF1 GROUP

None

OTHER OFFICES 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 16, 2015, expiring 2018**
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.

OFFICES HELD OUTSIDE THE TF1 GROUP

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

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

OTHER OFFICES 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 16, 2015, expiring 2018**
Holds **91,946,297 shares in TF1**
Business address: **32, avenue Hoche – 75008 Paris**

OFFICES 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 – The Non-Profit Organisation Law of 1901); member of the Board of Directors of the Fondation Dauphine and of the EIG Registrar

OTHER OFFICES HELD WITHIN THE LAST FIVE YEARS

None

GILLES PÉLISSON

Born May 26, 1957 – French citizenship

Director of TF1 since February 18, 2009 – independent until October 28, 2015
Most recent renewal: **April 16, 2015, expiring 2016**
Holds **3,000 shares in TF1**
Business address: **1, quai du point du jour - 92100 Boulogne-Billancourt**

Gilles Pélisson is graduate of ESSEC and holds an MBA from the Harvard Business School, he 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.

OTHER OFFICES HELD WITHIN THE TF1 GROUP

Chairman-Director of the TF1 Corporate Foundation; Chairman-Director of Monte-Carlo Participation.

OFFICES HELD OUTSIDE THE TF1 GROUP

Outside France: Director of Accenture PLC (USA);

OTHER OFFICES HELD WITHIN THE LAST FIVE YEARS

February 2016 – Director of Lucien Barrière Group; Director of Sun Resorts International (Mauritius); Senior Advisor at Jefferies group Inc. (New York, USA)

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

* *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.

Most recent renewal**: April 16, 2015, expiring 2016**

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.

OFFICES 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 Bouygues Telecom Corporate Foundation

OTHER OFFICES 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 AFR

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 17, 2016. In its meeting held on February 26, 2016, the Board approved the performance conditions related to the defined benefit pension plan awarded to Gilles Pélisson.

2.2.1 CHAIRMAN'S REPORT ON CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

REVIEW OF 2015 – OUTLOOK 2016

In 2015, the TF1 Board of Directors met seven times and formed two *ad hoc* committees which met three times. In addition, the independent directors held one strategic committee meeting. The directors were closely involved in the Board's activities as well as those of the committees. Their active involvement is one of the guarantees that your company is being governed to the highest standards.

The Board is also committed to improving its governance and thus continued to make adjustments in 2015 in accordance with AMF recommendations and changing practices. The measures included the AFEP-MEDEF Corporate Governance Code and its user guidelines and the work and comments of the AFEP-MEDEF High Committee on *Gouvernement d'Entreprise*. The main developments in 2015 and at the beginning of 2016 have included:

- the introduction at the 2015 meeting, of the phased reappointment of Directors not representing the staff, in line with the AFEP-MEDEF Corporate Governance Code recommendations, and increasing the duration of their terms of office from two to three years and, on an exceptional basis, renewing the appointments of three Directors for one year and of three other Directors for two years;
- the appointment of a female director not representing the staff to the chair of the Remuneration Committee and of a director representing the staff as a member of the committee;
- the first meeting involving only independent Directors not representing the staff was held in order, in particular, to consider the future of the company's management and evaluate the performance of Executive Directors;
- adoption by the Board at its meeting of February 17, 2016, of the new AFEP-MEDEF Corporate Governance Code for listed companies, which was revised in November 2015 and updated regarding the principle that the Shareholders' General Meeting is consulted in the event of significant disposals of shares and the alignment of the Code with the new provisions of the Macron Act on supplementary pensions granted to the Corporate Officers of listed companies;
- amendment to the Board of Directors' assessment questionnaire to include a question on the individual evaluation of the actual contribution of each Director to the work of the Board with respect to his or her skills and involvement in deliberations. As such, TF1 complies with the recommendations of the AFEP-MEDEF Corporate Governance Code and the practice of other SBF 120 companies;
- the proposal to appoint an independent Director not representing the staff at the 2016 General Meeting, replacing a non-independent Director; the TF1 Board of Directors could again comprise four independent directors (more than 44% of its members) and four women (44% of its members) among its Directors not representing the staff.

CHANGES IN GOVERNANCE PROCEDURES

The Board of Directors is responsible for the administration of the company. The Executive 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 seek to improve governance practices on an ongoing basis.

(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.*

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

1987-1988	■ Privatisation; ■ Creation of a College determining the remuneration of the Executive Corporate Officers (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 Executive 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 AFEP-MEDEF 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 new 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 Executive Corporate Officers simultaneously, and introduces an annual advisory vote by shareholders on the various components of the remuneration paid to Executive Directors; ■ Introduction of a year-end Board Meeting specifically for the presentation of the three-year plan, with a focus on strategy and risk mapping.
2014	■ Introduction of a shareholders' annual advisory vote on the remuneration of Executive Corporate Officers (the "say on pay" principle), in accordance with the AFEP-MEDEF Corporate Governance Code of June 2013; ■ 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; ■ Creation of the Ethics and CSR Committee whose role is to express its views on ethical and environmental, social and societal issues. It comprises two independent directors and one Director representing the staff; ■ Adoption of the Code of Ethics for all Group employees which sets out the values of respect, fairness, honesty and transparency among all stakeholders (employees, partners, suppliers, audiences and shareholders); ■ Adoption of four compliance programmes for senior managers which complement the Code of Ethics in the following areas: anti-corruption, conflicts of interest, compliance in securities trading and competition, including a whistle-blowing system in these areas that enables the Group Ethics Officer to be notified.

COMPOSITION OF THE BOARD OF DIRECTORS

RULES GOVERNING THE COMPOSITION OF THE BOARD OF DIRECTORS

The Articles of Association stipulate that the company shall have a Board of Directors with twelve members. A proposal to set the number of Directors comprising the Board of Directors to a number varying between 3 and 18, as provided for in Article L. 225-17 of the French Commercial Code, instead of 12, has been submitted to the General Meeting of April 14, 2016, in order manage the company's governance arrangements in a more flexible way.

The Directors not representing the staff are appointed by the Shareholders' General Meeting. Since 2015, the terms of office of Directors not representing the staff have been for periods of three years, in line with the AFEP-MEDEF Corporate Governance Code recommendations for a three-year period.

Two Directors are selected by electoral colleges of employees in accordance with Article 66 of Act no. 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. Directors who represent the staff are appointed for a two-year term.

The Articles of Association do not stipulate an age limit for Directors. The age limit for performing the roles of Chairman of the Board of Directors, CEO or Chief Operating Officer is set at 70 years of age.

In accordance with Article L. 225-47 of the French Commercial Code, the Board of Directors elects a Chairman, who may be re-elected, from amongst its members. The Chairman of the Board of Directors organises and guides the work of the Board. He ensures that all parts of the company function properly and, in particular, that the Directors are able to carry out their duties.

In accordance with Article L. 225-51-1 of the French Commercial Code, the Executive Management of the company is the responsibility of either the Chairman of the Board of Directors, or of another person appointed by the Board of Directors. The Board of Directors choose between two options for performing the Executive Management function. On the recommendation of the CEO, the Board of Directors may appoint one or more Chief Operating Officers.

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 no. 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 should be noted that TF1 is not subject to Act no. 2015-994 of August 17, 2015, on social dialogue and employment which provides, in Article L. 225-102-1 of the French Commercial Code, compulsory employee representation rules for Boards of Directors of public limited companies above a certain size. Similarly, TF1 is not obliged to elect Directors representing employee shareholders, pursuant to Article L. 225-23 of the French Commercial Code.

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

The Rules of Procedure of the Board of Directors was adopted at the Board Meeting of February 24, 2003. It sets out 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). The Board created an Ethics and CSR Committee in July 2014. The rights and duties of Directors are set out in specific appendix titled "TF1 Directors' Charter".

The Rules of Procedure are regularly amended to take into account governance best practice and, in particular, incorporate the latest version of the AFEP-MEDEF Corporate Governance Code.

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

CORPORATE GOVERNANCE CODE – REFERENCE TO THE AFEP-MEDEF 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 adopt on a voluntary basis 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.

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 16.1: At least two-thirds of the members of the Audit Committee must be independent directors.	The Audit Committee is composed of two members; Laurence Danon, Chairwoman with a casting vote (independent director) and Philippe Marien, member. This is a temporary situation following the announcement on October 28, 2015 of the appointment of Gilles Pélisson, who was at that time an independent director and member of the Audit Committee, as the successor to Nonce Paolini in the roles of Chairman and CEO. To complete the membership of the Audit Committee, the Board of Directors is submitting for the approval of the General Meeting to be held on April 14, 2016, the appointment of Pascaline de Dreuzy as an independent director. She also has the financial and accounting expertise required for her appointment to the Audit Committee.
Article 17.1: The Selection Committee must be composed of a majority of independent directors and no Executive Directors.	The Board of Directors is considering a change to the composition of the Director Selection Committee.
Article 18.1: A majority of the Remuneration Committee's members must be independent directors.	The Board of Directors is considering a change to the composition of the Remuneration Committee.

The AFEP-MEDEF High Committee on Corporate Governance announced a number of recommendations in July 2015. One of these concerned the membership of an employee Director on the Remuneration Committee. The Board of Directors has acted on this recommendation by appointing as a member Fanny Chabirand, a Director representing the staff, on October 26, 2015.

A further recommendation concerned the minimum proportion of independent directors on the Selection and Remuneration Committees. However the Board of Directors believes that a Remuneration Committee composed of an independent director, a Director representing the staff alongside another non-independent director, is balanced and that the character of these members and their sense of responsibility guarantee that they will perform their duties in an independent manner.

Another recommendation concerned the guidelines for the attainment of the various variable remuneration criteria (see section 23.2.3). See Chapter 2.3, page xx, of this Registration Document and Annual Financial Report for clarification on the attainment of objectives.

Lastly, the Board decided to strengthen the participation of independent directors by holding a meeting exclusively for them.

REVIEW OF DIRECTORS' INDEPENDENCE

The Board of Directors reviews annually and on an individual basis, taking into account the opinion of its 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 Executive Director 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 an Executive Director 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 independent directors identified according to these principles by the Board of Directors are Laurence Danon, Catherine Dussart and Janine Langlois-Glandier.

The independent directors have no business relationship with the Company

	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)
Laurence Danon	complies	complies	complies	complies	complies	complies	complies
Catherine Dussart	complies	complies	complies	complies	complies	complies	complies
Janine Langlois-Glandier	complies	complies	complies	complies	complies	complies	complies

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. More than half of the Directors (seven) joined the Board in the past six years, and four other Directors have served for less than 12 years.

The Board of Directors includes among its Directors not representing the staff, three independent directors, which has recently reduced the proportion from 40% to 30%. This is a temporary situation following the announcement on October 28, 2015, of the choice of Gilles Pélisson, who was at that time an independent director not representing the staff, as the successor to Nonce Paolini in the roles of Chairman and CEO.

The Board of Directors is submitting the appointment of Pascaline de Dreuzy as an independent Director to the General Meeting on April 14, 2016. Subject to her appointment by the shareholders, the Board of Directors would include four independent directors out of nine Directors not representing the staff on the Board, representing proportionately 44% of the Board membership after the General Meeting.

The proportion of independent directors on each committee is shown in the description of each committee's membership.

BALANCE BETWEEN WOMEN AND MEN ON THE BOARD

The TF1 Board of Directors has three female Directors not representing the staff and two female Directors representing the staff. The proportion of women is therefore 30% (Directors elected by employees are not taken into account when calculating percentages).

The Board of Directors is submitting the appointment of Pascaline de Dreuzy to the General Meeting on April 14, 2016. Subject to her appointment by the shareholders, the Board of Directors would include four independent directors out of nine Directors not representing the staff on the Board, representing proportionately 44% of the Board membership after the General Meeting.

The proportion of female Directors on each committee is shown in the description of each committee's membership.

RULES CONCERNING THE ORGANISATION AND GOVERNANCE OF THE BOARD OF DIRECTORS AND ITS COMMITTEES

The composition of the Board of Directors at February 17, 2016 is described in detail on page 54 of this Registration Document and Annual Financial Report.

The table below provides a summary of the composition of the TF1 Board of Directors and its committees at February 19, 2016, the date that the new CEO, Gilles Pélisson, assumes his responsibilities.

	Status	Women Men	Age	Board Committees	Number of years on the Board	End of current term of office	Board attendance
Executive Director							
Gilles Pélisson	Non-independent	M	58		7	2016	5 meetings out of 7
Independent Directors							
Laurence Danon	Independent	W	60	Chairwoman of the Audit Committee	6	2018	7 meetings out of 7
Catherine Dussart	Independent	W	62	Chairwoman of the Remuneration Committee Member of the Ethics and CSR Committee	3	2017	7 meetings out of 7
Janine Langlois-Glandier	Independent	W	76	Chairwoman of the Ethics and CSR Committee	4	2016	7 meetings out of 7
Directors of TF1, representing the staff							
Fanny Chabirand	Non-independent	W	39	Member of the Remuneration Committee	4	2016	7 meetings out of 7
Sophie Leveaux Talamoni	Non-independent	W	51	Member of the Ethics and CSR Committee	2	2016	6 meetings out of 7
Non-independent Directors							
Claude Berda	Non-independent	M	69		6	2016	6 meetings out of 7
Martin Bouygues	Non-independent	M	63	Chairman of the Selection Committee	29	2018	7 meetings out of 7
Olivier Bouygues	Non-independent	M	65		11	2017	5 meetings out of 7
Bouygues (represented by Philippe Marien)	Non-independent	M	59	Member of Audit Committee, member of Remuneration Committee	8	2018	7 meetings out of 7
Olivier Roussat	Non-independent	M	51	Member of the Selection Committee	7	2016	7 meetings out of 7

AVERAGE LENGTH OF DIRECTORS' SERVICE: 8 years

AVERAGE AGE OF THE DIRECTORS: 59 years

PERCENTAGE OF WOMEN: 30%*

PERCENTAGE OF INDEPENDENT DIRECTORS: 30%*

* *Excluding Directors representing the staff and due to a temporary situation as described in section 2.1.3.*

METHOD OF GOVERNANCE

As required by law, the Board of Directors 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.

Combined roles of Chairman of the Board of Directors and of CEO

At its meeting on October 28, 2015, the Board of Directors chose the successor to Nonce Paolini whose term of office as Chairman and CEO expired in the first quarter of 2016. The Board of Directors followed the recommendations of its Selection Committee which considered at the time that it was preferable that the Board of Directors agree on the principles of this appointment and the choice of successor, in order to end press speculation that was disruptive for the company.

Following the recommendation of the Selection Committee and having concluded that it was not desirable to separate the roles of Chairman and of CEO given the size of the TF1 group, the particular nature of its operations and past experiences, which had shown the appropriateness of such a choice, the Board of Directors chose Gilles Pélisson to fulfil the role of Chairman and CEO.

Gilles Pélisson was appointed Chairman and CEO at the meeting of the Board of Directors on February 17, 2016, with his appointment taking effect on February 19, 2016, the day after the presentation of the financial statements for the 2015 financial year.

The Executive Management role

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 of Directors has not appointed a Lead independent Director or a Deputy Chairman.

Limits on the powers of the Chairman and CEO

The measures put in place to balance the Executive Management role and the powers of the Board of Directors contribute to the good governance of the TF1 group and avoid an excessive concentration of powers.

The Board of Director's Rules of Procedure specify the important decisions to be taken by the Board, in particular:

- the Board of Directors, with the assistance of *ad hoc* committees, if required, reviews and takes decisions concerning important operations that are of a truly strategic nature;
- strategic priorities, business plans and the policy for financing the Group and its businesses;
- the prior approval of any operation 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 main guarantees and major commitments.

In 2015, the TF1 Board of Directors met seven times and set up two *ad hoc* committees which met three times. The Board of Directors approved all the transactions, acquisitions and disposals notably, that could substantially affect the Group's results, balance sheet structure and risk profile. The year-end Board Meeting is specifically for the presentation of the three-year plan, with a focus on strategy and risk mapping.

In addition, different practices, some of which have been in place for many years, also contribute to the good governance of the company and setting limits of the powers of the Chairman and CEO, in particular:

- existence of Committees of the Board of Directors College setting the remuneration of Corporate Officers since 1988 (the future Remuneration Committee), Audit Committee and Selection Committee since 2003, and Ethics and CSR Committee whose role is to express its views on ethical and environmental, social and societal issues, since 2014;
- appointment of two Directors representing the staff to the Board of Directors since privatisation in 1988, to the Ethics and CSR Committee since 2014 and to the Remuneration Committee since 2015;
- existence of a Directors' Charter, which is appended to the Rules of Procedure of the Board of Directors, since 2011;
- appointment of independent directors to the Board of Directors and in Board Committees, from 2003 onwards. Subject to the appointment of a new independent director by the shareholders at the General Meeting on April 14, 2016, the Board of Directors will include four independent directors out of nine Directors not representing the staff on the Board, representing proportionately 44% of the Board membership following the General Meeting;
- Independent directors' Strategic Committee: the calling, since 2015, of an annual meeting involving only the independent directors who do not represent the staff, held in order, in particular, to consider the future of the company's management and evaluate the performance of the Executive Directors.

RULES GOVERNING THE FUNCTIONING OF THE BOARD OF DIRECTORS

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.

The Board of Directors meets as often as the company's interests require.

The Rules of Procedure specify that the Board of Directors meets at least once per quarter; in the first quarter, the Board approves the financial statements for the preceding financial year; in the second quarter, it reviews the first quarter financial statements; in the third quarter, it approves the first half-year financial statements and the strategic priorities are presented to it; in the fourth quarter, it reviews the third quarter financial statements, it analyses business activity and the projected results for the financial year and the following year; the business plans and the policy for financing the Group and its businesses are presented to it for its approval.

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

Decisions of the Board of Directors are only valid if at least half of its members are present; decisions are taken by a majority of members present or represented; in the event of a tie, the Chairman of the meeting has the casting vote.

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 Management of the financial position, cash position 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.

Directors' qualifications 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.

More than half of the Directors work in the French television or telecommunications sectors. The other Directors have very good knowledge of the audiovisual industry. Details of the Directors' careers are set out in the biographical information on pages 58 to 66 of this Registration Document 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 discussion 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 its sectors of activity. To this end, a specific programme enables them to meet 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 of Directors' meetings convened to examine the financial statements and plan. 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 Secretary to the Board of Directors is to ensure that the Board operates smoothly. The Secretary draws up the schedule of meetings of the Board of Directors and its committees, 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 stock options 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 French Financial Markets Authority (AMF) General Regulation. 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 Corporate Officers 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. Under certain circumstances, 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 (2007) and Gilles Pélisson (November 2015) have a relationship with Bouygues through an employment contract. Nonce Paolini is also a Director of Bouygues;
- Claude Berda is an indirect shareholder and Chairwoman of AB Group, a company 33.5% owned by TF1;
- Fanny Chabirand and Sophie Leveaux Talamoni have employment contracts with TF1.

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 (page 219 of this Registration Document and Annual Financial Report) assesses the agreements and undertakings submitted to the Board of Directors for approval and on which some Directors refrained from voting, 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 of Directors and its committees. They assess their role and the adequacy of their organisation. The Rules of Procedure also require that the Selection Committee periodically review the issues related to the composition, organisation and functioning of the Board of Directors and its committees with a view to making recommendations to it.

The objective of the annual assessment is to review the operating procedures of the Board of Directors and its committees, 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 of Directors' organisation and functioning, an assessment is made using a detailed questionnaire that is sent beforehand to the Directors and members of the committees. Since 2015, in line with the AMF's reminder and the practice of other SBF 120 companies, one item is specifically aimed at evaluating the actual contribution that each Director makes to the Board's work and a personal assessment of the other Directors is requested.

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. Responses given show a level of satisfaction on these matters that is high in overall terms.

Observations made in the assessment of the Board's and its committee'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;

  It should be noted that since the meeting of October 28, 2015, the TF1 Board of Directors includes among its Directors not representing the staff, three independent directors, which represents a reduction in the proportion from 40% to 30%. This is a temporary situation following the announcement on October 28, 2015, of the choice of Gilles Pélisson, who was at that time an independent director not representing the staff, as the successor to Nonce Paolini in the roles of Chairman and CEO. The Board of Directors is submitting the appointment of Pascaline de Dreuzy as an independent Director to the General Meeting on April 14, 2016. Subject to her appointment by the shareholders, the Board of Directors would include four independent directors out of nine Directors not representing the staff on the Board, representing proportionately 44% of the Board membership after the General Meeting;

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

  At present five of the twelve Board members are women (including the two employee Directors), representing one third of the Board. Five Directors consider that the presence of women on the Board must continue to be strengthened, particularly with respect to the recommendations of the AFEP-MEDEF Corporate Governance Code, so that at least 40% of the Directors (excluding employee Directors) will be women no later than the Ordinary General Meeting of Shareholders in 2016.

  It should be noted that the Board of Directors is submitting the appointment of Pascaline de Dreuzy to the General Meeting on April 14, 2016. Subject to her appointment by the shareholders, the Board of Directors would include four independent directors out of nine Directors not representing the staff on the Board, representing proportionately 44% of the Board membership after the General Meeting.

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

Generally speaking, the Directors believe the Board of Directors functions efficiently and that the issues of importance are discussed. They also note that Directors take part actively and contribute productively to the discussions.

The Directors do not support the appointment of a Lead independent director.

Although the quality of information provided to Directors is considered to be good overall, progress could be made concerning the delay in receiving papers and also information for the Directors on strategic and long-term planning issues.

Some Directors also express a desire that debates about certain priority strategic issues should go into greater depth through, for example, the organisation of an annual strategic seminar attended solely by the independent directors.

The Directors judge the work of the committees good and even very good: matters are discussed in depth and clear responses are given. The frequency of Ethics and CSR Committee Meetings could be increased.

The questionnaire-based assessment system is considered satisfactory; one Director suggests using an external organisation every two years. On the other hand, the majority of the Directors are opposed to the individual assessment of each Director's contribution to the Board's work.

Two Directors consider that the attendance fees are insufficient.

WORK OF THE BOARD OF DIRECTORS IN 2015

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 2015. The average length of each meeting was about 2 hours and 30 minutes. Furthermore, the Board formed two special *ad hoc* committees which met three times.

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 separate and consolidated financial statements and reviewing the quarterly, half-year 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, the composition of the Board of Directors 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' attendance fees paid; decisions on the terms of the remuneration paid to the Chairman and CEO 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 2015 and the attendance rate at Board Meetings are presented in the table below.

Date	Main decisions	Attendance rate
February 18*	Review of 2014 Group operations and 2015 outlook; close of 2014 parent company and consolidated statements; review and approval of accounting and forecasting documents; report on the regulatory environment with regards to TMC and NT1; LCI free to air broadcast; audiovisual production obligations; ongoing matters concerning Eurosport France, Eurosport and the Rugby World Cup and litigation in progress; review of the situation of subsidiaries; review of corporate governance issues, with a report from the Selection Committee; review of report from the Remuneration Committee; review of report from the Ethics and CSR Committee; review of resolutions of Combined General Meeting on April 16, 2015.	92%
April 16	Review of shareholders' written questions in preparation for the Combined General Meeting of Shareholders on April 16, 2015; review of report from the Ethics and CSR Committee; report on ongoing matters concerning Eurosport France; approval to extend the TF1 Corporate Foundation for a further three years; approval of a regulated agreement; approval to negotiate a new profit-sharing agreement for the employees of the TF1 group.	92%
April 16	Elections of the Chairman and CEO and of committee members.	92%
April 29*	Review of operations and consolidated financial statements for the first quarter of 2014; review of current matters; review of report from the Remuneration Committee; approval of a new stock options plan for the three management bodies, the Senior Management Committee, Management Committee and Management Committee, with the exception of the Chairman.	83%
July 23*	Review of operations and the financial statements for the first half of 2015; updating of accounting and forecasting documents, business outlook; review of the legal and regulatory environment with the freeing up of the 700 MHz band, the decree amending the contribution regime for the production of audiovisual works for television services; current matters including LCI free to air broadcast, the sale by TF1 of the 49% interest in Eurosport to Discovery and the end of the partnership with UGC Images.	100%
October 28*	Review of operations and the financial statements for the third quarter of 2015; information on the legal environment and pending matters including LCI free to air broadcast, exercise of Discovery options over Eurosport and Prefas 18, UEFA Euro 2016 championship; projects, the outlook for certain subsidiaries; review of equal opportunity and salary policies; assessment of the conditions for preparing and organising the Board's work, its functioning, and corporate governance practices; review of the report of the Selection Committee; choice of new Chairman and CEO; appointment of Remuneration Committee members; tender approvals for FIFA football competitions; approval of the proposed TF1/Newen partnership; changes to share capital; approval of regulated agreements.	100%
December 15	Review of pending matters including LCI free to air broadcast, proposed TF1/Newen partnership, tenders for FIFA football competitions; review of operations and projected results for 2015; review of the three-year plan, major risks, development and strategy.	92%

* *The Board reviewed the Audit Committee report.*

In 2015, the average attendance rate for Directors was 93%.

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 financial statements and financial position. This review of the composition of the *ad hoc* committee is regularly performed for the signing or renewal of the channel's major contracts.

An *ad hoc* committee of the Board of Directors was therefore held to assess the exercise of the two options available to TF1 as part of its agreements with Discovery Communication (sale of Eurosport and withdrawal of Discovery from the theme channels). This committee was composed of Laurence Danon, Nonce Paolini and Philippe Marien.

An *ad hoc* committee of the Board of Directors was also formed as part of the submission of bids by TF1 group to acquire the television broadcast rights for FIFA football competition matches. The members of the committee, which met three times, were Laurence Danon, Nonce Paolini, Philippe Marien and Gilles Pélisson.

INDEPENDENT DIRECTORS' STRATEGIC COMMITTEE

The first independent directors' Strategic Committee, whose members were Laurence Danon, Catherine Dussart and Janine Langlois-Glandier, met on December 15. The agenda focused on executive management performance and a review of future company management.

BOARD OF DIRECTORS 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. 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.

AUDIT COMMITTEE

Composition and attendance

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.

In 2015, the Audit Committee's members at each of its four meetings were Laurence Danon, Chairwoman, independent director, Gilles Pélisson, 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 in section 2.1.4 of this Registration Document and Annual Financial Report, on page 58 to 66.

In 2015, the average attendance rate for Directors at the Audit Committee was 92%.

Laurence Danon and Philippe Marien attended all four meetings; Gilles Pélisson attended three meetings.

At February 17, 2016, the committee's members were Laurence Danon, Chairwoman with casting vote, independent director, and Philippe Marien. This is a temporary situation following the announcement on October 28, 2015, of the choice of Gilles Pélisson, who was at that time a member of the Audit Committee and an independent director not representing the staff, as the successor to Nonce Paolini in the roles of Chairman and CEO. With a view to completing the membership of the Audit Committee, the Board of Directors is submitting the appointment of Pascaline de Dreuzy as an independent director to the General Meeting on April 14, 2016. She also has the financial and accounting expertise required for her to be appointed from April 14 to the Audit Committee, subject to her appointment receiving shareholder approval.

Remit

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 position 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 separate 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 financial statements,

- 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 financial statements, 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 separate and consolidated financial statements 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 Corporate Officers, 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.

Work of the Audit Committee in 2015

The Audit Committee met four times in 2015 and once in the first two months of 2016. 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. Minutes were taken of each meeting and subsequently sent to the Directors.

When examining the financial statements, 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 2015 Audit plan, analysed the year-on-year change in the share price, reviewed key lawsuits and financial and legal risks.

REMUNERATION COMMITTEE

Composition and attendance

In accordance with the AFEP-MEDEF Code, the Remuneration Committee is chaired by an independent director and none of its members is an Executive Director. The Remuneration Committee was created in 1988.

At February 17, 2015, the committee's members were Catherine Dussart, Chairwoman, independent director, Fanny Chabirand, Director representing the staff and Philippe Marien. Their biographies are found in section 2.1.4 of this Registration Document and Annual Financial Report, on page 58 to 66.

In 2015, the average attendance rate for Directors at the Remuneration Committee was 100%.

Remit of the 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 remuneration 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:
  - remuneration 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.

Work of the Remuneration Committee in 2015

The Selection Committee met twice in 2015 and once during the first two months of 2016. The committee provided the Board with an opinion on setting the remuneration of TF1's Executive Director. It also met on two occasions to review the conditions of the new TF1 stock options plan granted by the Board of Directors in June 2015. Minutes were taken of each meeting and sent to the Directors.

SELECTION COMMITTEE

Composition and attendance

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 in section 2.1.4 of this Registration Document and Annual Financial Report, on page 58 to 66.

In 2015, the average attendance rate for Directors at the Selection Committee was 100%.

Remit of the Selection Committee

The 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:

- 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.

Work of the Selection Committee in 2015

The Selection Committee met twice in 2015 and once during the first two months of 2016. The status of independent director was debated by the Selection Committee and reviewed by the Board of Directors prior to publication of the Annual Report.

The Selection Committee gave its opinion on the composition of the Board of Directors and recommended that the Board submit to the General Meeting helded on April 16, 2015 the renewal of the terms of office as Directors of Laurence Danon and Catherine Dussart and of Claude Berda, Martin Bouygues, Olivier Bouygues, Nonce Paolini, Gilles Pélisson, Olivier Roussat and of Bouygues (represented by Philippe Marien). In order to enable a phased renewal of the appointments of Directors who do not represent the staff, in line with the AFEP-MEDEF Corporate Governance Code recommendations, the Selection Committee, recommended asking the shareholders to approve a proposed lengthening of the duration of the term of their appointments from two to three years, subject to the proviso that exceptionally, as part of the renewal of the Directors' appointments at this General Meeting, the term of the appointments of three of the Directors be limited to one year, and those of three other Directors be limited to two years.

The Selection Committee also reviewed and made recommendations on the choice of the successor to the Chairman and CEO and on combining the roles of Chairman and CEO.

ETHICS AND CSR COMMITTEE

Composition and attendance

The Ethics and CSR Committee is composed of at least two Directors. It does not include any Executive Director. The committee's Chairman is an independent director, as defined by the AFEP-MEDEF Corporate Governance Code. 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.

The Ethics and CSR (Corporate Social Responsibility) Committee was created on July 24, 2014. Since then its members have been Janine Langlois-Glandier, Chairwoman (independent director), Catherine Dussart (independent director), and Sophie Leveaux Talamoni, Director representing the staff. Their biographies are found in section 2.1.4 of this Registration Document and Annual Financial Report, on page 58 to 66.

In 2015, the average attendance rate for Directors at the Ethics and CSR Committee was 100%.

Remit of the 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 behaviour,
  - 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 Article L. 225-102-1 of the French Commercial Code.

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 Ethics and CSR Committee in 2015

The Ethics and CSR Committee recommended to the Board of Directors that it adopt a three-year ethics action plan for the period 2015-2017, which includes mapping the Group's ethical and compliance risks, training on specific risks, an ethics training module and practical guides on ethics, reorganisation of the whistle-blowing procedure, and aligning of the employee Rules of Procedure with the Code of Ethics for each company in the Group.

The Ethics and CSR Committee also verified procedures introduced or to be introduced for the Information and Production activities.

PROCEDURES FOR THE PARTICIPATION OF SHAREHOLDERS IN GENERAL MEETINGS

Detailed procedures for the participation of shareholders in the General Meeting are provided in section 8.1, page 306 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 section 6.1.10, page 232 of this Registration Document and Annual Financial Report.

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.

Preparation of this document was coordinated by the Internal Control Division. This 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 *Autorité des Marchés Financiers* (AMF – French stock exchange commission). 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, 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.

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 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 initiative 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.

Stated rules and principles of Ethics, Compliance and Corporate Social Responsibility

Since October 2009, the Corporate Secretary has also been the Group Ethics Officer. He reports to the Chairman and CEO on a regular basis and, since its formation on 24 July 2014, to the Ethics and CSR Committee which reports to the Board of Directors. He reports to this committee on any problems encountered in business practices or negative feedback from employees *via* the whistleblowing mechanism provided for in the Code of Ethics. This mechanism enables employees to alert the Group Ethics Officer to any violations of the Code of Ethics that they become aware of in the course of their work. In 2014, TF1 decided to put in place its own Code of Ethics, under the responsibility of its Corporate Secretary supplemented by four compliance programmes (Competition Law, Anti-Corruption, Conflicts of Interest and Stock Exchange Law) with the aim of encouraging all employees to adopt a common set of basic ethical values, including respect for regulations.

The creation of this Ethics and Compliance standard and of an independent supervisory authority shows the importance placed on Business Ethics by the TF1 group. An initial plan for the rollout of this compliance programme was submitted to, and approved by, the Ethics and CSR Committee on 12 February 2015. In particular, this plan included mapping the Group's ethical and compliance risks, thus giving rise to a plan to train employees in the rules and values laid down in the Code of Ethics and the standards referred to in the compliance programmes.

From a corporate and social perspective, the Group also upholds strong values and principles.

- In joining the United Nations' Global Compact in 2006, the Group demonstrated 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 2014, 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, in particular, by signing the LGBT (Lesbian, Gay, Bisexual and Transgender) charter in partnership with the Autre Cercle association which is responsible for promoting said charter. TF1 thus demonstrated its commitment to diversity and its desire to prevent all forms of discrimination.

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. Since September 2014, Internal Audit, internal control and risk mapping have been brought together in the Audit and Internal Control Division (DACI), helping to 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. 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 2015, the assessment campaign covered all general internal control principles across entities generating revenue within the TF1 group, excepted Eurosport, TF1 Films Production, LCI and *Metronews*.

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, etc.

In addition, a dedicated forum for sharing information about trade fairs, exhibitions and events was created in June 2015.

Lastly, 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.

TF1 SA's Technological and IT Division (DTSI), through its Central IT Division (DCSI), 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. The latter are subject to rigorous analysis, monitoring and operation 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 Central Strategy and Planning Division 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 the main Group entities 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.

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 177 of the consolidated financial statements of this 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 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 H1N1 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 Régie. In 2015, extensive tests were conducted with recovery of the TF1 channel from the back-up site, production of a news bulletin and significant advertising slot changes;
- an information systems security approach. For the past several years, the Central IT Division has been working to formalise a Data Security Policy (PSI) 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. In 2015, a wide-scale audit of broadcasting continuity and the security of IT operations and TV infrastructures was conducted. Short-term improvement initiatives were implemented (capacity for physical isolation of the master control unit in the event of an attack, speeding up the process for managing obsolete technologies, etc.) and medium-term initiatives were launched (oversight of IS security, data encryption). A plan was implemented to educate all employees about what to do in the event of receiving suspect emails.

In 2016, TF1 will look into the option of setting up an SOC (Security Operation Centre) to further improve its responsiveness to cyber attacks.

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 purchasing 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 division responsible for sports, usually through calls for tender initiated by the rights-holders (federations, rights agencies, etc.). The calls for tender, generally open to all broadcasters, respect European and national regulations (French Sports Code). For the most significant projects, the Board of Directors forms an *ad hoc* committee responsible for approving the proposals.

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.

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 Rights Acquisition Division 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 Division checks that the programme complies with editorial policy;
- the Programming Division 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 that performance clauses have been included.

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 channels are subject to control by the CSA under agreements signed by the channels. Consequently, TF1 has set up a Programme Compliance Division which controls programmes before they are aired on these channels. This effort, which in some cases relies on advice from the Legal Affairs Division, 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 sees 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 periodically so that the system can be adjusted 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 H1N1 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 drawing up and validating 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 Senior 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 de l'Audit et du Contrôle Interne*). 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 Senior Management and the Audit Committee, the DACI is responsible for Internal Control and Risk Management. It alerts Senior 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 Senior 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 across all TF1 group entities. It 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. The DCFSIF is responsible for ensuring 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. It ensures that the processes used to collect and process financial information are reliable and that accounting methods are appropriate and stable. It ensures that this information is supplied in the correct format and in a sufficiently timely manner for effective use.

At the same time, the DCFSIF is charged with processing and monitoring invoices received from group suppliers, as well as payments issued by group entities, in accordance with payment deadlines and internal group payment authorization procedures, in particular, the separation of authorization, validation and payment functions (see below).

The DCFSIF is also responsible for all tax and regulatory reporting requirements for group entities. It ensures the reliability of the information reported and the resulting tax calculations, as well as settlement within the deadlines set.

It helps to coordinate and constantly update the teams by drafting and disseminating accounting, taxation and internal control rules, procedures and methods applicable throughout the Group.

Project Management Finance and Purchasing Division and Data Management Unit

The DGASFA has cross-functional structures in place, reporting to the DCFSIF, to coordinate its financial information system, which mainly consists of the financial modules of the SAP package:

- a Project Management Finance and Purchasing Division (MOAdFA) to maintain and develop all the applications making up the Finance-Purchasing information system, including SAP, and coordinating the definition of the IT master plan for Finance-Purchasing, as well as monitoring its implementation;
- an SAP Transactional Data Management Unit (CRT), in charge of managing the Financial Information System repository databases, 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, etc.);
- 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.

The two departments making up the Finance, Treasury and Investor Relations Division 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 by the Board of Directors in the three-year plan, 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 objectives are met, notably through:

- a monthly consolidated dashboard, which distils and annotates, at Group level, key financial and operational items for the different 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.

  Since 2015, within the context of month-end closings, the Management Control Division and the Accounting, Tax and IS Finance Division have jointly ensured 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 and HD1's actual and forecast programming margin. TMC-NT1 margins will be incorporated in 2016.

Group Purchasing Division (excluding audiovisual rights)

Through the standardisation of its purchasing processes and resulting purchasing contracts, TF1 optimizes and 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 cross-functional approach 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: supplier offers are reviewed on the basis of the comprehensible and objective criteria established in each individual specification in calls for tender. Purchasing decisions are documented and clearly justified;
- 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: CSR criteria form an integral part of the supplier assessment and selection process. Consequently, TF1 incorporates a CSR questionnaire into each call for tender and has its main suppliers assessed 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 "Responsible Supplier Relations" label being awarded in January 2014, the renewal of which until January 27, 2017 was confirmed in February 2016. In addition, TF1 includes clauses on sustainable development and diversity in its purchasing contracts and its general conditions of purchase, and encourages increased use of the sheltered sector;
- 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 2015, 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 senior 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 were launched. The first, introduced in 2010, was aimed at the 400 top managers; the other, which was started in 2011, was 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, French Competition Authority, concentration, abuse of dominant position and cartels, etc.),
  - 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),
  - support given to all Group pay-to-view channels in their contractual relations with main pay-to-view distributors and ISPs and administrative procedures with CSA and the French Competition Authority,
  - monitoring compliance with the Code of Ethics and the observance of personal and professional ethics and compliance,
  - relations with the Group's Ethics and CSR Committee;
- the Legal Affairs Division (DAJ), responsible for:
  - determining and supervising the application of policy on contracts in the Group, and in general, monitoring the negotiations of the main acquisition, distribution and sales contracts for the Group for compliance with governance guidelines,
  - 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 Internal Control, 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 implemented within the Group.

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 (PSI), the Group has set up systems integrating technical firewalls against attacks from outside (notably an anti-virus emergency plan and regular anti-hacking tests).

In addition, the TF1 group implements (on a yearly basis) 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.

The Group's SAP ERP tool is aimed at facilitating and streamlining the preparation of information while optimising processes in the areas of human resources, finance, and purchasing.

This 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 entry of invoices reflecting the commitments duly approved by the system.

This management tool was rounded out 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.

Payments made by group entities are issued from SAP and are subject to multiple validations, with a double signature required according to the signing authority established and updated on a regular basis. All the Group's means of payment are subject to security procedures, including post-clearing checks, which were recently reviewed and reinforced. These are supplemented by daily bank account checks and by formal monthly bank reconciliations.

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 parent company 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 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 (DSP) 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 divisions 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.

At year-end closing, 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).

Month-end closings are also conducted in SAP to secure and supplement the management data prepared within the context of Group reporting.

Consolidation process

The Consolidation Department consolidates the financial statements of 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 parent company 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.

The financial statements of Group entities are also consolidated on a monthly basis in SAP-BFC to secure and supplement the management data prepared within the context of Group reporting.

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. The consolidated accounts for intermediate periods are given limited review based on a review of the financial statements of the Group's main subsidiaries.

Before presentation 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 to and approved 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 2015, 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 2015 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 practices for its various businesses and proprietary risks.

TF1 also pursued its risk mapping activities in 2015 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 Articles 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 and the tables recommended in:

- the AFEP-MEDEF Code of Corporate Governance as revised in June 2013, application of which is overseen by the High Committee on Corporate Governance;
- the AMF Recommendation of December 22, 2008 as amended on December 10, 2009, on Directors' remuneration disclosures to be included in the Registration Documents of listed companies.

2.3.1 REMUNERATION OF EXECUTIVE AND NON-EXECUTIVE DIRECTORS

PRINCIPLES AND RULES FOR DETERMINING THE REMUNERATION OF THE EXECUTIVE DIRECTOR

General preliminary remarks

- The Executive Director holds an employment contract with Bouygues SA.
- The Board of Directors has not granted the Executive Director any entitlement to compensation for assumption, cessation or change of office, or for any non-competition undertaking in the event that he leaves the company.
- He has not been granted any deferred annual variable remuneration, multi-year variable remuneration or exceptional remuneration.
- The total remuneration of the Executive Director takes into account the existence of a capped supplementary pension and the fact that he has not been granted any entitlement to compensation of the type mentioned above.
- Other than Directors' fees (see Table 2 below), the Executive Director does not receive any remuneration from any subsidiary of the Bouygues group.

Role of the Board of Directors

The Board of Directors determines the criteria for awarding the variable portion of remuneration, and the overall amount of remuneration, to be paid to the Executive Director of TF1. Before doing so, the Board consults the Remuneration Committee, which takes into account AFEP-MEDEF recommendations on the remuneration of Executive Directors of listed companies.

The remuneration determined by the Board of Directors is in line with the general interests of the company. Three factors are taken into account:

- the company's performance: the Board took the view that the remuneration should be commensurate with the work done and outcomes achieved in a highly complex economic, regulatory and competitive environment;
- stock market performance: the remuneration should reflect the company's performance on the stock market, in particular trends 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.

This remuneration, and the associated social security charges, are paid to the Executive Director by Bouygues (which employs him) and then re-invoiced to TF1. Each year, the TF1 Board of Directors authorises the re-invoicing of this remuneration.

FIXED REMUNERATION

The Executive Director's fixed remuneration is reviewed annually by the TF1 Board of Directors, in accordance with Article L. 225-53 of the French Commercial Code, after taking advice from the Remuneration Committee. Fixed remuneration is determined in line the general interests of the company, and takes into account the following factors:

- the level and complexity of the Executive Director's responsibilities;
- his experience in the post;
- his length of service with the Group;
- practices followed by the Group or by companies carrying on comparable businesses.

For 2015, Nonce Paolini's fixed remuneration was €920,000; this amount has been unchanged since 2011.

BENEFITS IN KIND

Benefits in kind consist of the use of a company car and the part-time assignment of a personal assistant and a chauffeur/bodyguard for the personal needs of the Executive Director.

Those benefits were valued at €5,037 in 2015; this amount has been unchanged since 2008.

VARIABLE REMUNERATION

General policy on variable remuneration

The criteria for determining variable remuneration were adjusted by the Board in February 2007, and again in 2010, in light of AFEP/MEDEF recommendations.

The variable component is an integral part of the remuneration not only of the Executive Director, but also of other 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, increase in line with the employee's level of responsibility.

General description of the method used to determine the Executive Director's variable remuneration

An objective is defined for each criterion.

Those objectives are precisely defined, but are not disclosed for confidentiality reasons.

When an objective is attained, a variable portion corresponding to a percentage of fixed remuneration is awarded. If all five objectives are attained, the sum total of the five variable portions equals the overall ceiling of 150%, which the variable remuneration of the Executive Director cannot exceed.

If an objective is exceeded or not attained, the variable portion is adjusted on a straight line basis within a specified range: the variable portion is subject to an upper limit, and is reduced to zero below a specified threshold. In any event, the sum total of the five variable portions calculated on this basis cannot under any circumstances exceed the overall ceiling, which for the Executive Director is set at 150% of his fixed remuneration.

No deferred annual or multi-year variable remuneration is awarded to the Executive Director.

The five criteria used to determine the variable portion

On the advice of the Remuneration Committee, since 2010 a greater weight has been attached to qualitative criteria in the case of the Executive Director, on the grounds that his performance must be measured by more than just financial results.

In accordance with the principles and rules for determining the remuneration paid to salaried Directors of Bouygues, the Executive Director's gross variable remuneration for 2015 is based on the performances of the TF1 and Bouygues groups, measured on the basis of significant economic indicators that are stable and relevant over the long term:

- quantitative:
  - criterion P1: change in "consolidated net profit attributable to the Group" for Bouygues (30% of fixed remuneration when the target is met; captures the financial performances of the entire Bouygues group),
  - criterion P2: variance in TF1 current operating margin relative to the business plan (10% of fixed remuneration when the target is met; gives the Executive Director an incentive to improve the financial performances of the TF1 group),
  - criterion P3: variance in "consolidated net profit attributable to the Group" for TF1 relative to the business plan (25% of fixed remuneration when the target is met; rewards the Executive Director for meeting budget commitments),
  - criterion P4: year-on-year change in "consolidated net profit attributable to the Group" for TF1 (35% of fixed remuneration when the target is met; captures growth performance relative to the previous financial year);
- qualitative:
  - Criterion P5: this criterion comprises four qualitative sub-criteria (50% of fixed remuneration when the targets are met).

In 2014, the Remuneration Committee decided that a Corporate Social Responsibility (CSR) criterion would be added to the qualitative criteria.

This criterion was applied again in 2015, but was extended; it now requires that TF1 retain its place in four non-financial CSR indices, as opposed to three previously. During 2015, the TF1 group retained its place in all the indices in which it had been included in previous years.

Overall ceiling

The overall ceiling for variable remuneration is set at 150% of fixed remuneration.

The total variable portion awarded to the Executive Director for 2015 was €1,092,500, or 119% of his fixed remuneration.

Nonce Paolini's annual variable remuneration in past years has been as follows:

- in 2009, 73% of his fixed remuneration;
- in 2010, 150% of his fixed remuneration;
- in 2011, 102% of his fixed remuneration;
- in 2012, 50% of his fixed remuneration;
- in 2013, 111% of his fixed remuneration;
- in 2014, 150% of his fixed remuneration;
- in 2015, 119% of his fixed remuneration.

EXCEPTIONAL REMUNERATION

In exceptional circumstances, the Board of Directors reserves the right, after taking advice from the Remuneration Committee, to award an exceptional bonus.

No exceptional remuneration was awarded to Nonce Paolini for 2015.

DIRECTORS' FEES

The Executive Director receives and retains Directors' fees paid by Bouygues, Bouygues Telecom and TF1.

STOCK OPTIONS AND PERFORMANCE SHARES

The Bouygues Board of Directors may award the Executive Director, in connection with the office he holds at Bouygues, options giving entitlement to subscribe for new Bouygues shares.

Nonce Paolini has not been awarded any options to purchase or subscribe for TF1 shares since 2010.

In connection with the office he holds at Bouygues, during 2015 Nonce Paolini received options giving entitlement to subscribe for new Bouygues shares, awarded on May 28, 2015 by a meeting of the Bouygues Board of Directors held on April 23, 2015.

COMPENSATION FOR ASSUMPTION, CESSATION OR CHANGE OF OFFICE

The Executive Director is not entitled to compensation or benefits due or potentially due as a result of cessation or change in office, or to any indemnity relating to a non-competition clause.

The Bouygues group and its subsidiaries have not made any commitment or promise regarding the payment of severance benefits to any salaried director. Although not a severance benefit as such, in the event of termination of the employment contract of a director who is an employee of Bouygues SA, that director would be entitled under the relevant collective agreement (in the case of Bouygues SA, the collective agreement for managers in the building industry in the Paris region) to compensation equal to approximately one year's salary.

The TF1 Board of Directors officially confirmed on February 18, 2014 that any such compensation would be re-invoiced to TF1 on a pro rata basis for the number of years of service as an employee or corporate officer of the TF1 group.

SUPPLEMENTARY PENSION

Under a policy governed by the French Insurance Code, Bouygues offers the members of its Group Management Committee a supplementary pension scheme giving entitlement to an annual pension set at 0.92% of the reference salary (average of the three best years) for each year of service, subject to a cap equal to eight times the upper earnings limit for social security contributions; this means that the cap is currently €308,928 (or about 33% of the Executive Director's fixed remuneration).

This pension scheme is closed, and membership is obligatory. Nonce Paolini is a member of the Bouygues Group Management Committee. Entitlement to this supplementary pension scheme is acquired only after ten years' service with the Bouygues group and is contingent on the beneficiary being with the Group at the date of retirement. The Bouygues group is not required to set aside provisions for this supplementary pension, which takes the form of an insurance policy with an insurer from outside the Group. This annual supplementary pension has been submitted for approval under the procedure on related party agreements.

The supplementary pension expense for 2015, and the associated social security charges, were re-invoiced by Bouygues to TF1 under the related party agreement with Bouygues as authorised by the Board of Directors on October 29, 2014 and approved by the Annual General Meeting on April 16, 2015.

INFORMATION PROVIDED BY THE COMPANY ON PENSION COMMITMENTS OR OTHER LIFETIME BENEFITS PURSUANT TO THE THIRD SENTENCE OF THE THIRD PARAGRAPH OF ARTICLE L. 225-102-1

Under a policy governed by the French Insurance Code, Bouygues offers the members of its Group Management Committee a supplementary pension scheme, the principal features of which are:

1. Title of the commitment: defined-benefit collective pension scheme;
2. Reference to legal provisions identifying the scheme: Article L. 137-11 of the French Social Security Code;
3. Conditions for joining the scheme and other eligibility conditions: the beneficiary must:
   - be a member of the Bouygues SA Management Committee on the date of retirement;
   - have at least ten years' service with the Bouygues group at the date of retirement;
   - have definitively ended his or her professional career at one of the Group companies (this condition is fulfilled when the employee is part of the workforce at the date of retirement);
   - be at least 65 years old at the date of retirement;
   - fulfil the eligibility criteria for pension benefits under the basic social security pension scheme and the mandatory supplementary schemes (ARRCO and AGIRC).
4. Method of determining the reference salary specified by the scheme and used to calculate the rights of beneficiaries:

   The reference salary must be equal to the average gross salary of the employee's three best calendar years at the Bouygues group during his or her period on the Bouygues SA Management Committee, adjusted to reflect changes in the value of pension entitlement points under the AGIRC scheme, on the date the employment contract is terminated. The reference gross salary is that used to calculate social security contributions in accordance with Article L. 242-1 of the French Social Security Code.
5. Pattern of vesting of rights: annual rate; beneficiaries of the supplementary pension scheme receive an additional retirement benefit set at 0.92% of the reference salary per year in the scheme, determined as explained above.
6. Existence of a ceiling, and the amount and terms and conditions for determining that ceiling: rights may not exceed a ceiling set at eight times the annual social security ceiling (equivalent to a ceiling of €308,928 in 2016).
7. Terms and conditions for funding the benefit: outsourced to an insurance company, to which a contribution is paid each year.
8. Amount of the annual annuity at the end of the reporting period:

   Nonce Paolini will receive a supplementary pension of €186,700 a year.
9. Tax and social security charges levied on the scheme: the contributions paid into the scheme by the company are not subject to employers' social security charges or to the CSG or CRDS levies. However, the company is required to pay a levy set at 24% of those contributions.

DEPARTURE FROM OFFICE OF NONCE PAOLINI

Nonce Paolini ceased to hold office as Chairman and Chief Executive Officer of TF1 with effect from February 19, 2016.

In accordance with recommendation no. 2012-02 issued by the AMF (the French markets regulator), TF1 is disclosing the financial terms of his departure from the TF1 group.

He will receive remuneration of €360,000 in respect of the 2016 financial year, representing the fixed portion of his remuneration until the end of May 2016. This remuneration will not be supplemented by any variable compensation.

As of today, Nonce Paolini does not hold any options or performance shares awarded by the TF1 Board of Directors.

The Board of Directors did not grant Nonce Paolini any entitlement to severance benefits or non-competition indemnities. Following payment of the retirement benefit specified in the collective agreement that governs the employment contract between Bouygues and Nonce Paolini, Bouygues and TF1 have agreed to split that amount between them in proportion to the time spent by Nonce Paolini working in each of the two companies. Consequently, Bouygues will invoice TF1 the sum of €1,315,000.

Nonce Paolini will also receive a supplementary pension of €186,700 per year in accordance with the AFEP-MEDEF Code, this amount does not exceed 45% of the reference salary. No provision was set aside by TF1 for this supplementary pension, which takes the form of an insurance policy with an insurer from outside the Group.

ANNUAL GENERAL MEETING OF APRIL 16, 2015 – SAY ON PAY

The Annual General Meeting held on April 16, 2015 expressed a favourable opinion on the remuneration package awarded to Nonce Paolini in respect of the 2014 financial year (15th resolution, passed with 97.62% of votes in favour).

SUMMARY OF THE EXECUTIVE DIRECTOR'S REMUNERATION IN RESPECT OF THE 2015 FINANCIAL YEAR

No remuneration other than that mentioned in the table below was paid to the Executive Director by the TF1 and Bouygues groups.

TABLE 1 – SUMMARY OF REMUNERATION, OPTIONS AND SHARES AWARDED TO THE EXECUTIVE DIRECTOR

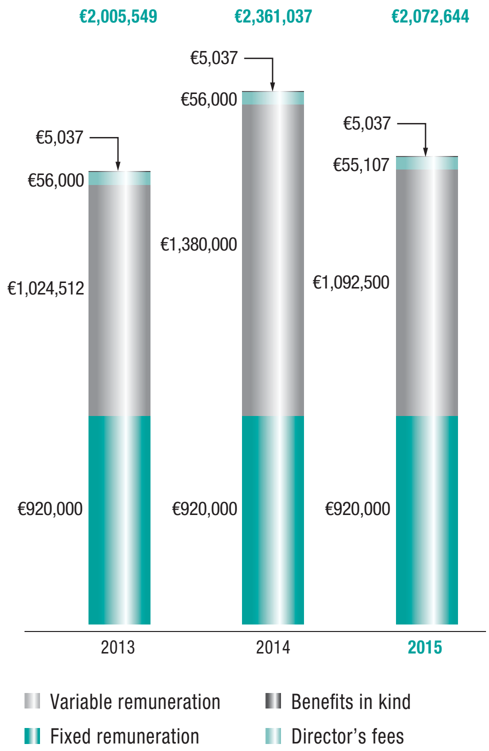
Nonce Paolini – Chairman and CEO since August 1, 2008 *(€)*	2015	2014
Remuneration paid for the year (details in Table 2)	2,072,644	2,361,037
Value of options awarded during the year (details in Table 4)	431,906	163,760
Value of performance shares awarded during the year (details in Table 6)	-	-
TOTAL	**2,504,550**	**2,524,797**
Change	-0.8%	+21.0%

TABLE 2 – REMUNERATION OF THE EXECUTIVE DIRECTOR

	2015		2014	
Nonce Paolini – Chairman and CEO since August 1, 2008 *(€)*	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	1,092,500	1,380,000	1,380,000	1,024,512
Change	-20.8%		+34.7%	
% Variable/Fixed	119%		150%	
Ceiling	150%		150%	
Other remuneration(1)	-	-	-	-
Directors' fees(2)	55,107	56,000	56,000	56,000
Benefits in kind	5,037	5,037	5,037	5,037
TOTAL	**2,072,644**	**2,361,037**	**2,361,037**	**2,005,549**

(1) Nonce Paolini received no additional remuneration whether from TF1, Bouygues, or subsidiaries of TF1.
(2) In 2015: €18,500 for TF1, €25,000 for Bouygues, and €11,607 for Bouygues Telecom.
In 2014: €18,500 for TF1, €25,000 for Bouygues, and €12,500 for Bouygues Telecom.

TRENDS IN THE REMUNERATION OF THE EXECUTIVE DIRECTOR OVER THE PAST THREE YEARS



The fixed and variable remuneration of the Executive Director is reviewed annually by TF1's Board of Directors, in line with Article L. 225-53 of the French Commercial Code, after taking advice from the Remuneration Committee. This remuneration is in line with the general interests of the company.

For 2015, Nonce Paolini's fixed remuneration was €920,000; this amount has been unchanged since 2011.

The total variable portion awarded to Nonce Paolini for 2015 was €1,092,500, equivalent to 119% of his fixed remuneration and 20.8% lower than for the previous year. The quantitative criteria were not fully met, but the qualitative criteria were all met.

The following factors were taken into account in determining Nonce Paolini's remuneration:

- 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, which weighed on the company's financial performance. However, the Group did record a substantial increase of €41.5 million in current operating profit in 2015. The Group also continued to create value with the finalisation of the sale of the Eurosport group to Discovery Communications. In addition, the first steps in the transformation of the Group's news operations were successfully completed, with the rationalisation of the Metronews business and the approval of the application for LCI to switch to freeview. Finally, the Group became a key player in the production and distribution of content with the acquisition of an equity interest in Newen Studios. However, the Group did not manage to increase its net profit year-on-year, as the economic situation continued to be a drag on advertising revenue;
- stock market performance: the average price of TF1 shares has seen constant growth over the last four years, from €8.85 in 2012 to €10.53 in 2013, €12.38 in 2014 and €14.18 in 2015. The average price of TF1 shares was 14.5% higher in 2015 than in 2014, while the CAC 40 average rose by 11.4% and the SBF 120 average by 12.3% over the same period;

  Between 2013 and 2015, the average price of TF1 shares advanced by 34.7%, compared with 22.2% for the CAC 40 average and 24.5% for the SBF 120 average.

  Another factor in determining the remuneration was the trend in the yield on TF1 shares: the average yield (dividend income in respect of the 2013-2014-2015 financial years divided by the average share price over the period) was 23.0%. When these two criteria (dividend income and capital growth) are combined, the total rate of return on TF1 shares between January 1, 2013 and December 31, 2015 was 48.0%;
- 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.

CHANGES WITH EFFECT FROM THE 2016 FINANCIAL YEAR

The Board of Directors decided at its meeting of February 17, 2016 that the fixed remuneration would not be increased.

The ceiling on variable remuneration, and the quantitative and qualitative criteria for awarding variable remuneration, have not been changed.

SUPPLEMENTARY PENSION SCHEME

Subject to certain conditions, Gilles Pélisson will be entitled to benefit from a supplementary pension scheme on his retirement. The features of this scheme are in line with those described above.

- Performance conditions

Article 229 of the law of August 6, 2015 on growth requires that vesting of the pension rights of executive directors of listed companies in respect of a given financial year must now be subject to performance conditions.

Acting on the recommendation of the Remuneration Committee, the Board meeting of February 26, 2016 set those performance conditions, which will be submitted for shareholder approval at the Annual General Meeting of April 14, 2016, as part of the vote on the 12th resolution covering the regulated commitments (as stipulated in Article L. 225-42-1 of the French Commercial Code) in favour of Gilles Pélisson.

Because Gilles Pélisson has only just taken office, vesting of his annual supplementary pension rights will be subject to conditions relating to performances within his control. Those conditions relate to the attainment of targets for average consolidated net profit relative to the annual budget:

- for the 2016 financial year: based on the 2016 annual budget;
- for the 2017 financial year: based on the 2016 and 2017 annual budgets;
- for the 2018 financial year: based on the 2016, 2017 and 2018 annual budgets;
- for later financial years, based on the annual budget for the financial year, as well as those of the two previous financial years.

Depending on the extent to which the consolidated net profit targets are met, the supplementary pension rights will be in a range from a minimum of 0% to a maximum of 0.92% + 0.46% of the reference salary.

DIRECTORS' FEES AND OTHER REMUNERATION RECEIVED BY NON-EXECUTIVE DIRECTORS

The Annual General Meeting of April 23, 2003 set the total amount of Directors' fees payable to TF1 Directors 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 annual fee for each Director is €18,500. Since January 1, 2014, 30% of the fees have been allocated on the basis of the director's responsibilities, and 70% on the basis of attendance at Board Meetings.
- 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 2015.

The total gross amount of Directors' fees before taxes paid to Directors (including Nonce Paolini) was €282,600, as indicated in the table below.

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

Non-executive Director	Type of remuneration	Gross amounts before tax due for 2015	Gross amounts before tax due for 2014
Claude Berda	Directors' fees	16,650	18,500
Martin Bouygues	Directors' fees	23,900	20,200
Olivier Bouygues	Directors' fees	14,800	14,800
Fanny Chabirand* (employee representative)	Directors' fees	18,500	16,650
Laurence Danon	Directors' fees	30,500	28,650
Catherine Dussart	Directors' fees	23,900	18,000
Janine Langlois-Glandier	Directors' fees	23,900	19,850
Sophie Leveaux Talamoni(1) (employee representative)	Directors' fees	22,050	18,000
Philippe Marien	Directors' fees	35,900	35,900
Gilles Pélisson	Directors' fees	30,100	31,950
	Other remuneration	153,333	0
Olivier Roussat	Directors' fees	23,900	22,050
TOTAL		**417,433**	**244,550**

* *Directors' fees due to the employee representative Directors were paid directly to two trade unions: CFTC (€22,050) and FO (€18,500).*

Having been chosen by the TF1 Board of Directors at its meeting of October 28, 2015 to succeed Nonce Paolini as Chairman and Chief Executive Officer with effect from February 19, 2016, Gilles Pélisson joined the company on November 1, 2015 and prepared for his new role with support from Nonce Paolini. Consequently, he received remuneration on a pro rata basis in proportion to the fixed remuneration he will be paid in his new role (€920,000 a year).

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.

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 were as follows:

DIRECTORS' FEES PAID TO THE EXECUTIVE DIRECTOR

	Gross amounts before tax due for 2015	Gross amounts before tax due for 2014
Nonce Paolini	€55,107(1)	€56,000(2)
TOTAL	**€55,107**	**€56,000**

(1) €18,500 for TF1, €25,000 for Bouygues, and €11,607 for Bouygues Telecom.
(2) €18,500 for TF1, €25,000 for Bouygues, and €12,500 for Bouygues Telecom.

2.3.2 2015 REPORT ON STOCK OPTIONS AND PERFORMANCE SHARES

As required by 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 and the tables recommended in the AFEP-MEDEF Code of Corporate Governance or in AMF pronouncements on Directors' remuneration disclosures to be included in the Registration Documents of listed companies.

The Board of Directors awarded stock subscription options during 2015, but no free shares (performance shares).

PRINCIPLES AND RULES FOR THE GRANTING OF STOCK OPTIONS AND FREE SHARES (PERFORMANCE SHARES)

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

Resolutions 11 and 12 of the Annual General Meeting of April 17, 2014 authorised the Board of Directors for 38 months to allot, on one or more occasions, 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 corporate officers of TF1 or companies related to it. Those authorisations expire on June 17, 2017.

To that end, the General Meeting delegated powers to the Board of Directors to set conditions for making such awards, with a view to linking the remuneration of key executives more closely with the performance and future of the Group and with the outcomes of their work.

The maximum amount of such awards was set at 3% of the share capital.

Resolutions 11 and 12 on stock options and free shares stipulate that:

- the Board of Directors shall determine the conditions, in particular the maximum amount, for the awarding of stock options or shares to the Executive Directors, as well as the performance criteria applicable to such awards;
- the Board of Directors shall draw up a list or determine the categories of other beneficiaries of options or shares, and determine the performance criteria applicable to such awards.

Under resolution 11 on stock options, no discount is permitted. Depending on the circumstances:

- the subscription price shall be no less than the average quoted share price over the 20 trading days preceding the date of grant;
- the purchase price of shares shall be no less than (i) the average quoted share price over the 20 trading days preceding the date of grant or (ii) the average price at which they were purchased by the company pursuant 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, which have been subject to performance conditions since 2009 in the case of the Executive Director, and since 2011 for all grantees.

GENERAL RULES ON GRANTING STOCK OPTIONS AND FREE SHARES

The Board of Directors has taken into account the recommendations of the AFEP-MEDEF Code and of the AMF.

The general rules applied are summarised below:

- stock options or bonus shares are awarded to attract key executives and employees, secure their loyalty, reward them, and give them a medium- and long-term interest in the company's development, reflecting their contribution to value creation;
- stock option plans are awarded to approximately 150 corporate officers and employees of TF1 or of Group companies who sit on any of the three management bodies. Grantees are selected and individual awards decided so as to reflect each beneficiary's responsibilities and performance, with particular attention paid to high-potential executives;
- no discount is applied to grants of stock options;
- grants of options are contingent on two performance conditions set by the Board of Directors that are based on proposals made by the Remuneration Committee and measured over at least three financial years. In addition, exercise of options is subject to the grantee remaining with the Group, other than in exceptional cases;
- executives who benefit from these plans are informed about insider trading. Various internal rules have been issued to prevent insider trading. These include establishing a list of individuals with access to privileged information, reminders of prohibitions on trading, information about stock market law, and a recommendation that grantees set up a pre-arranged option management plan with an independent investment services provider. A dedicated compliance programme was approved and distributed during 2015;
- all TF1 stock option plans prohibit grantees from exercising their options, or selling shares derived from exercised options, during the period preceding publication of the financial statements. Since the issuance of the AMF recommendation in November 2010, this period extends for thirty calendar days up to and including the day of publication of the TF1 quarterly, half-year and full-year financial statements. The prohibition on trading also applies during any period in which such persons are aware of privileged information, and on the date of publication of such information;
- the three most recent plans were awarded in June 2011, June 2012 and June 2015. No plans were awarded in either 2013 or 2014.

SPECIFIC RULES APPLICABLE TO DIRECTORS

The key features of the policy for awards to Directors, including the Chairman and Chief Executive Officer, comply with the recommendations of the AFEP-MEDEF Code and are described below:

The Board of Directors has included the following AFEP-MEDEF recommendations as an appendix to its rules of procedure:

- prohibition on awards of stock options or free shares to key executives on departure from the company;

- prohibition on speculative transactions, and on hedging risk relating to the exercise of stock options or the sale of free shares;
- obligation for key executives to retain a specified number of shares derived from the exercise of options until they leave office.

  This last obligation was applied for the first time to stock options granted in 2009. The Board set the proportion of shares derived from the exercise of options that Executive Directors would be required to retain until they left 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);
- performance conditions to which Executive Directors are subject as regards the granting and exercise of stock options.

Since 2009, options granted to the Chairman and Chief Executive Officer have been subject to performance criteria;

- obligation for Executive Directors who wish to sell shares derived from the exercise of options, or to sell free shares, to ascertain that the information they possess is not privileged information, inter alia by consulting a compliance officer designated by the TF1 Board of Directors;
- declaration to the Board of Directors of any transactions carried out;
- the Board rules of procedure also reiterate the AMF recommendation that key executives set up a pre-arranged option management plan with an independent investment services provider.

RATIONALE FOR USING STOCK OPTIONS

For some years, the Board of Directors has used stock option plans as its preferred mechanism for securing the loyalty of key executives and other employees, and for giving them a stake in the development of the Group.

The Board has requested that the Remuneration Committee reassess regularly which is the most appropriate mechanism for building loyalty and for incentivising key executives and other employees by reference to changes in the share price.

APPLICATION OF PERFORMANCE CONDITIONS

Exercise of the stock options in plan no. 12, plan no. 13 and plan no. 14 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 will vest. Vesting of the stock options is 50% contingent on trends in consolidated revenue on a constant structure basis, and 50% on the ratio of current operating profit to consolidated revenue on a constant structure basis.

For each of these two criteria:

- if actual performance is equal to or better than 90% of the objectives, 100% of the options will be exercisable;
- if actual performance is equal to or better than 70% but less than 90% of the objectives, the options will be exercisable up to the actual percentage performance, calculated on a straight line basis;
- if actual performance is less than 70% of objectives, no options will be exercisable.

For plan no. 12, the calculation was made on the basis of the arithmetical average of performances in 2011, 2012 and 2013 on a constant structure basis, as compared with the budgets set in 2010, 2011 and 2012 for the 2011, 2012 and 2013 financial years, respectively.

On February 18, 2014, the Board of Directors was informed by the Remuneration Committee that in view of its analysis of the performance criteria on which exercise of the options in plan no. 12 is contingent, 100% of the stock options (which are exercisable until June 10, 2018) had vested.

For plan no. 13, the calculation was made on the basis of the arithmetical average of performances in 2012, 2013, 2014 and 2015 on a constant structure basis, as compared with the budgets set in 2011, 2012, 2013 and 2014 for the 2012, 2013, 2014 and 2015 financial years, respectively.

On February 17, 2016, the Board of Directors was informed by the Remuneration Committee that in view of its analysis of the performance criteria on which exercise of the options in plan no. 13 is contingent, 100% of the stock options (which are exercisable until June 12, 2019) had vested.

For plan no. 14, the calculation will be made on the basis of the arithmetical average of performances in 2015, 2016 and 2017 on a constant structure basis, as compared with the budgets set in 2014, 2015 and 2016 for the 2015, 2016 and 2017 financial years, respectively.

The Remuneration Committee will examine the performance criteria on which exercise of the options is contingent.

GENERAL INFORMATION AND CHARACTERISTICS OF STOCK OPTIONS

- Terms of exercise:
  - Plans nos. 10, 11 and 14: three years after the date of grant,
  - Plans nos. 12 and 13: four years after the date of grant;
- Exercise period:
  - Plans nos. 10, 11 and 14: four years after expiry of the lock-up period,
  - Plans nos. 12 and 13: three years after expiry of the lock-up period.
- Options are automatically cancelled on termination of the grantee's employment contract or corporate office, unless given special dispensation or in the event of disability or retirement.

STOCK SUBSCRIPTION OPTIONS GRANTED OR EXERCISED IN 2015

STOCK SUBSCRIPTION OPTIONS GRANTED OR EXERCISED DURING THE YEAR

Options giving entitlement to subscribe for TF1 shares were awarded in 2015.

On April 29, 2015, the Board of Directors approved the granting on June 12, 2015 of 1,308,800 options, equivalent to 0.6% of the share capital, to 139 grantees from the TF1 group.

The exercise price of €15.46 per share is the average of the quoted market prices on the 20 trading days preceding June 12, 2015.

On the date of grant, the value of each option (as measured using the method applied for the purposes of the consolidated financial statements) was €2.7504.

Nonce Paolini did not receive any options.

During 2015, a total of 474,986 options to subscribe for TF1 shares were exercised: 230,586 under plan no. 11, and 244,400 under plan no. 12. plan no. 11 has an exercise price of €5.98, and plan no. 12 an exercise price of €12.47. No discount was applied.

As of February 17, 2016, the only potentially exercisable TF1 stock subscription options were those granted under plan no. 11, representing a total of 207,176 options outstanding (0.10% of the share capital).

STOCK SUBSCRIPTION OPTIONS AWARDED BY THE COMPANY OR ANY COMPANY IN THE GROUP, GRANTED TO OR EXERCISED BY THE EXECUTIVE DIRECTOR DURING THE YEAR

Nonce Paolini has not been awarded any options to purchase or subscribe for TF1 shares since 2010.

In connection with the office he holds at Bouygues, during 2015 he received options giving entitlement to subscribe for new Bouygues shares, awarded on May 28, 2015 by a meeting of the Bouygues Board of Directors held on April 23, 2015.

TABLE 4 – OPTIONS GRANTED TO THE EXECUTIVE DIRECTOR IN 2015

Name of Executive Director	Plan no. and date	Type of option (purchase or subscription)	Value of option based on method used in consolidated financial statements	Number of options granted during the year	Exercise price	Exercise period
Nonce Paolini	Bouygues plan Board Meeting date: April 23, 2015 Date of grant: May 28, 2015	Subscription	€3.1993	135,000	€37.106	From May 29, 2017 to May 28, 2025
TOTAL			**€431,905.50**	**135,000**		

The exercise price was calculated on the basis of the average of the opening quoted market prices on the twenty trading days preceding May 28, 2015; no discount was applied.

TABLE 5 – OPTIONS EXERCISED BY THE EXECUTIVE DIRECTOR OF TF1 IN 2015

The Executive Director, Nonce Paolini, did not exercise any stock subscription options in 2015.

STOCK SUBSCRIPTION OPTIONS AWARDED BY THE COMPANY OR ANY COMPANY IN THE GROUP, GRANTED TO OR EXERCISED BY SALARIED DIRECTORS DURING THE YEAR

Options granted to salaried Directors in 2015 were as follows:

Name of salaried Director	Plan no. and date	Type of option (purchase or subscription)	Number of options granted/ exercised during the year	Exercise price
Sophie Leveaux Talamoni	Plan no. 14 Board Meeting date: April 29, 2015 Date of grant: June 12, 2015	Subscription	16,000	€15.46
TOTAL			**16,000**	

Sophie Leveaux Talamoni did not exercise any stock subscription options in 2015.

PERFORMANCE SHARES

No performance plans are currently active, and none has been awarded.

TABLE 6 – PERFORMANCE SHARES GRANTED TO THE EXECUTIVE DIRECTOR

No performance shares were granted by the company in 2015.

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

No performance shares became available as none have been awarded by the company to the Executive Director.

PAST STOCK OPTION AWARDS AND OTHER INFORMATION

TABLE 8 – PAST STOCK OPTION AWARDS

	Plan no. 10	Plan no. 11	Plan no. 12	Plan no. 13	Plan no. 14
Date of Shareholders' Meeting	Apr. 17, 2007	Apr. 17, 2007	Apr. 14, 2011	Apr. 14, 2011	Apr. 17, 2014
Date of Board Meeting	Feb. 20, 2008	Feb. 18, 2009	May 12 & Jul. 25, 2011	May 14, 2012	Apr. 29, 2015
Date of grant	Mar. 20, 2008	Mar. 20, 2009	Jun. 10, 2011	Jun. 12, 2012	Jun. 12, 2015
Total number of stock subscription options granted	2,000,000	2,000,000	1,500,000	1,437,200	1,308,800
to Directors	*62,000*	*66,000*	*12,800*	*12,800*	*16,000*
Nonce Paolini	50,000	50,000	0	0	0
Sophie Leveaux Talamoni	12,000	16,000	12,800	12,800	16,000
to the 10 employees granted the most options	*340,000*	*340,000*	*272,000*	*302,000*	*288,000*
Total number of stock subscription options granted subject to performance conditions	0	50,000	1,500,000	1,437,200	1,308,800
Start date of exercise period	Mar. 20, 2011	Mar. 20, 2012	Jun. 10, 2015	Jun. 12, 2016	Jun 12, 2018
Expiration date	Mar. 20, 2015	Mar. 20, 2016	Jun. 10, 2018	Jun. 12, 2019	Jun. 12, 2022
Subscription price (€)	€15.35	€5.98	€12.47	€6.17	€15.46
Terms of exercise	Exercisable as of 3rd anniversary. Negotiable as of 4th anniversary.		Exercisable and negotiable as of 4th anniversary.		Exercisable and negotiable as of 3th anniversary.
Cumulative number of shares subscribed as of December 31, 2015	0	1,517,824	244,400	0	0
Cumulative number of options cancelled, not awarded, or forfeited	2,000,000	275,000	147,200	129,200	0
Number of stock subscription or stock purchase options outstanding as of December 31, 2015	0	207,176	1,108,400	1,308,000	1,308,800

The stock subscription options listed above are currently the only instruments issued by TF1 that have a potentially dilutive effect. In view of the average quoted market price of TF1 shares during the period, a dilutive impact has been taken into account for plan no. 11, plan no. 12 and plan no. 13 only.

For an analysis of the movement in the number of options outstanding, refer to note 7-4-6-2 to the TF1 consolidated financial statements for the year ended December 31, 2015. The expense recognised for the stock subscription option plans granted by TF1 is presented in note 7-4-6-3 to the consolidated financial statements. The value per option on the date of grant, calculated according to the Black-Scholes model, is €1.18 (plan no. 12), €0.70 (plan no. 13), and €2.75 (plan no. 14).

Previous plans that have now expired are as follows: plan no. 1, lapsed October 10, 2002; plan no. 2, lapsed April 8, 2004; plan no. 3, lapsed March 18, 2005; plan no. 4, lapsed September 20, 2006; plan no. 5, lapsed December 6, 2007; plan no. 6, lapsed December 11, 2008; plan no. 7, lapsed March 12, 2010; and plan no. 8, lapsed September 16, 2011. Plan no. 9, a performance share plan, lapsed on March 31, 2010. Plan no. 10 lapsed on March 20, 2015.

TABLE 9 – STOCK OPTIONS GRANTED TO OR EXERCISED BY THE TEN TF1 EMPLOYEES (OTHER THAN EXECUTIVE DIRECTORS) AWARDED THE MOST OPTIONS IN 2014

	Total number of options awarded/shares subscribed or purchased	Weighted average price	Expiry date	Plan no.
Options awarded during the year by TF1 (or any company within the scope of companies entitled to award options) to the ten employees of TF1 (or of any company within that scope) awarded the most options				
Philippe Denery	40,000	€15.46	Jun. 12, 2022	14
Arnaud Bosom	32,000	€15.46	Jun. 12, 2022	14
Jean-François Lancelier	32,000	€15.46	Jun. 12, 2022	14
Jean-Michel Counillon	30,000	€15.46	Jun. 12, 2022	14
Laurent-Eric Le Lay	30,000	€15.46	Jun. 12, 2022	14
Catherine Nayl Perrot	30,000	€15.46	Jun. 12, 2022	14
Régis Ravanas	30,000	€15.46	Jun. 12, 2022	14
Benoît Louvet	24,000	€15.46	Jun. 12, 2022	14
Fabrice Bailly	20,000	€15.46	Jun. 12, 2022	14
Elisabeth Durand Bernand	20,000	€15.46	Jun. 12, 2022	14
Options exercisable vis-à-vis TF1 (or any other company as mentioned above) and exercised during the year by the ten employees of TF1 (or any other company as mentioned above) purchasing or subscribing for the highest number of shares				
Jean-Michel Counillon	24,000	€12.47	Jun. 10, 2018	12
Benoît Louvet	24,000	€12.47	Jun. 10, 2018	12
Laurent-Eric Le Lay	20,000	€5.98	Mar. 20, 2016	11
Sébastien Frapier	16,000	€12.47	Jun. 10, 2018	12
Philippe Denery	15,000	€5.98	Mar. 20, 2016	11
Michel Cordival	12,800	€12.47	Jun. 10, 2018	12
François Pellissier	12,000	€5.98	Mar. 20, 2016	11
Elisabeth Durand Bernand	10,000	€5.98	Mar. 20, 2016	11
Thomas Crosson	9,613	€5.98	Mar. 20, 2016	11
Jean-Pierre Pernaut	6,000	€5.98	Mar. 20, 2016	11

TABLE 10 - PAST PERFORMANCE SHARE PLANS AWARDED

No free shares (performance shares) have been awarded by TF1 recently.

2.3.3 OTHER INFORMATION ON THE EXECUTIVE DIRECTOR

TABLE 11 – OTHER INFORMATION ON THE EXECUTIVE DIRECTOR

	Employment contract(1)		Supplementary pension scheme(2)		Compensation or benefits due or potentially due on cessation or change of office(3)		Indemnities related to non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Nonce Paolini – Chairman and CEO since August 1, 2008	X		X			X		X

(1) Nonce Paolini has an employment contract with Bouygues SA, and not with TF1 SA.

(2) See the "Supplementary Pension" section of chapter 2.3.1 above. The annual supplementary pension entitlement is set at 0.92% of the reference salary (average of three best years) for each year of scheme membership, subject to a cap set at eight times the annual upper limit for social security contributions (current value of the cap: €308,928). This pension scheme is closed, and membership is obligatory. Entitlement is acquired only after ten years' service with the Bouygues group and is contingent on the beneficiary still being with the Group at the date of retirement. The Bouygues group is not required to set aside provisions for this supplementary pension, which takes the form of an insurance policy with an insurer from outside the Group. This annual supplementary pension has been submitted for approval under the procedure on related party agreements.

(3) Severance benefits: The Bouygues group and its subsidiaries have not made any commitment or promise regarding the payment of severance benefits to the Executive Director. Nor has any such commitment or promise been made to the salaried Directors of Bouygues. Although not a severance benefit as such, a Director who is an employee of Bouygues SA is covered by the relevant collective agreement (in the case of Bouygues SA, the collective agreement for managers in the building industry in the Paris region) and consequently is entitled to any compensation stipulated by that agreement on termination of an employment contract. Nonce Paolini would be entitled to receive such compensation. The Board of Directors of TF1 officially confirmed on February 18, 2014 that any such compensation would be re-invoiced to TF1 on a pro rata basis for his number of years of service as an employee or corporate officer 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 could, if they materialise, 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 and the DTT switchover to MPEG-4;
- 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 the acquisition of Newen,
  - litigation and claims;
- 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 high-quality 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 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 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 ASSOCIATED WITH THE ECONOMIC ENVIRONMENT

DESCRIPTION OF THE RISK

In light of the actual economic conditions during 2015 and the prospects for 2016, there is a risk of stagnation in the advertising market, which could have an adverse effect on the projected trends in TF1 group revenues.

HOW THE RISK IS MANAGED

To protect against the effects of this stagnation, the Group is keeping all of its expenditure under constant review, and is continuing to adapt its business model by identifying and activating new sources of growth.

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 67 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 includes 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 each of 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 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 free 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).

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.

In addition, the cyber-attacks targeted at Sony Pictures and TV5 Monde in recent months have led TF1 to reassess external threats that might disrupt transmission. TF1 is aware that attempts to hack into corporate information systems are now a recurring problem; the Group has responded by further raising its vigilance threshold and is constantly working to ensure the security of its sites and infrastructures.

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 HD were introduced on September 30, 2014. Primary transmission of the SMR6 multiplexer has been secure for several years.

To guard against the risk of cyberattack, security audits are conducted by external consultants to identify potential weaknesses in access controls. However, no system can be 100% secure, and the techniques used to attack information systems are continually changing. Action plans have been implemented to enhance protection of the Group's transmission infrastructures, alongside incident management procedures such as a rapid response plan for hacking attacks. The Group's objective is to constantly upgrade its sites and systems, taking care to ensure that all external systems are included in any corrective measures that may be required.

RISKS RELATED TO THE GROWTH OF DIGITAL TERRESTRIAL TELEVISION AND TO THE DEVELOPMENT OF THE INTERNET AND NEW MEDIA(1)

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), 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 potential 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 a programming 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, only 40% of French households were receiving multi-channel offerings, but 100% coverage had been reached by the end of November 2011.

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 since 2004, TF1's audience share among individuals aged 4 and over has declined from 31.8% in 2004 to 21.4% in 2015. TF1 attracted 98 of the top 100 TV audiences in 2015. The aggregate market share of DTT channels reached 27.1% in 2015.

HOW THE RISKS ARE MANAGED

TF1's ongoing exposure to fragmentation risk is mitigated by the rebalancing of the business mix towards DTT with the acquisition of control over TMC and NT1, the launch of HD1, and the freeview switchover of LCI in 2016. 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 the launch of the HD1 channel;
- optimising the acquisition of programmes for its premium channel and 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;
- 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*).

Finally, the process of adapting audience ratings measures to the new media landscape is ongoing. The process began in 2011 when home recordings were added for the first time, and continued in 2014 with the inclusion of catch-up viewers on IPTV. In the next phase, scheduled for 2016, viewers watching live and catch-up content on computers, tablets and smartphones will also be added to the statistics. These new audience measures will help mitigate fragmentation risk by capturing a segment of media consumption that is on a consistent uptrend.

RISKS ASSOCIATED WITH CHANGES TO SPECTRUM ALLOCATION AND THE DTT SWITCHOVER TO MPEG-4

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.

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

(1) Médiamétrie.

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).

Under law no. 2015-1267 of October 14, 2015 on the second digital dividend and the ongoing modernisation of Digital Terrestrial Television, part of the frequency spectrum (694 MHz-790 MHz, known as the "700 band"), currently allocated to television broadcasting, will be reallocated to telecommunications. This reallocation will be phased in, starting in April 2016 with the Ile-de-France region and completing in June 2017. To free up the spectrum, two of the eight DTT multiplexes will need to be shut down in April 2016. In order to maintain the range of channels currently available on the eight DTT multiplexes, the French authorities have announced that MPEG-2 coding on standard definition unscrambled channels will be discontinued in April 2016 in favour of the universal use of MPEG-4, which uses less bandwidth. This will require all DTT-enabled television sets to be compatible with MPEG-4 on the date of the switchover. If this is not fully achieved by the switchover date, audience figures would be adversely affected. This change, scheduled for April 2016, would end the duplication whereby TF1 has to broadcast both the standard definition and the High Definition versions. In July 2015, the CSA (the French broadcasting regulator) launched a call for candidates to broadcast national terrestrial television services in High Definition from April 2016. The outcome of this process, completed in October 2015, was that the CSA selected only those channels already licensed to broadcast in SD that were requesting a transition to HD, including TMC and NT1. Consequently, no new channels were licensed. The cost of public information campaigns, and of measures to ensure that viewers are properly equipped, will be borne by the government subject to certain conditions. The nationwide public information campaign began on November 20, 2015, and will continue until the switchover date of April 5, 2016.

A few weeks into the campaign, there is as yet no clear sign of large-scale adoption by viewers in terms of buying adapters or new TV sets.

The shutdown of the R5 and R8 multiplexes will result in the early termination of contractual relations between those multiplexes and the technical operators. The government has announced its intention to reach a settlement with the technical operators to compensate them for any loss incurred. At present, this settlement has not yet been finalised; this means that TF1, whose HD output is carried on the R5 multiplex, is still exposed to a risk of loss.

HOW THE RISKS ARE MANAGED

Uninterrupted reception for viewers is a priority for TF1, which is working closely with the CSA 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, in particular those 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.

Those plans rely 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 regularly.

There were no broadcasting incidents in 2015 that required fallback 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, major events, 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 2015, 80 "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. The licence was renewed for a further 5-year period (*via* decision No. 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, by a CSA decision 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 terms of reference or as a result of regulations applicable to its activity. A change to the regulations could raise the 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 fine; 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 levy paid by other French television channels to fund the loss of revenue for France Télévisions was reduced to 0.5% of those channels' advertising revenue.

This illustrates the economic risk to which television channels are exposed as a result of new taxes and levies, such as the levy on advertising spending.

In addition, a draft bill on creativity is currently being examined. This may result in amendments to 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 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 copyrights or related 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.

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 – within the limits of the technology – will prevent pirated content from being uploaded to those two platforms;
- a dedicated unit tasked with identifying (as far as possible) pirated TF1 group content on streaming platforms and social networking sites, and ensuring that it is dereferenced;
- retaining an external service-provider to dereference pirated TF1 content on cyberlockers (direct download and streaming sites).

RISKS RELATED TO THE ACQUISITION OF NEWEN

DESCRIPTION OF THE RISK

On January 26, 2016, as part of its diversification strategy, TF1 acquired a 70% equity interest in FLCP (the Newen group). Under the terms of the shareholder agreement, the existing management will continue to run the company's day-to-day operations with no change in the current commercial policy, especially as regards its relationships with its broadcasting clients. The agreements connected with the acquisition have deliberately been framed so as to take account of the close and long-standing relationship between Newen and the public-service broadcaster France Télévisions, which is Newen's principal client. The intention is to avoid interfering in productions currently in progress or in future projects. Because Newen generates a large part of its revenue from France Télévisions, there is a risk that decisions taken by France Télévisions may have an adverse effect on the continuation of productions currently in progress or, more generally, on the long-standing relationship between Newen and France Télévisions.

HOW THE RISK IS MANAGED

To address any potential concerns on the part of France Télévisions, the TF1 group sent a letter to the French Competition Authority on January 20, 2016, in which TF1 reiterated its intention of expanding the operations of Newen and placed on record that it will not seek to alter or amend the contractual terms agreed with France Télévisions by Newen. That letter was appended to the clearance issued by the Competition Authority on January 21, 2016.

LITIGATION AND CLAIMS

DISTRIBUTION OF THE LCI CHANNEL

The distribution contracts for the LCI channel expired 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 law of September 30, 1986 on the freedom of communication. That application was rejected on July 29, 2014.

Summary proceedings to have the CSA decision overturned were filed with the *Conseil d'État* (Administrative Supreme Court), along with a substantive appeal. On October 23, 2014, the *Conseil d'État* dismissed the summary application on the grounds that there was no urgency, but stated that a final ruling on the substantive appeal would be delivered "soon, in the first months of 2015".

In parallel, negotiations were conducted with the distributors in a bid to extend the LCI Pay-TV distribution contracts for a further year, until December 31, 2015.

On June 17, 2015, the *Conseil d'État* overturned the CSA decision rejecting the application for LCI to switch to freeview. In the autumn of 2015, the CSA re-examined the freeview switchover request in light of the current economic conditions. In a decision of December 17, 2015, the CSA approved the request for LCI to switch to freeview.

The NextRadioTV group has filed summary proceedings and a substantive appeal with the *Conseil d'État* in a bid to have that decision overturned.

COMPETITION LAW

To protect against the risk of claims alleging breaches of competition law (such as restraint of trade 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.

Alleged abuse of dominant position in the advertising market

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 appointed a rapporteur to investigate the complaints, and TF1 Publicité presented its case in January 2015. The TF1 General Counsel's Department has submitted an economic study to the 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.

Alleged restraint of trade

The Canal Plus group has filed a complaint with the French Competition Authority against the TF1 group alleging restraint of trade as regards the rights of first and last refusal and pre-emptive rights enjoyed by TF1 Films Production in respect of the films that it finances.

The Competition Authority appointed a rapporteur to investigate the complaint, and TF1 Publicité presented its case in March 2015.

BREACH OF PATENT

Orange has brought an action against Free in the Paris District Court alleging breach of European patents. The action alleges that Free fraudulently used two patents held by Orange, one of which – filed on May 25, 2004 – prevents videos preselected by an internet user from being downloaded until the user is committed to watching the content (users may decide not to view the content after watching a trailer or during an advert), thereby saving bandwidth. This process is allegedly used by Free for the catch-up television services offered to its subscribers, for example *via* its "FreeBox Révolution" package.

For breach of this one patent, Orange is claiming damages of €138 million from Free. This corresponds to a royalty of 1% of the cumulative revenues of Free between March 12, 2011 and April 11, 2014, uplifted to 2% on the ground that Free failed to seek Orange's permission to use the disputed patent.

Without prejudice to its absolute rejection of the claims made by Orange, Free has brought into the action the companies that broadcast the catch-up services of the principal French television channels so that they can *"assume responsibility for their actions"*. This reflects Free's view that *"the conditions under which catch-up television platforms operate are determined and implemented by the television channels"* and not by Free in its capacity as an internet service provider.

Consequently, two TF1 group companies involved in the TF1 catch-up service have been brought into the action: e-TF1 (which broadcasts the service) and TF1 Distribution (which contracted with Free to provide the service). France Télévisions, M6, Canal+, D8/D17, Equidia and GameOne have also been brought into the action.

Under the terms of the writs issued to those companies, Free is at present merely requesting that the future judgment on the claim by Orange be extended jointly to those companies so that it can be enforceable on them. However, Free reserves the right, at any stage in the proceedings, to seek indemnification from the broadcasting companies.

In their defence, Free (in the first instance), and subsequently the catch-up broadcasters, have challenged the value of the patent claimed by Orange, which appears to be open to challenge on the issue of "inventiveness", and which is also potentially unenforceable due to the existence of prior rights. No claim has been made by Free against the broadcasting companies listed above.

Orange maintained its claim against Free in submissions finalised in June and October 2015, but without making any claims against the catch-up broadcasting companies (including e-TF1 and TF1 Distribution). In any event, e-TF1 and TF1 Distribution would be able – if they were ultimately held liable – to rely on the limitation of liability clause in the contract with Free.

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 266 of this Registration Document and Annual Financial Report.

Societal risks are discussed in chapter 7, page 289 of this Registration Document and Annual Financial Report.

Environmental risks are discussed in section 2.4.2 above and in chapter 7, page 281 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 8, page 177 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 8, page 177 of this Registration Document and Annual Financial Report.

3

MANAGEMENT REPORT OF THE BOARD OF DIRECTORS AFR

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 2015 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 2015 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 137 and 198 of the present registration document and annual financial report.

These financial statements were approved by the Board of Directors of TF1 SA on February 17, 2016.

Post balance sheet events are disclosed in this chapter.

3.1 2015 ACTIVITY AND RESULTS

The results shown below are presented in accordance with IFRIC 21, "Levies", applied with effect from January 1, 2015 and also applied retroactively to the 2014 comparatives.

These key figures are extracted from TF1 consolidated financial data for continuing operations.

3.1.1 THE GROUP

CONSOLIDATED INDICATORS

(€m)	2015	2014
Consolidated revenue	**2,004.3**	**2,091.8**
Group advertising revenue	1,554.2	1,575.5
Revenue from other activities	450.1	516.3**
Current operating profit	**158.0***	**116.5****
Operating profit	**141.2***	**116.5****
Net profit attributable to the Group	**99.9***	**99.9****

* *Includes gain on deconsolidation of Eurosport France.*
** *Includes gain on divestment of Onecast.*

REVENUE

Consolidated revenue for the year ended December 31, 2015 was €2,004.3 million, down €87.5 million (4.2%) year-on-year.

This mainly reflects the following factors:

- the effects of changes in the structure of the Group:
  - the deconsolidation with effect from March 31, 2015 of Eurosport France, which contributed revenue of €49.6 million in the final three quarters of 2014 (including €16.3 million in the fourth quarter of 2014),
  - the sale on October 30, 2014 of Onecast, which contributed revenue of €8.1 million in 2014 (including €0.8 million in the fourth quarter of 2014),
  - the shutdown on December 31, 2014 of the Stylía theme channel, which contributed revenue of €3.6 million in 2014 (including €0.9 million in the fourth quarter of 2014);
- a difference in the revenue generated by the resale of sports rights: €30 million from the resale of Football World Cup rights to beIN SPORTS in 2014, versus €13 million from the resale of Rugby World Cup rights to Canal+ in 2015.

After stripping out the effects described above, Group revenue fell only slightly year-on-year, by 0.5%.

Fourth-quarter revenue was down 3.9% year-on-year at €604.3 million. After stripping out the effects described above, the year-on-year fall was limited to 1.1%.

ADVERTISING REVENUE

Group advertising fell by 1.4% (or €21.3 million) to €1,554.2 million. This comprised:

- €1,469.9 million of net advertising revenue for the Group's 4 free-to-air channels, a drop of just 0.5% year-on-year.

  All of the Group's DTT channels achieved greater monetisation of their programming schedules, thanks largely to increased audience share at NT1 and HD1. This performance offset lower revenue for the TF1 core channel, where the FIFA World Cup was showed in 2014 and the Rugby World Cup in 2015. The November 2015 dramatic events in Paris also dented advertising revenue in the fourth quarter.

  With demand on an uptrend, and despite slippage in audience share over the period, TF1 maintained its strategy of preserving the value of its advertising slots.

  These results demonstrate that the TF1 group's multi-channel strategy is as relevant as ever.
- €75.4 million of revenue generated by advertising on other Broadcasting & Content media, 9.8% (or €8.2 million) less than in 2014.

  There was significant revenue growth for digital advertising and the third-party airtime sales business (which sells space for radio stations and TV channels from outside the TF1 group). This helped cushion the sharp dip in revenue at Publications Metro France during 2015, reflecting lower advertising revenue in the first half and the shutdown of the print edition in July 2015.
- €8.9 million of advertising revenue from Pay-TV activities, down €6.3 million year-on-year due to the deconsolidation of Eurosport France from March 31, 2015 and lower advertising revenue for the LCI channel.

Fourth-quarter Group advertising revenue was down 2.2% at €472.0 million.

After declining by just 0.1% over the first nine months of the year, advertising revenue for the free-to-air channels fell by 1.4% in the fourth quarter, although this was a relatively modest fall given the impact of the heavy news agenda in November 2015.

NON-ADVERTISING REVENUE

Non-advertising revenue for the year ended December 31, 2015 was €450.1 million, down €66.2 million (12.8%) year-on-year, reflecting the following factors:

- the €56.1 million negative effect of changes in structure relating to Eurosport France (deconsolidated from March 31, 2015), Onecast (sold on October 30, 2014) and the Stylía channel (shut down on December 31, 2014);
- a difference in the revenue generated by the resale of sports rights: €30 million from the resale of Football World Cup rights to beIN SPORTS in 2014, versus €13 million from the resale of Rugby World Cup rights to Canal+ in 2015.

After stripping out these effects, revenue rose year-on-year thanks to top-line growth at TF1 Entreprises and TF1 Vidéo on the back of fine operating performances.

Fourth-quarter non-advertising revenue was €132.3 million, a drop of 9.8% (or €14.4 million), due solely to the effect of changes in structure. If these are stripped out, fourth-quarter revenue was up €1.8 million year-on-year.

COST OF PROGRAMMES AND OTHER OPERATING INCOME AND EXPENSES

(€m)	2015	2014
Total cost of programmes	**956.2**	**994.0**
Major sporting events	*26.8*	*73.7*
Total excluding major sporting events	**929.4**	**920.3**
Entertainment/Gameshows/Magazines	285.5	282.6
Drama/TV movies/Series/Plays	316.7	318.1
Sport (excluding major sporting events)	45.0	49.9
News	107.3	103.3
Films	159.9	150.1
Children's programmes	15.0	16.3

The cost of programmes for the TF1 group's four free-to-air channels was €956.2 million for the year ended December 31, 2015, down €37.8 million year-on-year.

MAJOR SPORTING EVENTS

The 2014 financial statements included the €73.7 million cost of broadcasting all 28 of the 2014 FIFA World Cup matches shown on TF1. This was partly offset by savings of €15.4 million on programmes replaced by World Cup matches in the programming schedules.

By contrast, the cost of screening the 21 Rugby World Cup matches shown in 2015 was €26.8 million, partly offset by savings of €9.0 million on the programmes replaced.

Overall, this represents a net year-on-year saving of €40.5 million.

COST OF PROGRAMMES EXCLUDING MAJOR SPORTING EVENTS

Excluding major sporting events, the full-year cost of programmes for the four free-to-air channels rose by €9.1 million in 2015, to €929.4 million. After taking account of the effect of programmes replaced by World Cup matches in 2014 and 2015, the rise was just €2.7 million.

Against a backdrop of intense competition in programming, and to compensate for the fact that fewer World Cup matches were broadcast, the Group screened more films than in 2014, adding €9.8 million to the cost of programmes. A makeover for the *Reportages* programme and a news-heavy year pushed the cost of news programmes up by €4.0 million. The cost of entertainment, gameshow and magazine programmes increased by €2.9 million. On the other hand, renegotiation of sports broadcasting rights generated cost savings of €4.9 million on general sport programming, while there were also savings of €1.4 million in drama and TV movies and €1.3 million in children's programmes.

In the fourth quarter, the cost of programmes including major sporting events was €10.6 million higher year-on-year, but €2.7 million lower after excluding major sporting events (net of replacement programmes).

OTHER EXPENSES AND DEPRECIATION, AMORTISATION AND PROVISIONS

Other expenses and depreciation, amortisation and provisions fell by a total of €91.2 million in the year ended December 31, 2015. This marked drop was attributable mainly to:

- changes in structure relating to the deconsolidation of Eurosport France (100% of which was sold to Eurosport SAS on March 31, 2015) and to Onecast and Stylía;
- differences in the costs recognised for resold sports rights (net of reversals of provisions) relating to the 2014 FIFA World Cup and the 2015 Rugby World Cup.

After stripping out these effects, other operating expenses were €11.8 million lower year-on-year, due mainly to the non-recurrence of a provision booked for losses on sales of sports rights in the fourth quarter of 2014.

In the fourth quarter, other expenses and depreciation, amortisation and provisions showed a slight reduction of €0.8 million, with the non-recurrence of the gain on the sale of Onecast (booked in the fourth quarter of 2014) offset by the effect of changes in structure and overhead cuts at Metronews.

CURRENT OPERATING PROFIT

The TF1 group made a current operating profit of €158.0 million in 2015, a year-on-year rise of €41.5 million.

As a result, current operating margin reached 7.9%, a year-on-year improvement of 2.3 points.

Current operating profit fell by €34.6 million in the fourth quarter of 2015. Excluding the gain on the sale of Onecast booked in the fourth quarter of 2014, the year-on-year fall was limited, a performance given that 15 Rugby World Cup matches were shown in the period and the slippage in advertising revenue for the four free-to-air channels.

OPERATING PROFIT

A charge of €16.8 million (including €1.8 million booked in the fourth quarter) has been recognised in "Non-current operating expenses" for restructuring costs incurred by the TF1 group's news operations. Most of this relates to the discontinuation of the print edition of *Metronews*.

Consequently, the TF1 group reported an operating profit of €141.2 million in 2015, a year-on-year increase of €24.7 million.

NET PROFIT

Cost of net debt was positive €1.1 million for 2015 as a whole, as the Group ran a net cash surplus during the year.

Other financial income and expenses showed a net loss of €3.2 million, mainly due to an impairment loss taken against an equity interest in Sylver held by TF1 Vidéo.

Income tax expense was €42.3 million, up €12.5 million year-on-year. In addition to the increase in operating profit, this also reflected a higher level of dividend taxes given the rise in the dividend payout.

Joint ventures and associates contributed a net profit of €6.5 million in 2015, down €8.5 million year-on-year. This reflects a reduction in the share of net income from the Eurosport group, despite the inclusion of Eurosport France in that group with effect from March 31, 2015.

Net profit attributable to the Group from continuing operations for the period was therefore exactly the same as for the previous year at €99.9 million.

In 2014, net profit from discontinued or held-for-sale operations included the €299.5 million gain on the sale of a controlling stake in Eurosport to Discovery Communications on May 30, 2014, and the net profit of Eurosport International for the period from January to May.

Net profit attributable to non-controlling interests amounted to €3.4 million in 2015.

FINANCIAL POSITION

Shareholders' equity attributable to the Group was €1,741.7 million as of December 31, 2015, out of a balance sheet total of €3,213.7 million.

Net cash of continuing operations as of December 31, 2015 was €700.8 million, versus €497.0 million as of December 31, 2014. The cash position at end December reflects:

- the dividend payout of €317.3 million in the second quarter;
- share buybacks of €40.0 million in the third quarter;
- a cash inflow of €474.0 million following completion of the transactions with Discovery Communications in the fourth quarter.

The acquisition of 70% of Newen Studios, a company specialising in production and audiovisual content distribution, did not impact the 2015 financial position. This transaction took place on January 26, 2016 and should have an impact of €300 million on the Group's debt at March 31, 2016.

As of December 31, 2015, the Group had confirmed bilateral credit facilities totalling €905.0 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

To reward investors, the Board of Directors will ask the Annual General Meeting, scheduled for April 14, 2016, to approve:

- firstly, the payment of a dividend of €0.80 per share, consisting of:
  - an ordinary part of €0.28 per share,
  - an exceptional part of €0.52 per share, following the TF1 group's sale of a controlling interest in its Eurosport International subsidiary.

The ex-date is April 22, 2016, the date of record is April 25, 2016, and the payment date is April 26, 2016.

- secondly, the implementation of a share buyback programme of €30 million, on the basis of the resolution to be submitted to the Annual General Meeting on April 14, 2016.

Once the dividend has been paid, TF1 will retain sufficient cash to continue developing the Group and creating value in the future.

INCOME STATEMENT CONTRIBUTIONS BY SEGMENT

The results shown below are presented in accordance with IFRIC 21, "Levies", applied with effect from January 1, 2015 and also applied retroactively to the 2014 comparatives.

	Revenue		Current operating profit/(loss)	
(€m)	2015	2014	2015	2014
Broadcasting and Content	**1,717.8**	**1,748.8**	**93.9**	**51.7**
Broadcasting	1,624.3	1,638.8	79.4	36.0
Content	93.5	110.0	14.5	15.7
Consumer Products	**213.9**	**209.6**	**15.7**	**14.8**
TF1 Vidéo	59.3	56.4	1.3	1.0
Home Shopping	84.1	87.8	3.1	3.2
TF1 Entreprises	70.5	65.4	11.3	10.6
Pay-TV	**72.6**	**125.2**	**33.7***	**1.5**
Eurosport France	17.8	65.7	33.7*	4.1
Theme channels France	54.8	59.5	0.0	(2.6)
Holding company & other	**0.0**	**8.2**	**14.7**	**48.5****
TOTAL	**2,004.3**	**2,091.8**	**158.0***	**116.5****

* *Includes gain on deconsolidation of Eurosport France.*
** *Includes gain on divestment of Onecast.*

QUARTERLY REVENUE AND CURRENT OPERATING PROFIT

The results shown below are presented in accordance with IFRIC 21, "Levies", applied with effect from January 1, 2015 and also applied retroactively to the 2014 comparatives.

(€m)	Q1 2015	Q1 2014	Q2 2015	Q2 2014	Q3 2015	Q3 2014	Q4 2015	Q4 2014
Quarterly revenue								
Broadcasting & Content	**395.1**	**385.3**	**444.3**	**480.8**	**356.1**	**355.1**	**522.3**	**527.6**
Broadcasting	380.5	370.9	426.0	431.5	324.2	339.7	493.6	496.7
Content	14.6	14.4	18.3	49.3	31.9	15.4	28.7	30.9
Consumer Products	**48.4**	**51.1**	**47.2**	**40.5**	**50.1**	**49.1**	**68.2**	**68.9**
TF1 Vidéo	14.8	12.4	11.1	8.1	10.5	14.4	22.9	21.5
Home Shopping	25.4	27.4	22.3	20.3	18.1	19.1	18.3	21.0
TF1 Entreprises	8.2	11.3	13.8	12.1	21.5	15.6	27.0	26.4
Pay-TV	**31.6**	**30.9**	**14.1**	**32.2**	**13.1**	**30.4**	**13.8**	**31.7**
Eurosport France	17.8	16.1	0.0	17.2	0.0	16.1	0.0	16.3
Theme Channels France	13.8	14.8	14.1	15.0	13.1	14.3	13.8	15.4
Holding company and other	**0.0**	**2.4**	**0.0**	**2.5**	**0.0**	**2.4**	**0.0**	**0.9**
REVENUE	**475.1**	**469.7**	**505.6**	**556.0**	**419.3**	**437.0**	**604.3**	**629.1**
Quarterly current operating profit/(loss)								
Broadcasting & Content	**(12.0)**	**1.1**	**62.7**	**9.0**	**2.0**	**(0.9)**	**41.2**	**42.5**
Broadcasting	(11.7)	(2.6)	60.1	1.9	(9.0)	(4.4)	40.0	41.1
Content	(0.3)	3.7	2.6	7.1	11.0	3.5	1.2	1.4
Consumer Products	**3.6**	**5.1**	**2.4**	**1.7**	**4.5**	**3.5**	**5.2**	**4.5**
TF1 Vidéo	0.5	0.3	(0.1)	0.5	(0.7)	(0.4)	1.6	0.6
Home Shopping	1.9	2.4	1.0	1.1	0.6	0.5	(0.4)	(0.8)
TF1 Entreprises	1.2	2.4	1.5	0.1	4.6	3.4	4.0	4.7
Pay-TV	**33.7***	**(2.4)**	**0.2**	**(0.8)**	**(1.1)**	**1.6**	**0.9**	**3.1**
Eurosport France	33.7*	(1.5)	0.0	0.0	0.0	2.6	0.0	3.0
Theme Channels France	0.0	(0.9)	0.2	(0.8)	(1.1)	(1.0)	0.9	0.1
Holding company and other	**2.8**	**3.1**	**3.9**	**4.9**	**4.1**	**4.8**	**3.9**	**35.7****
CURRENT OPERATING PROFIT/(LOSS)	**28.1***	**6.9**	**69.2**	**14.8**	**9.5**	**9.0**	**51.2**	**85.8****

* *Includes gain on deconsolidation of Eurosport France.*
** *Includes gain on divestment of Onecast.*

BROADCASTING AND CONTENT

Revenue *(€m)*	2015	2014	Chg. %
Broadcasting	**1,624.3**	**1,638.8**	**-0.9%**
Advertising: 4 free-to-air channels	1,469.9	1,476.7	-0.5%
Advertising: other activities	75.4	83.6	-9.8%
Other revenue	79.0	78.5	+0.6%
Content	**93.5**	**110.0**	**-15.0%**
BROADCASTING & CONTENT	**1,717.8**	**1,748.8**	**-1.8%**

Current operating profit/(loss) *(€m)*	2015	2014	Chg. €m
Broadcasting	**79.4**	**36.0**	**+43.4**
Content	**14.5**	**15.7**	**(1.2)**
BROADCASTING & CONTENT	**93.9**	**51.7**	**+42.2**

Full-year Broadcasting & Content segment revenue was down 1.8% at €1,717.8 million.

The segment posted a current operating profit of €93.9 million, up €42.2 million year-on-year.

BROADCASTING

Broadcasting activities generated revenue of €1,624.3 million (down 0.9%) in 2015, comprising:

- advertising revenue for the four free-to-air channels of €1,469.9 million, down 0.5% year-on-year;
- advertising revenue from other activities of €75.4 million, down 9.8% year-on-year, reflecting lower revenues in the first half followed by the shutdown of the print edition of *Metronews* on July 3, 2015;
- €79.0 million of non-advertising revenue, slightly higher (by 0.6%) than in the previous year.

Current operating profit for the year reached €79.4 million, a year-on-year improvement of €43.4 million, mainly as a result of the different impact of the Rugby World Cup (in 2015) and Football World Cup (in 2014) on the cost of programmes for the year.

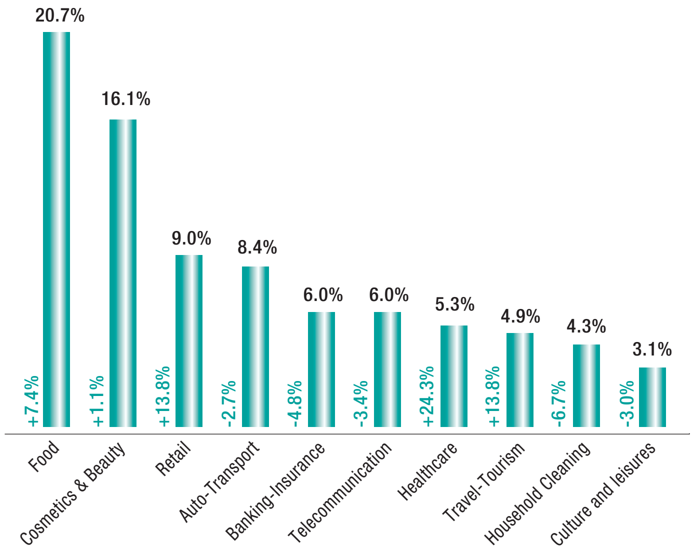
ADVERTISING REVENUE

Data concerning plurimedia advertising investment in 2015 are detailed chapter 1.1.2, page 37 of this present registration document and annual financial report.

At the end of December, gross revenue for the TF1 Group freeview channels was 3.4% higher than at the same time in 2014.

The change in gross advertising expenditure in 2015 is presented below, by sector, for these four channels.

SPLIT OF GROSS ADVERTISING SPEND BY SECTOR FOR TF1 GROUP'S 4 FREE-TO-AIR CHANNELS, AND 2015 VS. 2014 GROWTH



Kantar Media, FY 2015 vs. FY 2014.

Advertising revenue for the Group's four free-to-air channels was down 0.5% over the full year and 1.4% in the fourth quarter.

All of the Group's DTT channels achieved greater monetisation of their programming schedules, thanks largely to increased audience share at NT1 and HD1. This performance offset lower revenue for the TF1 core channel, where the FIFA World Cup was showed in 2014 and the Rugby World Cup in 2015. The November 2015 dramatic events in Paris also dented advertising revenue in the fourth quarter.

With demand on an uptrend, and despite slippage in audience share over the period, TF1 maintained its strategy of preserving the value of its advertising slots.

These results demonstrate that the TF1 group's multi-channel strategy is as relevant as ever.

Advertising revenue from other Broadcasting segment media was down 9.8% year-on-year, reflecting lower revenues in the first half followed by the shutdown of the print edition of *Metronews* on July 3, 2015.

However, both digital advertising and third-party airtime sales posted revenue growth during 2015.

FREE-TO-AIR BROADCASTING(1)

Further information on television market trends is provided in section 1.1.1, page 28 of this Registration Document and Annual Financial Report.

(1) *Médiamétrie-Médiamat.*

Audiences

In this more competitive marketplace, the TF1 group is striving to offer programming that:

- offers a perfect fit between the Group's four channels;
- is tailored to seasonal patterns in the advertising market;
- maintains a substantial audience share gap over rival broadcasters;
- delivers high-impact content in slots with substantial monetisation potential;
- is attractive to advertisers' target markets.

The Group's audience among individuals aged 4 and over fell by 1 percentage point to 27.7%, reflecting intense competitive pressure.

However, audience shrinkage was limited to 0.7 of a point for the key target market of "women aged under 50 purchasing decision-makers", in which the Group has a lead of 10.7 points over its closest private-sector rival.

TF1

TF1 is still the clear leader among French television channels. The channel had an audience share of 21.4% among individuals aged 4 and over, compared with 22.9% in 2014.

Among "women aged under 50 purchasing decision-makers", the audience share was 23.4% in 2015, versus 25.0% in the previous year. The gap between TF1 and the nearest rival private-sector channel in this key target market is 8.0 points.

Constant innovation is helping TF1 to confirm its unique position and its status as the must-see channel. During 2015 as a whole, it was the only channel to attract more than 8 million viewers, a feat it achieved on 32 occasions. Ten of its programmes drew more than 9 million viewers, and three attracted over 11 million. In addition, 79 of the channel's programmes pulled in over 7 million viewers (against just one for all of the rival channels combined), and the channel captured all of the top 40 audience ratings during the first nine months of 2015.

The TF1 channel attracted an average prime time audience of 5.4 million over 2015 as a whole, and was the most-watched channel for 88% of prime time programmes.

The channel retained its no. 1 spot across all genres:

- **Entertainment:** *Les Enfoirés* was watched by 11.4 million viewers on March 13, with a 54% audience share among "women aged under 50 purchasing decision-makers". The fourth season of *The Voice* attracted up to 8.8 million viewers. The audience for *C'est Canteloup* reached a peak of 9.0 million, and an average of 7.0 million every evening.
- **American series:** The new season of *Mentalist* was watched by up to 9.3 million viewers, with an average 38% audience share among "women aged under 50 purchasing decision-makers". *Person of Interest* attracted up to 7.3 million viewers.
- **French drama:** The renaissance of this genre continued. *L'Emprise* attracted 9.8 million viewers, the best audience for a drama since October 2007. The series *Clem* recorded the best viewing figures ever since its launch, pulling in a maximum of 7.7 million viewers.
- **Movies:** *Contagion* drew the biggest audience for a movie in 2015 with 7.3 million viewers, while *Un plan parfait* was watched by 6.5 million people.
- **News:** The TF1 channel's regular news bulletins are still the most watched in Europe. The evening bulletin drew up to 10.2 million viewers, and the lunchtime bulletin up to 7.4 million.
- **Sport:** The final of the World Handball championship between France and Qatar was watched by 9.1 million viewers on TF1. The audience for this year's major sporting event, the Rugby World Cup, peaked at 12.2 million for the quarter-final between France and New Zealand.

TMC

TMC, which ranked 5th among French nationwide channels in 2015, had an audience share of 3.1% among individuals aged 4 and over (unchanged year-on-year), rising to 3.6% among "women aged under 50 purchasing decision-makers" (down 0.1 of a point year-on-year).

The channel's prime time audience averaged 800,000. Prime time movies proved especially popular, with an average audience of one million. The channel's stand-out movie output included *Oblivion*, which pulled in 2.3 million, a record for this type of movie. TMC also has excellent ratings for magazines (with up to 1.1 million viewers for *90' enquêtes*), and for American series (with up to 1.3 million viewers for *CSI:NY*, French title: *Les Experts Manhattan*).

TMC also set a new audience record for the channel when 3.3 million people watched the semi-final of the World Handball Championship.

NT1

NT1 had an excellent year, with an average audience share of 2.0% among individuals aged 4 and over (up 0.2 of a point), rising to 3.2% among "women aged under 50 purchasing decision-makers" (up 0.5 of a point).

This places NT1 4th among DTT channels for "women aged under 50 purchasing decision-makers"; the channel has an average prime time audience of 500,000. NT1 is a particularly big hitter in movies, with as many as 1.6 million viewers watching the film *Hotel Transylvania*.

The channel is also performing very well in entertainment, in particular *Secret Story*, France's only live reality TV show: the average audience of 0.8 million for the first-run access prime time episode propelled the channel to the no. 3 slot among "women aged under 50 purchasing decision-makers" and the no. 1 slot for the 15-24 age bracket. Finally, American series also ranked highly, especially *Grey's Anatomy*, which enabled NT1 to occupy the no. 4 slot among "women aged under 50 purchasing decision-makers" when it was broadcast.

HD1

Launched in December 2012, HD1 is the market leader among the six new HD channels.

The channel, dedicated to all forms of narrative, achieved audience share of 1.2% among individuals aged 4 and over in 2015 (up 0.3 of a point), rising to 1.8% among "women aged under 50 purchasing decision-makers" (a marked rise of 0.5 of a point).

HD1 was the only HD DTT channel to reach an average prime time audience of 300,000, thanks to French drama (*Section de recherches*, which set a new record for the channel with 820,000 viewers); movies (*The Descendants*, 800,000 viewers); and American series such as *House* (French title: *Dr House*) which took an audience share of up to 5.0% among "women aged under 50 purchasing decision-makers".

e-TF1

TF1 is pursuing its digital innovation strategy, working closely with the Group's TV channels. A new version of the MYTF1 site was launched on May 26, 2015, uniting the digital offering of the four free-to-air channels in a single brand and also providing "XTRA", a premium bundle of 100% digital content. The site's responsive design means it can work across all devices, and offers an attractive showcase for advertisers as they face new challenges.

Online video continues to perform very well. The TF1 group ranks 5th for the number of videos watched, alongside the major multinationals[1].

Growth in consumption of MYTF1 video content on IPTV remains strong. Since non-linear IPTV audience measurement was introduced in October 2014, MYTF1 has been the market leader in video consumption, and also holds the record for the biggest IPTV audience for a single programme with *L'Emprise* (936,000 viewers).

During the first half of 2015, e-TF1 also launched the TFou MAX subscription-based kids' video offering, either as part of a Pay-TV bundle or as a stand-alone service.

Overall, revenue rose by 4.8% to €103.6 million, driven by higher advertising revenue. Current operating profit was €21.2 million, virtually unchanged year-on-year. As a result, current operating margin reached 20.5%, down 0.9 of a point.

OTHER MEDIA

Publications Metro France

On May 21, 2015, Publications Metro France announced a restructuring plan intended to address the unrelenting crisis in the advertising market. This plan involved discontinuing the print edition of *Metronews* with the loss of 60 positions. The objective is to expand the brand's existing positions in the digital market.

Consequently, revenue for Publications Metro France was 3 times lower in 2015 than in 2014.

TF1 Publicité (third-party advertising sales)

Third-party airtime sales (for radio stations and non-Group TV channels) posted 5.7% revenue growth in 2015.

CONTENT

Trends of the TV market are detailed chapter 1.1.3 and 1.1.4, page 39 and page 40 of this present registration document and annual financial report.

Revenue from the Content business was down 15.0% year-on-year at €93.5 million. This year-on-year drop of €16.5 million was mainly due to the difference in the amount generated by the resale of sports rights for the two World Cups (€30 million for the 2014 FIFA World Cup, versus €13 million for the 2015 Rugby World Cup).

Current operating profit was €14.5 million, versus €15.7 million a year earlier, when profits were boosted by the general cinema release of the movie *Qu'est ce qu'on a fait au bon Dieu?*.

TF1 DROITS AUDIOVISUELS

During 2015 as a whole, the cinema distribution arm of TF1 Droits Audiovisuels increased its revenue thanks largely to the international distribution of *Qu'est-ce qu'on a fait au bon Dieu?*. Eight movies went on general release in France: *Les Souvenirs*, *Comme un avion, Suite française, Les Profs 2, Dheepan* (winner of the Palme d'Or at the 2015 Cannes Film Festival), *Boomerang*, *Ange et Gabrielle* and *Le Goût des merveilles*.

The catalogue business was boosted by the success of the *Profilage* series in the export market.

Over 2015 as a whole the business made a lower revenue contribution than in 2014, but operating profit was virtually unchanged year-on-year.

TF1 PRODUCTION

TF1 Production's revenue contribution increased in 2015, thanks mainly to live shows including the *Les Prêtres* tour.

During the year as a whole, 500 hours of programmes were delivered to the Group's channels, versus 571 in 2014. This reduction reflects a tough prior-year comparative (9th season of the drama series *RIS*, 12 episodes of *Crossing Lines*, and production of the 2014 FIFA World Cup coverage with 28 matches screened). However, TF1 Production achieved growth in its entertainment, short-format and scripted reality activities over the year as a whole.

Full-year operating profit for TF1 Production increased relative to 2014, in line with the growth in revenue.

TF1 FILMS PRODUCTION

During 2015, 14 movies co-produced by TF1 Films Production went on general release (versus 18 in 2014), attracting a cumulative 10.7 million box office entries (versus 37.7 million in 2014).

Three TF1 Films Production movies attracted more than one million cinema-goers, including *Les Profs 2* (3.5 million entries).

Overall, TF1 Films Production made a much lower contribution to revenue and current operating profit year-on-year, mainly due to the tough comparative caused by the massive box office success of *Qu'est-ce qu'on a fait au bon Dieu?* in 2014.

(1) *Médiamétrie NetRatings - 2015 average.*

CONSUMER PRODUCTS

Revenue *(€m)*	2015	2014	Chg. %
TF1 Vidéo	59.3	56.4	+5.1%
Home Shopping	84.1	87.8	-4.2%
TF1 Entreprises	70.5	65.4	+7.8%
CONSUMER PRODUCTS	**213.9**	**209.6**	**+2.1%**

Current operating profit/ (loss) *(€m)*	2015	2014	Chg. €m
TF1 Vidéo	1.3	1.0	+0.3
Home Shopping	3.1	3.2	(0.1)
TF1 Entreprises	11.3	10.6	+0.7
CONSUMER PRODUCTS	**15.7**	**14.8**	**+0.9**

Trends of video market, distance selling, board games and licences are respectively detailed chapter 1.1.5 and 1.1.6, 1.1.7 and 1.1.8, page 41 to page 42 of this present registration document and annual financial report.

Full-year revenue for the Consumer Products segment reached €213.9 million, 2.1% more than in 2014. Operating profit improved by €0.9 million to €15.7 million.

TF1 VIDEO

TF1 Vidéo posted a 5.1% rise in full-year revenue to €59.3 million in 2015, and an improvement of €0.3 million in operating profit.

At TF1 Vidéo, revenue has been on an uptrend since the start of the year thanks to the all-rights exploitation of films like *Maya the Bee* (French title: *La Grande Aventure de Maya l'abeille*) and *Joker*, and the launch of the eCinéma label for films that go straight to VOD instead of general release in cinemas (such as *The Age of Adaline*).

Current operating profit at TF1 Vidéo was up slightly year-on-year (by €0.3 million), mainly on growth in VOD.

HOME SHOPPING

The Home Shopping business generated revenue of €84.1 million in 2015, down 4.2% year-on-year. The number of orders booked by the flagship Téléshopping brand was down 5.2% year-on-year. However, other activities saw further growth, both in the Infomercials partnership with Venteo and the retail stores business, which opened two new stores in 2015 (at Créteil and Strasbourg), taking the total number of outlets to 7.

Full-year current operating profit was €3.1 million, down €0.1 million year-on-year.

TF1 ENTREPRISES

Full-year revenue at TF1 Entreprises surged by 7.8% year-on-year to €70.5 million. All of the businesses performed well:

The Licences business was lifted since the start of the year by the launch of the Française des Jeux/Koh Lanta scratchcard, but faced tougher competition in kids' brands and less favourable programming schedules compared with 2014.

The Games business was boosted by sales of *Chrono Bomb*, both in France and internationally, and by new releases (*Tresor Detector* and *Saut' Qui Peut*).

Publishing continues to be a success, thanks to the *Tintin* collection and further growth in international activities (*Marvel, Laurel & Hardy*).

Finally, the Music business was boosted by good results in music publishing (*NRJ Music Awards, Stars 80*, etc.), while the *Harry Potter* exhibition proved a great success, attracting just over 470,000 visitors.

Current operating profit reached €11.3 million, up €0.7 million year-on-year.

PAY-TV

Revenue *(€m)*	2015	2014	Chg. %
Eurosport France	**17.8**	**65.7**	**-72.9%**
Advertising	1.3	6.9	-81.2%
Other revenue	16.5	58.8	-71.9%
Theme Channels France	**54.8**	**59.5**	**-7.9%**
Advertising	7.6	8.3	-8.4%
Other revenue	47.2	51.2	-7.8%
PAY-TV	**72.6**	**125.2**	**-42.0%**

Current operating profit/ (loss) *(€m)*	2015	2014	Chg. €m
Eurosport France	**33.7**	**4.1**	**+29.6**
Theme Channels France	**0.0**	**(2.6)**	**+2.6**
PAY-TV	**33.7**	**1.5**	**+32.2**

Eurosport France was sold to Eurosport SAS on March 31, 2015, and continued to be consolidated until that date.

Pay-TV segment revenue for 2015 as a whole was down €52.6 million at €72.6 million, reflecting the fact that the revenue from Eurosport France is no longer consolidated with effect from April 1, 2015.

Current operating profit for the year, which includes the gain arising on the deconsolidation of Eurosport France, reached €33.7 million, an increase of €32.2 million.

EUROSPORT FRANCE

Eurosport France was included in the consolidation up to and including March 31, 2015, the date on which Eurosport SAS acquired 100% of its capital.

Only the revenue generated by Eurosport France in the first quarter of the year (€17.8 million) is included in the 2015 full-year revenue figure.

Operating profit amounted to €33.7 million, including the current operating result for the first quarter and the gain arising on the deconsolidation of Eurosport France.

In 2014, Eurosport generated €65.7 million of revenue and an operating profit of €4.1 million.

THEME CHANNELS FRANCE[1]

French Pay-TV channels as a whole attracted an audience share of 9.9% during 2015 as a whole, versus 10.7% a year earlier. Pay-TV offerings are facing competition from the continuing growth of free-to-air DTT.

The Group's theme channels posted revenue of €54.8 million in 2015, down 7.9% (€4.7 million) year-on-year. The main impact was €3.6 million in lost revenue resulting from the shutdown of the Stylía channel on December 31, 2014, plus lower revenue from the LCI channel.

A €2.6 million improvement in current operating performance enabled the French theme channels to break even in 2015. This reflects a reduction in the cost base of the Pay-TV channels and the shutdown of Stylía (which posted a slight loss in 2014).

On October 1, 2015 the TF1 group announced that under the terms of its partnership with Discovery Communications it had completed the buyout of Discovery's 20% equity interest in Histoire, Ushuaïa and TV Breizh. With effect from that date, TF1 owns a 100% interest in those three channels (see note 1.2 to the consolidated financial statements).

LCI

LCI's editorial stance remains focused on analysis and explanation of news stories. The channel continues to offer strong brands like *Le Club LCI* and the first news programme for kids, *Le petit JT*. The channel had an audience share of 0.4% of individuals aged 4 and over in 2015, and posted a fall in revenue in 2015.

However, cost reductions enabled the channel to peg its operating losses at virtually the same level as in the previous year.

In 2015, LCI was broadcast on DTT Pay-TV, and renewed its distribution agreements with operators.

On December 17, 2015, the CSA (the French broadcasting regulator) approved the switchover of LCI to freeview from January 2016, subject to undertakings.

TV BREIZH

As the leading general interest mini-channel among viewers with access to an extended bundle of programmes, TV Breizh confirmed its role as a leading player in Pay-TV. For 2015 as a whole, the channel had an audience share of 1.3% among individuals aged 4 and over and 1.4% among "women aged under 50 purchasing decision-makers".

Thanks to this performance, TV Breizh posted a rise in revenues during 2015. Profitability also improved sharply year-on-year thanks to editorial repositioning and optimisation of programming costs.

HISTOIRE, USHUAÏA, STYLÍA

Histoire and Ushuaïa had a combined audience share of 0.3% among individuals aged 4 and over in 2015.

Although revenue for these two channels rose during the year, revenue for the "Découverte" unit was down slightly year-on-year due to the shutdown of the Stylía channel on December 31, 2014. However, the unit posted an increase in operating profit.

Ushuaïa TV increased its share among individuals aged 4 and over by 16% year-on-year, vindicating an editorial policy emphasising adventure and discovery. The channel celebrated its tenth anniversary in March 2015, and highlighted environmental issues throughout the year ahead of the 2015 Paris Climate Conference.

Histoire is continuing to focus on its editorial policy and on building awareness of its brand as the gold standard history channel on cable, satellite and ADSL.

HOLDING COMPANY AND OTHER

Revenue *(€m)*	2015	2014	Chg. %
Holding company and other	0.0	8.2	-100.0%

Current operating profit/ (loss) *(€m)*	2015	2014	Chg. €m
Holding company and other	14.7	48.5	(33.8)

On October 30, 2014 the TF1 group sold its Onecast transmission business, previously included in the "Holding Company and Other" segment.

This segment generated no revenue in 2015.

Current operating profit, which now derives solely from property entities, amounted to €14.7 million in 2015.

3.1.2 OUTLOOK

Given the poor visibility for 2016 and the absence of any lasting improvement in the French economy, the net television advertising market is likely to remain flat.

The Group will continue to keep close control over the cost of programmes for its five free-to-air channels (including LCI), with the overall cost for 2016 expected to be in the region of €980 million excluding major sporting events.

In 2016, the Group estimates that the amount of non-current expenses could be in the region of €50 million in its news operations (launch of LCI as a freeview channel) and in production (integration of Newen Studios).

During 2016, the TF1 group will continue to evolve the business model of its channels, accelerate digital transformation across all its business areas, and implement the switchover of the LCI news channel to freeview. The acquisition of Newen Studios will boost the Group's efforts to explore new opportunities for development in production and content.

(1) *Médiamat'Thématik (wave 29, January-June 2015), Pay-TV universe, except for cumulative Pay-TV channel figures: Médiamat – cumulative January to December 2015.*

3.1.3 POST BALANCE SHEET EVENTS

Post balance sheet events are detailed in the notes to the consolidated financial statements, chapter 4, page 190 of this registration document and annual financial report

3.1.4 THE ROLE OF TF1 *VIS-A-VIS* ITS SUBSIDIARIES AND RELATIONS WITH THE PARENT COMPANY

The positions held by TF1 Executive Directors in the principal subsidiaries are disclosed on page 15 of the registration document and annual financial report.

The TF1 group comprises about 40 directly or indirectly owned operating subsidiaries (see the organization chart on page 230 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 310 of the registration document and annual financial report and to the Statutory Auditors' report on such agreements and commitments (page 219 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 310 of the registration document and annual financial report and to the Statutory Auditors' report on such agreements and commitments (page 219 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 2015, TF1 SA (the parent company) generated revenue of €1,230.2 million (down 2.5% versus 2014), comprising €1,218.8 million of advertising revenue (down 2.4% versus 2014). Operating profit for the year increased by €40.1 million to €78.1 million. The parent company reported net financial profit of €16.7 million 2015 (versus €18 in.1 million in 2014). Net profit for the year was €402.2 million, versus €293.7 million in 2014.

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 €292,748 in the year ended December 31, 2015. 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, 2015 and, having noted the existence of distributable profits of €579,323,557.89, comprising net profit for the period of €402,220,763.48 and retained earnings of €177,102,794.41, to appropriate this sum as follows, as proposed by the Board of Directors:

- distribution of a cash dividend of €168,417,253.60 (*i.e.* a dividend of €0.80 per €0.20 par value share);
- the balance of €410,906,304.29 to be carried forward as retained earnings.

The ex-date of the dividend on the Euronext Paris market will be April 22, 2016. 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 25, 2016. The payment date of the dividend will be April 26, 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, 2012	€0.55
December 31, 2013	€0.55
December 31, 2014	€1.50

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, 2015**	**Dec. 31, 2014**
Total trade creditors	**213.9**	**253.5**
Total trade creditors used in the analysis*	**176.7**	**213.5**
Of which non past due	173.5	210.0
Of which past due	3.2	3.5
Of which past due by less than 30 days	*2.4*	*1.4*
Of which past due by between 30 and 90 days	*0.7*	*1.3*
Of which past due by more than 90 days	*0.1*	*0.8*

* *The trade creditors total included in the analysis as of December 31, 2015 comprises all trade creditors except for trade bills payable, which amounted to €37.2 million (compared with €40.0 millions of December 31, 2014).*

3.1.6 PRINCIPAL ACQUISITIONS AND DIVESTMENTS

SALE OF A 49% INTEREST IN EUROSPORT SAS TO DISCOVERY COMMUNICATIONS

On October 1, 2015, the TF1 group sold its remaining 49% equity interest in Eurosport SAS to Discovery Communications (see note 4-9.).

BUYOUT OF A 20% INTEREST IN PREFAS 18 FROM DISCOVERY COMMUNICATIONS

Also on October 1, 2015, the TF1 group bought out the 20% equity interest held by Discovery Communications in Prefas 18, the holding company which owns the TV Breizh, Histoire et Ushuaïa TV Pay-TV channels.

Those channels are now 100% owned by the TF1 group, *via* Prefas 18 (see note 3-3).

ACQUISITION OF NEWEN STUDIOS

On November 9, 2015, TF1 signed an agreement with Newen Studios with a view to the acquisition by TF1 of a 70% equity interest in Newen Studios (the parent company of the Newen group). The existing shareholders, including the management team, are retaining a 30% interest as part of a medium/long-term partnership.

The acquisition was completed on January 26, 2016 and has no material impact on the 2015 consolidated financial statements.

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 93-104 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 257-304 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 229-256 of the present registration document and annual financial report.

3.3 STATEMENT OF COMPANY OPERATIONS OVER THE LAST FIVE BUSINESS YEARS

Nature of indicators	2011	2012	2013	2014	2015
I – End of year financial position					
a) Company capital	42,206,601	42,124,864	42,252,003	42,305,753	42,104,313
b) Number of shares issued	211,033,003	210,624,321	211,260,013	211,528,764	210,521,567
c) Number of convertible bonds					
II – Overall operational results					
a) Turnover excluding taxes	1,447,246,247	1,356,804,475	1,275,062,633	1,261,075,386	1,230,237,072
b) Profits before tax, employee participation, liquidations and provisions	210,521,154	101,904,156	121,264,543	332,626,169	450,042,223
c) Tax on profits	45,163,305	17,693,069	16,963,332	11,209,366	31,059,106
d) Employee participation	4,620,881	1,761,302	312,086	0	5,614,408
e) Profits after tax, employee participation, liquidations and provisions	114,484,653	120,521,749	16,937,938	293,720,236	402,220,763
f) Amount of profits distributed	116,013,152	115,658,171	116,193,007	317,293,146	168,417,253.60
				(1)	(1)
III – Operational results per share					
a) Profits after tax and employee participation but before liquidations and provisions	0.76	0.39	0.49	1.52	1.96
b) Aggregate employment earnings	0.54	0.57	0.08	1.39	1.91
c) Expenditure on benefits	0.55	0.55	0.55	1.50	0.80(1)
				(1)	(1)
IV – Employees					
a) Number of employees(2)	1.633	1.562	1.636	1.614	1.614
b) Total payroll costs(3)	132.979.533	147.100.157	130.600.972	123.845.778	127.610.849
c) Total of employee benefit costs	61.269.845	67.676.216	60.215.561	59.166.665	56.793.756

(1) Dividend submitted for approval to the General Meeting.
(2) Permanent Contracts until December 31, 2012; average number of employees from December 31, 2013.
(3) Included expenses to be cashed out.

4

FINANCIAL STATEMENT 2015 AFR

The consolidated financial statements of the TF1 group for the year ended December 31, 2015 should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2014 and the year ended December 31, 2013, prepared in accordance with international financial reporting standards, as presented in the 2014 French-language *Document de Référence* filed with the Autorité des Marchés Financiers (AMF) on March 10, 2015 under reference number D.15-0115. An English-language version of the audited consolidated financial statements for the year ended December 31, 2014 is included in the TF1 registration document, available on the TF1 corporate website at: http://medias.groupe-tf1.fr/documents/finance/document-de-reference/2014/DDR_2014_VDEF.pdf.

4.1 CONSOLIDATED FINANCIAL STATEMENTS

4.1.1 CONSOLIDATED INCOME STATEMENT

(€m)	Note	FY 2015	FY 2014
Advertising revenue		1,554.2	1,575.5
Other revenue		450.1	516.3
Revenue	*4.3*	**2,004.3**	**2,091.8**
Other income from operations		-	0.3
Purchases consumed and changes in inventory	*4.4*	(1,017.6)	(1,119.1)
Staff costs	*5.1*	(327.4)	(332.4)
External expenses	*5.2*	(341.0)	(362.4)
Taxes other than income taxes	*5.3*	(124.0)	(126.2)
Depreciation and amortisation, net		(56.5)	(55.4)
Provisions and impairment, net		11.7	10.0
Other current operating income	*5.4*	106.3	120.8
Other current operating expenses	*5.4*	(97.8)	(110.9)
Current operating profit/(loss)		**158.0**	**116.5**
Non-current operating income		-	-
Non-current operating expenses	*5.5*	(16.8)	-
Operating profit/(loss)		**141.2**	**116.5**
Income associated with net debt		1.2	1.2
Expenses associated with net debt		(0.1)	(0.1)
Cost of net debt	*5.6*	**1.1**	**1.1**
Other financial income	*5.7*	0.8	0.6
Other financial expenses	*5.7*	(4.0)	(0.3)
Income tax expense	*5.9*	(42.3)	(29.8)
Share of profits/(losses) of joint ventures and associates	*7.3.4*	6.5	15.0
Net profit/(loss) from continuing operations		**103.3**	**103.1**
Net profit/(loss) from discontinued or held-for-sale operations	*5.10*	**-**	**315.9**
NET PROFIT/(LOSS)		**103.3**	**419.0**
Attributable to the Group:		***99.9***	***412.7***
Net profit/(loss) from continuing operations		*99.9*	*99.9*
Net profit/(loss) from discontinued or held-for-sale operations		-	*312.8*
Attributable to non-controlling interests:		***3.4***	***6.3***
Net profit/(loss) from continuing operations		*3.4*	*3.2*
Net profit/(loss) from discontinued or held-for-sale operations		-	*3.1*
Weighted average number of shares outstanding (in '000)		210,786	211,396
Basic earnings per share from continuing operations (€)	*7.4.2*	0.47	0.47
Diluted earnings per share from continuing operations (€)	*7.4.2*	0.47	0.47
Basic earnings per share from held-for-sale operations (€)	*7.4.2*	-	1.48
Diluted earnings per share from held-for-sale operations (€)	*7.4.2*	-	1.47

4.1.2 STATEMENT OF RECOGNISED INCOME AND EXPENSE

(€m)	FY 2015	FY 2014
Consolidated net profit/(loss) for period	**103.3**	**419.0**
Items not reclassifiable to profit or loss		
Actuarial gains and losses on employee benefits	(3.5)	(6.3)
Net tax effect of equity items not reclassifiable to profit or loss	1.2	2.2
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)]	(2.2)	6.9
Remeasurement of available-for-sale financial assets	-	-
Change in cumulative translation adjustment of controlled entities	-	-
Net tax effect of equity items reclassifiable to profit or loss	0.8	(2.5)
Share of reclassifiable income and expense of joint ventures and associates recognised in equity	0.6	0.7
Income and expense recognised directly in equity	**(3.1)**	**1.0**
TOTAL RECOGNISED INCOME AND EXPENSE	**100.2**	**420.0**
Attributable to the Group	***96.8***	***413.7***
Attributable to non-controlling interests	*3.4*	*6.3*

(1) Includes amounts reclassified to profit or loss: -€6.5 million in 2015, -€0.4 million in 2014.

4.1.3 CONSOLIDATED CASH FLOW STATEMENT

(€m)	Note	FY 2015	FY 2014
Net profit/(loss) from continuing operations (including non-controlling interests)		103.3	103.1
Depreciation, amortisation, provisions & impairment (excluding current assets)	6.2.1	54.1	50.1
Net (gain)/loss on asset disposals		(32.4)	(31.0)
Share of (profits)/losses and dividends of joint ventures and associates		7.9	(8.3)
Other non-cash income and expenses	6.2.2	(10.1)	(14.1)
Sub-total		**122.8**	**99.8**
Cost of net debt		(1.1)	(1.1)
Income tax expense (including deferred taxes)		42.3	29.8
Operating cash flow		**164.0**	**128.5**
Income taxes (paid)/reimbursed		(35.1)	(33.1)
Change in operating working capital needs		8.4	12.7
Net cash generated by/(used in) operating activities		**137.3**	**108.1**
Cash outflows on acquisitions of property, plant & equipment and intangible assets		(57.6)	(36.9)
Cash inflows from disposals of property, plant & equipment and intangible assets		0.2	0.4
Cash outflows on acquisitions of financial assets		(6.2)	(9.3)
Cash inflows from disposals of financial assets		-	-
Effect of changes in scope of consolidation	6.3.1	494.5	306.0
Purchase price of investments in consolidated activities		-	-
Proceeds from disposals of consolidated activities		*526.9*	*307.5*
Net liabilities related to consolidated activities		-	-
Other cash effects of changes in scope of consolidation		*(32.4)*	*(1.5)*
Dividends received	6.3.2	0.2	30.4
Other cash flows from investing activities	6.3.3	1.7	25.5
Net cash generated by/(used in) investing activities		**432.8**	**316.1**
Cash received on exercise of stock options	7.4.6	4.5	1.6
Purchases and sales of treasury shares	6.4.1	(40.0)	-
Other transactions between shareholders	6.4.2	(14.6)	-
Dividends paid during the period	7.4.5	(317.3)	(117.2)
Cash inflows from new debt contracted		0.1	-
Repayment of debt (including finance leases)		(1.3)	(2.6)
Net interest paid (including finance leases)		1.1	1.1
Net cash generated by/(used in) financing activities		**(367.5)**	**(117.1)**
CHANGE IN CASH POSITION – CONTINUING OPERATIONS		**202.6**	**307.1**
Cash position at start of period – continuing operations		**498.2**	**191.1**
Change in cash position during the period – continuing operations		202.6	307.1
Cash position at end of period – continuing operations		**700.8**	**498.2**
CHANGE IN CASH POSITION – DISCONTINUED/HELD-FOR-SALE OPERATIONS:			
Cash position at start of period – Discontinued or held-for-sale operations	**3.3**	**-**	**69.6**
Change in cash position – Discontinued or held-for-sale operations(a)	3.3		(34.5)
Deconsolidation of held-for-sale operations	3.3		(35.1)
Cash position at end of period – Discontinued or held-for-sale operations	**3.3**	**-**	**-**

4.1.4 CONSOLIDATED BALANCE SHEET

Assets *(€m)*	Note	Dec. 31, 2015	Dec. 31, 2014
Goodwill	*7.3.1*	**431.6**	**473.8**
Intangible assets		**125.2**	**108.3**
Audiovisual rights	*7.1.1*	65.0	46.8
Other intangible assets	*7.3.2*	60.2	61.5
Property, plant and equipment	*7.3.3*	**170.1**	**176.3**
Investments in joint ventures and associates	*7.3.4*	**84.8**	**581.8**
Non-current financial assets	*7.3.5*	**30.1**	**29.2**
Non-current tax assets		**-**	**-**
Total non-current assets		**841.8**	**1,369.4**
Inventories		**726.9**	**694.3**
Programmes and broadcasting rights	*7.1.2*	713.4	678.5
Other inventories		13.5	15.8
Trade and other debtors	*7.2.1*	**937.4**	**1,136.6**
Current tax assets		**-**	**15.0**
Other current financial assets		**4.5**	**7.3**
Cash and cash equivalents	*7.5.1*	**703.1**	**501.4**
Total current assets		**2,371.9**	**2,354.6**
Assets of held-for-sale operations		**-**	**-**
TOTAL ASSETS		**3,213.7**	**3,724.0**
Net surplus cash (+)/Net debt (-)	**7.5.1**	**700.8**	**497.0**

Shareholders' equity and liabilities *(€m)*	Note	Dec. 31, 2015	Dec. 31, 2014
Share capital	7.4.1	42.1	42.3
Share premium and reserves		1,599.7	1,548.4
Net profit/(loss) for the period attributable to the Group		99.9	412.7
Shareholders' equity attributable to the Group		**1,741.7**	**2,003.4**
Non-controlling interests		20.1	36.5
Total shareholders' equity		**1,761.8**	**2,039.9**
Non-current debt		-	-
Non-current provisions	7.3.6	51.3	48.4
Non-current tax liabilities	5.9.2	11.8	31.5
Total non-current liabilities		**63.1**	**79.9**
Current debt	7.5.1	2.3	4.4
Trade and other creditors	7.2.2	1,339.7	1,566.5
Current provisions	7.2.3	36.6	33.3
Current tax liabilities		10.2	-
Other current financial liabilities		-	-
TOTAL CURRENT LIABILITIES		**1,388.8**	**1,604.2**
Liabilities of held-for-sale operations		-	-
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES		**3,213.7**	**3,724.0**

4.1.5 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, 2013	**42.2**	**5.8**	**-**	**1,661.5**	**(5.8)**	**1,703.7**	**130.5**	**1,834.2**
Capital increase (stock 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**
Capital increase (stock options exercised)	0.1	4.4	-	-	-	4.5	-	4.5
Share-based payment	-	-	-	1.3	-	1.3	-	1.3
Purchase of treasury shares	-	-	(40.0)	-	-	(40.0)	-	(40.0)
Cancellation of treasury shares	(0.3)	-	-	-	-	(0.3)	-	(0.3)
Dividends paid	-	-	-	(317.3)	-	(317.3)	-	(317.3)
Other transactions with shareholders	-	-	-	(9.6)	-	(9.6)	(5.0)	(14.6)
Total transactions with shareholders	**(0.2)**	**4.4**	**(40.0)**	**(325.6)**	**-**	**(361.4)**	**(5.0)**	**(366.4)**
Consolidated net profit/(loss) for period	**-**	**-**	**-**	**99.9**	**-**	**99.9**	**3.4**	**103.3**
Income and expense recognised directly in equity	**-**	**-**	**-**	**-**	**(3.1)**	**(3.1)**	**-**	**(3.1)**
Other movements (changes in accounting policy and scope of consolidation, other items)	-	-	-	2.9	-	2.9	(14.8)	(11.9)
BALANCE AT DECEMBER 31, 2015	**42.1**	**11.7**	**(40.0)**	**1,735.8**	**(7.9)**	**1,741.7**	**20.1**	**1,761.8**

Refer to note 7-4, "Consolidated shareholders' equity", for an analysis of these changes.

4.2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Table of Contents - Notes

NOTE 1 SIGNIFICANT EVENTS OF THE YEAR

1.1 ACQUISITION OF NEWEN

On November 9, 2015, TF1 signed an agreement with Newen Studios with a view to the acquisition by TF1 of a 70% equity interest in Newen Studios (the parent company of the Newen group). The existing shareholders, including the management team, are retaining a 30% interest as part of a medium/long-term partnership.

The acquisition was completed on January 26, 2016 ("Events after the reporting period"), and has no material impact on the 2015 consolidated financial statements.

1.2 AGREEMENT TO SELL THE 49% EQUITY INTEREST IN THE EUROSPORT GROUP

On July 22, 2015, pursuant to the agreements dated May 30, 2014, the TF1 and Discovery Communications groups mutually agreed that TF1 would:

- exercise its put option over its 49% interest in the Eurosport group for €490.5 million;
- buy back from Discovery earlier than initially planned the latter's 20% interest in the Pay-TV channels TV Breizh, Histoire and Ushuaïa for €14.6 million.

Completion of these transactions took place on October 1, 2015 and had no material impact on the income statement for the year ended December 31, 2015.

This new agreement extinguished, with effect from July 22, 2015, the previous reciprocal commitments between the two groups.

1.3 SALE OF EUROSPORT FRANCE

On March 31, 2015, in accordance with the agreements between TF1 and Discovery Communications signed in January 2014 and following the surrender of Eurosport France's DTT Pay-TV licence at the start of 2015, the TF1 group sold the whole of its remaining 80% equity interest in Eurosport France to Eurosport SAS.

This loss of control resulted in the deconsolidation of the contribution from Eurosport France in the consolidated financial statements for the year ended December 31, 2015, generating a gain that was reported in "Other current operating income" as part of the operating profit of the Pay-TV segment.

NOTE 2 ACCOUNTING PRINCIPLES AND POLICIES

Accounting policies

Accounting policies are described in text boxes within the relevant notes to the financial statements.

2.1 DECLARATION OF COMPLIANCE AND BASIS OF PREPARATION

The consolidated financial statements of the TF1 group for the year ended December 31, 2015 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 comply with recommendation no. 2009-R-03 on the presentation of financial statements, as issued by the CNC (the French national accounting standard-setter, now known as the ANC) on July 2, 2009.

The consolidated financial statements are presented in millions of euros.

They were adopted by the Board of Directors on February 17, 2016, and will be submitted for approval by the shareholders at the forthcoming Ordinary General Meeting to be held on April 14, 2016.

2.2 NEW AND AMENDED IFRS 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, 2015

In preparing its consolidated financial statements for the year ended December 31, 2015, 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, 2014, plus any new standards, amendments and interpretations applicable from January 1, 2015.

The principal new IFRS standards, amendments and interpretations effective within the European Union and mandatorily applicable or permitted for early adoption with effect from January 1, 2015 are:

IFRIC 21 – Levies: effective date January 1, 2015; endorsed by the European Union on June 13, 2014. IFRIC 21, which is mandatorily applicable from January 1, 2015, has no material effect on the shareholders' equity of the TF1 group, but affects the timing of the recognition of certain levies (such as C3S and land taxes) during interim accounting periods.

The effects of first-time application of IFRIC 21 during 2015 were disclosed in note 2.2.1 to the 2014 consolidated financial statements as published in the 2014 registration document, and are reproduced below:

	Operating profit		Net profit		Effects of IFRIC 21	
(€m)	2014 published	2014 restated	2014 published	2014 restated	Operating profit	Net profit
First quarter	10.9	6.9	16.4	13.9	4.0	2.5
First half	24.2	21.7	327.3	325.7	2.5	1.6
9 months	31.8	30.7	347.7	347.0	1.1	0.7
Full year	116.5	116.5	419.0	419.0	N/S	N/S

The TF1 group has 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, 2015.

2.2.2 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, 2016

Amendment to IAS 16 and IAS 38 (clarification of acceptable methods of depreciation and amortisation): endorsed by the European Union on December 2, 2015, analysis currently being finalised, no material impact on the financial statements at this stage.

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

Standard	IASB effective date	Expected impact on the TF1 group
IFRS 15: Revenue from Contracts with Customers	January 1, 2018	On May 28, 2014, the IASB issued a new standard on revenue recognition intended to replace most of the current IAS 18 and IAS 11. The new standard, which has not yet been endorsed by the European Union, is applicable from January 1, 2018 with early adoption permitted. The impact of this standard is currently under review.
IFRS 9: Financial Instruments: Classification and Measurement	January 1, 2018	On July 24, 2014, the IASB issued a new standard on financial instruments intended to replace most of the current pronouncements on this subject, especially IAS 39. The new standard, which has not yet been endorsed by the European Union, is applicable from January 1, 2018.
IFRS 16: Leases	January 1, 2019	The impact of this standard is currently under review.

2.3 CHANGES IN ACCOUNTING POLICY

TF1 did not make any changes in accounting policy during 2015, other than those required to comply with IFRS requirements applicable on or after January 1, 2015 (see note 2-2-1), which have no material impact on the financial statements.

2.4 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. In addition, the Group uses estimates and assumptions, regarded as realistic and reasonable, for the remeasurement of assets, liabilities, income and expenses; those estimates and assumptions may have a material impact on the amounts reported in the financial statements. Subsequent events or circumstances may result in changes to these estimates or assumptions, which could affect the value of the Group's assets, liabilities, equity or net profit.

Accounting policies applied to balance sheet items that require the use of estimates are indicated in the relevant notes to the financial statements. Estimates are used in particular for goodwill, audiovisual and broadcasting rights, and revenue recognition.

NOTE 3 SCOPE OF CONSOLIDATION: SIGNIFICANT CHANGES AND HELD-FOR-SALE OPERATIONS

Accounting policy: 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 the 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 7-3-1. 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 7-3-5) 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.

The consolidated financial statements of the TF1 group for the year ended December 31, 2015 include the financial statements of the companies listed in note 9-5.

3.1 SIGNIFICANT CHANGES IN SCOPE OF CONSOLIDATION IN CURRENT YEAR

- Eurosport group: following the sale on October 1, 2015 of the 49% stake in the Eurosport group, that investment (previously accounted for as an associate by the equity method) has been deconsolidated; see note 1, "Significant events of the year".
- Eurosport France: following the sale of the TF1 group's entire 80% equity interest in Eurosport France (see note 1, "Significant events of the year"), that entity has been deconsolidated with effect from March 31, 2015.
- Prefas 18 and the Pay-TV channels TV Breizh, Histoire and Ushuaïa TV: these entities are now 100% owned by the TF1 group following the buyout on October 1, 2015 of the 20% interest held by the Discovery group. This transaction generated a loss of €9.3 million, recognised in consolidated shareholders' equity.

3.2 SIGNIFICANT CHANGES IN SCOPE OF CONSOLIDATION IN PRIOR YEAR

Eurosport SAS

Following the sale of a 31% interest in Eurosport SAS on May 30, 2014, the TF1 group ceased to exercise exclusive control over Eurosport SAS and its international subsidiaries. Consequently, those entities were deconsolidated with effect from that date.

The TF1 group retained 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 same date (see note 7-3-4, "Investments in joint ventures and associates").

Onecast

On October 30, 2014, the TF1 group completed the sale of 100% of the share capital of its subsidiary Onecast to the ITAS group. Onecast, previously accounted for by the full consolidation method, was deconsolidated with effect from that date.

Onecast generated revenue of €8.2 million in the first ten months of 2014 (versus €9.1 million for the year ended December 31, 2013), and operating profit of €2.2 million in the same period (versus €1.9 million for the year ended December 31, 2013).

3.3 HELD-FOR-SALE OPERATIONS

Accounting policy

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 the criteria for classification as a held-for-sale asset are met or it has been sold by the TF1 group.

Discontinued or held-for-sale operations are reported on a single line in the income statement for all the periods 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 fair value less costs to sell, at the time of initial classification of those net assets as held-for-sale; and**
- **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 the notes to the financial statements (see below).

In line with the accounting treatment applied from December 31, 2013 until May 30, 2014 – the date when the TF1 group sold an additional 31% interest in Eurosport International (Eurosport group excluding Eurosport France) to Discovery Communications – the activities of Eurosport International have been presented as a held-for-sale operation.

INCOME STATEMENT OF EUROSPORT INTERNATIONAL, TREATED AS A HELD-FOR-SALE OPERATION UNTIL MAY 30, 2014

(€m)	**5 months 2014**
Revenue	**159.5**
Operating expenses	(133.7)
Operating profit	**25.8**
Cost of net debt	0.1
Other financial income and expenses	-
Income tax expense	(9.3)
NET PROFIT	**16.4**

CASH FLOWS OF EUROSPORT INTERNATIONAL, TREATED AS A HELD-FOR-SALE OPERATION UNTIL MAY 30, 2014

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

NOTE 4 SEGMENT INFORMATION

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 segmental 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 and the Internet, and (until July 3, 2015, when this activity was discontinued) on 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 in 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

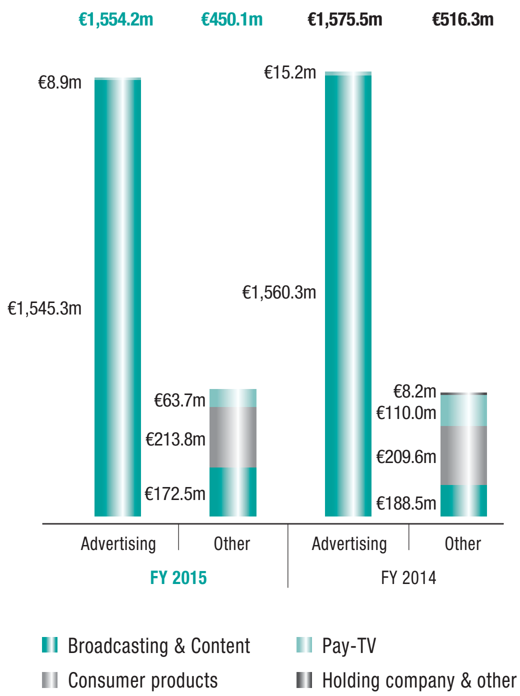
This segment includes all paid-for services accessible *via* third-party operators. Revenues from these activities are generated mainly by the fees negotiated with and collected from cable, satellite and ADSL operators for access to the Pay-TV channels produced by the TF1 group. The customer is an operator 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. This segment included the LCI channel up to and including December 31, 2015.

Holding company and other

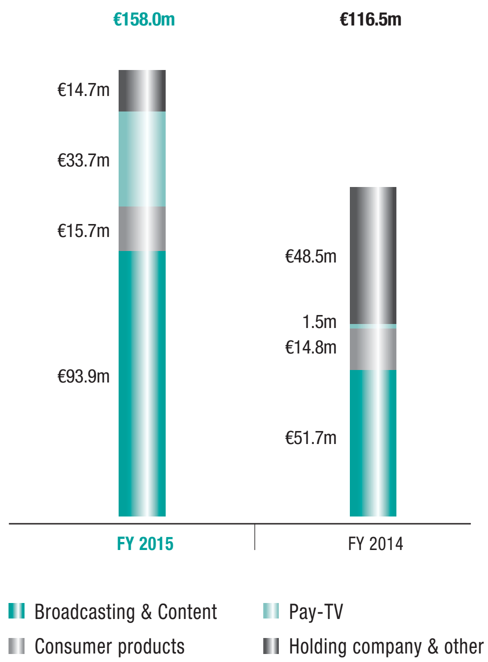
This segment contains entities with no operational activities and entities that carry the Group's property assets.

4.1 INFORMATION BY OPERATING SEGMENT

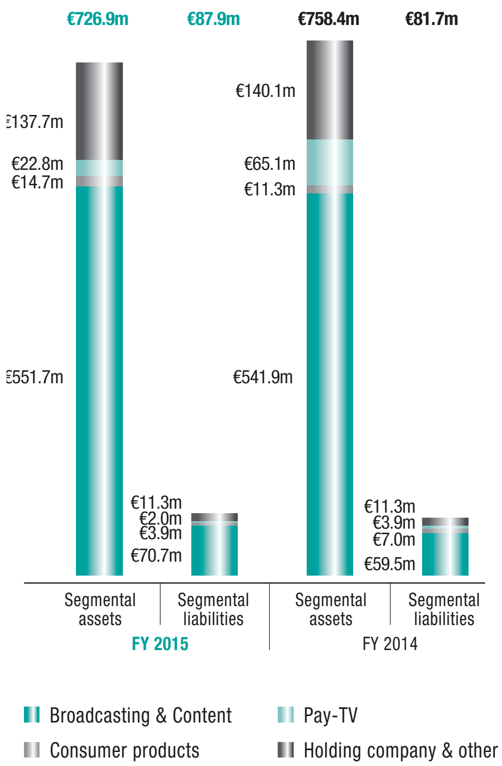
SALES REVENUES



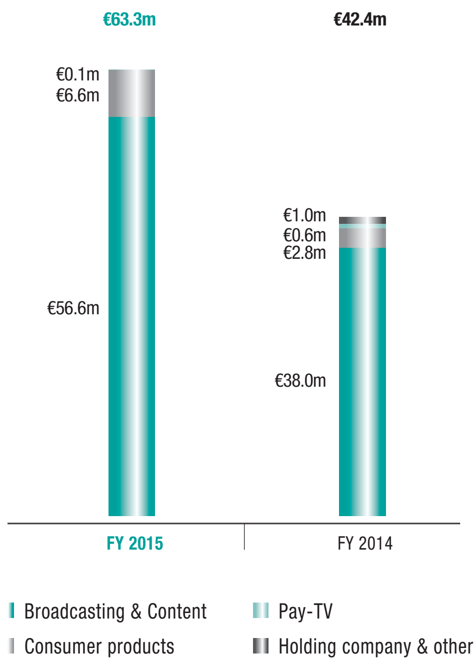
OPERATING PROFIT



SEGMENTAL ASSETS AND LIABILITIES



GROSS OPERATING INVESTMENTS



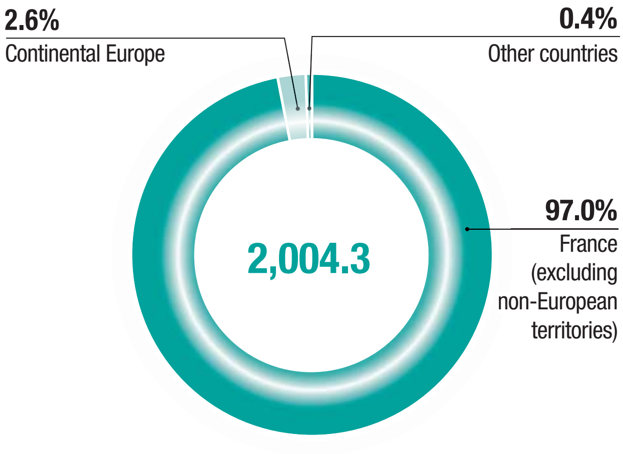
Segmental assets include audiovisual rights, other intangible assets, goodwill, and property, plant and equipment.

Segmental liabilities include current and non-current provisions.

The year-on-year change in operating profit for the Pay-TV segment is mainly due to the gain on the disposal of the interest in Eurosport France in 2015, while the year-on-year change in operating profit for the "Holding company and other" segment is mainly due to the gain recognised in 2014 on the sale of Onecast.

4.2 INFORMATION BY GEOGRAPHICAL SEGMENT

Revenue is generated mainly in France (see chart below); there was no significant year-on-year change in the geographical split of sales.



	Revenue	
(€m)	**2015**	**2014**
France (excluding non-European territories)	1,944.3	2,021.9
Continental Europe	53.1	57.2
Other countries	6.9	12.7
TOTAL	**2,004.3**	**2,091.8**

France accounts for the vast majority of the Group's assets and capital expenditure; the amounts for other geographical segments are immaterial.

4.3 OPERATING REVENUES

Accounting policy:

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.**

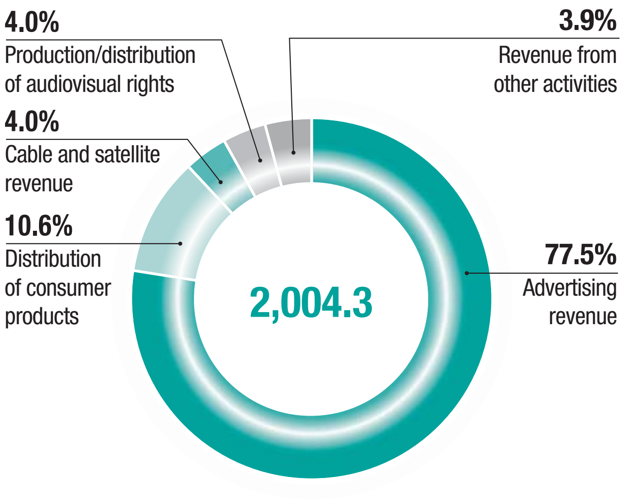
The specific revenue recognition policies applied to each business line are as follows:

- **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.

Operating revenues comprise:



(€m)	2015	2014
Advertising revenue	1,554.2	1,575.5
Distribution of consumer products	213.2	209.6
Cable and satellite revenue	80.6	122.0
Production/distribution of audiovisual rights	79.7	78.5
Revenue from other activities	76.6	106.2
Revenue	**2,004.3**	**2,091.8**
Royalty income	-	0.3
Operating revenues	**2,004.3**	**2,092.1**

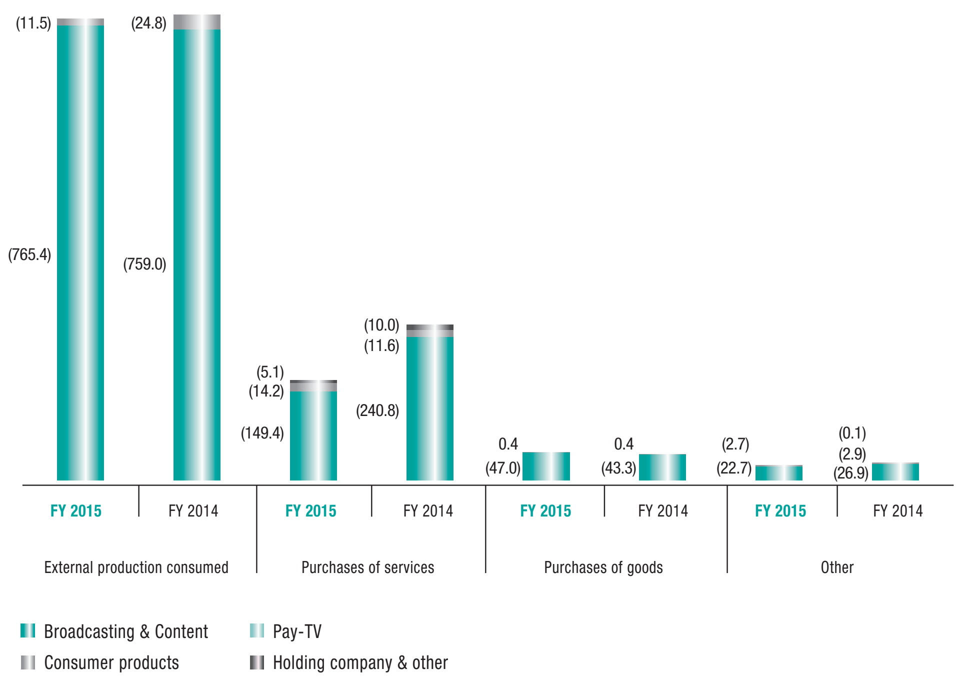
4.4 PURCHASES CONSUMED AND CHANGES IN INVENTORY

This item breaks down as follows:

(€m)	2015	2014
External production consumed[(1)]	(776.9)	(783.8)
Purchases of services[(2)]	(168.7)	(262.5)
Purchases of goods	(46.6)	(42.9)
Other items	(25.4)	(29.9)
Other purchases consumed and changes in inventory	**(1,017.6)**	**(1,119.1)**

(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, Histoire, Ushuaïa TV, Sérieclub, TF6 and Stylía (in 2014).
(2) The "Purchases of services" line includes the cost of the broadcasting rights for the FIFA World Cup in 2014, and the Rugby World Cup in 2015.

PURCHASES CONSUMED AND CHANGES IN INVENTORY BY OPERATING SECTOR

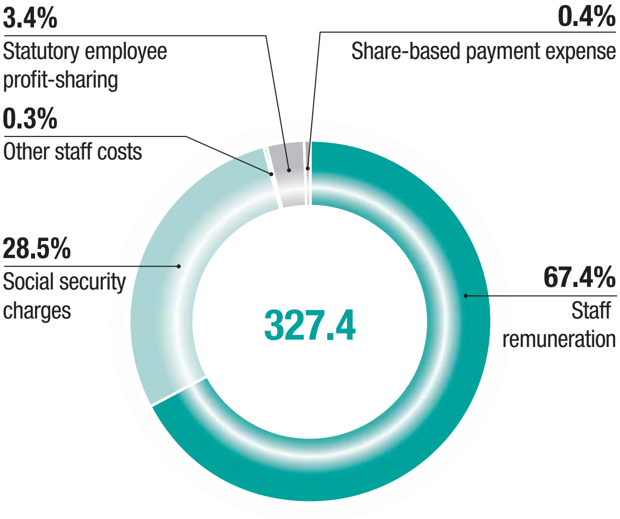


NOTE 5

NOTES TO THE CONSOLIDATED INCOME STATEMENT

5.1 STAFF COSTS

Staff costs break down as follows:



(€m)	2015	2014
Staff remuneration	(220.7)	(227.8)
Social security charges	(93.3)	(97.2)
Other staff costs	(1.0)	(2.0)
Statutory employee profit-sharing	(11.1)	(4.8)
Share-based payment expense	(1.3)	(0.6)
Staff costs	**(327.4)**	**(332.4)**

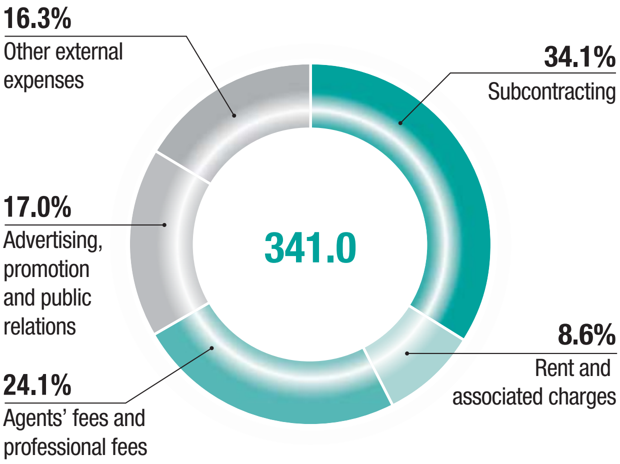
Defined-contribution plan expenses are included in "Social security charges", and totalled €28 million in 2015 (2014: €32 million).

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 7-3-6). Retirement benefits paid during the period are recorded in "Staff remuneration".

Share-based payment expense includes the cost of stock option plans and free share allotment plans, calculated in accordance with IFRS 2 (see note 7-4-6-3).

5.2 EXTERNAL EXPENSES

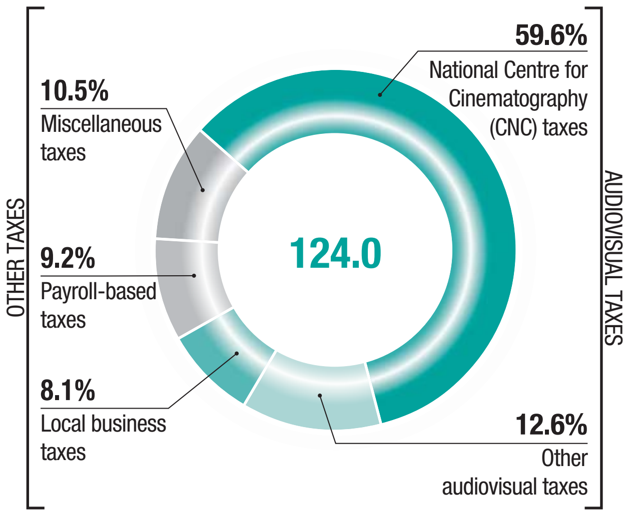
External expenses break down as follows:



(€m)	2015	2014
Subcontracting	(116.0)	(138.4)
Rent and associated charges	(29.4)	(30.9)
Agents' fees and professional fees	(82.3)	(70.0)
Advertising, promotion and public relations	(58.0)	(53.6)
Other external expenses	(55.3)	(69.5)
External expenses	**(341.0)**	**(362.4)**

5.3 TAXES OTHER THAN INCOME TAXES

Taxes other than income taxes break down as follows:



(€m)	2015	2014
Audiovisual taxes	(89.5)	(90.1)
- Taxes CNC	*(73.9)*	*(74.5)*
- Other audiovisual taxes	*(15.6)*	*(15.6)*
Other taxes	(34.5)	(36.1)
- Local business taxes	*(10.1)*	*(10.7)*
- Payroll-based taxes	*(11.4)*	*(12.3)*
- Miscellaneous taxes	*(13.0)*	*(13.1)*
Taxes other than income taxes	**(124.0)**	**(126.2)**

5.4 OTHER CURRENT OPERATING INCOME AND EXPENSES

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

(€m)	2015	2014
Reversals of unused provisions	8.2	9.1
In-house production capitalised, and cost transfers	19.9	24.1
Operating grants	0.8	0.3
Investment grants	10.5	8.8
Foreign exchange gains	28.4	15.0
Other income *(including proceeds from divestments of consolidated entities)*	38.5	63.5
Other current operating income	**106.3**	**120.8**
Royalties and paybacks to rights-holders	(71.0)	(74.9)
Bad debts written off	(5.8)	(4.7)
Foreign exchange losses	(14.6)	(20.8)
Other expenses *(including carrying amount of divested consolidated entities)*	(6.4)	(10.5)
Other current operating expenses	**(97.8)**	**(110.9)**

5.5 NON-CURRENT OPERATING INCOME AND EXPENSES

Accounting policy

These line items contain 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.

The non-current operating expenses of €16.8 million reported in the income statement represent restructuring costs relating to the Group's news operations. Most of this relates to the discontinuation of the print edition activities of Publications Metro France.

5.6 COST OF NET DEBT

Accounting policy

"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, 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, 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.**

Cost of net debt breaks down as follows:

(€m)	**2015**	**2014**
Interest income	1.2	1.1
Income and revenues from financial assets	-	0.1
Income associated with net debt	**1.2**	**1.2**
Interest expense on debt	(0.1)	(0.1)
Expenses associated with net debt	**(0.1)**	**(0.1)**
Cost of net debt	**1.1**	**1.1**

5.7 OTHER FINANCIAL INCOME AND EXPENSES

Other financial income and expenses break down as follows:

(€m)	2015	2014
Dividend income	0.2	0.2
Gains on financial assets	0.1	0.1
Gains arising from changes in value of forward currency transaction contracts	-	0.2
Gains arising from the effect of discounting on assets and liabilities	0.4	-
Other income	0.1	0.1
Other financial income	**0.8**	**0.6**
Losses on financial assets	(2.9)	(0.2)
Losses arising from changes in value of forward currency transaction contracts	(0.2)	-
Losses arising from the effect of discounting on assets and liabilities	(0.7)	-
Other expenses	(0.2)	(0.1)
Other financial expenses	**(4.0)**	**(0.3)**

5.8 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 2015	Financial 2014	Operating 2015	Operating 2014
Net income/(expense) on loans and receivables at amortised cost	1.3	1.2	15.7	(6.0)
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	(2.7)	-	(1.9)	0.2
Net income/(expense) on financial liabilities at amortised cost	(0.5)	(0.2)	-	-
Net income/(expense) on derivatives	(0.2)	0.2	(0.4)	3.9
NET INCOME AND EXPENSE ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES	**(2.1)**	**1.4**	**13.4**	**(1.9)**

5.9 INCOME TAXES

Accounting policy

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.

5.9.1 Current and deferred taxes

5.9.1.1 Income statement

(€m)	2015	2014
Current taxes	(60.2)	(25.9)
Deferred taxes	17.9	(3.9)
Income tax expense	**(42.3)**	**(29.8)**

A current tax rate of 38% was used for both 2015 and 2014.

The tax rate used to measure deferred tax assets and liabilities is 34.43%.

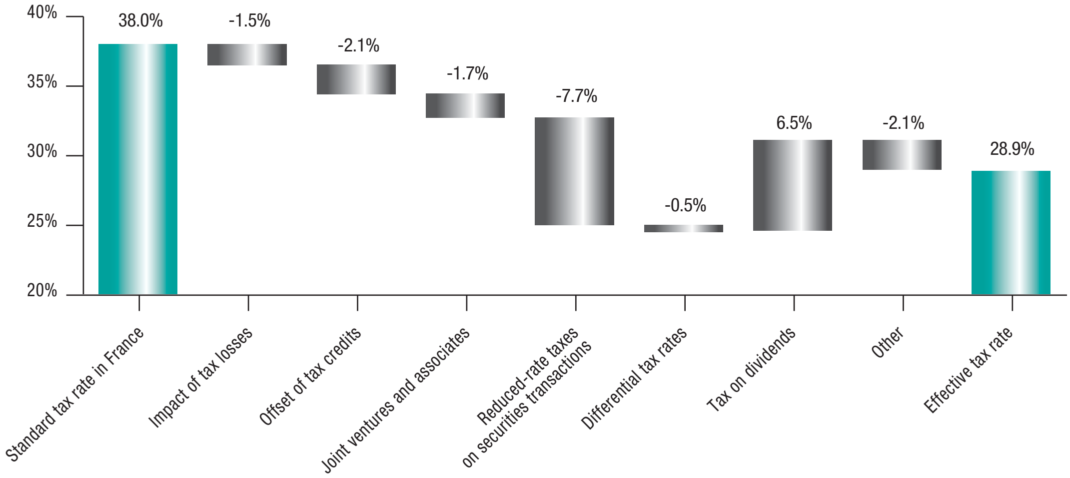
5.9.1.2 Tax proof

(€m)	2015	2014
Net profit attributable to the Group	**99.9**	**412.7**
Income tax expense	42.3	29.8
Net profit from discontinued operations	-	(315.9)
Non-controlling interests	3.4	6.3
Net profit from continuing operations before tax and non-controlling interests	**145.6**	**132.9**
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	(1.5%)	(1.1%)
Offset of tax credits	(2.1%)	(1.8%)
Share of profits and losses of joint ventures and associates	(1.7%)	(4.6%)
Reduced-rate taxes on securities transactions(1)	(7.7%)	(7.6%)
Tax rate differential (change in tax rate, and rates applicable to foreign subsidiaries)	(0.5%)	(0.5%)
Tax on dividends	6.5%	2.6%
Other differences, net	(2.1%)	(2.6%)
Effective tax rate	**28.9%**	**22.4%**

(1) Includes the effects of the sale of Eurosport France in 2015 and Onecast in 2014.

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

2015 TAX PROOF



5.9.2 Deferred tax assets and liabilities

5.9.2.1 Change in net deferred tax position

(€m)	2015	2014
Net deferred tax asset/(liability) at January 1	**(31.5)**	**(9.2)**
Recognised in equity	2.0	(0.3)
Recognised in profit or loss	17.9	(3.9)
Held-for-sale operations	-	(18.0)
Changes in scope of consolidation and other items	(0.2)	(0.1)
Net deferred tax asset/(liability) at December 31	**(11.8)**	**(31.5)**

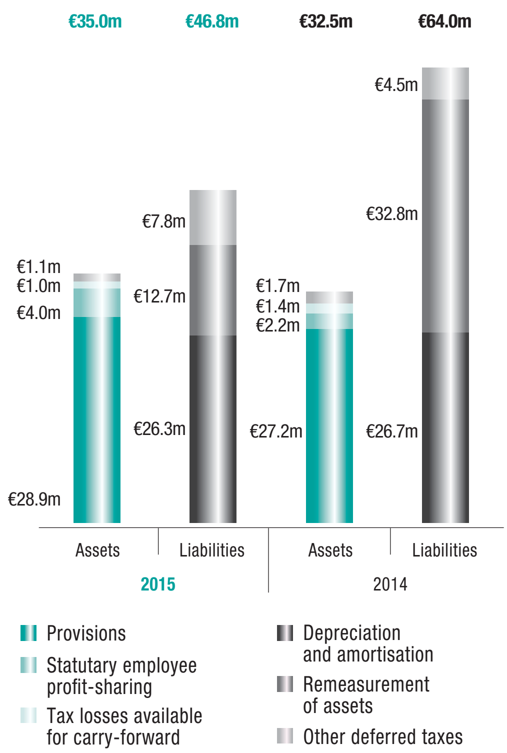
5.9.2.2 Principal sources of deferred taxation

The principal sources of deferred taxation are as follows:

(€m)	2015	2014
Provisions	**28.9**	**27.2**
Provisions for programmes	1.5	2.2
Provisions for retirement benefit obligations	13.2	11.3
Provisions for impairment of audiovisual rights	0.6	0.6
Provisions for trade debtors	0.9	0.8
Other provisions	12.7	12.3
Employee profit-sharing	4.0	2.2
Tax losses available for carry-forward	1.0	1.4
Other deferred tax assets	1.1	1.7
Offset of deferred tax assets and liabilities	(35.0)	(32.5)
Deferred tax assets	**-**	**-**
Accelerated tax depreciation	(17.7)	(18.2)
Depreciation of head office building	(8.6)	(8.5)
Remeasurement of assets	(12.7)	(32.8)
Other deferred tax liabilities	(7.8)	(4.5)
Offset of deferred tax assets and liabilities	35.0	32.5
Deferred tax liabilities	**(11.8)**	**(31.5)**
Net deferred tax asset/(liability) at December 31	**(11.8)**	**(31.5)**

Unrecognised deferred tax assets totalled €16.3 million (versus €18.6 million as of December 31, 2014), and comprised tax losses and deferred tax depreciation available for indefinite carry-forward, the recovery of which is not sufficiently probable to justify recognition.

PRINCIPAL SOURCES OF DEFERRED TAXATION



5.9.2.3 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	**21.8**	**-**	**13.2**	**(35.0)**	**-**

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

5.10 NET PROFIT FROM DISCONTINUED/HELD-FOR-SALE OPERATIONS

(€m)	2014 5 months
Net profit from the operations of Eurosport International, before taxes	25.7
Income taxes on the operations of Eurosport International	(9.3)
Net profit from the operations of Eurosport International	**16.4**
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**

In 2014, net profit from held-for-sale operations consisted 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 6 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

6.1 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 3-3.

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)	2015	2014
Cash and cash equivalents in the balance sheet	703.1	501.4
Cash relating to held-for-sale assets	-	
Treasury current account credit balances	(2.3)	(3.2)
Bank overdrafts	-	-
Closing cash position per the cash flow statement	**700.8**	**498.2**

6.2 NET CASH GENERATED BY/USED IN OPERATING ACTIVITIES

6.2.1 Depreciation, amortisation, provisions and impairment

An analysis of depreciation, amortisation, provisions and impairment is provided below:

(€m)	2015	2014
Intangible assets and *goodwill*	36.1	31.5
Property, plant and equipment	15.4	17.8
Financial assets	2.8	(0.5)
Non-current provisions	(0.2)	1.3
Total depreciation, amortisation, provisions & impairment, net	**54.1**	**50.1**

6.2.2 Other non-cash income and expenses

Other non-cash income and expenses comprise the following items:

(€m)	2015	2014
Effect of fair value remeasurement	0.9	(4.1)
Share-based payment	1.3	0.6
Dividend income from non-consolidated entities	(0.2)	(0.2)
Grants released to profit or loss	(12.1)	(10.4)
TOTAL OTHER NON-CASH INCOME AND EXPENSES	**(10.1)**	**(14.1)**

6.3 NET CASH GENERATED BY/USED IN INVESTING ACTIVITIES

6.3.1 Cash effect of changes in scope of consolidation

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

(€m)	2015	2014
Net cash outflows on acquisitions	-	-
Net cash inflows from disposals	494.5	306.0
Effect of changes in scope of consolidation	**494.5**	**306.0**

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

(€m)	2015	2014
Cash received	526.9	307.5
Cash divested	(32.4)	(1.5)
Subscriptions to capital increases carried out by subsidiaries	-	-
Net cash inflow	**494.5**	**306.0**

In 2015, cash received relates to the Eurosport group: the €490.5 million proceeds from the sale of the 49% equity interest, and the €36.4 million proceeds from the deferred portion of the consideration for the sale of a 31% equity interest in May 2014. Cash divested consists of the cash held by Eurosport France, which was sold and deconsolidated on March 31, 2015.

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.

6.3.2 Dividends received

In 2014, dividends received comprised the dividends paid by Eurosport SAS.

6.3.3 Other cash flows from investing activities

In 2014, “Other cash flows from investing activities” included the effects of the capital redemption carried out by Groupe AB.

6.4 NET CASH GENERATED BY/USED IN FINANCING ACTIVITIES

6.4.1 Purchases and sales of treasury shares

Under the new share buyback programme approved by the Annual General Meeting of April 16, 2015, TF1 repurchased 2,969,765 of its own shares during the third quarter of 2015 for a total amount of €40.0 million.

6.4.2 Other transactions between shareholders

"Other transactions between shareholders" represents the repurchase from Discovery Communications, earlier than initially planned, of the latter's 20% interest in the Pay-TV channels TV Breizh, Histoire and Ushuaïa for €14.6 million (see note 1, "Significant events of the year").

NOTE 7 NOTES TO THE CONSOLIDATED BALANCE SHEET

7.1 AUDIOVISUAL RIGHTS AND BROADCASTING RIGHTS

7.1.1 Audiovisual rights

Accounting policy

This item primarily includes shares in films and audiovisual programmes produced or co-produced by TF1 SA, 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:

- **producer shares in French drama productions: amortised on a straight-line basis over their expected useful lives;**
- **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% of gross value 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.

Use of estimates and judgment

Impairment of audiovisual rights: impairment testing of audiovisual rights is based on an analysis of projected future revenues.

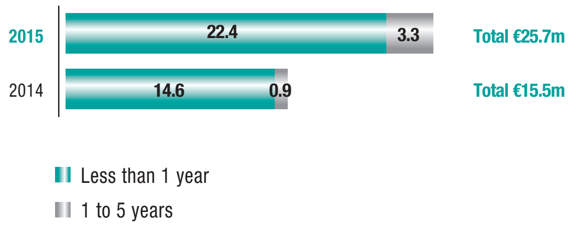
Movements during 2015 and 2014 were as follows:

(€m)	Gross value	Amortisation	Impairment	Total audiovisual rights
January 1, 2014	**1,154.2**	**(1,077.6)**	**(28.6)**	**48.0**
Increases	25.6	(32.8)	(6.0)	(13.2)
Decreases	(0.4)	0.1	12.3	12.0
Changes in scope of consolidation and reclassifications	-	-	-	-
December 31, 2014	**1,179.4**	**(1,110.3)**	**(22.3)**	**46.8**
Increases[1]	49.6	(35.4)	(6.8)	7.4
Decreases	(0.1)	0.1	11.8	11.8
Changes in scope of consolidation and reclassifications	5.5	-	(6.5)	(1.0)
December 31, 2015	**1,234.4**	**(1,145.6)**	**(23.8)**	**65.0**

(1) Further to the introduction in 2015 of new regulations on French co-production shares, these movements now include changes related to such rights.

The chart below shows the maturities of audiovisual rights acquisition contracts entered into by the Group to secure future programming schedules:

BORDCASTINGS RIGHTS (€M)



7.1.2 Programmes and broadcasting rights

Accounting policy

Recorded in the balance sheet

In order to secure programming schedules for future years, the Group enters into binding contracts, sometimes for a period of several years, under which it 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 balance sheet line item "Programmes and broadcasting rights" includes:

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

Accounting for consumption of programmes

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 that transmission. If they are acquired for two or more transmissions, consumption is calculated according to the type of programme using the rules described below, unless otherwise specified in the acquisition contract:

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

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

Impairment and write-offs

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.

Use of estimates and judgment

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 acquired to secure future programming schedules:

Rights ordered under irrevocable contracts but not yet available for transmission (see above) are disclosed below 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.

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

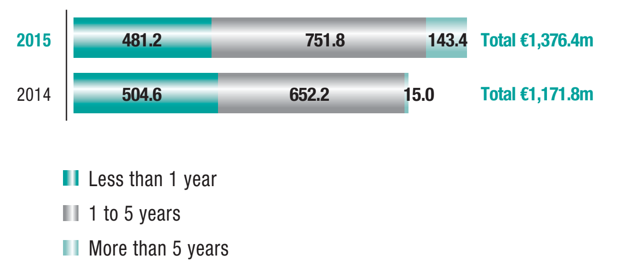
(€m)	Gross value	Impairment	Inventories
January 1, 2014	**791.7**	**(128.6)**	**663.1**
Net movement	7.7	7.7 (1)	15.4
Changes in scope of consolidation and reclassifications	-	-	-
December 31, 2014	**799.4**	**(120.9)**	**678.5**
Net movement	28.6	6.3 (2)	34.9
Changes in scope of consolidation and reclassifications	-	-	-
December 31, 2015	**828.0**	**(114.6)**	**713.4**

(1) Includes €53.1 million of impairment losses charged, €60.8 million of impairment losses reversed.
(2) Includes €56.7 million of impairment losses charged, €63.0 million of impairment losses reversed.

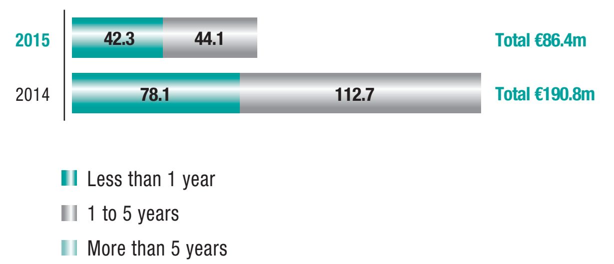
The programme and broadcasting rights inventory reported above is owned primarily by TF1 SA and the TF1 Acquisition de Droits economic interest grouping.

The charts below show the maturities of broadcasting and sports transmission rights acquisition contracts entered into by the Group to secure future programming schedules.

BROADCASTING RIGHTS AND PROGRAMMES (€M)



SPORT TRANSMISSION RIGHTS (€M)



Some of those broadcasting and sports transmission rights contracts are expressed in U.S. dollars; the amounts involved were the U.S. dollar equivalent of €156.5 million in 2015 and the U.S. dollar equivalent of €156.1 million in 2014.

In 2015, programmes and broadcasting rights related mainly to TF1 SA (€274.5 million, versus €261.9 million in 2014) and to the Acquisition de Droits economic interest grouping (€1,023.3 million, versus €828.5 million in 2014).

Sports transmission rights commitments related mainly to TF1 SA and TF1 DS (€86.4 million in 2015, €134.0 million in 2014).

7.2 CURRENT ASSETS AND LIABILITIES

7.2.1 Trade and other debtors

Accounting policy

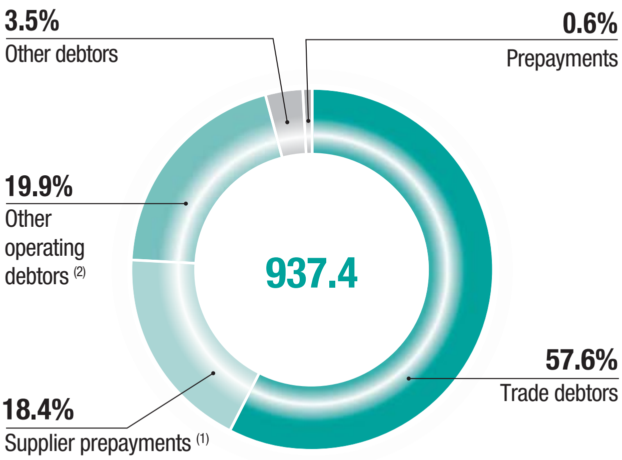
These financial assets are initially recognised at fair value plus directly attributable transaction costs. At the end of each subsequent reporting period, they are measured at amortised cost using the effective interest method.

This category includes trade debtors, other debtors, loans receivable, deposits and caution money, loans and advances to non-consolidated equity investments, cash, and current account advances to joint ventures, associates and non-consolidated entities.

Loans and receivables 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, but may be reversed if the recoverable amount increases in subsequent periods.

NET VALUE IN 2015



(€m)	Gross value 2015	Impairment 2015	Carrying amount 2015	Carrying amount 2014
Trade debtors	552.0	(12.2)	539.8	637.8
Supplier prepayments(1)	173.4	(0.7)	172.7	193.1
Other operating debtors(2)	186.1	-	186.1	217.2
Other debtors	150.8	(117.8)	33.0	78.1
Prepayments	5.8	-	5.8	10.4
Trade and other debtors	**1,068.1**	**(130.7)**	**937.4**	**1,136.6**

(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.

Changes in impairment of trade and other receivables during the financial year were as follows:

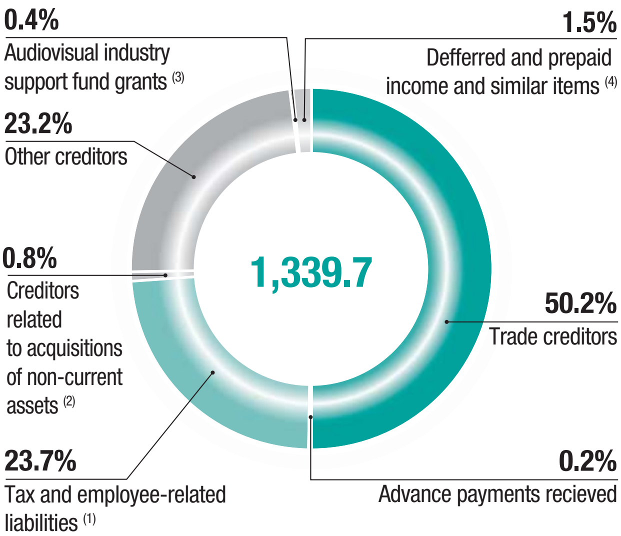
(€m)	2015	2014
Impairment as of January 1	**(138.3)**	**(149.2)**
Additional provisions booked during the year	(13.9)	(31.6)
Reversals for debts written off during the year	21.7	39.6
Recovered during the year	1.8	6.3
Held-for-sale operations	-	-
Changes in scope of consolidation and reclassifications	(2.0)	(3.4)
Impairment as of December 31 - continuing operations	**(130.7)**	**(138.3)**

7.2.2 Breakdown of trade and other creditors

Accounting policy – treatment of cinematography 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 (CNC). 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.

2015



(€m)	2015	2014
Trades creditors	672.4	738.0
Advance payments received	2.8	4.1
Tax and employee-related liabilities(1)	318.0	352.5
Creditors related to acquisitions of non-current asset(2)	10.8	102.5
Other creditors	310.7	341.7
Audiovisual industry support fund grants(3)	4.7	8.1
Current accounts with credit balances	-	-
Deferred and prepaid income and similar items(4)	20.3	19.6
Trade and other creditors	**1,339.7**	**1,566.5**

(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 CNC to TF1 Films Production, TF1 Production and TF1 Droits Audiovisuels.
(4) Mainly comprises prepaid income.

7.2.3 Current provisions

Accounting policy

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 without corresponding inflow for the Group 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.**

Use of estimates and judgement: These provisions 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.

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 determined in the same way as non-current provisions (see note 7-3-6).

The table below shows movements in current provisions during 2015:

(€m)	Litigation and claims: employees	Litigation and claims: commercial	Other contractual litigation, claims, and risks	Other	Total current provisions
January 1, 2015	**3.6**	**10.7**	**12.6**	**6.4**	**33.3**
Charges	3.4	1.8	-	9.2	14.4
Reversals: used	(1.3)	(1.0)	(0.3)	(2.5)	(5.1)
Reversals: unused	(0.4)	(2.8)	-	(0.4)	(3.6)
Changes in scope of consolidation and reclassifications	-	(2.1)	-	(0.3)	(2.4)
December 31, 2015	**5.3**	**6.6**	**12.3**	**12.4**	**36.6**

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:

Alleged abuse of dominant position in the advertising market:

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 appointed a rapporteur to investigate the complaints, and TF1 Publicité presented its case in January 2015. The TF1 General Counsel's Department has submitted an economic study to the 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.

Alleged restraint of trade:

The Canal Plus Group has filed a complaint with the French Competition Authority against the TF1 group alleging restraint of trade as regards the rights of first and last refusal and pre-emptive rights enjoyed by TF1 Films Production in respect of the films that it finances.

The Competition Authority appointed a rapporteur to investigate the complaint, and TF1 presented its case in March 2015.

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

7.3 NON-CURRENT ASSETS AND LIABILITIES

Accounting policy

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 in business plans 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 using 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.

Use of estimates and judgment

The carrying amount of goodwill in the TF1 consolidated financial statements is reviewed at least annually. 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

At the end of each reporting period, the Group 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.

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 taken against goodwill.

7.3.1 Goodwill

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

(€m)	Broadcasting & Content	Consumer Products	Pay-TV	Holding company & other	Total
Goodwill at January 1, 2014	**408.9**	**-**	**64.9**	**-**	**473.8**
Acquisitions	-	-	-	-	-
Disposals	-	-	-	-	-
Reclassifications	-	-	-	-	-
Impairment	-	-	-	-	-
Goodwill at December 31, 2014	**408.9**	**-**	**64.9**	**-**	**473.8**
Acquisitions	-	-	-	-	-
Disposals	-	-	(42.2)	-	(42.2)
Reclassifications	-	-	-	-	-
Impairment	-	-	-	-	-
Goodwill at December 31, 2015	**408.9**	**-**	**22.7**	**-**	**431.6**
Gross value	*408.9*	-	*22.7*	*4.5*	*436.1*
Accumulated impairment	-	-	-	*(4.5)*	*(4.5)*

The €42.2 million reduction in goodwill during 2015 is explained by the deconsolidation of Eurosport France (see note 1, "Significant events of the year").

Based on impairment tests conducted using the method described below, no impairment of goodwill was identified as of December 31, 2015.

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 horizon 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 impacts of the freeview switchover of the LCI channel, the future cash flows from which are included in the Broadcasting and Content CGU;
- the expansion of the freeview offer across all media, in particular the Group's 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, 2015 was 2% for all CGUs; the same rate was used as of December 31, 2014. The after-tax discount rate used as of December 31, 2015 was 6.81% (versus 8.32% as of December 31, 2014); it was determined on the basis of external data sources using the method described in note 7-3 above.

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	+570 bp	-62%
Pay-TV CGU	+449 bp	-55%

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 €900 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 €25 million.

7.3.2 Intangible assets (other than audiovisual rights, see note 7-1-1)

Accounting policy

Intangible assets other than audiovisual rights mainly comprise user rights (other than broadcasting licences and audiovisual rights), trademarks and similar rights, and software. They are initially recognised by the Group on the acquisition date, on the following basis:

- **at acquisition cost less accumulated amortisation and impairment losses,**
- **at fair value as of the acquisition date, if acquired in a business combination.**

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, such as trademarks owned by the Group, are not amortised. However, trademarks are tested forimpairment (see note 7.3).

The figures shown below are net carrying amounts:

(€m)	Indefinite-lived trademarks	Concessions, patents & similar rights	Other	Total
January 1, 2014	**36.2**	**20.2**	**4.0**	**60.4**
Increases	-	1.8	4.4	6.2
Amortisation & impairment	-	(0.2)	(4.8)	(5.0)
Decreases	-	(0.1)	-	(0.1)
Changes in scope of consolidation and reclassifications	-	4.7	(4.7)	-
December 31, 2014	**36.2**	**26.4**	**(1.1)**	**61.5**
Increases	-	1.9	2.9	4.8
Amortisation & impairment	-	(5.6)	(0.2)	(5.8)
Decreases	-	-	-	-
Changes in scope of consolidation and reclassifications	-	3.8	(4.1)	(0.3)
December 31, 2015	**36.2**	**26.5**	**(2.5)**	**60.2**
Gross value	*36.2*	*62.8*	*9.0*	*108.0*
Amortisation and impairment	-	*(40.8)*	*(7.0)*	*(47.8)*

Based on impairment tests conducted using the method described in note 7-3, no impairment of indefinite-lived trademarks was identified as of December 31, 2015.

7.3.3 Property, plant and equipment

Accounting policy

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".

The table below shows movements in property, plant and equipment, and in depreciation and impairment, during the **years ended December 31, 2015 and 2014** (the figures shown are net carrying amounts):

(€m)	Land	Buildings	Technical facilities	Technical facilities held under finance leases	Other property, plant & equipment	Property, plant & equipment under construction	Total
January 1, 2014	**60.9**	**81.5**	**20.9**	**3.2**	**22.5**	**1.0**	**190.0**
Increases	-	-	6.2	-	6.1	0.4	12.7
Depreciation & impairment	-	(2.4)	(8.8)	(1.1)	(7.5)		(19.8)
Decreases	-	0.1	-	-	(0.1)	-	(0.0)
Changes in scope of consolidation and reclassifications	-	-	(6.0)	0.1	0.6	(1.3)	(6.6)
December 31, 2014	**60.9**	**79.2**	**12.3**	**2.2**	**21.6**	**0.1**	**176.3**
Increases	-	-	3.7	-	5.2	1.2	10.1
Depreciation & impairment	-	(2.4)	(5.3)	(1.0)	(6.7)	-	(15.4)
Decreases	-	-	(0.4)	-	(0.4)	-	(0.8)
Changes in scope of consolidation and reclassifications	-	-	(0.1)	-	0.1	(0.1)	(0.1)
December 31, 2015	**60.9**	**76.8**	**10.2**	**1.2**	**19.8**	**1.2**	**170.1**
Gross value	*60.9*	*101.2*	*147.7*	*10.2*	*101.4*	*1.2*	*422.6*
Depreciation and impairment	-	*(24.4)*	*(137.5)*	*(9.0)*	*(81.6)*	-	*(252.5)*

7.3.4 Investments in joint ventures and associates

Accounting policy

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

The table below gives details of investments in joint ventures and associates:

(€m)	Eurosport group[(1)]	Groupe AB[(2)]	Other[(3)]	Total
January 1, 2014	**-**	**80.2**	**3.3**	**83.5**
Share of profit/(loss) for the period	14.6	0.6	(0.2)	15.0
Provision for impairment	-	-	-	-
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**
Share of profit/(loss) for the period	(0.3)	(1.8)	0.9	(1.2)
Provision for impairment	-	-	7.7	7.7
Dividends paid	(14.2)	-	0.1	(14.1)
Changes in scope of consolidation and reclassifications	(490.0)	-	-	(490.0)
Provision for risks	-	-	0.6	0.6
December 31, 2015	**-**	**72.3**	**12.5**	**84.8**

(1) The interest in the Eurosport group was divested on October 1, 2015 (see note 1, "Significant events of the year").
(2) The carrying amount of Groupe AB includes goodwill of €44.4 million, recognised in the consolidated financial statements of Groupe AB itself (see below).
(3) Primarily Sérieclub (Pay-TV operating segment): €10.2 million as of December 31, 2015 and €1.5 million as of December 31, 2014) and Direct Optic Participations (Consumer Products operating segment): €1.5 million as of December 31, 2015 and 2014.

No 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:

Groupe AB[1] *(€m)*	2015	2014
TF1 group share	*33.5%*	*33.5%*
Non-current assets[2]	81.9	100.8
Current assets	47.5	40.4
TOTAL ASSETS	**129.4**	**141.2**
Shareholders' equity	73.3	74.7
Non-current liabilities	20.4	31.5
Current liabilities	35.7	34.8
TOTAL LIABILITIES AND EQUITY	**129.4**	**141.0**
Revenue	**39.8**	**45.3**
Current operating profit	**10.0**	**9.5**

(1) Figures for 2015 and 2014 are based on financial statements to end September (the latest available).
(2) Includes goodwill of €44.4 million.

Figures relating to other joint ventures and associates are not material for 2015 or 2014.

7.3.5 Other non-current financial assets

Accounting policy

Classification

Financial assets may be classified in one of four categories: available-for-sale financial assets, loans and receivables, 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.

- **Available for-sale financial 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.**

  TF1 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 methods described below. 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.

- **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.

- **Other non-current financial assets:**
  - **Investments in non-consolidated entities are classified as available-for-sale financial assets, and are carried at cost if their fair value cannot be measured reliably,**
  - **Share warrants are measured using the Black & Scholes method based on available valuation parameters.**
- **Interest rate derivatives and currency derivatives: 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).**

Use of estimates and judgment

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.**

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.

Because of their short maturities, the carrying amount of trade and other debtors, cash, and treasury current accounts is regarded as the best approximation of their fair value.

7.3.5.1 Financial assets by category

	Financial assets at fair value through profit or loss						
2015 *(€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	6.4	-	**III**	21.5	2.2	-	30.1
Trade and other debtors	-	-		-	937.4	-	937.4
Other current financial assets	-	4.5		-	-	-	4.5
Currency derivatives	-	*4.5*	**II**	-	-	-	*4.5*
Interest rate derivatives	-	-		-	-	-	-
Financial assets used for treasury management purposes	-	-		-	-	-	-
Cash and cash equivalents	-	-		-	703.1	-	703.1

(1) See the "Use of estimates and judgment" section of note 7-3-5.

2014 *(€m)*	Financial assets at fair value through profit or loss			Available-for-sale financial assets	Loans and receivables	Held-to-maturity investments	*Total*
	Designated at fair value on initial recognition	Held for trading	Level(1)				
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 "Use of estimates and judgment" section of note 7-3-5.

In 2015 and 2014, financial assets designated at fair value through profit or loss on initial recognition mainly comprised 1,534 ITAS group share warrants. Those warrants, conditionally exercisable in four years' time, are related to the Group's entitlement to contingent consideration.

No transfers between the different levels of the fair value hierarchy were made in either 2015 or 2014.

7.3.5.2 Other non-current financial assets

Accounting policy

Other non-current financial assets are measured at fair value, with changes in fair value recognised in profit or loss.

This category includes:

- **financial 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.**

Other non-current financial assets break down as follows:

(€m)	2015	2014
Equity investments in non-consolidated entities	21.5	18.6
Loans and advances to non-consolidated investees(1)	7.2	7.5
Loans receivable	-	-
Deposits and caution money	1.4	3.1
Other financial assets - continuing operations	**30.1**	**29.2**

(1) In 2015 and 2014, this item mainly comprised 1,534 ITAS group share warrants. Those warrants, conditionally exercisable in four years' time, are related to the Group's entitlement to contingent consideration.

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 2015	Gross value 2014	Impairment 2015	Impairment 2014	Carrying amount 2015	Carrying amount 2014
A1 International	50%	12.8	12.8	(12.8)	(12.8)	-	-
En Direct Avec	0%	-	4.0	-	(4.0)	-	-
Teads	7.2%	3.5	3.5	-	-	3.5	3.5
SHIP	0%	-	0.8	-	(0.8)	-	-
Sofica valor 7	83%	14.0	9.9	-	-	14.0	9.9
Soread	12%	1.6	1.6	(1.6)	(1.6)	-	-
Sylver	49%	3.7	3.7	(2.8)	-	0.9	3.7
Other		5.2	3.6	(2.1)	(2.1)	3.1	1.5
Equity investments in non-consolidated entities		**40.8**	**39.9**	**(19.3)**	**(21.3)**	**21.5**	**18.6**

Impairment tests were performed on all these investments, and indicated no evidence of impairment in 2015 (other than on the investment in Sylver) or in 2014.

7.3.6 Non-current provisions

Accounting policy

The main types of non-current provisions are described below.

- **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 via the Group's pension funds.**
  - **The employees of TF1 group subsidiaries belong to general and supplementary 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 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.**

Use of estimates and judgment

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.**

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 loss directly in equity, in accordance with the revised IAS 19.

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

These provisions cover litigation, claims and non-recurring risks for which settlement occurs outside the normal operating cycle.

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.

Use of estimates and judgment

These provisions 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.

7.3.6.1 Analysis of non-current provisions

The table below shows movements in non-current provisions during 2015 and 2014:

	Provisions for:		
(€m)	Retirement benefits	Commitments	Total
January 1, 2014	**28.4**	**12.4**	**40.8**
Charges	3.0	1.0	4.0
Reversals: used	(0.6)	-	(0.6)
Reversals: unused	(1.3)	(0.6)	(1.9)
Actuarial gains and losses	6.3	-	6.3
Changes in scope of consolidation and reclassifications	(0.2)	-	(0.2)
December 31, 2014	**35.6**	**12.8**	**48.4**
Charges	3.1	0.1	3.2
Reversals: used	(1.7)	(0.1)	(1.8)
Reversals: unused	(1.5)	-	(1.5)
Actuarial (gains)/losses	3.5	-	3.5
Changes in scope of consolidation and reclassifications	(0.5)	-	(0.5)
December 31, 2015	**38.5**	**12.8**	**51.3**

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

7.3.6.2 Provisions for retirement benefit obligations

Accounting policy

Use of estimates and judgement

Provisions for retirement benefit obligations are calculated by the TF1 group itself using the projected unit credit method, as described in note 7-3-6 above. This calculation is sensitive to assumptions regarding the discount rate, the salary inflation rate and the staff turnover rate.

MAIN ACTUARIAL ASSUMPTIONS

	2015	2014	2013	2012	2011
Discount rate (Iboxx A10)	2.1%	2.0%	3.2%	3.3%	5.5%
Expected rate of return on plan assets	2.1%	2.0%	3.2%	3.1%	3.4%
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, 2015 was 6.6%, unchanged from 2014.

A reduction of 50 basis points in the discount rate applied would increase the obligation by €2.5 million. Under the accounting policies applied by the Group, the resulting actuarial losses would be recognised directly in equity.

EXPENSE RECOGNISED IN THE INCOME STATEMENT FOR RETIREMENT BENEFIT OBLIGATIONS

(€m)	2015	2014
Current service cost	(2.4)	(2.1)
Interest expense on the obligation	(0.8)	(1.1)
Expected return on plan assets	0.2	0.2
Past service cost	-	-
Expense recognised	**(3.0)**	**(3.0)**
net change in provisions	*0.1*	*(1.1)*
amount recognised in "Staff costs"	*(3.1)*	*(1.9)*
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)	2015	2014	2013	2012	2011
Present value of obligation	44.8	41.7	34.3	33.0	26.4
Fair value of plan assets	(6.3)	(6.1)	(5.9)	(5.7)	(5.5)
Unfunded obligation provided for	**38.5**	**35.6**	**28.4**	**27.3**	**20.9**

CHANGES IN THE PRESENT VALUE OF THE RETIREMENT BENEFIT OBLIGATION

(€m)	2015	2014
Defined-benefit plan obligation at start of period	**41.7**	**34.3**
Current service cost for the period	2.4	2.1
Interest cost (unwinding of discount)	0.8	1.1
Reversals of provisions	(3.1)	(1.9)
Actuarial (gains)/losses	3.5	6.3
Changes in scope of consolidation and reclassifications	(0.5)	(0.2)
Held-for-sale operations	-	-
Defined-benefit plan obligation at end of period	**44.8**	**41.7**

CHANGES IN THE FAIR VALUE OF PLAN ASSETS

(€m)	2015	2014
Fair value of insurance policy assets at start of period	**6.1**	**5.9**
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	**6.3**	**6.1**

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 2015. As of December 31, 2015, the fund had an estimated fair value of €6.3 million.

7.4 SHAREHOLDERS' EQUITY

7.4.1 Share capital

Accounting policy

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.

As of December 31, 2015, the share capital of TF1 SA consisted of 210,521,567 fully paid ordinary shares. Movements in share capital during 2015 were as follows:

Number of shares	Number of shares outstanding	Number of treasury shares	Total number of shares
January 1, 2014	**211,260,013**	**-**	**211,260,013**
Capital increases	268,751	-	268,751
Purchases of treasury shares	-	-	-
Cancellation of treasury shares	-	-	-
January 1, 2015	**211,528,764**	**-**	**211,528,764**
Capital increases	474,986	-	474,986
Purchases of treasury shares(1)	(2,969,765)	2,969,765	-
Cancellation of treasury shares	-	(1,482,183)	(1,482,483)
December 31, 2015	**209,033,985**	**1,487,582**	**210,521,567**
Par value	*€0.20*	*€0.20*	*€0.20*

(1) *Treasury shares: see note 7-4-6-4 on share buybacks below.*

7.4.2 Earnings per share

Accounting policy

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 stock subscription option plans are excluded from this calculation.

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 free share allotment plans, and of stock subscription option plans where the exercise price is lower than the average quoted market price of TF1 shares over the period.

	2015	2014
Net profit/*(loss)* for the year *(€m)*		
Net profit/(loss) from continuing operations (attributable to the Group)	99.9	99.9
Net profit/(loss) from discontinued or held-for-sale operations	-	312.8
Net profit/(loss) attributable to the Group	99.9	412.7
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES	**210,785,909**	**211,395,763**
Basic earnings per share *(€)*		
Basic earnings per share from continuing operations	0.47	0.47
Basic earnings per share from discontinued/held-for-sale operations	-	1.48
Basic earnings per share	0.47	1.95
AVERAGE NUMBER OF ORDINARY SHARES AFTER DILUTION	**211,775,423**	**212,262,155**
Diluted earnings per share *(€)*		
Diluted earnings per share from continuing operations	0.47	0.47
Diluted earnings per share from discontinued/held-for-sale operations	-	1.47
Diluted earnings per share	0.47	1.94

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

(number of shares)	2015	2014
Weighted average number of ordinary shares for the period	210,785,909	211,395,763
Dilutive effect of stock subscription option plans	989,514	866,392
Dilutive effect of free share allotment plan	-	-
Average number of ordinary shares after dilution	211,775,423	212,262,155

In 2015, stock 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 of TF1 shares over the period.

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 of TF1 shares over the period.

7.4.3 Other transactions with shareholders:

"Other transactions with shareholders" relates to the buyout by TF1 of the Discovery Group's 20% equity interest in Prefas 18 for €14.6 million (see note 1, "Significant events of the year").

7.4.4 Other movements (changes in accounting policy and scope of consolidation, other items)

In the year ended December 31, 2015:

- the movement of €2.9 million in reserves attributable to the Group relates to the retrospective application of IFRIC 21 (see note 2.2.1);
- the reduction of €14.8 million in non-controlling interests mainly reflects the deconsolidation of the 20% minority interest held by Discovery Communications in the Eurosport France subsidiary (see note 1, "Significant events of the year").

In the year ended December 31, 2014, the reduction of €91.6 million in non-controlling interests relates to the deconsolidation, effective May 30, 2014, of the 20% minority interest held by Discovery Communications in the Eurosport International group. This deconsolidation reflected the fact that following the acquisition of an additional 31% interest, Discovery Communications obtained control over the Eurosport International group on that date (see note 3.2., "Significant changes in scope of consolidation in prior year").

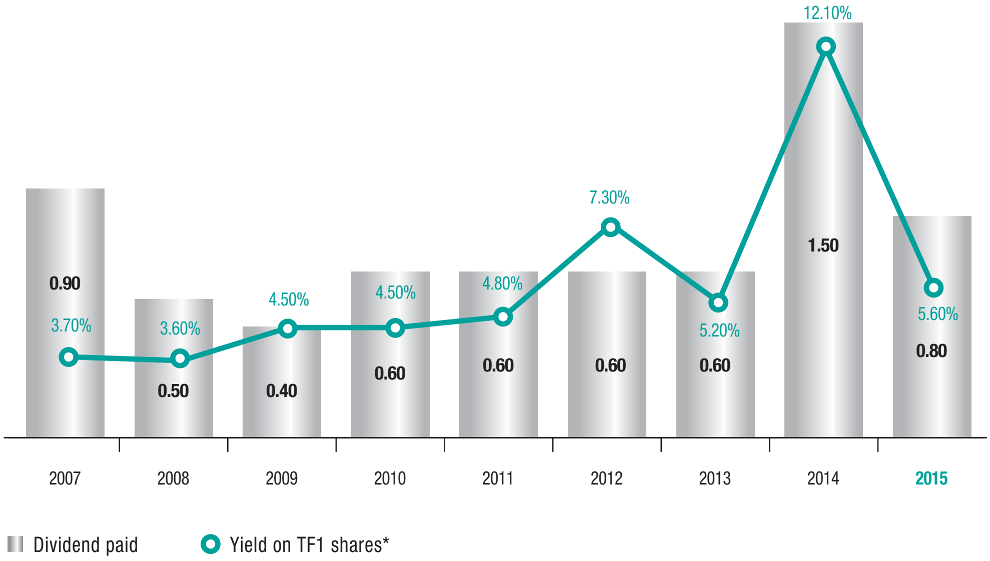
7.4.5 Changes in equity not affecting the income statement

Dividends

The chart below shows:

- the amount of dividend paid by the Group, and the yield on TF1 shares, in respect of previous years;
- the amount of dividend in respect of the year ended December 31, 2015 that will be submitted by the Board of Directors for approval by the Ordinary General Meeting of shareholders to be held on April 14, 2016, and the yield represented by that dividend.

YIELD ON TF1 SHARES SINCE 2007



* *Dividend paid per share divided by average closing share price for the year.*

The proposed dividend in respect of the year ended December 31, 2015, to be paid in 2016, amounts to €168.4 million. This comprises an ordinary dividend of €0.28 per share and an exceptional dividend of €0.52 per share following the TF1 group's sale of a controlling interest in its Eurosport International subsidiary.

The dividend paid in 2015 in respect of the year ended December 31, 2014 amounted to €317.3 million, and consisted of an ordinary dividend of €0.28 per share and an exceptional dividend of €1.22 per share.

Because the dividend payable in 2016 is subject to approval by the shareholders, it was not recognised as a liability in the consolidated financial statements as at December 31, 2015.

7.4.6 Share-based payment and stock option plans

7.4.6.1 Details of stock subscription/purchase option plans

	Plan no. 10	Plan no. 11	Plan no. 12	Plan no. 13	Plan no. 14
Date of Shareholders' Meeting	Apr. 17, 2007	Apr. 17, 2007	Apr. 14, 2011	Apr. 14, 2011	Apr. 17, 2014
Date of Board Meeting	Feb. 20, 2008	Feb. 18, 2009	May 12, 2011 & Jul. 25, 2011	May 14, 2012	Apr. 29, 2015
Date of grant	Mar. 20, 2008	Mar. 20, 2009	Jun. 10, 2011	Jun. 12, 2012	Jun. 12, 2015
Type of plan	subscription	subscription	subscription	subscription	subscription
Total number of options granted	2,000,000	2,000,000	1,500,000	1,437,200	1,308,800
to corporate officers	*56,000*	*56,000*	*7,200*	*7,200*	*16,000*
to the 10 employees granted the most options	*340,000*	*340,000*	*272,000*	*302,000*	*288,000*
Total number of options granted subject to performance conditions	0	50,000	1,500,000	1,437,200	1,308,800
Start date of exercise period	Mar. 20, 2011	Mar. 20, 2012	Jun. 10, 2015	Jun. 12, 2016	Jun 12, 2018
Expiration date	Mar. 20, 2015	Mar. 20, 2016	Jun. 10, 2018	Jun. 12, 2019	Jun. 12, 2022
Subscription price	€15.35	€5.98	€12.47	€6.17	€15.46
Terms of exercise	Exercisable from 3rd anniversary of date of grant Negotiable from 4th anniversary of date of grant		Exercisable and negotiable from 4th anniversary of date of grant		Exercisable and negotiable from 3rd anniversary of date of grant
Number of shares subscribed at December 31, 2015	-	1,517,824	244,400	-	-
Cumulative number of options cancelled, not awarded, or forfeited	2,000,000	275,000	147,200	129,200	0
Number of options outstanding at the end of the period	0	207,176	1,108,400	1,308,000	1,308,800

7.4.6.2 Movement in number of options outstanding

	2015		2014	
	Number of options	Weighted average subscription/ purchase price (€)	Number of options	Weighted average subscription/ purchase price (€)
Options outstanding at January 1	**4,819,862**	**11.17**	**5,157,013**	**10.87**
Options granted	1,308,000	15.46	-	-
Options cancelled, not awarded, or forfeited	(16,800)	7.97	(68,400)	8.52
Options exercised	(474,986)	9.32	(268,751)	5.98
Options expired	(1,704,500)	15.35	-	-
Options outstanding at December 31	**3,932,376**	**11.03**	**4,819,862**	**11.17**
Options exercisable at December 31	*1,315,576*	*11.45*	*2,142,262*	*13.44*

A total of 474,986 options were exercised during 2015. The average residual life of options outstanding as of December 31, 2015 was 49 months (compared with 29 months as of December 31, 2014).

7.4.6.3 Share-based payment expense

Accounting policy

TF1 maydecide to award stock subscription option plans (see note 7-4-6-1) and free share allotment plans to its employees.

In accordance with IFRS 2, the cost of such 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 stock subscription option plans is measured at the date of grant using the Black-Scholes-Merton model, and is recognised over the vesting period.

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

The matching entry for the movement in this reserve during the period is charged to "Staff costs" in the income statement (see note 5-1).

Expense related to stock option plans awarded by the TF1 group

The expense related to stock option plans, as recognised in "Staff costs", breaks down as follows:

				Staff costs	
(€m)	Date of grant	Lock-up period	Total fair value	2015	2014
Plan no. 12	Jun. 10, 2011	4 years	1.8	0.1	0.4
Plan no. 13	Jun. 12, 2012	4 years	0.7	0.4	0.2
Plan no. 14	Jun. 12, 2015	3 years	3.6	0.8	-
TOTAL				**1.3**	**0.6**

Stock option plan expense 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. 12	€12.40	€12.47	31%	5.25 years	2.61%	4.64%	-15%	€1.18
Plan no. 13	€5.72	€6.17	40%	5.18 years	1.63%	7.65%	-15%	€0.70
Plan no. 14	€15.70	€15.46	28%	5.18 years	0.41%	1.57%	-15%	€2.75

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 stock options with the same maturity.

Expense related to employee benefit plans awarded by the Bouygues group

The expense related to plans awarded by the Bouygues group to TF1 employees was not material for 2015.

7.4.6.4 Share buybacks

Under the new share buyback programme approved by the Annual General Meeting of April 16, 2015, TF1 repurchased 2,969,765 of its own shares during the third quarter of 2015 for a total amount of €40.0 million.

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

7.4.6.5 Put options granted to non-controlling interests

The TF1 group had no commitments in place as of December 31, 2015 that constituted a put option exercisable by non-controlling interests.

7.4.7 Cash flow hedge reserve

(€m)	2015	2014
Reserve as of January 1	**3.3**	**(3.6)**
Cash flow hedges reclassified to profit or loss during the period[(1)]	(6.5)	(0.4)
Change in fair value of new cash flow hedges contracted during the period	2.2	4.5
Change in fair value of existing portfolio of cash flow hedges during the period	2.1	2.8
Reserve as of December 31	**1.1**	**3.3**

(1) Amounts reclassified from equity to profit or loss are recognised as a component of operating profit.

7.5 NET DEBT AND FINANCIAL LIABILITIES

7.5.1 Net debt

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

(€m)	2015	2014
Cash and cash equivalents	703.1	501.4
Available cash	**703.1**	**501.4**
Fair value of interest rate derivatives	**-**	**-**
Current debt	(2.3)	(4.4)
Total debt	**(2.3)**	**(4.4)**
Net surplus cash (+)/Net debt (-)	**700.8**	**497.0**

7.5.1.1 Cash and cash equivalents

Accounting policy

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 equity investees, joint ventures or associates, and current accounts with other Bouygues group entities.

Cash and treasury current accounts are financial assets classified in the “Loans and receivables” category, and carried at amortised cost.

Cash and cash equivalents consists of the following items:

(€m)	2015	2014
Cash	11.3	23.3
Treasury current accounts[1]	691.8	478.1
Cash and cash equivalents of continuing operations	**703.1**	**501.4**

(1) The other cash accounts include €691 million with Bouygues Relais.

7.5.2 Financial liabilities

Accounting policy

Financial liabilities are classified in one of two categories: financial liabilities at fair value through profit or loss, or 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 Group's non-derivative financial liabilities measured at amortised costmainly comprise borrowings (including credit facilities contracted with banks or with the Group), treasury current accounts with credit balances, bank overdrafts, and finance lease obligations.**

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 8-2-2).

- **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 such 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.

Use of estimates and judgment

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 bank counterparties. Where no quoted market price is available, fair value is estimated using other valuation methods such as the discounted cash flow method.

The table below shows financial liabilities by category:

2015 (€m)	Financial liabilities at fair value through profit or loss			Financial liabilities at amortised cost	Total
	Designated at fair value on initial recognition	Held for trading	Level[(1)]		
Non-current debt	-	-		-	-
Current debt	-	-		2.3	2.3
Trade and other creditors	-			1,339.7	1,339.7
Other current financial liabilities	-	-		-	-
Currency derivatives	-	-		-	-
Interest rate derivatives	-	-		-	-

(1) See the "Use of estimates and judgment" section of Note 7-3-5.

2014 (€m)	Financial liabilities at fair value through profit or loss			Financial liabilities at amortised cost	Total
	Designated at fair value on initial recognition	Held for trading	Level[(1)]		
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 the "Use of estimates and judgment" section of note 7-3-5.

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 used by the Group.

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 the "Use of estimates and judgment" section of note 7-3-5.

NOTE 8 RISK MANAGEMENT

8.1 CAPITAL MANAGEMENT POLICY

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, the Group 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 7-5-1 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, 2015 and December 31, 2014, the Group had net surplus cash of €700.8 million and €497.0 million respectively, so gearing was zero.

8.2 FINANCIAL RISK MANAGEMENT POLICY

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

8.2.1 Liquidity risk

The Banking Operations Unit and the Financing, Treasury and Investor Relations Department are responsible for ensuring that the Group 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 and maintaining an adequate cushion of credit facilities, with phased maturities.

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, 2015, TF1 had access to confirmed bilateral credit facilities with banks totalling €905.0 million, backed up by a cash pooling agreement with the Bouygues group. As of December 31, 2015, nothing was drawn down under this cash pooling agreement.

The Group had no outstanding finance lease obligations as of December 31, 2015.

	Authorised facilities			Drawdowns			
2015 *(€m)*	**Less than 1 year**	**1 to 5 years**	**Total**	**Less than 1 year**	**1 to 5 years**	**Total**	**Available facilities**
Confirmed bilateral facilities	245.0	660.0	905.0	-	-	-	905.0
Finance leases	-	-	-	-	-	-	-
Bouygues cash pooling agreement	-	-	-	-	-	-	-
TOTAL	**245.0**	**660.0**	**905.0**	**-**	**-**	**-**	**905.0**

	Authorised facilities			Drawdowns			
2014 *(€m)*	**Less than 1 year**	**1 to 5 years**	**Total**	**Less than 1 year**	**1 to 5 years**	**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**

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:

2015 *(€m)*	Carrying amount	Residual contractual amount Less than 1 year	1 to 5 years	Total
Finance leases	-	-	-	-
Trade and other creditors	1,339.7	1,339.7	-	1,339.7
Other financial liabilities	2.3	2.3	-	2.3
TOTAL	**1,342.0**	**1,342.0**	**-**	**1,342.0**

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

Investment of surplus cash

The 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, and with a floor rate of 0%;
- contracted with high-grade counterparties.

As of December 31, 2015, €691.0 million out of the €700.8 million of net surplus cash was invested with Bouygues Relais under the terms of the cash pooling arrangement between the two entities.

(€m)	2015	2014
Interest-bearing bank account	4.2	10.7
Bouygues Relais cash pooling agreement	691.0	477.0
Other treasury current accounts	7.9	13.7
TOTAL	**703.1**	**501.4**

8.2.2 Market risk

The 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. The department submits hedging scenarios to the Strategy/Finance/Purchasing directorate for approval; once they have been approved, it executes and administers the relevant market transactions.

Accounting policy

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 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.

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 of 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, the Group 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.**

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.

8.2.2.1 Interest rate risk

The Group is exposed to interest rate risk as a result of its financing needs. The objective of the Group's 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, 2015 or December 31, 2014. The schedules below analyse financial assets and financial liabilities, and the net exposure, by interest rate type and maturity.

	Financial assets		Financial liabilities		Net pre-hedging exposure		Hedging instruments		Net post-hedging exposure	
2015 *(€m)*	**Fixed rate**	**Floating rate**	**Fixed rate**	**Floating rate**	**Fixed rate**	**Floating rate**	**Fixed rate**	**Floating rate**	**Fixed rate**	**Floating rate**
Less than 1 year	4.2	698.9		(2.3)	4.2	696.6	-	-	4.2	696.6
1 to 5 years	-	-	-	-	-	-	-	-	-	-
TOTAL	**4.2**	**698.9**		**(2.3)**	**4.2**	**696.6**	**-**	**-**	**4.2**	**696.6**

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

The sensitivity analysis 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 2014 and 2015.

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).

	2015		2014	
	Pre-tax impact on profit or loss	Pre-tax impact on equity	Pre-tax impact on profit or loss	Pre-tax impact on equity
Impact of a movement of +1% in interest rates	7.0	-	4.9	-
Impact of a movement of -1% in interest rates	N/A[(1)]	-	N/A[(1)]	-

(1) As of December 31, 2015 and 2014, 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.

8.2.2.2 Foreign exchange risk

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

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

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

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

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

Multi-currency foreign exchange risk

Accounting policy

Foreign currency translation: 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.

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

During 2015, over 99% of the Group's cash inflows were in euros, 0.5% were in Swiss francs, and 0.2% in U.S. dollars.

As regards cash outflows, 96% (including acquisitions of audiovisual rights) were in euros, 3.7% in U.S. dollars, and 0.1% in sterling and Swiss francs.

The objective of the Group's foreign exchange risk management policy 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 as of December 31, 2015:

Equivalent value in euros at 2015 closing exchange rates *(€m)*	USD(1)	GBP(2)	CHF(3)	Other currencies	Total
Assets	5.2	0.5	2.8	0.1	8.6
Liabilities	(71.8)	-	(0.9)	(0.0)	(72.7)
Off balance sheet commitments	(64.5)	-	-	-	(64.5)
Pre-hedging position	**(131.1)**	**0.5**	**1.9**	**0.1**	**(128.6)**
Forwards and futures	121.3	-	-	-	121.3
Currency swaps	0.9	2.7	2.8	-	6.4
Net post-hedging position	**(8.9)**	**3.2**	**4.7**	**0.1**	**(0.9)**

(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. Most of the inventories purchased by Dujardin and the Home Shopping business are paid for in U.S. dollars.
(2) Net exposure in GBP: This mainly relates to the ordinary activities of TF1.
(3) 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, 2014:

Equivalent value in euros at 2014 closing exchange rates *(€m)*	USD(1)	GBP(2)	CHF(3)	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. Most of the inventories purchased by Dujardin and the Home Shopping business are paid for in U.S. dollars.
(2) Net exposure in GBP: This mainly relates to the ordinary activities of TF1.
(3) Net exposure in CHF: This mainly relates to the ordinary activities of TF1.

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 end of the reporting period, applying the accounting treatments specified in IAS 39.

	2015				2014			
	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	0.1	(0.1)	(1.2)	1.2	0.3	(0.3)	(1.0)	1.0
GBP	-	-	-	-	(0.1)	0.1	-	-
CHF	-	-	-	-	(0.1)	0.1	-	-
Other currencies	-	-	-	-	-	-	-	-
TOTAL	**0.1**	**(0.1)**	**(1.2)**	**1.2**	**0.1**	**(0.1)**	**(1.0)**	**1.0**

As of December 31, 2015, 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 +€1.1 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 2014 was +€0.9 million.

Analysis of foreign exchange derivative instruments by currency

The tables below analyse foreign exchange hedging instruments by currency:

		Nominal amount of hedges				Fair value *(€)*	
			Amount in euros				
December 31, 2015 *(€m)*	**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	1.0	0.9	0.9	-	-	-
	GBP	2.0	2.7	2.7	-	-	-
	CHF	3.0	2.8	2.8	-	-	-
Forward purchases	USD	132.1	121.3	121.3	-	4.5	4.5
Forward sales	Various	-	-	-	-	-	-
TOTAL			**127.7**	**127.7**	**-**	**4.5**	**4.5**

		Nominal amount of hedges				Fair value *(€)*	
			Amount in euros				
December 31, 2014 *(€m)*	**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	-	-	-
Forward purchases	USD	123.1	101.4	84.1	17.3	7.2	7.1
Forward sales	Various		-	-	-	-	-
TOTAL			**126.1**	**108.8**	**17.3**	**7.3**	**7.1**

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 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 sports 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**
2015				
Foreign exchange instruments – assets	-	-	4.5	4.5
Foreign exchange instruments – liabilities	-	-	-	-
TOTAL	**-**	**-**	**4.5**	**4.5**
2014				
Foreign exchange instruments – assets	0.2	-	7.1	7.3
Foreign exchange instruments – liabilities	-	-	-	-
TOTAL – CONTINUING OPERATIONS	**0.2**	**-**	**7.1**	**7.3**

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 2014 and 2015:

(€m)	Ineligible for hedge accounting	Designated as fair value hedges	Designated as cash flow hedges	Total
2015	**(0.2)**	**-**	**(2.7)**	**(2.9)**
effective portion	-	-	(3.0)	
ineffective portion	(0.2)	-	0.3	
2014	**0.2**	**-**	**10.9**	**11.1**
effective portion	-	-	11.2	
ineffective portion	-	-	(0.3)	

Counterparty risks

The 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 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 2015, no single customer of the 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 2015, no single supplier of the TF1 group represented more than 6% 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.

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Risk of non-recovery of debtors

			Past due			
2015 *(€m)*	Carrying amount	Not past due	Total	< 6 months	6-12 months	> 12 months
Trade debtors	552.0	475.8	76.2	59.7	3.4	13.1
Provisions for impairment of trade debtors	(12.2)	-	(12.2)	(2.0)	(2.3)	(7.9)
TOTAL TRADE DEBTORS, NET	**539.8**	**475.8**	**64.0**	**57.7**	**1.1**	**5.2**

			Past due			
2014 *(€m)*	Carrying amount	Not 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)
TOTAL TRADE DEBTORS, NET	**637.8**	**550.4**	**87.4**	**70.0**	**3.3**	**14.1**

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 full, 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 and TF1 Vidéo use 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 8-2-1 on liquidity risk).

NOTE 9 OTHER NOTES TO THE FINANCIAL STATEMENTS

9.1 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 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 7-1-2,"Programmes and broadcasting rights" for purchase contracts designed to secure future programming schedules, and note 8-2-1, "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 Group.

The various types of commitments given and received by the 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.

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 end of the reporting period. Only leases that are material to the Group are included. Most of the leases included relate to property, in particular the premises occupied by TF1 subsidiaries.

Finance leases

This item shows the minimum future lease payments under finance leases outstanding at the end of the reporting period.

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

9.1.1 Guarantee commitments

(€m)	Less than 1 year	1 to 5 years	More than 5 years	Total 2015	Total 2014
Guarantee commitments					
Pledges, mortgages and collateral	-	-	-	-	-
Guarantees and endorsements given	3.8	-	-	3.8	3.1
Guarantee commitments given	**3.8**	**-**	**-**	**3.8**	**3.1**
Pledges, mortgages and collateral	-	-	-	-	-
Guarantees and endorsements received	-	-	-	-	0.1
Guarantee commitments received	**-**	**-**	**-**	**-**	**0.1**
GUARANTEE COMMITMENTS, NET	**3.8**	**-**	**-**	**3.8**	**3.0**

9.1.2 Reciprocal contractual commitments

(€m)	Less than 1 year	1 to 5 years	More than 5 years	Total 2015	Total 2014
Miscellaneous contractual commitments					
Image transmission	37.1	105.8	7.0	149.9	115.7
Commitments relating to equity interests[(1)]	145.0	31.8	-	176.8	640.3
Other commitments	5.4	3.8	-	9.2	7.5
Miscellaneous contractual commitments given	**187.5**	**141.4**	**7.0**	**335.9**	**763.5**
Image transmission	37.1	105.8	7.0	149.9	115.7
Commitments relating to equity interests[(1)]	145.0	31.8	-	176.8	640.3
Other commitments	5.4	3.8	-	9.2	7.5
Miscellaneous contractual commitments received	**187.5**	**141.4**	**7.0**	**335.9**	**763.5**
MISCELLANEOUS CONTRACTUAL COMMITMENTS, NET	**-**	**-**	**-**	**-**	**-**

(1) In 2015, commitments relating to equity interests include commitments relating to the acquisition of an equity interest in Newen Studios (see note 1, "Significant events of the year"), and commitments vis-à-vis the ITAS group associated with the share warrants held by TF1 (see note 7-3-5, "Other non-current financial assets")that were initially recognised in the fourth quarter of 2014. In 2014, commitments relating to equity interests related mainly to the agreements with the Discovery group that were executed during 2015 (see note 1, "Significant events of the year").

9.1.3 Operating leases

(€m)	Less than 1 year	1 to 5 years	More than 5 years	Total 2015	Total 2014
Operating leases					
Operating lease commitments given	11.3	11.9	0.1	23.3	31.5
Operating lease commitments received	11.3	11.9	0.1	23.3	31.5
OPERATING LEASE COMMITMENTS, NET	**-**	**-**	**-**	**-**	**-**

9.1.4 Finance leases

(€m)	Less than 1 year	1 to 5 years	More than 5 years	Total 2015	Total 2014
FINANCE LEASES (ALREADY RECOGNISED IN THE BALANCE SHEET)	**-**	**-**	**-**	**-**	**1.2**

9.2 RELATED PARTY INFORMATION

9.2.1 Executive remuneration

Total remuneration paid during 2015 to key executives of the Group (*i.e.* the 13 members of the TF1 Management Committee mentioned in the registration document) was €9.3 million, comprising:

(€m)	2015	2014
Fixed remuneration	5.8	5.8
Variable remuneration and benefits in kind	3.5	2.8

Additional information:

- the portion of expenses relating to stock options and free shares awarded to these key executives was €0.2 million for the year ended December 31, 2015;
- the portion of the total obligation in respect of retirement and other post-employment benefits relating to those key executives was €3.9 million.

The Bouygues group offers the members of its Executive Committee, who include Nonce Paolini, a supplementary 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 2015 to the investment fund of the insurance company which manages the scheme was €0.7 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 increased by 5.5%in 2015.

9.2.2 Transactions with other related parties

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

	Income		Expenses		Debtors		Creditors	
(€m)	2015	2014	2015	2014	2015	2014	2015	2014
Parties with an ownership interest	41.2	48.0	(13.2)	(12.6)	703.7 (1)	493.8 (1)	6.7	5.7
Joint ventures	0.5	1.7	-	(2.8)	0.6	1.2	2.3	4.3
Associates	7.0	7.3	(12.2)	(11.1)	8.1	9.2	11.3	8.0
Other related parties	-	-	-	-	-	-	-	-
TOTAL	**48.7**	**57.0**	**(25.4)**	**(26.5)**	**712.4**	**504.2**	**20.3**	**18.0**

(1) Primarily the Bouygues Relais cash pooling agreement (see note 8-2-1).

Agreements entered into with joint ventures and associates relate primarily to operational transactions in the ordinary course of 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 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 9-1 do not include any material commitments to related parties.

9.3 AUDITORS' FEES

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

	Mazars				KPMG				Other audit firms			
	Amount		%		Amount		%		Amount		%	
(in thousand of euros)	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Audit of consolidated and individual company financial statements	**(735)**	**(778)**	**100%**	**100%**	**(512)**	**(555)**	**96%**	**99%**	**(60)**	**(63)**	**60%**	**62%**
TF1 SA	*(210)*	*(214)*			*(212)*	*(214)*			-	-		
Subsidiaries	*(525)*	*(564)*			*(300)*	*(341)*			*(60)*	*(63)*		
Other procedures and services directly related to the audit engagement	**-**	**(3)**	**0%**	**0%**	**(15)**	**(5)**	**4%**	**1%**	**(40)**	**(39)**	**40%**	**38%**
TF1 SA	-	-			*(15)*	-			*(40)*	*(39)*		
Subsidiaries	-	*(3)*			-	*(5)*			-	-		
Audit-related fees	**(735)**	**(781)**	**100%**	**100%**	**(527)**	**(560)**	**100%**	**100%**	**(100)**	**(102)**	**100%**	**100%**
Other services provided by audit firms to fully consolidated subsidiaries												
Company law, tax and employment law	(1)	-	-	-	(2)	-	0%	0%	-	-	0%	0%
Other (if > 10% of audit-related fees)	-	-	-	-	(2)	-	0%	-	-	-	0%	0%
Other fees	**(1)**	**-**	**-**	**-**	**(4)**	**-**	**0%**	**0%**	**-**	**-**	**0%**	**0%**
TOTAL AUDITORS' FEES	**(736)**	**(781)**	**100%**	**100%**	**(531)**	**(560)**	**100%**	**100%**	**(100)**	**(102)**	**100%**	**100%**

9.4 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 digital terrestrial broadcasting licence for a 10-year period on June 10, 2003: LCI, TMC and NT1. 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.

9.5 DETAILED LIST OF COMPANIES INCLUDED IN THE CONSOLIDATION

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.

The Group 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 the Group exercises significant influence, which means that it 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 actually governed and managed.

The Group 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.

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.

Company	Country	Activity	December 2015 % Control (1)	December 2015 Method	December 2014 % Control (1)	December 2014 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	Content/broadcasting: internet and TV services	100.00%	Full	100.00%	Full
WAT	France	Internet content & services	-	-	100.00%	Full
METRO FRANCE PUBLICATIONS	France	Digital news media	100.00%	Full	100.00%	Full
TMC RÉGIE	France	TMC advertising airtime sales	100.00%	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
TF1 EVENTS	France	Event management	100.00%	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 VIDÉO	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
UNE MUSIQUE	France	Publishing of music & sound recordings	100.00%	Full	100.00%	Full
STS ÉVÉNEMENTS	France	Commercial operation of live venues	55.00%	Full		

Company	Country	Activity	December 2015 % Control (1)	December 2015 Method	December 2014 % Control (1)	December 2014 Method
Pay-TV						
EUROSPORT France SA	France	Theme channel	-	-	80.00%	Full
EUROSPORT GROUP	France	Audiovisual production, scheduling & broadcasting	-	-	49.00%	Equity
TV BREIZH	France	Theme channel	100.00%	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
SÉRIE CLUB	France	Theme channel	50.00%	Equity	50.00%	Equity
STYLA	France	Theme channel	-	-	80.00%	Full
HISTOIRE	France	Theme channel	100.00%	Full	80.00%	Full
USHUAÏA TV	France	Theme channel	100.00%	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
PREFAS 18	France	Holding company	100.00%	Full	80.00%	Full
TF1 EXPANSION	France	Holding company	100.00%	Full	100.00%	Full
APHELIE	France	Real estate company	100.00%	Full	100.00%	Full
FIRELIE	France	Real estate company	100.00%	Full	100.00%	Full
PERELIE	France	Real estate company	100.00%	Full	100.00%	Full
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.

9.6 EVENTS AFTER THE REPORTING PERIOD

Newen Studios acquisition

On January 26, 2016, having obtained the necessary clearances from the regulatory authorities, TF1 and the shareholders of the Newen group finalised the implementation of the sale agreement of November 9, 2015 under which TF1 was to acquire a 70% equity interest in Newen Studios, the parent company of the Newen group.

The vendors and TF1 have entered into a shareholder agreement which specifies the terms of exercise of the reciprocal undertakings whereby the vendors have an option to sell to TF1, and TF1 has an option to acquire, the residual 30% equity interest during a five-year period starting in 2018.

LCI

On January 8, 2016, NextRadio TV and BFM TV filed a substantive appeal with the *Conseil d'État* against the CSA decision of December 17 authorising the switchover of the LCI channel to freeview.

9.7 CORRESPONDENCE TABLE OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 2015 VS. 2014

Title	2015 notes	2014 notes
Significant events of the year	**Note 1**	**Note 1**
Accounting principles and policies	**Note 2**	**Note 2**
Declaration of compliance and basis of preparation	Note 2-1	Note 2-1
New and amended IFRS accounting standards and interpretations	Note 2-2	Note 2-2
Changes in accounting policy	Note 2-3	Note 2-3
Exercise of judgment and use of estimates	Note 2-4	Note
Scope of consolidation: significant changes and held-for-sale operations	**Note 3**	**Notes 2, 3 & 4**
Significant changes in scope of consolidation in current year	Note 3-1	Note 3-1
Significant changes in scope of consolidation in prior year	Note 3-2	Note 3-2
Held-for-sale operations	Note 3-3	Note 4
Segment information	**Note 4**	**Notes 2, 5, 16 & 17**
Information by operating segment	Note 4-1	Note 5-1
Information by geographical segment	Note 4-2	Note 5-2
Operating revenues	Note 4-3	Notes 2-20 & 16
Other purchases consumed and changes in inventory	Note 4-4	Note 17
Notes to the consolidated income statement	**Note 5**	**Notes 2, 18, 19, 20, 21, 22, 23, 24, 25 & 26**
Staff costs	Note 5-1	Note 18
External expenses	Note 5-2	Note 19
Taxes other than income taxes	Note 5-3	Note 20
Other current operating income and expenses	Note 5-4	Note 21
Non-current operating income and expenses	Note 5-5	Note 2-22
Cost of net debt	Note 5-6	Notes 2-23 & 22
Other financial income and expenses	Note 5-7	Note 23
Net income and expense on financial assets and financial liabilities	Note 5-8	Note 24
Income taxes	Note 5-9	Notes 2-24 & 25
Net profit from discontinued/held-for-sale operations	Note 5-10	Note 26
Notes to the consolidated cash flow statement	**Note 6**	**Note 28**
Definition of cash position	Note 6-1	Note 28-1
Net cash generated by/used in operating activities	Note 6-2	Not included in 2014 financial statements
Net cash generated by/used in investing activities	Note 6-3	Note 28-2
Net cash generated by/used in financing activities	Note 6-4	Note 28-3

Title	2015 notes	2014 notes
Notes to the consolidated balance sheet	**Note 7**	**Notes 2, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 18, 27 & 30**
Audiovisual rights and broadcasting rights	Note 7-1	Notes 2-4-2, 2-8-1, 2-10, 7 & 10
Current assets and liabilities	Note 7-2	Notes 2-4-2, 2-11-2, 2-19-2, 2-21, 11, 13-3 & 15-2
Non-current assets and liabilities	Note 7-3	Notes 2-4-2, 2-8-2, 2-9, 2-10, 2-11, 2-19, 6, 7, 8, 9, 11 & 15
Shareholders' equity	Note 7-4	Notes 2-25, 2-26, 12, 18, 27 & 30
Net debt and financial liabilities	Note 7-5	Notes 2-4-2, 2-14, 2-17, 13 & 14
Risk management	**Note 8**	**Note 29**
Capital management policy	Note 8-1	Note 29-1
Financial risk management policy	Note 8-2	Note 29-2
Other notes to the financial statements	**Note 9**	**Notes 2, 31, 32, 33, 34, 35 & 36**
Off balance sheet commitments	Note 9-1	Note 31
Related party information	Note 9-2	Note 32
Auditors' fees	Note 9-3	Note 33
Dependence on licences	Note 9-4	Note 34
Detailed list of companies included in the consolidation	Note 9-5	Notes 2-5 & 36
Events after the reporting period	Note 9-6	Note 35

4.3 INDIVIDUAL FINANCIAL STATEMENTS

4.3.1 PARENT COMPANY INCOME STATEMENT (FRENCH GAAP)

(€ million)	Note	2015	2014
Operating income		**1,373.0**	**1,424.7**
TF1 channel advertising revenue	*2.12 & 4.1*	1,218.8	1,248.5
Revenue from other services		4.2	4.5
Income from ancillary activities		7.2	8.1
Revenue		1,230.2	1,261.1
Inventorised production		(0.2)	(0.6)
Capitalised production		1.4	2.3
Operating grants		0.1	0.0
Reversals of depreciation, amortisation, provisions and impairment		52.2	71.2
Cost transfers	*4.2*	84.8	88.4
Other income		4.5	2.3
Operating expenses		**(1,294.9)**	**(1,386.7)**
Purchases of raw materials and other supplies	*4.3*	(606.4)	(614.8)
Change in inventory	*4.3*	(48.6)	(42.7)
Other purchases and external charges	*4.4*	(268.6)	(336.5)
Taxes other than income taxes	*4.5*	(89.8)	(92.5)
Wages and salaries	*4.6*	(127.6)	(123.8)
Social security charges	*4.6*	(56.8)	(59.2)
Depreciation, amortisation, provisions and impairment			
amortisation of co-productions already transmitted		(7.6)	(7.4)
amortisation and depreciation of other non-current assets		(13.1)	(13.1)
impairment of non-current and current assets		(16.5)	(35.8)
provisions for liabilities and charges		(7.3)	(7.3)
Other expenses	*4.7*	(52.6)	(53.6)
Operating profits		**78.1**	**38.0**
Share of profits/losses of joint operations		**0.0**	**0.0**
Financial income		183.2	120.8
Financial expenses		(166.5)	(102.7)
Net financial income/(expense)	*4.8*	**16.7**	**18.1**
Profit before tax and exceptional items		**94.8**	**56.1**
Exceptional income		**499.7**	**364.6**
Exceptional income from operating transactions		0.1	15.8
Exceptional income from capital transactions		492.2	335.7
Reversals of provisions and impairment		7.4	13.1
Exceptional expenses		**(155.6)**	**(115.8)**
Exceptional expenses on operating transactions		0.0	0.0
Exceptional expenses on capital transactions		(139.3)	(112.8)
Depreciation, amortisation, provisions and impairment		(16.3)	(3.0)
Exceptional items	*4.9*	**344.1**	**248.8**
Employee profit-sharing		(5.6)	0.0
Income taxes	*4.10 et 4.11*	(31.1)	(11.2)
NET PROFIT		**402.2**	**293.7**

4.3.2 PARENT COMPANY BALANCE SHEET (FRENCH GAAP)

Assets *(€m)*	**Note**	**Dec. 31, 2015 Net**	**Dec. 31, 2014 Net**
Intangible assets	*2.2 & 3.1*	**38.6**	**28.6**
Audiovisual rights		*25.3*	*14.5*
Other intangible assets		13.3	14.1
Property, plant and equipment	*2.3 & 3.2*	**26.2**	**28.3**
Technical facilities		8.0	9.6
Other property, plant and equipment		17.0	18.6
Property, plant and equipment under construction		1.2	0.1
Non-current financial assets	*2.4 & 3.3*	**844.8**	**978.7**
Investments in subsidiaries and affiliates		829.0	978.5
Other long-term investment securities		15.6	0.0
Loans receivable		0.0	0.0
Other non-current financial assets		0.2	0.2
Non-current assets		**909.6**	**1,035.6**
Inventories and work in progress	*2.5 & 3.4*	**205.1**	**233.9**
Broadcasting rights available for initial transmission		130.0	139.2
Broadcasting rights available for retransmission		73.2	92.6
Broadcasting rights in progress		1.9	2.1
Advance payments	*2.6 & 3.5.1*	139.9	165.6
Trade debtors	*2.7 & 3.5.2*	277.9	269.1
Other debtors	*3.5.3*	258.5	144.0
Short-term investments and cash	*2.8 & 3.6*	799.2	723.2
Prepayments	*3.7*	3.8	4.3
Current assets		**1,684.4**	**1,540.1**
Unrealised foreign exchange losses		0.1	0.1
TOTAL ASSETS		**2,594.1**	**2,575.8**

Liabilities and shareholders' equity *(€m)*	Note	Dec. 31, 2015	Dec. 31, 2014
Share capital		42.1	42.3
Share premium		11.7	7.4
Legal reserve		4.3	4.3
Other reserves		787.6	807.3
Retained earnings		177.1	200.7
Net profit for the year		402.2	293.7
Restricted provisions	*2.10*	20.3	22.0
Shareholders' equity	*3.8*	**1,445.3**	**1,377.7**
Provisions for liabilities and charges	*2.11 & 3.9*	**70.4**	**57.6**
Bank borrowings(1)		0.0	0.0
Other borrowings(2)		494.1	472.8
Trade creditors		213.9	253.5
Tax and employee-related liabilities		144.7	138.5
Amounts payable in respect of non-current assets		3.9	1.6
Other liabilities		212.3	266.4
Deferred income		6.0	3.2
Liabilities	*3.10*	**1,074.9**	**1,136.0**
Unrealised foreign exchange gains		3.5	4.5
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**2,594.1**	**2,575.8**
(1) Of which bank overdrafts and bank accounts in credit		0.0	0.0
(2) Of which intra-group current accounts		494.1	472.8

4.3.3 PARENT COMPANY CASH FLOW STATEMENT (FRENCH GAAP)

Cash flow statement *(€m)*	**2015**	**2014**
1 – Operating activities		
■ Net profit for the year	402.2	293.7
■ Depreciation, amortisation, provisions and impairment[(1)(2)]	22.4	38.9
■ Investments grants released to the income statement	0.0	0.0
■ Net (gain)/loss on disposals of non-current assets	(360.4)	(230.7)
Operating cash flow before changes in working capital	**64.2**	**101.9**
■ Acquisitions of co-productions[(2)]	(4.0)	(3.5)
■ Amortisation and impairment of co-productions[(2)]	6.0	3.6
■ Inventories	28.8	21.9
■ Trade and other operating debtors	(159.2)	121.0
■ Trade and other operating creditors	(85.7)	79.1
■ Advance payments received from third parties, net	25.7	33.7
Change in operating working capital needs	***(188.4)***	***255.8***
Net cash generated by/(used in) operating activities	**(124.2)**	**357.7**
2 – Investing activities		
■ Acquisitions of property, plant & equipment and intangible assets[(1)(2)]	(25.8)	(8.6)
■ Disposals of property, plant & equipment and intangible assets[(1)(2)]	0.1	0.0
■ Acquisitions of investments in subsidiaries and affiliates	(95.1)	(31.4)
■ Disposal/reductions of investments in subsidiaries and affiliates	574.0	332.2
■ Net change in amounts payable in respect of non-current assets	38.6	(36.2)
■ Net change in other non-current financial assets	0.0	0.0
Net cash generated by/(used in) investing activities	**491.8**	**256.0**
3 – Financing activities		
■ Change in shareholders' equity	4.4	1.6
■ Net change in debt	21.3	(167.0)
■ Dividends paid	(317.3)	(116.2)
Net cash generated by/(used in) financing activities	**(291.6)**	**(281.6)**
TOTAL CHANGE IN CASH POSITION	**76.0**	**332.1**
Cash position at beggining of period	723.2	391.1
Change in cash position	76.0	332.1
Cash position at end of period	799.2	723.2

(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 SEPARATE FINANCIAL STATEMENTS

The parent company financial statements for the year ended December 31, 2015 have been prepared in accordance with legal and regulatory requirements as currently applicable in France.

The financial statements were adopted by the Board of Directors on February 17, 2016 and will be submitted for approval at the Annual General Meeting on April 14, 2016.

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NOTE 1 SIGNIFICANT EVENTS

Sale of a 49% interest in Eurosport SAS to Discovery Communications

On October 1, 2015, the TF1 group sold its remaining 49% equity interest in Eurosport SAS to Discovery Communications (see note 4-9.).

Buyout of a 20% interest in Prefas 18 from Discovery Communications

Also on October 1, 2015, the TF1 group bought out the 20% equity interest held by Discovery Communications in Prefas 18, the holding company which owns the TV Breizh, Histoire et Ushuaïa TV Pay-TV channels.

Those channels are now 100% owned by the TF1 group, *via* PREFAS 18 (see note 3-3).

Acquisition of Newen Studios

On November 9, 2015, TF1 signed an agreement with Newen Studios with a view to the acquisition by TF1 of a 70% equity interest in Newen Studios (the parent company of the Newen group). The existing shareholders, including the management team, are retaining a 30% interest as part of a medium/long-term partnership.

The acquisition was completed on January 26, 2016 (see note 6, “Events after the reporting period”), and has no material impact on the 2015 consolidated financial statements.

LCI channel – freeview switchover

On December 17, 2015, the CSA (the French broadcasting regulator) approved the application by TF1 to switch its LCI subsidiary from pay-to-view DTT to freeview DTT.

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 2015.

2.2 INTANGIBLE ASSETS

2.2.1 Audiovisual rights

Audiovisual rights comprise:

- television programmes intended for future broadcast on the channel;
- other user rights.

2.2.1.1 Television programmes

In order to secure programming schedules for future years, TF1 SA enters into binding contracts under which it acquires programme production shares and the other party agrees to deliver the programme in question.

Television programmes 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 the Direction.

Tax depreciation is charged against television programmes not yet transmitted, in accordance with the policies described in note 2-10 "Restricted provisions".

Television programmes comprise the following items:

Programmes available for initial transmission

Programmes are recorded on this line once they are opened for initial transmission on the TF1 channel.

Programmes available for retransmission

Programmes which are still available for repeat broadcasts are recorded on this line.

Programmes in progress

This line is used to record screenplays and other texts that have not yet gone into production. The amounts reported represent 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 relating to payments made to secure programming schedules for future years.

This line also includes programmes where shooting has been completed but technical acceptance and/or opening of rights have yet to occur.

2.2.1.2 Other user rights

In addition to broadcasting rights to certain programmes, TF1 SA also invests in producer shares, so that it can secure ownership of related tangible and intangible assets, in particular user rights to programmes.

Payments for producer shares are definitively recognised as intangible assets when (i) technical acceptance has occurred and (ii) the rights period has opened for the broadcasting rights acquired in parallel with the producer shares.

Payments made for producer shares before the conditions for recognition are met are recognised in the balance sheet as intangible assets in progress.

Producer shares are amortised over their expected useful lives.

A provision for impairment is recognised if expected future revenues expected are lower than the carrying amount of the asset.

Tax depreciation is charged against producer shares, in accordance with the policies described in note 2-10 "Restricted provisions".

2.2.2 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 that are primarily derived from business plans, using the discounted cash flow (DCF) method. If the event of a significant and prolonged decline in the value in use of an investment below 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 production share acquisition contracts) under which it acquires (and the other party agrees to deliver) programme rights and sports transmission rights.

Broadcasting rights are 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 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 sports transmission rights are resold, a provision is recorded to cover any excess of the amount of advance payments over the actual or estimated selling price once the sale is probable.

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 debtors are covered by impairment allowances on the following basis:

- 100% of all trade debtors (excluding VAT) more than 3 years old;
- 50% of all trade debtors (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, which are 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 net 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 production shares for television programmes not yet transmitted and other user rights, 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 relating to 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 without corresponding inflow for the Group 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 supplementary 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 company;
- 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 company'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 period to the next, and of differences between actual market conditions and the expected market conditions used in the assumptions. Those 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

The Group uses financial instruments to hedge its exposure to fluctuations in interest rates and exchange rates. That exposure arises from transactions carried out by TF1 SA 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 Audiovisual rights

Audiovisual rights consist of the following items:

Gross value (€m)	Jan. 1, 2015	Increases	Decreases	Transfers	Dec. 31, 2015
Television programmes	15.1	12.9	(16.4)		11.6
Other user rights[1]	1.5	1.0			2.5
Other user rights in progress[1]		14.3			14.3
TOTAL	**16.6**	**28.2**	**(16.4)**	**0.0**	**28.4**
Amortisation & impairment	**Jan. 1, 2015**	**Increases**	**Decreases**		**Dec. 31, 2015**
Television programmes	0.6	7.9	(7.8)		0.7
Other user rights[1]	1.5	0.9			2.4
TOTAL	**2.1**	**8.8**	**(7.8)**	**0.0**	**3.1**
Net value	**14.5**				**25.3**

(1) Since the introduction in 2015 of new regulations on producer shares in French drama, movements relating to such shares are now presented on these lines.

Television programmes break down as follows:

(€m)	2015	2014
Programmes in progress	2.1	5.1
Programmes available for initial transmission	4.9	4.7
Programmes available for retransmission	8.1	9.1
Value of programmes at January 1, 2015	**15.1**	**18.9**
Acquisitions	**12.9**	**14.8**
Consumption on initial transmission	(6.9)	(6.6)
Consumption on retransmission	(0.7)	(0.8)
Total consumption on transmission	**(7.6)**	**(7.4)**
Expired	(4.0)	0.0
Retired or abandoned	(3.4)	(5.7)
Resold (net book value)	(1.4)	(5.6)
Decreases	**(16.4)**	**(18.7)**
Value of programmes at December 31, 2015	**11.6**	**15.1**
Breakdown of programmes:		
Programmes in progress	2.4	2.1
Programmes available for initial transmission	3.4	4.8
Programmes available for retransmission	5.8	8.2
TOTAL	**11.6**	**15.1**
Provisions for impairment		
January 1	**0.6**	**2.7**
Charges during the period	0.3	0.6
Reversals during the period	(0.2)	(2.7)
December 31	**0.7**	**0.6**

As of December 31, 2015, the risk of non-transmission for programmes with a co-production share was €6.1 million, of which:

- €0.7 million was covered by provisions for impairment;
- €5.4 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 audiovisual programme 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 2015	Total 2014
Audiovisual programmes	15.0	0.4	0.4	15.8	9.0

3.1.2 Other intangible assets

Movements in other intangible assets are shown below:

Gross value *(€m)*	Jan. 1, 2015	Increases	Decreases	Transfers	Dec. 31, 2015
Software	19.9	1.2		1.6	22.7
Other intangible assets	1.6	0.1	(0.1)		1.6
Intangible assets in progress	1.6	0.8		(1.6)	0.8
TOTAL	**23.1**	**2.1**	**(0.1)**	**0.0**	**25.1**
Amortisation & impairment	**Jan. 1, 2015**	**Increases**	**Decreases**		**Dec. 31, 2015**
Software	8.1	2.7			10.8
Other intangible assets	0.9	0.1			1.0
TOTAL	**9.0**	**2.8**			**11.8**
Net value	**14.1**				**13.3**

3.2 PROPERTY, PLANT AND EQUIPMENT

The table below shows movements in property, plant and equipment during the year:

Gross value *(€m)*	Jan. 1, 2015	Increases	Decreases	Transfers	Dec. 31, 2015
Technical facilities	79.4	2.9	(2.7)	0.1	79.7
Other property, plant and equipment	85.4	4.4	(1.4)		88.4
Property, plant & equipment under construction	0.1	1.2	0.0	(0.1)	1.2
TOTAL	**164.9**	**8.5**	**(4.1)**	**0.0**	**169.3**
Depreciation & impairment	**Jan. 1, 2015**	**Increases (1)**	**Decreases**		**Dec. 31, 2015**
Technical facilities	69.8	4.5	(2.6)		71.7
Other property, plant and equipment	66.8	5.8	(1.2)		71.4
TOTAL	**136.6**	**10.3**	**(3.8)**		**143.1**
Net value	**28.3**				**26.2**

(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, 2015	**1,223.3**	**0.0**	**0.0**	**0.2**	**1,223.5**
Increases					
Publications Metro France - capital increase	40.0				40.0
Ouest Info - capital increase	0.5				0.5
Prefas 18	14.6				14.6
Treasury shares		40.0			40.0
Decreases					**0.0**
TF1 Thématiques - capital reduction	(84.0)				(84.0)
Sale of Eurosport	(117.4)				(117.4)
Sale of WAT	(12.1)				(12.1)
Capital reduction by cancellation of repurchased shares		(20.0)			(20.0)
Other items		0.1			0.1
GROSS VALUE AT DECEMBER 31, 2015	**1,064.9**	**20.1**	**0.0**	**0.2**	**1,085.2**
Provisions for impairment					
January 1, 2015	**244.8**				**244.8**
Charges during the period	40.5	4.5			45.0
Reversals during the period	(49.4)				(49.4)
December 31, 2015	**235.9**	**4.5**	**0.0**	**0.0**	**240.4**
NET VALUE AT DECEMBER 31, 2015	**829.0**	**15.6**	**0.0**	**0.2**	**844.8**

The €45.0 million of impairment losses recognised during the period relate to equity investments (€40.5 million, on Publications Metro France and Ouest Info) and treasury shares (€4.5 million).

Reversals of impairment losses during the period (€49.4 million) relate to the equity investments in Prefas 18, TF1 Droits Audiovisuels, TF1 Production, TF1 Thématiques and WAT.

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 2015	Total 2014
Broadcasting rights available for initial transmission	154.9	0.1	155.0	156.6
Broadcasting rights available for retransmission	130.9		130.9	172.0
Broadcasting rights in progress	0.0	2.1	2.1	2.8
Inventory at January 1	**285.8**	**2.2**	**288.0**	**331.4**
Purchases during the year	**606.4**	**169.6**	**776.0**	**834.8**
Consumption on initial transmission	(553.2)	(169.6)	(722.8)	(761.2)
Consumption on retransmission	(32.8)	0.0	(32.8)	(39.1)
Total consumption on transmission	**(586.0)**	**(169.6)**	**(755.6)**	**(800.3)**
Expired	(44.3)		(44.3)	(35.7)
Retired or abandoned	(3.5)	(0.3)	(3.8)	(11.5)
Resold	(21.1)		(21.1)	(30.7)
Total consumption	**(655.0)**	**(169.8)**	**(824.8)**	**(878.2)**
Inventory at December 31	**237.2**	**1.9**	**239.2**	**288.0**
Change in inventory	**(48.6)**	**(0.2)**	**(48.8)**	**(43.4)**
Closing inventory breaks down as follows:				
Broadcasting rights available for initial transmission	0.0	1.9	1.9	155.0
Broadcasting rights available for retransmission	138.9	0.1	139.0	130.9
Broadcasting rights in progress	98.3	0.0	98.3	2.1
TOTAL	**237.2**	**1.9**	**239.2**	**288.0**
Provisions for impairment				
January 1	**54.1**	**0.0**	**54.1**	**75.5**
Transfers	0.0		0.0	0.0
Charges during the period	15.2		15.2	21.5
Reversals during the period	(35.2)		(35.2)	(42.9)
December 31	**34.1**	**0.0**	**34.1**	**54.1**

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 2015	Total 2014
Programmes and broadcasting rights(1)	887.0	668.5	141.9	1,697.4	1,391.8
Sports transmission rights(2)	42.3	44.1		86.4	121.0
TOTAL	**929.3**	**712.6**	**141.9**	**1,783.8**	**1,512.8**

(1) Includes contracts entered into by GIE TF1 Acquisitions de droits on behalf of TF1 SA and shown in the GIE's assets or off balance sheet commitments.
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 €201.4 million (all in U.S. 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, amounting to €138.4 million.

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 €251.9 million as of December 31, 2015, compared with €243.3 million as of December 31, 2014.

3.5.3 Other debtors

This item mainly comprises VAT recoverable, and balances on current accounts with subsidiaries.

3.5.4 Provisions for impairment of advance payments and debtors

(€m)	Jan. 1, 2015	Charges	Reversals	Dec. 31, 2015
Advance payments	13.5		13.5	0.0
Trade debtors	0.1		0.1	0.0
Other debtors	0.3			0.3
TOTAL	**13.9**	**0.0**	**13.6**	**0.3**

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]	534.9	1.5		536.4
TOTAL	**534.9**	**1.7**	**0.0**	**536.6**

(1) Includes trade and other debtors, net of impairment provisions.

3.6 SHORT-TERM INVESTMENTS AND CASH

This item breaks down as follows:

Gross value *(€m)*	2015	2014
Short-term investments	**0.0**	**0.0**
Bank deposits (instant access)	4.7	3.9
Treasury current accounts with debit balances[1]	827.3	735.5
Cash in hand	0.4	0.4
Cash	**832.4**	**739.8**
TOTAL	**832.4**	**739.8**
Provisions for impairment of current accounts and short-term investments		
January 1	**16.6**	**0.0**
Charges during the period	33.2	16.6
Reversals during the period	(16.6)	
December 31	**33.2**	**16.6**
NET VALUE	**799.2**	**723.2**

(1) As of December 31, 2015, €691.0 million was placed with Bouygues Relais (December 31, 2014: €477.0 million), and intragroup current account balances amounted to €136.3 million (December 31, 2014: €258.5 million). Movements in impairment losses during the period related to current accounts with subsidiaries: the €33.2 million charge related to HD1, and the €16.6 million reversal to Publications Metro France.

3.7 PREPAID EXPENSES

Prepaid expenses amounted to €3.8 million as of December 31, 2015, compared with €4.3 million as of December 31, 2014.

3.8 SHAREHOLDERS' EQUITY

The share capital is divided into 210,521,567 ordinary shares with a par value of €0.20, all fully paid.

(€m)	Jan. 1, 2015	Appropriation of profit (2015 AGM)(1)	Increases	Decreases(2)	Dec. 31, 2015
Share capital	42.3		0.1	(0.3)	42.1
Share premium	7.4		4.3		11.7
Legal reserve	4.3				4.3
Retained earnings	200.7	(23.6)			177.1
Other reserves	807.3			(19.7)	787.6
Net profit for the year	293.7	(293.7)	402.2		402.2
Sub-total	**1,355.7**	**(317.3)**	**406.6**	**(20.0)**	**1,425.0**
Restricted provisions	22.0		5.6	(7.3)	20.3
TOTAL	**1,377.7**	**(317.3)**	**412.3**	**(27.3)**	**1,445.3**
Number of shares	**211,528,764**		**474,986**	**(1,482,183)**	**210,521,567**

(1) Dividends paid from April 28, 2015.
(2) Reduction of capital by cancellation of treasury shares (€20 million).

Restricted provisions comprise the following items:

(€m)	Jan. 1, 2015	Charges	Reversals	Dec. 31, 2015
Audiovisual rights	12.4	3.8	(5.6)	10.6
Transaction costs on acquisitions of equity interests	0.1			0.1
Software and licences	9.5	1.8	(1.7)	9.6
TOTAL	**22.0**	**5.6**	**(7.3)**	**20.3**

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, 2015	Charges	Reversals (used)	Reversals (unused)	Dec. 31, 2015
Provisions for litigation and claims	2.2	9.2	(0.2)	(1.3)	9.9
Provisions for related entities	32.6	34.9	(32.6)		34.9
Provisions for retirement benefit obligations	22.7	4.4	(1.0)	(0.6)	25.5
Provisions for miscellaneous risks	0.1				0.1
TOTAL	**57.6**	**48.5**	**(33.8)**	**(1.9)**	**70.4**

Provisions for litigation and claims cover risks relating to tax risks, legal risks and employee claims.

Provisions for related entities consist of TF1 SA's share of the losses of subsidiaries established in the form of partnerships, plus provisions for risks relating to subsidiaries.

The €25.5 million provision for retirement benefit obligations represents the present value of the obligation (€30.3 million) minus the fair value of plan assets (€4.8 million). The main assumptions used in calculating the present value of the obligation are:

- discount rate: 2.09%;
- 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, 2015, none of which was drawn down at that date; of that amount, €245.0 million was due to expire within less than one year and €660.0 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 €494.1 million as of December 31, 2015, compared with €472.8 million as of December 31, 2014.

3.10.3 Other liabilities

This item mainly comprises credit notes and accrued discounts in favour of TF1 Publicité amounting to €203.8 million (€256.2 million as of December 31, 2014).

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	494.1			494.1
Trade creditors	213.9			213.9
Tax and employee-related liabilities	144.7			144.7
Amounts payable in respect of non-current assets	3.9			3.9
Other liabilities	210.5	1.8		212.3
TOTAL	**1,067.1**	**1.8**	**0.0**	**1,068.9**

3.10.5 Accrued income and expenses

(€m)			
Accrued income included in:		**Accrued expenses included in:**	
Trade debtors	4.4	Trade creditors	77.7
Other debtors	41.6	Tax and employee-related liabilities	60.2
		Amounts payable in respect of non-current assets	1.2
		Other liabilities	203.8

3.11 DEFERRED INCOME

Deferred income (€6.0 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, 2014 was €3.2 million.

NOTE 4

NOTES TO THE INCOME STATEMENT

4.1 REVENUE

Advertising revenue of €1,218.8 million was recognised in 2015, compared with €1,248.5 million in 2014.

4.2 COST TRANSFERS

This item (€84.8 million in 2015, versus €88.4 million in 2014) mainly comprises reimbursements of costs incurred by TF1 SA on behalf of its subsidiaries.

4.3 PURCHASES OF RAW MATERIALS AND OTHER SUPPLIES AND CHANGES IN INVENTORY

These items relate to broadcasting rights consumed during the period, amounting to €655.0 million (2014: €657.5 million). See note 3-4.

4.4 OTHER PURCHASES AND EXTERNAL CHARGES

This item includes costs of €69.6 million relating to sports transmission rights in 2015, compared with €134.6 million in 2014.

It also includes transmission costs of €25.3 million (including occasional provision of circuits), of which €2.1 million were recharged to other entities within the TF1 group. The net charge was therefore €23.2 million in 2015, compared with €21.1 million in 2014.

4.5 TAXES OTHER THAN INCOME TAXES

The main item included on this line is the contribution to the French cinematographic industry support fund, which amounted to €69.9 million in 2015 compared with €71.6 million in 2014. In 2015, this line also included €5.5 million in respect of the tax on broadcast advertising (versus €5.6 million in 2014).

4.6 WAGES, SALARIES AND SOCIAL SECURITY CHARGES

The expense recognised for the employer's contribution to the company savings scheme in 2015 (which is included within this line item) was €4.2 million, compared with €4.0 million in the previous year.

4.7 OTHER EXPENSES

This item includes payments to copyright-holders and holders of related rights, amounting to €51.9 million in 2015 (versus €53.1 million in 2014).

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4.8 NET FINANCIAL INCOME/EXPENSE

The components of net financial income/expense are as follows:

(€m)	2015	2014
Dividends and transfers of profits/losses from partnerships	55.5	80.7
Net interest paid	2.4	2.1
Provisions for impairment of equity investments(1)	8.9	(10.2)
Provisions for impairment of current accounts	(16.6)	(15.3)
Provisions for risks relating to shares of partnership losses	(34.9)	(32.7)
Foreign exchange differences	1.4	(7)
NET FINANCIAL INCOME/(EXPENSE)	**16.7**	**18.1**

(1) See note 3.3.

Interest received from related companies in 2015 was €1.9 million, compared with €2.3 million of interest received and €0.6 million of interest paid in 2014.

4.9 EXCEPTIONAL ITEMS

Exceptional items break down as follows:

(€m)	2015	2014
Retirements and losses on disposal of co-production shares	(7.4)	(7.8)
Net change in provisions (including tax depreciation)	(8.9)	10.1
Gains/(losses) on disposals of non-current financial assets	360.5	231.0
Other	(0.1)	15.5
NET FINANCIAL INCOME/(EXPENSE)	**344.1**	**248.8**

The net change in provisions during 2015 related to charges to provision for litigation and claims and impairment losses against treasury shares, along with a net reversal of tax depreciation. In 2014n, the net change in provisions related solely to movements in tax depreciation.

The net gain on disposal of non-current financial assets in 2015 (€360.5 million) comprised the €372.5 million gain on the disposal of the interest in Eurosport, net of a €12.0 million loss on the disposal of the interest in WAT.

In 2014, the net gain on disposal of non-current financial assets (€231.0 million) consisted mainly of the gains on the disposals of interests in Eurosport and Onecast.

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)	2015	2014
Income tax expense incurred by the tax group	(49.4)	(29.9)
Income tax credit receivable from companies entitled to tax credits	26.2	22.1
Prior-year income tax expense	1.6	0.1
Tax on dividends	(9.5)	(3.5)
INCOME TAXES	**(31.1)**	**(11.2)**

Exceptional items generated a tax charge of €13.5 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 26 companies in 2015.

There were no tax losses available for carry-forward within the tax group as of December 31, 2015.

The difference between the standard French tax rate of 38.0% and the effective tax rate of 7.2% 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 intragroup 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 €41.6 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 34.43%.

(€m)	Future increases in tax liability	Future reductions in tax liability
Restricted provisions	7.0	-
Accrued employee profit-sharing, holiday pay entitlement and social solidarity contributions, and other non-deductible expenses	-	18.7

4.12 UTILISATION OF COMPETITIVENESS AND EMPLOYMENT TAX CREDIT

For the year ended December 31, 2015, TF1 SA recognised a competitiveness and employment tax credit (*crédit d'impôt compétitivité et emploi* – CICE) of €0.6 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 2015.

The CICE enabled TF1 SA to incur various expenditures in 2015 that helped improve the company's competitiveness. In particular, the company invested €8.4 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 2015**	**Total 2014**
Operating leases	27.8	45.6	0.1	73.5	99.0
Image transmission contracts	16.4	47.2	3.5	67.1	46.1
Property finance leases(1)				0.0	1.0
Guarantees(1)	6.6	1.8		8.4	12.1
Commitments relating to equity interests(2)	142.0			142.0	476.0
Other commitments(3)	0.0			0.0	0.0
TOTAL	**192.8**	**94.6**	**3.6**	**291.0**	**634.2**

Commitments received *(€m)*	**Less than 1 year**	**1 to 5 years**	**More than 5 years**	**Total 2015**	**Total 2014**
Operating leases	27.8	45.6	0.1	73.5	99.0
Image transmission contracts	16.4	47.2	3.5	67.1	46.1
Property finance leases				0.0	1.0
Commitments relating to equity interests(2)	142.0			142.0	476.0
Other commitments(3)	4.4			4.4	7.3
TOTAL	**190.6**	**92.8**	**3.6**	**287.0**	**629.4**

(1) This item relates to guarantees provided by TF1 SA against default by its subsidiaries.
(2) This item comprises firm or optional commitments to deliver or receive securities (see note 1, "Significant events" (acquisition of Newen Studios).
(3) 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, 2015.

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, 2015, the equivalent value of such hedging instruments contracted with banks was €127.7 million:

- €121.3 million of forward purchases (all in U.S. dollars, valued at the closing exchange rate);

- €6.4 million of currency swaps (€0.9 million in U.S. dollars, €2.8 million in Swiss francs and €2.7 million in pounds sterling).

5.3 EMPLOYEES

The average headcount of TF1 SA is as follows:

	2015	2014
Clerical and administrative	77	81
Supervisory	306	332
Managerial	940	922
Journalists	238	233
Intermittent employees	54	46
TOTAL	**1,614**	**1,614**

5.4 EXECUTIVE REMUNERATION

Total remuneration paid during 2015 to key executives of the TF1 group (*i.e.* the 13 members of the TF1 Management Committee mentioned in the Annual Report) was €9.3 million.

The portion of the total obligation in respect of retirement and other post-employment benefits relating to those key executives was €3.9 million.

The Bouygues Group offers the members of its Group Management Committee, who include Nonce Paolini, a supplementary pension of 0.92% of the reference salary for each year of service in the scheme, which represents a post-employment benefit. An expense of €0.7 million (invoiced to TF1 by Bouygues) was booked in 2015 for the contribution paid in the year to the investment fund of the insurance company which manages the scheme.

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 STOCK OPTIONS AND ALLOTMENT OF FREE SHARES

Information about the granting of stock options and the allotment of free shares to employees is given in the relevant section of the Directors' report.

5.6 DIRECTORS' FEES

Directors' fees paid in 2015 amounted to €0.3 million.

5.7 AMOUNTS INVOLVING RELATED COMPANIES

(€m)			
Assets		**Liabilities**	
		Debt	494.1
Advance payments/trade debtors	376.8	Trade creditors	42.5
Other debtors	198.0	Other liabilities	208.5
Cash and current accounts	794.1	Deferred income	6.0
Expenses		**Income**	
Operating expenses	318.7	Operating income	1,286.9
Financial expenses	51.5	Financial income	59.4

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					In thousands of euros						
I. Subsidiaries (at least 50% of the capital held by TF1 SA)											
■ TF1 PUBLICITÉ		2,400	14,654	100.00%	3,038	3,038	-	-	1,481,356	11,477	9,180
■ TF1 FILMS PRODUCTION		2,550	27,449	100.00%	1,768	1,768	9,123	-	52,726	3,449	5,610
■ TÉLÉSHOPPING		5,127	4,807	100.00%	5,130	5,130	-	-	83,016	2,548	4,512
■ TF1 ENTREPRISES		3,000	10,669	100.00%	3,049	3,049	-	-	46,258	5,580	6,000
■ e-TF1		1,000	268	100.00%	1,000	1,000	-	-	88,364	14,049	13,720
■ TF1 THÉMATIQUES		2,000	1,131	100.00%	125,452	12,000	-	-	0	7,700	-
■ TF1 VIDÉO		3,000	1,432	100.00%	8,100	8,100	7,094		57,666	(1,496)	-
■ TF1 EXPANSION		269	311,527	100.00%	291,291	291,291	-	-	0	1,295	2,019
■ TF1 DROITS AUDIOVISUELS		15,000	(796)	100.00%	138,431	119,286	-	4,709	47,487	4,617	-
■ LA CHAÎNE INFO		4,500	80	100.00%	2,059	59	-		27,388	(8,729)	-
■ OUEST INFO		40	(81)	100.00%	2,117	17	-	-	2,025	(36)	-
■ TF1 PRODUCTION		10,080	4,768	100.00%	39,052	20,252	3,655	-	84,846	2,571	-
■ TF1 EVENTS		40	(299)	100.00%	590	590	-	-	2,815	76	-
■ TF1 MANAGEMENT		40	(31)	100.00%	40	40	-	-	0	(5)	-
■ HD1		40	(28,850)	100.00%	40	40	63,394	-	27,925	(13,332)	-
■ PREFAS 18		73,000	(13,710)	100.00%	73,000	71,000	-	-	0	10,552	-
■ PREFAS 19		40	(8)	100.00%	40	40	40	-	0	(2)	-
■ PREFAS 20		40	(8)	100.00%	40	40	-	-	0	(2)	-
■ PREFAS 21		40	(11)	100.00%	40	40	-	-	0	(4)	-
■ PUBLICATIONS METRO FRANCE		100	23,230	100.00%	65,552	0	-	3,700	8,668	(19,728)	-
■ TF1 DISTRIBUTION		40	(100)	100.00%	40	40	1,423	-	64,312	512	-
■ TF1 DS		100	0	100.00%	100	100	-	-	79,683	(180)	-
■ MONTE CARLO PARTICIPATION		33,700	78,200	100.00%	213,827	213,827	-	-	2,348	89	-
■ GIE ACQUISITION DE DROITS		0	0	93.00%	0	0	204,600	-	242,916	(25,767)	-

Company/Group	Cur rency	Share and capital	Equity other than share capital 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
II Affiliates (10% to 50% of the capital held by TF1 SA)											
■ MÉDIAMÉTRIE*		930	27,822	10.80%	44	44	-	-	82,393	3,138	100
■ A1 INTERNATIONAL**		20	5,015	50.00%	12,809	0	-	-	0	(3,779)	-
■ S M R 6		75	5	20.00%	15	15	5	-	103	2	-
■ GROUPE AB*		222,691	89,784	33.50%	74,602	74,602	-	-	1,279	(26,967)	-
■ MR5*		38	(1)	33.33%	13	13	-	-	146	5	-
III. Other equity investments (less than 10% of the capital held by TF1 SA)											
■ TEADS*		11,908	63,304	7.18%	3,504	3,504	-	-	1,517	(3,822)	-
■ MÉDIAMÉTRIE EXPANSION*		1,829	(1,097)	5.00%	91	0	-	-	0	(1,847)	-
■ TF6		80	(8)	0.02%	0	0	-		0	440	-
■ TF6 GESTION		80	31	0.001%	0	0	-	-	0	35	-
■ SÉRIE CLUB		50	800	0.004%	2	2	-	-	12,723	1,997	-
■ APHELIE		2	36,361	0.05%	0	0	40	-	15,038	12,802	-
■ DUJARDIN		463	4,667	0.01%	0	0	-	-	25,078	1,679	-
TOTAL SUBSIDIARIES, AFFILIATES & EQUITY INVESTMENTS				**1,064,876**	**828,927**	**289,374**	**8,409**	**-**	**-**	**41,141**	

(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 2014 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

6.1 NEWEN ACQUISITION

On January 26, 2016, having obtained the necessary clearances from the regulatory authorities, TF1 and the shareholders of the Newen group finalised the implementation of the sale agreement of November 9, 2015 under which TF1 was to acquire a 70% equity interest in Newen Studios, the parent company of the Newen group.

The vendors and TF1 have entered into a shareholder agreement which specifies the terms of exercise of the reciprocal undertakings whereby the vendors have an option to sell to TF1, and TF1 has an option to acquire, the residual 30% equity interest during a five-year period starting in 2018.

6.2 LCI

On January 8, 2016, NextRadio TV and BFM TV filed a substantive appeal with the *Conseil d'État* against the CSA decision of December 17 authorising the switchover of the LCI channel to freeview.

5

STATUTORY AUDITORS' REPORT

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.

5.1 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS AFR

Year ended 31 December 2015

To the Shareholders,

In compliance with the assignment entrusted to us at your Shareholders' Annual General Meeting, we hereby report to you, for the year ended December 31, 2015, on:

- the audit of the accompanying consolidated financial statements of Télévision Française 1 SA, hereinafter referred to as "the company";
- the justification of our assessments;
- the specific verifications required by law.

The consolidated 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 the professional standards applicable in France. Those standards require that we plan and perform our work to obtain reasonable assurance about whether the consolidated financial statements are free from 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 the accounting policies used and the reasonableness of the 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 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 company as at December 31, 2015 and of the results of its operations for the year then ended, in accordance with the International Financial Reporting Standards (IFRS) 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 company performs annual impairment tests on goodwill and intangible assets with indefinite useful lives, in accordance with the methods described in note 7.3 to the consolidated financial statements. We examined the methods used for impairment testing as well as the cash flow forecasts and assumptions used and verified that the notes to the consolidated financial statements provide appropriate disclosures thereon.
- Programmes and broadcasting rights are recognized and measured in accordance with the accounting policies described in note 7.1.2 to the consolidated financial statements, which specifies how they are initially recorded as inventory, consumed and written down. We examined the approaches adopted by the company and verified, using sampling techniques, that they had been applied. We also verified that the notes provide appropriate disclosures thereon.

These assessments were an integral part of our audit of the consolidated financial statements take as a whole, and therefore contributed to the opinion expressed in the first part of this report.

3 SPECIFIC VERIFICATIONS

We also verified the information provided in the Group's management report, as required by law, in accordance with French generally accepted accounting principles.

We have no matters to report regarding its fair presentation and consistency with the consolidated financial statements.

The Statutory Auditors

Paris La Défense and Courbevoie, March 7, 2016

KPMG Audit IS	Mazars	
Stéphanie Ortega *Partner*	Guillaume Potel *Partner*	Olivier Thireau *Partner*

5.2 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS AFR

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.

Year ended December 31, 2015

To the Shareholders,

In compliance with the assignment entrusted to us at your Shareholders' Annual General Meeting, we hereby report to you, for the year ended December 31, 2015, on:

- the audit of the accompanying financial statements of Télévision Française 1 SA, hereinafter referred to as "the company";
- the justification of our assessments;
- the specific verifications and information required by law.

The 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 the 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 the accounting policies used and the reasonableness of the 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, 2015 and of the results of its operations for the year then ended, in accordance with French generally accepted 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 in joint ventures and associates 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 investments in joint ventures and associates and verified that notes 2.4 and 3.3 provide appropriate disclosures thereon.
- Programmes and broadcasting rights are recognized and measured in accordance with the accounting policies described in note 2.5 to the financial statements, which specifies how the rights are initially recorded as inventory, consumed, and written down. We examined the approaches adopted by the company and verified, using sampling techniques, that they had been applied. We also verified that notes 2.5 and 3.4 provide appropriate disclosures thereon.

The assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion expressed in the first part of this report.

3 SPECIFIC VERIFICATIONS AND INFORMATION

We also performed the specific verifications required by French law, in accordance with professional standards applicable in France.

We have no matters to report as to the fair presentation and consistency with the financial statements of the information provided in the Board of Directors' management report, and in the documents addressed to shareholders with respect to the financial position and financial statements.

We verified that the information provided pursuant to the provisions of Article L. 225-102-1 of the French Commercial Code on the remuneration and benefits paid to corporate officers and the commitments made for their benefit was consistent with the accounts or data used to prepare the financial statements and, where appropriate, with the information obtained by your company from companies controlling it or controlled by it. Based on our work, we hereby certify the true and fair presentation of those disclosures.

As required by law, we verified that the information regarding investments and controlling interests and the identity of shareholders (and holders of voting rights) have been provided in the management report.

The Statutory Auditors

Paris La Défense and Courbevoie, February 17, 2016

KPMG Audit IS	Mazars	
Stéphanie Ortega *Partner*	Guillaume Potel *Partner*	Olivier Thireau *Partner*

5.3 STATUTORY AUDITORS' REPORT ON RELATED PARTY AGREEMENTS AND COMMITMENTS

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.

General Meeting held to approve the financial statements for the year ended December 31, 2015

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 financial year 2015 of the agreements and commitments already approved by shareholders at their General Meetings.

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, 2015

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 authorised by your Board of Directors.

A. SHARED SERVICES AGREEMENT WITH BOUYGUES

Authorised by the Board of Directors on October 28, 2015

The Board of Directors authorised the renewal, for a one year period from January 1, 2016, of the shared services agreement with Bouygues, under which Bouygues provides services to TF1.

Benefits of this agreement

The purpose of the 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

The agreement sets forth the arrangements for allocating and billing to user companies the cost of the shared services provided by Bouygues, including specific services provided at the request of TF1, as well as a share of the residual costs. The latter amount is limited to a percentage of revenue.

The renewal of this agreement for 2016 had no financial impact on financial year 2015. It will affect financial year 2016.

Entities and individuals involved

- Bouygues: Martin Bouygues (Chairman and Chief Executive Officer), Olivier Bouygues and Nonce Paolini (Directors),
- Bouygues, as shareholder.

B. TOP-UP PENSION PLAN FOR KEY EXECUTIVES (NONCE PAOLINI)

Authorised by the Board of Directors on October 28, 2015

At its meeting on October 28, 2015, the Board of Directors authorised the renewal, for a one year period from January 1, 2016, of the top-up pension plan granted to Nonce Paolini. A defined-benefit pension plan agreement has been entered into by Bouygues for members of the Bouygues Executive Committee. Under the plan, members are entitled to supplementary pension benefits corresponding to 0.92% of their reference salary for each year's membership of the plan. Entitlement to the supplementary benefits is vested after ten years of employment at Bouygues. Annual supplementary benefits are capped at eight times the annual upper earnings limit for social security contributions (€308,928 for 2016, which is 45% lower than the reference earnings threshold set by the Afep-Medef code). The top-up pension plan has been contracted out to an insurance company.

Benefits of the agreement

The purpose of the agreement is to secure the loyalty of members of the Executive Committee, which includes Nonce Paolini.

Financial terms

Bouygues reinvoices TF1 for its share of the premiums paid to the insurance company.

The renewal of this agreement for 2016 had no financial impact on financial year 2015. It will affect financial year 2016.

Entities and individuals involved

- Bouygues: Martin Bouygues (Chairman and Chief Executive Officer), Olivier Bouygues and Nonce Paolini (Directors)
- Bouygues, as shareholder.

C. TOP-UP PENSION PLAN FOR KEY EXECUTIVES (GILLES PELISSON)

At its meeting on February 26, 2016, the Board of Directors authorised a top-up pension plan for Gilles Pélisson, from February 19, 2016, which is the effective date of his appointment as Chairman and Chief Executive Officer of TF1.

As recommended by the Remuneration Committee, the Board of Directors has set the performance conditions governing the award of the supplementary pension benefits. As Gilles Pélisson has just been appointed, entitlement to the annual supplementary pension benefits are dependent on the fulfilment of performance criteria. These include achieving average consolidated net income targets set:

- for financial year 2016, in the annual budget for 2016,
- for financial year 2017, in the annual budgets for 2016 and 2017,
- for financial year 2018, in the annual budgets for 2016, 2017 and 2018,
- for subsequent financial years, in the annual budget for the particular financial year and annual budgets for the previous two financial years.

If the consolidated net income targets are met, Gilles Pélisson will be granted supplementary pension benefits of between 0% and 0.92 % + 0.46 % maximum of his reference salary.

Entitlement to the top-up pension is only vested after ten years of employment at Bouygues. Annual supplementary benefits are capped at eight times the annual upper earnings limit for social security contributions (€308,928 for 2016, which is 45% lower than the reference earnings threshold set by the Afep-Medef code).

The top-up pension plan has been contracted out to an insurance company.

Benefits of the agreement

The purpose of the agreement is to secure the loyalty of members of the Executive Committee, which includes Gilles Pélisson.

Financial terms

Bouygues reinvoices TF1 for its share of the premiums paid to the insurance company.

The renewal of this agreement for 2016 had no financial impact on financial year 2015. It will affect financial year 2016.

Entities and individuals involved

- Bouygues: Martin Bouygues (Chairman and Chief Executive Officer), Olivier Bouygues and Gilles Pélisson (Directors)
- Bouygues, as shareholder.

D. OPEN INNOVATION SERVICES AGREEMENT

Autorised by the Board of Directors at its meetings on April 16, 2015 and October 28, 2015

At its meeting on April 16, 2015, the Board of Directors authorised an Open Innovation services agreement with Bouygues, effective until December 31, 2015, under which Bouygues will provide services to TF1.

In addition, at its meeting on October 28, 2015, the Board authorised the renewal of the agreement for one year from January 1, 2016.

Benefits of the agreement for TF1

The agreement sets forth the terms and conditions governing the performance and payment of open innovation services provided by Bouygues, directly or through its wholly-owned subsidiary Bouygues Développement, to TF1.

Financial terms

Consulting services are an integral part of Bouygues' shared services. As such the residual costs of shared services are invoiced directly under the shared services agreement. As consideration for management services TF1 pays Bouygues a monthly fixed fee of €750 excluding tax, on a pro rata temporis basis, for each assignment with a company using the open innovation services.

Authorisation of the agreement in 2015 had no financial impact on financial year 2015.

The renewal of the agreement for 2016 had no financial impact on financial year 2015. It will affect financial year 2016.

Entities and individuals involved

- Bouygues: Martin Bouygues (Chairman and Chief Executive Officer, Director), Olivier Bouygues and Nonce Paolini (Directors)
- Bouygues, as shareholder.

E. PROVISION OF OFFICE SPACE BY THE ECONOMIC INTEREST GROUP "32 AVENUE HOCHE"

Authorised by the Board of Directors on October 28, 2015

The Board of Directors authorised the renewal, for one year from January 1, 2016, of the agreement to provide office space on the first floor at 32 avenue Hoche, Paris.

Benefits of the agreement

Under the agreement, TF1 benefits from office space and meeting rooms in the centre of Paris, as well as related reception, information systems and secretarial services.

Financial terms

The agreement is based on flat-rate fees.

The renewal of the agreement for 2016 had no financial impact on financial year 2015. It will affect financial year 2016.

Entities and individuals involved

- Bouygues: Martin Bouygues (Chairman and Chief Executive Officer, Director), Olivier Bouygues and Nonce Paolini (Directors),
- Bouygues, as a member of the Economic Interest Group.

F. USE OF AIRCRAFT OWNED BY AIRBY

Authorised by the Board of Directors on October 28, 2015

The Board of Directors authorised the renewal, for one year from January 1, 2016, of the agreement enabling TF1 to use Airby, a general partnership held indirectly by Bouygues and SCDM, which operates a Global 5000 aircraft and other leased aircraft.

Benefits of the agreement

The agreement provides for use of aircraft (leased or owned by Bouygues Group), including the provision of all associated flight services.

Financial terms

Under the agreement, Global 5000 aircraft services are still billed (no change) at a single flat-rate tariff of €7,000 (excluding taxes) per flight hour. The provision by Airby of leased aircraft is still billed at the market lease rate, plus €1000 excluding VAT for chartering services.

The renewal of the agreement for 2016 had no financial impact on financial year 2015. It will affect financial year 2016.

Entities and individuals involved

- Bouygues: Martin Bouygues (Chairman and Chief Executive Officer), Olivier Bouygues and Nonce Paolini (Directors)
- Bouygues, as shareholder

G. SUPPORT FUNCTION AGREEMENTS WITH A TF1 GROUP SUBSIDIARY

Authorised by the Board of Directors on October 28, 2015

The Board of Directors has authorised the renewal, for one year from January 1, 2016, of the support function agreement with its subsidiary TMC, which is not wholly-owned. Under the agreement TF1 provides its subsidiary with various services including management, human resources, consulting, finance and strategy.

Benefits of the agreement

Support function agreements are common among groups of companies. The purpose of the agreements is to enable subsidiaries to benefit from services provided by their parent company and to allocate the corresponding expenses among the companies using TF1 services.

Financial terms

The agreement sets forth the arrangements for allocating and billing the cost of support functions between companies using the services, including the specific services provided at the request of the subsidiary, as well as an allocation of a share of the residual costs, which is limited to a percentage of revenue.

The renewal of this agreements for 2016 had no financial impact on financial year 2015. It will affect financial year 2016.

Entities and individuals involved

- TMC: Nonce Paolini (Director),
- TF1, as shareholder.

II AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY SHAREHOLDERS AT ANNUAL GENERAL MEETINGS

AGREEMENTS AND COMMITMENTS APPROVED IN PREVIOUS FINANCIAL YEARS THAT CONTINUED TO APPLY DURING FINANCIAL YEAR 2015

Pursuant to Article R. 225-30 of the French Commercial Code, we have been informed that the following agreements and commitments, already approved by shareholders at their Annual General Meetings, continued to apply during financial year 2015.

A. SHARED SERVICES AGREEMENT WITH BOUYGUES

Authorised by the Board of Directors on October 29, 2014

At their General Meeting on April 16, 2015, shareholders approved the renewal for one year from January 1, 2015, of the shared services agreement with Bouygues under which Bouygues provides services to TF1 including management, human resources, information systems and finance.

Financial terms of the agreement

The agreement sets forth the principles for allocating and invoicing the cost of shared services between Bouygues user companies, including specific services provided at the request of TF1, as well as a residual share of the costs. The residual share invoiced is limited to a percentage of revenue.

The amount invoiced by Bouygues for financial year 2015 was €2,843,221 (excluding taxes), comprising €2,933,292 (excluding taxes) for 2015 and €90,071 (excluding taxes) for the adjustment for financial year 2014.

Entities and individuals involved

- Bouygues: Martin Bouygues (Chairman and Chief Executive Officer, Director), Olivier Bouygues and Nonce Paolini (Directors),
- Bouygues, as shareholder.

B. TOP-UP PENSION PLAN FOR KEY EXECUTIVES

Authorised by the Board of Directors on October 29, 2014

At their General Meeting on April 16, 2015, shareholders approved the renewal, for one year from January 1, 2015, of the top-up pension for Nonce Paolini under the collective defined-benefit pension plan set up by Bouygues for members of the Bouygues Executive Committee. Under the plan members are entitled to a top-up pension corresponding to 0.92% of their reference salary for each year's membership of the plan. Annual supplementary benefits are capped at eight times the annual earnings limit for social security contributions. The top-up pension plan is contracted out to an insurance company.

Financial terms of the agreement

Bouygues reinvoices TF1 the share of the premiums paid to the insurance company on behalf of TF1.

The amount invoiced by Bouygues for financial year 2015 was €992,519 (excluding tax and including the 24% social security contribution paid to URSSAF).

Entities and individuals involved

- Bouygues: Martin Bouygues (Chairman and Chief Executive Officer, Director), Olivier Bouygues and Nonce Paolini (Directors),
- Bouygues, as shareholder.

C. PROVISION OF OFFICE SPACE BY THE EIG 31 AVENUE HOCHE

Authorised by the Board of Directors on October 29, 2014

At their General Meeting on April 16, 2015, shareholders approved the renewal, for one year from January 1, 2015, of the agreement on the provision of office space on the first floor at 32 avenue Hoche, Paris.

Financial terms of the agreement

The agreement provides for the payment of a fixed fee.

The amount paid to the Economic Interest Group 32 Avenue Hoche for the provision of office space and related services for financial year 2015 was €13,366 (excluding taxes).

Entities and individuals involved

- Bouygues: Martin Bouygues (Chairman and Chief Executive Officer, Director), Olivier Bouygues and Nonce Paolini (Directors),
- Bouygues, as a member of the EIG 32 Avenue Hoche.

D. SUPPORT FUNCTION AGREEMENTS WITH TF1 SUBSIDIARIES

Authorised by the Board of Directors on October 29, 2014

At their General Meeting on April 16, 2015, shareholders approved the renewal, for one year from January 1, 2015, of the support function agreements with subsidiaries of the Group. These agreements cover the provision by TF1 to its subsidiaries of various services, including management, human resources, consulting, finance and strategy.

Financial terms

The agreement sets forth the principles for allocating and invoicing the cost of shared services between the user companies, including specific services provided at the request of TF1, as well as a residual share of the costs limited to a percentage of revenue.

The amounts invoiced by TF1 to subsidiaries (not indirectly or directly wholly-owned) totalled €581,340, comprising:

- €670,340 for financial year 2015;
- €89,000 in credit notes, representing adjustments for financial year 2014.

In euros	2015	2014 adjustments	Total
TMC	500,000	(16,000)	484,000
TV BREIZH*	56,340	(77,000)	(20,660)
HISTOIRE*	53,424	5,000	58,424
USHUAIA*	60,576	(1,000)	59,576
TOTAL	**670,340**	**(89,000)**	**581,340**

* *Fully-owned entities as of October 1, 2015.*

Entities and individuals involved

- TMC: Nonce Paolini (Director),
- TF1, as shareholder.

E. COMMERCIAL LEASE WITH APHÉLIE

Authorised by the Board of Directors on May 13, 2009

At their General Meeting on April 15, 2010, shareholders approved the commercial lease entered into with Aphélie S.N.C. 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.

Lease payments invoiced by Aphélie S.N.C. for financial year 2015 amounted to €13,880,613 (excluding taxes).

Entity involved

- TF1, as shareholder of Aphélie S.N.C. via its subsidiary TF1 Expansion.

F. COMMERCIAL LEASE WITH FIRÉLIE SAS

Authorised by the Board of Directors on November 10, 2011

At their General Meeting on April 19, 2012, shareholders approved the commercial lease entered into with Firélie SAS on January 9, 2012 for 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.

Annual lease payments invoiced by Firélie SAS to TF1 for financial year 2015 amounted to €3,376,484 (excluding taxes).

Entity concerned

- TF1, as shareholder of Firélie SAS via its subsidiary TF1 Expansion.

AGREEMENTS AND COMMITMENTS APPROVED DURING PREVIOUS YEARS THAT WERE NOT APPLIED DURING FINANCIAL YEAR 2015

We have also been informed of the following agreements and commitments, which were approved by shareholders at previous Annual General Meetings and were not applied during financial year 2015.

A. USE OF AIRCRAFT OWNED BY AIRBY

Authorised by the Board of Directors on October 29, 2014

At their General Meeting on April 16, 2015, shareholders approved the agreement enabling TF1, for one year from January 1, 2015, to use Airby, a general partership held indirectly by Bouygues and SCDM, which operates a Global 5000 aircraft and leased aircraft.

Financial terms

Global 5000 aircraft services are charged based on a flat rate of €7,000 (excluding taxes) per flight hour. The provision of an aircraft leased by Airby from another aircraft operator is invoiced at the cost of leasing the aircraft plus €1,000 (excluding taxes) per aircraft leased to cover the chartering service provided to TF1 by Airby SNC.

TF1 did not use the aircraft service during 2015, so no fees was invoiced by Airby.

Individuals and entities involved

- Bouygues: Martin Bouygues (Chairman and Chief Executive Officer, Director), Olivier Bouygues and Nonce Paolini (Directors),
- Bouygues, as shareholder.

The Statutory Auditors

Paris La Défense and Courbevoie, March 7, 2016

KPMG Audit IS	Mazars	
Stéphanie Ortega *Partner*	Guillaume Potel *Partner*	Olivier Thireau *Partner*

5.4 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 S.A AFR

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.

Year ended December 31, 2015

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, 2015.

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 other disclosures required by Article L. 225-37, particularly in terms of corporate governance measures.

It is our responsibility:

- to report to you on 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 accounting and financial information; and
- to attest that this report provides 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 fair presentation of the disclosures.

We conducted our work in accordance with the 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

Professional 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 accounting and financial information. Our procedures consisted mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of 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 the information and existing documentation;
- determining whether any significant weaknesses in the internal control procedures relating to the preparation and processing of accounting and financial information, which we identified during our engagement, have been 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, March 7, 2016

KPMG Audit IS	Mazars	
Stéphanie Ortega *Partner*	Guillaume Potel *Partner*	Olivier Thireau *Partner*

5.5 STATUTORY AUDITORS' REPORT ON SHARE CAPITAL TRANSACTIONS

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.

Combined Annual General and Extraordinary Shareholders' Meeting of April 14, 2016 – 16th and 17th resolutions

To the Shareholders,

In our capacity as Statutory Auditors of your company, and in compliance with the engagement provided for by the French Commercial Code (*Code de Commerce*), we hereby report to you on the proposed share capital transactions upon which you are called to vote.

1 REPORT ON THE SHARE CAPITAL REDUCTION (16TH RESOLUTION)

In accordance with the provisions of Article L. 225-209 of the French Commercial Code, applicable in the event of a share capital reduction by cancellation of treasury shares, we hereby report to you on our assessment of the reasons for and conditions of the planned share capital reduction.

Shareholders are requested to delegate to the Board of Directors, for an 18-month period as of the date of this Meeting, and within the limit of 10% of share capital per 24-month period, the authority to cancel the shares bought back pursuant to an authorization for the company to buy back its own shares as provided for under the aforementioned article.

We performed the procedures that we deemed necessary in accordance with the professional standards applicable in France for such engagements. Those standards require that we ensure that the reasons for and conditions of the planned share capital reduction, which should not affect shareholder equality, comply with the applicable legal provisions.

We have no matters to report on the reasons for and conditions of the planned share capital reduction.

2 REPORT ON THE AUTHORIZATION TO GRANT FREE EXISTING OR NEWLY-ISSUED SHARES (17TH RESOLUTION)

In compliance with the engagement provided for by Article L. 225-197-1 of the French Commercial Code, we hereby report to you on the proposed authorization, upon which you are called to vote, to grant free existing or newly-issued shares to employees and/or corporate officers of your company and related entities or economic interest groups within the meaning of Article L. 225-197-2 of the French Commercial Code.

The maximum number of free existing or newly-issued shares may not exceed 3% of the company's share capital or the limit provided for in the 11th resolution presented at the Annual General Meeting of April 17, 2014 on the authorization to grant stock options.

On the basis of the Board of Directors' report, you are requested to authorize the Board of Directors, for a 38-month period as of the date of this Meeting, to grant free existing or newly-issued shares.

It is the Board of Directors' responsibility to prepare a report on the proposed share grants. It is our responsibility to provide you with our observations, if any, in respect of the information provided to you on the proposed free share grants.

We performed the procedures that we deemed necessary in accordance with the professional standards applicable in France for such engagements. Those procedures mainly consisted in verifying that the proposed terms and conditions described in the Board of Directors' report comply with the applicable legal framework.

We have no matters to report on the information provided in the Board of Directors' report, with respect to the proposed authorization to grant free shares.

The Statutory Auditors

Paris La Défense and Courbevoie, March 7, 2016

KPMG Audit IS	Mazars	
Stéphanie Ortega *Partner*	Guillaume Potel *Partner*	Olivier Thireau *Partner*

5.6 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 2015

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 2015, 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 versions dated of November 2015 (hereafter referred to as the "Criteria") available 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 six people between October 2015 and February 2016 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(1).

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 of chapter 7.

Based on this work and given the limitations mentioned above, we confirm the presence in the management report of the required CSR Information.

(1) Scope available at www.cofrac.fr
(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical information.

2. LIMITED ASSURANCE ON CSR INFORMATION

NATURE AND SCOPE OF THE WORK

We undertook around ten interviews with 12 people responsible for the preparation of the CSR Information with the General Secretary, and the CSR Department, General Affairs Department, Legal Department, Competition and Regulatory Affairs Department, Social Affairs Department, Purchasing Department, Internal Control for Social Data Department, HR Development Department, and the ethics executive, 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[(1)]:

- 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;
- 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 Ile-de-France region, that host 88% 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.

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, February 17, 2016

French original signed by:

Independent Verifier
ERNST & YOUNG et Associés

Eric Mugnier	Bruno Perrin
Partner, Sustainable Development	*Partner*

(1) Environmental and societal information:

- Selected KPIs (quantitative information): number of CSA interventions, consistency of the evolution of CSR criteria addressable and addressed expenditure, number of employees trained in equal opportunities and fighting discrimination, energy consumption and;

- Qualitative information: measures undertaken to reduce energy consumptions, partnership with the Ecoprod Collective, anti-piracy actions, actions undertaken in the field of ethics (focused on the Code of ethics).

Social information:

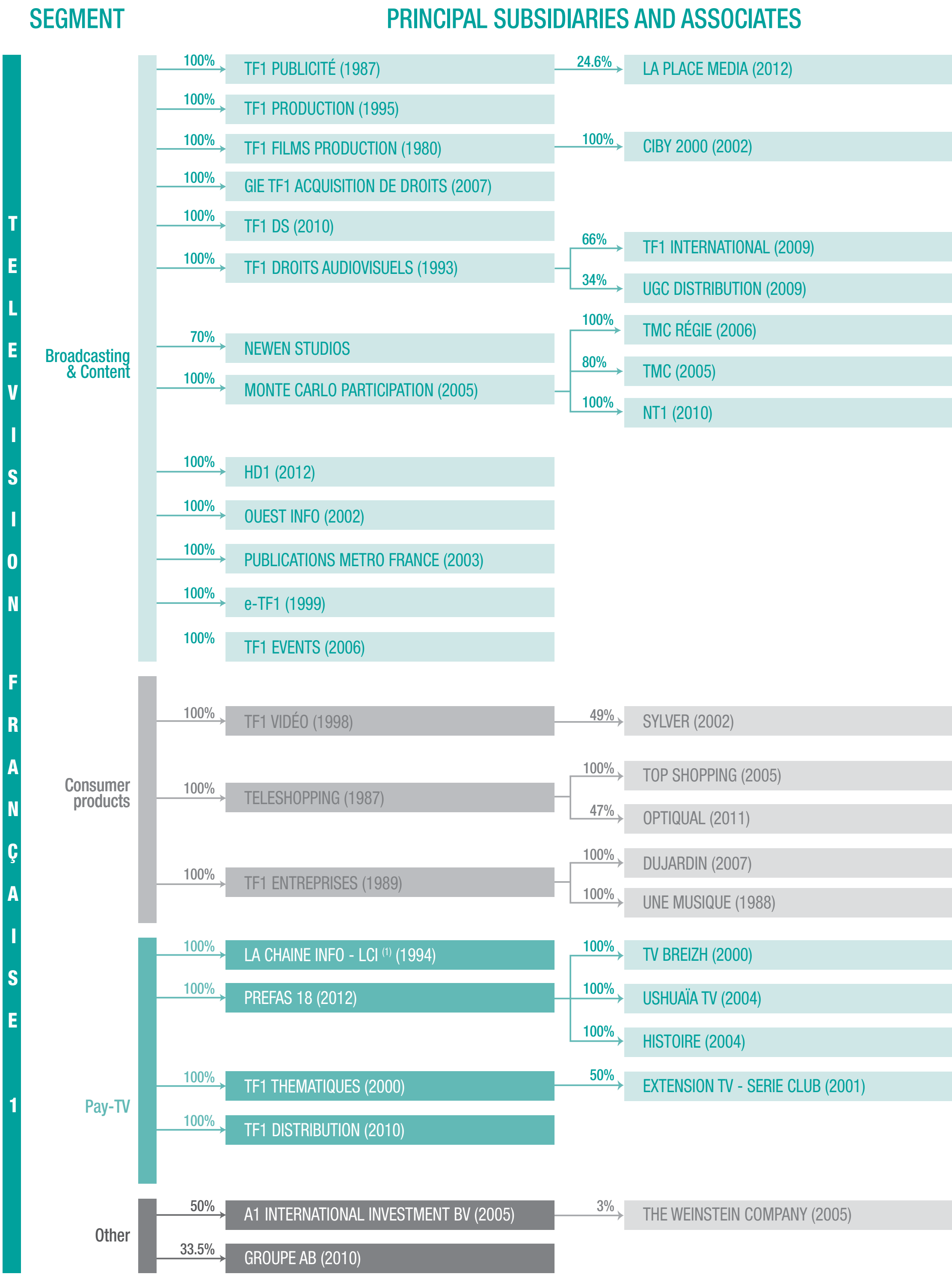
- Selected KPIs (quantitative information): total headcount, hiring and departures, absenteeism, total hours of training, work accidents, notably their frequency and their severity rates, occupational diseases;

- Qualitative information: training policies, training and upskilling in the context of the evolution towards a digital world.

INFORMATION ABOUT THE COMPANY AND ITS CAPITAL

6.1 INFORMATION ABOUT TF1

6.1.1 SIMPLIFIED ORGANISATION CHART AT FEBRUARY 17, 2016



The year of incorporation or acquisition is shown in parentheses.

(1) Held via TF1 MANAGEMENT.

6.1.2 GENERAL INFORMATION

Company name: TÉLÉVISION FRANÇAISE 1 – TF1

Registered office: 1, quai du Point du Jour – 92100 Boulogne-Billancourt, France

Registration number: 326 300 159 - Nanterre Trade and Companies Register

APE Code: 6020A

Legal form: French-law *société anonyme* (public limited company) 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 CORPORATE PURPOSE (ARTICLE 2 OF THE ARTICLES OF ASSOCIATION)

The purpose of the company shall be:

- to operate an audiovisual communication service as authorised by applicable laws and regulations including in particular the conception, production, scheduling and broadcasting of television programmes, including advertising messages and announcements;
- to carry out, in France or abroad, industrial, commercial, financial, movable property or real property operations or transactions relating directly or indirectly to that purpose or to purposes which are similar, related or complementary or which may facilitate the attainment or development thereof or to any company asset, including:
  - assessing, producing, acquiring, selling, renting and exploiting recordings of images and/or sound, news reports and films intended for television, cinema or radio broadcasting,
  - undertaking advertising sales transactions,
  - providing services of all kinds for radio and television broadcasting;

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, capital contributions, limited partnerships, subscriptions, purchase of company shares or rights, mergers, alliances, joint ventures, inward or outward franchising of assets or rights, or by any other means.

The company shall act in accordance with its terms of reference and with applicable legislation.

6.1.4 DISTRIBUTION OF PROFITS (ARTICLE 26 OF THE ARTICLES OF ASSOCIATION)

Five per cent of the net profit for the financial year minus any prior-year losses shall be appropriated to constitute the legal reserve. Such appropriation shall cease to be mandatory once the legal reserve reaches an amount equal to one-tenth of the share capital. It shall become mandatory again when for any reason the reserve falls below one-tenth of the share capital.

Distributable earnings shall comprise net profit for the financial year minus (i) any prior-year losses and (ii) any amounts appropriated to reserves in compliance with the law and the Articles of Association, plus any retained earnings brought forward.

These earnings shall be distributed between all shareholders in proportion to the number of shares they own.

6.1.5 GENERAL MEETINGS (ARTICLES 19 TO 24 OF THE ARTICLES OF ASSOCIATION)

Shareholders' Meetings shall be convened in accordance with the rules stipulated by law. General Meetings shall be open to all shareholders irrespective of the number of shares they own.

6.1.6 RIGHTS ATTACHED TO SHARES (ARTICLES 7 TO 9 OF THE ARTICLES OF ASSOCIATION)

Each share shall give entitlement to a share in the corporate assets and in the distribution of profits proportionate to the interest in the capital that it represents. Each shareholder shall have as many voting rights and may cast as many votes at meetings as he has shares. Pecuniary and non-pecuniary rights may be restricted by law or under the Articles of Association. Under Article 7 of the Articles of Association, shareholders whose identity has not been declared to the company may be stripped of voting rights. Article 8 of the Articles of Association refers to Article 39 of law no. 86-1067 of September 30, 1986, as amended, which stipulates a mechanism for placing a cap on voting rights. For a description of that mechanism refer to section 6.2, "Legal Environment" and section 6.4, "Share Ownership".

6.1.7 IDENTIFIABLE BEARER SHARES (ARTICLE 7 OF THE ARTICLES OF ASSOCIATION)

The company may at any time, on the conditions stipulated by laws and regulations, ask the central depository in charge of the securities issue account to divulge the name or company name, nationality, year of birth or incorporation and address of holders of securities giving immediate or future entitlement to vote at its General Meetings, as well as the number of securities held by each holder and any restrictions thereon. Failure to provide such information may result in the full or partial stripping or suspension of the voting rights attached to the shares, and of any corresponding dividends.

6.1.8 CROSSING OF OWNERSHIP THRESHOLDS SPECIFIED IN THE ARTICLES OF ASSOCIATION (ARTICLE 7 OF THE ARTICLES OF ASSOCIATION)

Any person acting alone or in concert who obtains at least 1%, 2%, 3% or 4% of the capital or voting rights shall within the five days following registration in their account of the shares that caused them to attain or exceed that threshold declare to the company, by sending a registered letter with acknowledgement of receipt to the registered office, the total number of shares and the number of voting rights they possess.

Such declaration must be made on the conditions stipulated above every time the threshold of 1%, 2%, 3% or 4% is crossed either upwards or downwards.

In the event of failure to make a declaration as stipulated above, those shares in excess of the thresholds that should have been declared shall be stripped of voting rights on the conditions stipulated by law if one or more shareholders holding at least 5% of the capital so request at a General Meeting.

6.1.9 SHAREHOLDER AGREEMENTS ENTERED INTO BY TF1

Refer to section 6.4 of this registration document and annual financial report ("Share Ownership").

6.1.10 FACTORS LIABLE TO HAVE AN IMPACT IN THE EVENT OF A PUBLIC OFFER

Refer also to the explanations about the licensing regime and legal restrictions on ownership of the share capital of TF1 provided in section 6.2 of this registration document and annual financial report ("Legal Environment"). Specifically, Article 42-3 of the French Audiovisual Communication Act of September 30, 1986 states that TF1's licence to operate a national terrestrial television service may be withdrawn by the CSA (the French broadcasting regulator) without notice in the event of a substantive change in the data on the basis of which the licence was issued, in particular changes in the share ownership structure.

Pursuant to Article L. 225-100-3 of the French Commercial Code, the factors liable to have an impact in the event of a public offer for the company's shares are as follows:

- capital structure: the relevant information is provided in section 6.4.4 of this registration document and annual financial report ("Shareholders and share ownership structure"). The principal shareholders of TF1 as of December 31, 2015 were Bouygues (43.7% of the share capital) and the employees (6.4% of the share capital, *via* the "TF1 Actions" employee share ownership fund);

- restrictions on the exercise of voting rights under the Articles of Association: under Article 7 of the Articles of Association, there is a mechanism to strip voting rights from shareholders who fail to declare that they have crossed a share ownership threshold. Article 8 of the Articles of Association refers to Article 39 of law no. 86-1067 of September 30, 1986, as amended, which stipulates a mechanism for placing a cap on voting rights; that mechanism is described in section 6.2, "Legal Environment" and section 6.4, "Share Ownership". Both these mechanisms could have an impact in the event of a public offer;
- direct or indirect holdings in the share capital of which TF1 is aware, pursuant to Articles L. 233-7 and L. 233-12 of the French Commercial Code. The relevant information is provided in section 6.4.4 of this registration document and annual financial report ("Shareholders and share ownership structure");
- list of holders of securities conferring special control rights: not applicable;
- control mechanisms stipulated in employee share ownership schemes: under the rules of the "TF1 Actions" employee share ownership fund, it is the fund's Supervisory Board (rather than the employees themselves) that exercises voting rights and decides whether to tender shares to a public offer. The fund, which held 6.4% of the voting rights as of December 31, 2015, could have an impact on the price of a public offer;
- agreements between shareholders of which the company is aware and which could place restrictions on the transfer of shares and the exercise of voting rights: not applicable;
- rules applicable to the appointment and replacement of members of the Board of Directors: the company is administered by a Board of Directors with twelve members subject to the dispensations stipulated by law. Pursuant to Article 66 of law no. 86-1067 of September 30, 1986, two seats on the Board of Directors are allocated to employee representatives. The rules for the appointment and removal from office of members of the Board of Directors are stipulated in the applicable legislation and in Article 10 of the Articles of Association. The term of office of directors other than employee representatives is three years. The term of office of employee representative directors expires two years after the date of their election. Directors other than employee representatives are appointed or reappointed by an Ordinary General Meeting of shareholders, which may also remove them from office at any time. Employee representative directors are elected by the employees of TF1 and may only be removed from office by court order for misconduct in office. Directors may stand for re-election. Any legal entity appointed as a director is required to elect a permanent representative on the conditions stipulated by law. Refer also to the information provided in the Chairman's report;
- rules applicable to amendments to the company's Articles of Association: under Article L. 225-96 of the French Commercial Code, only an Extraordinary General Meeting of the shareholders has authority to amend the Articles of Association, and any clause that stipulates otherwise is deemed null and void;
- powers of the Board of Directors to issue and buy back shares: refer to the tables summarising authorisations and delegations of powers presented in section 6.3 of this registration document and annual financial report ("Share Capital"). It should be noted that:
  - there is no current or pending resolution whereby the General Meeting of shareholders would delegate authority to the Board of Directors to issue share warrants during the period of a public offer for the company's shares,
  - there is no current or pending resolution whereby the General Meeting of shareholders would delegate authority to the Board of Directors to use, during the period of a public offer for the company's shares, the various authorisations and delegations of authority granted to the Board of Directors to increase the share capital,
  - the ninth resolution of the Annual General Meeting of April 16, 2015 authorised the Board of Directors to trade in the company's shares other than during the period of a public offer for the company's shares. The Annual General Meeting scheduled for April 14, 2016 will be asked to replace that authorisation with a new authorisation with the same purpose;
- agreements entered into by the company that would be amended or lapse in the event of a change of control: refer to the explanations about the licensing regime provided in section 6.2 of this registration document and annual financial report ("Legal Environment"). Specifically, Article 42-3 of the French Audiovisual Communication Act of September 30, 1986 states that TF1's licence to operate a national terrestrial television service may be withdrawn by the CSA (the French broadcasting regulator) without notice in the event of a substantive change in the data on the basis of which the licence was issued, in particular changes in the share ownership structure;
- agreements under which directors or employees would be entitled to compensation if they resign or are dismissed without genuine and serious cause or if their employment is terminated as a result of a public offer: not applicable. Although not a severance benefit as such, a director who is also an employee of the company is covered by the relevant collective agreement and consequently is entitled to any compensation stipulated by that agreement on termination of an employment contract. Fanny Chabirand and Sophie Leveaux Talamoni would be entitled to receive such compensation.

6.1.11 ARTICLES OF ASSOCIATION

Updated as of December 31, 2015.

ARTICLE 1

FORM

A *société anonyme* (public limited company) governed by current and future legislation and by the present Articles of Association is hereby formed between the owners of the shares hereinafter created and of any shares subsequently created.

ARTICLE 2

PURPOSE

The purpose of the company shall be:

- to operate an audiovisual communication service as authorised by applicable laws and regulations including in particular the conception, production, scheduling and broadcasting of television programmes, including advertising messages and announcements;
- to carry out, in France or abroad, industrial, commercial, financial, movable property or real property operations or transactions relating directly or indirectly to that purpose or to purposes which are similar, related or complementary or which may facilitate the attainment or development thereof or to any company asset, including:
  - assessing, producing, acquiring, selling, renting and exploiting recordings of images and/or sound, news reports and films intended for television, cinema or radio broadcasting,
  - undertaking advertising sales transactions,
  - providing services of all kinds for radio and television broadcasting;

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, capital contributions, limited partnerships, subscriptions, purchase of company shares or rights, mergers, alliances, joint ventures, inward or outward franchising of assets or rights, or by any other means.

The company shall act in accordance with its terms of reference and with applicable legislation.

ARTICLE 3

NAME

The company name shall be: "Télévision Française 1", or in its abbreviated form: "TF1."

In all legal and other documents issued by the company, the company name must be immediately preceded or followed by the words *société anonyme* ("public limited company") or the initials "SA" and by an indication of the amount of share capital.

ARTICLE 4

REGISTERED OFFICE

The registered office shall be located at 1, quai du Point du Jour, Boulogne (92100), France.

The registered office may be transferred to another place within the same *département* or to an adjacent *département* by simple decision of the Board of Directors subject to ratification by the next subsequent Ordinary General Meeting, or to anywhere else in France by a decision of an Extraordinary General Meeting of shareholders.

If the transfer results from a decision by the Board of Directors, the Board of Directors shall have authority to amend the Articles of Association accordingly.

ARTICLE 5

TERM

The term of the company shall be ninety-nine (99) years from the date of its first registration in the Trade and Companies Register, unless it is extended or the company is dissolved before that date by a decision of an Extraordinary General Meeting of shareholders.

ARTICLE 6

SHARE CAPITAL

The share capital is €42,104,313.40, divided into 210,521,567 shares with a par value of €0.20 each.

ARTICLE 7

FORM – PAYMENT – FRACTIONAL SHARES

a. The company's shares may be registered or bearer shares.

   Shares and all other securities issued by the company shall be registered in an account in the name of the holder, or of an intermediary as the case may be, on the conditions stipulated by applicable laws and regulations.

b. For the purpose of identifying bearer shareholders, the company shall be entitled on the conditions stipulated by applicable laws and regulations to ask, at any time and at its own expense, the central depository in charge of the securities issue account ("the central depository") to divulge, as the case may be, the name or company name, nationality, year of birth or incorporation and address of holders of securities giving immediate or future entitlement to vote at its General Meetings, as well as the number of securities held by each holder and any restrictions thereon.

   Based on the list provided to the company by the central depository, the company may request the above information about the owners of securities either from the central depository or directly from persons on that list if it believes that such persons may be intermediaries acting on behalf of third parties owning securities.

Where such persons are acting as intermediaries, they shall be required to disclose the identity of the owners of such securities. The information shall be provided directly to the authorised account-holding financial intermediary, who shall give the information to the issuing company or to the central depository, as the case may be.

With regard to registered securities, the company shall also be entitled at any time to ask an intermediary registered on behalf of third-party owners of securities to disclose the identity of those owners.

For as long as the company believes that certain holders of bearer or registered securities of whose identity it has been informed are holding them on behalf of third parties, it shall be entitled to ask such holders to disclose the identity of the owners of those securities on the conditions set forth above.

Further to the above requests for information, the company shall be entitled to ask any legal entity owning shares of the company representing more than one-fortieth of the company's capital or voting rights to disclose to the company the identity of persons directly or indirectly owning more than one-third of the share capital of such legal entity or of the voting rights exercised at General Meetings of the shareholders of that legal entity.

If a person subject to a request in accordance with the present Article 7.b fails to provide the requested information within the statutory or regulatory time limits or provides incomplete or erroneous information either about the capacity in which it is acting or about the owners of the securities, then the shares or securities giving immediate or future access to the share capital for which that person was registered shall be stripped of voting rights at any General Meeting of shareholders held until the date on which proper identification is provided, and the dividend payment shall be postponed until that date.

Furthermore, should a registered person knowingly disregard the above provisions, the court having jurisdiction for the area where the company is registered may, at the request of the company or of one or more shareholders holding at least 5% of the share capital, order the shares for which the information was requested to be entirely or partially stripped both of the attached voting rights for a total period not exceeding five years and of the corresponding dividend for the same period.

c. Any person acting alone or in concert who obtains at least 1%, 2%, 3% or 4% of the capital or voting rights shall within the five days following registration in their account of the shares that caused them to attain or exceed that threshold declare to the company, by sending a registered letter with acknowledgement of receipt to the registered office, the total number of shares and the number of voting rights they possess.

   Such declaration must be made on the conditions stipulated above every time the threshold of 1%, 2%, 3% or 4% is crossed either upwards or downwards.

   In the event of failure to make a declaration as stipulated above, those shares in excess of the thresholds that should have been declared shall be stripped of voting rights on the conditions stipulated by law if one or more shareholders holding at least 5% of the capital so request at a General Meeting.

   The above provision shall be in addition to the statutory obligation to declare the crossing of share ownership thresholds.

d. Cash shares shall be regarded as paid up on the conditions stipulated by law.

e. Holders of fractional shares resulting from the exchange, consolidation, allotment or subscription of shares shall make their own arrangements for the aggregation and any necessary purchases or sales of shares or rights.

ARTICLE 8

SALE AND TRANSFER OF SHARES

Shares shall be freely negotiable subject to the applicable legal and regulatory restrictions and specifically to the conditions stipulated by law no. 86-1067 of September 30, 1986, law no. 86-1210 of November 27, 1986, and law no. 89-25 of January 17, 1989.

Subject to the international commitments made by France, no natural person or legal entity of foreign nationality within the meaning of Article 40 of law no. 86-1067 of September 30, 1986 may make any acquisition having the effect of directly or indirectly increasing the percentage interest held by foreigners to more than 20 percent of the share capital or of the rights to vote at the company's General Meetings.

In addition, no single natural person or legal entity may directly or indirectly own a percentage interest greater than that stipulated by applicable laws and regulations.

More generally, shareholders are bound to respect specific provisions regarding the holding or acquisition of the company's shares as contained in applicable legislation.

ARTICLE 9

RIGHTS AND OBLIGATIONS ATTACHED TO SHARES

I. Each share shall give entitlement to a share of profits and corporate assets proportionate to the interest in the capital that it represents.

   Each share shall also give entitlement to vote and be represented at General Meetings on the conditions stipulated by law and in the present Articles of Association.

   Each share shall give entitlement during the life of the company and in the event of its liquidation to payment of the same net amount in any distribution or redemption such that any tax exemption or tax charge that may be incumbent on the company shall be treated as a single amount to be allocated between all shares without distinction.

II. Shareholders shall be liable up to the nominal amount of the shares they possess: above this sum, no further calls for funds shall be allowed.

   Rights and obligations follow the share, regardless of the owner. Ownership of a share shall unconditionally entail adherence to the company's Articles of Association and to decisions of the General Meeting.

ARTICLE 10

BOARD OF DIRECTORS

I. The company shall be administered by a Board of Directors with twelve members subject to the dispensations stipulated by law. Pursuant to Article 66 of law no. 86-1067 of September 30, 1986, two seats on the Board of Directors shall be allocated to employee representatives, one of those two seats being reserved for engineers, managers and those in a similar category.

II. During the life of the company, directors other than employee representatives shall be appointed or reappointed to office by an Ordinary General Meeting of shareholders.

III.1 The term of office of directors who are not employee representatives and who are appointed or reappointed at or subsequent to the Annual General Meeting that votes on the financial statements for the year ended December 31, 2014 shall be three years, subject to the following:

The term of office of a director who is not an employee representative shall terminate at the end of the Ordinary General Meeting that votes on the financial statements of the previous financial year and is held during the year in which that director's term of office expires.

To enable renewal of the terms of office of directors to be staggered, the General Meeting that votes on the financial statements for the year ended December 31, 2014 (and that Meeting alone) shall be asked to renew the terms of office of six of the nine directors who are not employee representatives and whose terms of office are expiring, on the following basis:

- the term of office of three of those directors will be one year, expiring at the Ordinary General Meeting that votes on the financial statements for the year ended December 31, 2015;
- the term of office of the other three of those directors will be two years, expiring at the Ordinary General Meeting that votes on the financial statements for the year ended December 31, 2016.

III.2 The term of office of employee representative directors shall be two years.

The term of office of an employee representative director shall terminate on announcement of the results of the votes of the electoral colleges held to appoint employee representative directors; such appointment shall normally take place within the two weeks preceding the General Meeting covering the previous financial year and held during the year in which that director's term of office expires.

III.3 Directors may always stand for re-election.

Directors other than employee representatives may be removed from office at any time by an Ordinary General Meeting.

Employee representative directors may be removed from office following an interim decision by the President of the District Court solely on the ground of misconduct in office, in response to an urgent application filed at the request of a majority of the members of the Board of Directors. Such decision shall be immediately enforceable.

The employment contract of an employee representative director may only be terminated at his or her initiative, or by an interim decision by the trial Board of the Employment Tribunal in response to an urgent application. Such decision shall be immediately enforceable.

IV. Directors other than employee representatives may be natural persons or legal entities. Upon their appointment as director, legal entities shall designate a permanent representative who shall be subject to the same conditions and obligations and incur the same liability as if he were a member of the Board in his own name, without prejudice to the joint and several liability of the legal entity he represents; the permanent representative's mandate shall run for the term of office of the legal entity he represents; and he shall require to be reappointed each time such legal entity's term of office is renewed.

If a legal entity revokes the mandate of its representative, it shall inform the company thereof immediately by registered letter and indicate the identity of its new permanent representative; the same applies in the event of death, resignation or prolonged inability to act of the permanent representative.

V. If one or more seats of directors other than employee representatives fall vacant between two General Meetings due to death or resignation, the Board of Directors may appoint one or more directors on a temporary basis.

If one or more seats of employee representative directors fall vacant due to death, resignation, removal from office or termination of employment contract, the vacant seat shall be filled by the alternate.

Appointments of directors made by the Board of Directors shall be subject to ratification by the next Ordinary General Meeting. In the event that such appointment is not ratified, prior decisions and acts of the Board shall nonetheless remain valid.

If only one or two directors remain in office 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 director appointed to replace another director shall remain in office only for the residual term of office of his predecessor.

ARTICLE 11

DIRECTORS' SHARES

Directors must each own one share.

Directors appointed during the life of the company need not own any shares at the time of their appointment but must become shareholders within three months, failing which they shall be deemed to have automatically 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 shall determine his term of office, which may not exceed his term of office as a director.

The Chairman of the Board of Directors shall organise and direct the work of the Board, for which he shall be accountable to the General Meeting of shareholders. He shall ensure that the company's management bodies function properly, and in particular that the members of the Board are capable of fulfilling their duties.

The Board of Directors may also if it sees fit appoint one or more Vice-Chairmen and determine their term of office, which may not exceed their term of office as a director.

The Board may also appoint a Secretary, who need not be one of its members.

If the Chairman is absent or unable to act, Board Meetings shall be chaired by the Vice-Chairman fulfilling the duties of Chief Executive Officer, or by the longest-serving Vice-Chairman. Failing this, the Board shall appoint one of its members to chair the meeting.

The Chairman, Vice-Chairmen and Secretary may always stand for re-election.

The age limit for holding office as Chairman of the Board of Directors shall be sixty-seven years. Consequently, once the Chairman reaches the age of sixty-seven he shall be deemed to have automatically 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, on the conditions stipulated by law, convene a Board Meeting if one-third of its members or the Chief Executive Officer (if that office is not assumed by the Chairman of the Board) so request, even if the previous meeting was held less than two months previously.

Board Meetings shall take place at the registered office, or at any other venue indicated in the notice of the meeting.

Meetings may be convened in any way, including orally.

II. Deliberations shall only be valid if at least half of the directors are actually present.

Decisions shall be taken on a majority of votes of the members present or represented; each director shall have one vote, and may not represent more than one of his colleagues.

In the event of a tie, the Chairman of the meeting shall have the casting vote.

Directors may participate in Board Meetings by videoconference or telecommunications links, subject to compliance with the relevant laws and regulations.

Directors who participate in Board Meetings by videoconference or telecommunications links shall be deemed to be present for the purposes of calculating quorum and majority.

ARTICLE 14

POWERS OF THE BOARD OF DIRECTORS

The Board of Directors shall determine the direction of the company's business and ensure that such direction is implemented.

Subject to the powers expressly vested by law in Shareholders' Meetings or in the Chairman of the Board of Directors or in the Chief Executive Officer (if that office is not assumed by the Chairman of the Board), and within the limits of the corporate purpose, the Board shall consider all issues relating to the proper running of the company and by means of its deliberations shall settle all matters that concern the company. It shall carry out such inspections and verifications as it deems fit.

In general, it shall take any decisions and exercise any prerogatives that fall within the scope of its competence by virtue of applicable laws and regulations and the present Articles of Association.

It may decide to form committees to address issues that the Board of Directors or its Chairman submits to such committees for an opinion. It shall determine the composition and remit of such committees.

It may assign special powers for one or more specific purposes to one or more of its members.

ARTICLE 15

REMUNERATION OF DIRECTORS

I. Directors may receive directors' fees the amount of which shall be set by an Ordinary General Meeting of shareholders and remain unchanged until a decision is made to the contrary; such fees shall be charged to overheads.

II. The Board of Directors shall decide by a majority vote and in the manner it thinks fit how such fees are to be shared between its members.

III. Directors may also be entitled to exceptional remuneration as consideration for assignments or mandates entrusted to them (subject to authorisation by the Board and approval by a General Meeting on the basis of a special report from the Statutory Auditors), and to reimbursement of travelling expenses incurred for management purposes.

ARTICLE 16

EXECUTIVE MANAGEMENT – DELEGATION OF POWERS

I. Responsibility for the executive management of the company shall be assumed either by the Chairman of the Board of Directors who in that case shall take the title of Chairman and Chief Executive Officer, or by another natural person (who may or may not be a director) appointed by the Board of Directors whose term of office shall be determined by the Board of Directors and who shall take the title of Chief Executive Officer. The Chief Executive Officer may be removed from office at any time by the Board of Directors.

The Board of Directors shall choose between these two executive management options on each appointment or reappointment of the Chairman of the Board of Directors, or of the Chief Executive Officer if the latter's duties are not assumed by the Chairman of the Board of Directors.

That choice shall remain valid until the expiry of one of those terms of office, or until the Chairman of the Board decides to cease assuming the office of Chief Executive Officer, or during a shorter period if the Board of Directors so decides provided that such period shall not be less than one year.

Any change in the executive management option shall not require an amendment to the Articles of Association.

II. The Chief Executive Officer, or the Chairman of the Board if he assumes the duties of Chief Executive Officer, shall have the broadest powers to act in the name of the company under all circumstances. He shall exercise such powers within the limits of the corporate purpose and subject to the powers expressly vested by law in Shareholders' Meetings and in the Board of Directors. He shall represent the company in its dealings with third parties.

He may delegate any powers to any proxy of his choice within the limit of those powers conferred on him by law and by the present Articles of Association. Any limitation on such powers decided on by the Board of Directors shall not be binding on third parties.

III. The Board of Directors may on the proposal of the Chief Executive Officer (or of the Chairman of the Board if he assumes the office of Chief Executive Officer) mandate a natural person, who need not be a director, to assist him; that person shall take the title of Deputy Chief Executive Officer.

The number of Deputy Chief Executive Officers thus appointed shall not exceed the maximum number specified in applicable legislation.

Each Deputy Chief Executive Officer may be removed from office at any time by the Board of Directors on the proposal of the Chief Executive Officer (or of the Chairman of the Board if he assumes the duties of Chief Executive Officer). In the event of the death, resignation or removal from office of the Chief Executive Officer (or of the Chairman of the Board if he assumes the duties of Chief Executive Officer), each Deputy Chief Executive Officer shall retain his office and powers, unless the Board of Directors decides otherwise, until the appointment of another person assuming the duties of Chief Executive Officer.

The Board of Directors, acting in concertation with the Chief Executive Officer (or with the Chairman of the Board if he assumes the duties of Chief Executive Officer), shall determine the scope and duration of the powers delegated to each Deputy Chief Executive Officer.

As regards third parties, each Deputy Chief Executive Officer shall have the same powers as the Chief Executive Officer (or as the Chairman of the Board if he assumes the duties of Chief Executive Officer).

IV. The age limit for holding office as Chief Executive Officer or Deputy Chief Executive Officer shall be sixty-seven years. Consequently, once the Chief Executive Officer or a Deputy Chief Executive Officer reaches the age of sixty-seven he shall be deemed to have automatically resigned.

ARTICLE 17

REGULATED AGREEMENTS

Any agreement entered into directly or *via* an intermediary between the company and its Chief Executive Officer, one of its Deputy Chief Executive Officers, one of its directors, one of its shareholders with more than 10% of the voting rights or, in the case of a corporate shareholder the company which controls that corporate shareholder within the meaning of Article L. 233-3, shall be submitted to the Board of Directors for prior authorisation if it does not relate to day-to-day operations or is not entered into on an arm's length basis.

The same shall apply to agreements (other than those relating to day-to-day operations or entered into on an arm's length basis) in which any of the persons indicated in the preceding paragraph has an indirect interest.

Prior authorisation shall also be required for any agreement (other than agreements concerning day-to-day operations or entered into on an arm's length basis) entered into between the company and another enterprise if any director of the company, its Chief Executive Officer or one of its Deputy Chief Executive Officers is the owner, unlimited liability partner, manager, director, Supervisory Board member or more generally an executive of that enterprise.

Prior authorisation shall also be required for any commitment benefiting the Chairman, the Chief Executive Officer or one of the Deputy Chief Executive Officers made by the company or by any company that controls or is controlled by it within the meaning of paragraphs II and III of Article L. 233-16, where such commitment relates to remuneration, compensation or benefits actually or potentially due upon or subsequent to cessation or change of office.

In the event that a person holding an employment contract with the company or with any company that controls or is controlled by it within the meaning of paragraphs II and III of Article L. 233-16 is appointed as Chairman, Chief Executive Officer or Deputy Chief Executive Officer, any terms of such contract that relate to remuneration, compensation or benefits actually or potentially due upon or subsequent to cessation or change of office shall also require prior authorisation.

ARTICLE 18

STATUTORY AUDITORS

The company shall be audited by two Statutory Auditors who shall be appointed and fulfil their engagement in accordance with the law.

Two Alternate Statutory Auditors shall also be appointed in accordance with the law to replace the Statutory Auditors in the event that they refuse or are unable to act, or in the event of their resignation or death.

ARTICLE 19

GENERAL MEETINGS

Collective decisions of the shareholders shall be taken at General Meetings, categorised as Ordinary or Extraordinary according to the nature of the decisions they are required to take.

Each properly constituted General Meeting shall represent the shareholders as a whole.

The deliberations of General Meetings shall be binding on all shareholders even if they are absent, dissenting or lack legal capacity.

ARTICLE 20

NOTICE OF AND VENUE FOR GENERAL MEETINGS

General Meetings shall be convened and deliberate on the conditions stipulated by law.

General Meetings shall be held at the registered office or at any other venue indicated in the convening notice.

ARTICLE 21

ACCESS TO GENERAL MEETINGS – POWERS

All shareholders may participate in General Meetings in person or by proxy irrespective of the number of shares they own, on condition that they provide proof of identity and of ownership of their shares, in the form and at the place indicated in the convening notice, at least 5 days before the date of the General Meeting, all of the foregoing in accordance with the legal provisions on 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 that are legal entities shall participate in General Meetings through their legal representatives or any person appointed for this purpose by those representatives.

Any shareholder may, on the conditions stipulated by the law and regulations, vote by proxy or by correspondence at any General

Meeting, either on paper or (if the Board so decides, and publishes that decision in the notice of the meeting and the convening notice or in any notification letters) by remote transmission.

ARTICLE 22

QUORUM – VOTING – NUMBER OF VOTES

I. At Ordinary and Extraordinary General Meetings, quorum shall be calculated by reference to all the shares constituting the share capital, excluding those shares stripped of voting rights under the law.

Votes made by correspondence shall only count towards quorum if the voting forms are received by the company before the Meeting on the conditions and within the time limits stipulated by law.

Shareholders participating in the Meeting *via* videoconferencing, the Internet or telecommunications links that enable them to be identified and the nature and conditions of which comply with legal and regulatory requirements shall be deemed present for the purposes of calculating quorum and majority.

II. Voting rights attached to shares shall be proportionate to the capital they represent. At equal par value, each equity or dividend share shall entitle the holder to one vote. There shall be no double voting rights.

III. If shares are held in usufruct, the voting rights attached to those shares shall belong to the usufructuary at Ordinary General Meetings and to the bare owner at Extraordinary General Meetings.

ARTICLE 23

ORDINARY GENERAL MEETINGS

I. Ordinary General Meetings shall be those that are called upon to take all decisions that do not amend the Articles of Association.

An Ordinary General Meeting shall be held at least once a year, within the time limits stipulated in applicable laws and regulations, to vote on the financial statements for the previous financial year.

II. An Ordinary General Meeting may only deliberate validly upon first convocation if the shareholders who are present, represented or have voted by correspondence possess at least one-fifth of the voting shares.

No quorum shall be required on second convocation.

Resolutions shall be passed on a majority of the votes at the disposal of the shareholders present or represented, including shareholders who have voted by correspondence.

ARTICLE 24

EXTRAORDINARY GENERAL MEETINGS

I. Only an Extraordinary General Meeting shall have the power to amend any or all provisions of the Articles of Association. However, it may not increase the commitments of shareholders, subject to transactions resulting from an exchange or consolidation of shares properly decided upon and carried out.

II. Subject to any specific legal provisions, an Extraordinary General Meeting may only deliberate validly if the shareholders who are present, represented or have voted by correspondence possess at least one-quarter of the voting shares on first convocation, and at least one-fifth of the voting shares on second convocation.

If this latter quorum is not reached, 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, resolutions shall be passed on a two-thirds majority of the votes at the disposal of the shareholders present or represented, including shareholders who have voted by correspondence.

ARTICLE 25

FINANCIAL YEAR

The financial year shall begin on January 1 and end on December 31 of each year.

Exceptionally, the current financial year shall extend from September 1, 1987 to December 31, 1988.

ARTICLE 26

DETERMINATION, APPROPRIATION AND DISTRIBUTION OF PROFITS

The balance on the income statement, which summarises the income and expenses arising in the financial year after deducting depreciation, amortisation and provisions, shall represent the net profit for the financial year.

Five per cent of the net profit for the financial year minus any prior-year losses shall be appropriated to constitute the legal reserve. Such appropriation shall cease to be mandatory once the legal reserve reaches an amount equal to one-tenth of the share capital. It shall become mandatory again when for any reason the reserve falls below one-tenth of the share capital.

Distributable earnings shall comprise net profit for the financial year minus any prior-year losses and any amounts appropriated to reserves in compliance with the law and the Articles of Association, plus any retained earnings brought forward.

These earnings shall be distributed between all shareholders in proportion to the number of shares they own.

However, after deducting the appropriations to reserves required by law, the General Meeting may appropriate any amount it sees fit to any discretionary reserves of an ordinary or extraordinary nature, or to be carried forward as retained earnings.

Dividends shall be drawn in the first instance from the net profit for the financial year. The General Meeting may in addition decide to distribute sums drawn from the reserves at its disposal, provided it explicitly specifies from which reserves the distributions are made.

An Ordinary General Meeting of shareholders may give shareholders, in respect of all or part of any dividend or interim dividend that may be distributed, the option of taking the dividend or 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 made if shareholders' equity is, or were to become as a result of such distribution, less than the amount of capital plus those reserves whose distribution is prohibited by law or by the Articles of Association.

The revaluation reserve may not be distributed, but can be partially or fully incorporated into capital.

Once the financial statements have been approved by the General Meeting, any losses shall be carried forward and offset against the profits of subsequent financial years until the losses are extinguished.

ARTICLE 27

DISSOLUTION – LIQUIDATION

Except in circumstances where dissolution is stipulated by law, the company shall be dissolved on expiry of the term as defined in the Articles of Association or by a decision of an Extraordinary General Meeting of shareholders.

In the latter case, one or more liquidators shall be appointed by that Extraordinary General Meeting voting under the quorum and majority conditions stipulated for Ordinary General Meetings.

The liquidator shall represent the company. He shall have the broadest powers to realise the assets, even by private treaty. He shall be authorised to pay the creditors and distribute the remaining balance.

The General Meeting of shareholders may authorise him to continue any ongoing business or to undertake new business for the purposes of the liquidation.

The net assets remaining after redemption of the shares at par shall be distributed between the shareholders in the same proportions as their interest in the 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 its directors, or between the company and its directors, or between shareholders, shall be referred to the competent courts of the place where the company has its registered office.

6.2 LEGAL ENVIRONMENT

6.2.1 SHARE OWNERSHIP

Under the terms of Article 39 of law no. 86-1067 of September 30, 1986 as amended, no single natural person or legal entity acting alone or in concert may directly or indirectly hold more than 49% of the capital or voting rights of a company that holds a licence to operate a national terrestrial television service and whose average annual audience (terrestrial, cable and satellite) exceeds 8% of the total television audience. The *Conseil d'État* is due to issue a decree that will specify the methods for calculating audience figures for television channels.

Under the terms of Article 39 of law no. 86-1067 of September 30, 1986 as amended, a natural person or legal entity that directly or indirectly holds more than 15% of the capital or voting rights of a company that holds a licence to operate a national terrestrial television service is not permitted to directly or indirectly hold more than 15% of the capital of another company that holds such a licence.

Under the terms of Article 40 of law no. 86-1067 of September 30, 1986 as amended, no natural person or legal entity of non-European nationality may make any acquisition that has the effect of directly or indirectly increasing to more than 20% the percentage interest held by foreigners in a company that holds a licence to operate a terrestrial television service.

Under the terms of Article 41 of the law of September 30, 1986 as amended by the law of July 9, 2004, no single natural person or legal entity may directly or indirectly hold more than seven individual licences to operate a national Digital Terrestrial Television service.

6.2.2 LICENSING REGIME

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.

The licence was renewed for a further 5-year period (*via* decision no. 96-614 of September 17, 1996) from April 16, 1997, with no requirement to submit to a competitive tendering process.

In accordance with Article 28-1 of the law of September 30, 1986 as amended by the law of August 1, 2000, TF1's licence was renewed automatically for a second time, for the 2002-2007 period, *via* 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 for a further five years to 2012, in return for a commitment to provide a Digital Terrestrial Television (DTT) simulcast. A further CSA decision of June 10, 2003 amended TF1's licence and contract terms to build in the DTT simulcast stipulations.

Under the terms of Article 99 of the law of September 30, 1986 as amended by law no. 2007-309 of March 5, 2007, that licence was automatically extended for five years on condition that the channel joined a public interest consortium tasked with implementing the specific measures required to switch off the analogue signal and ensure continuity of reception for viewers of the channels. On April 26, 2007, TF1 signed the agreement that established the consortium.

Finally, under the terms of Article 96-2 of the law of September 30, 1986 as amended by law no. 2007-309 of March 5, 2007, that licence was automatically extended for a further five years with effect from the analogue switch-off on condition that the channel committed to ensure its programmes are broadcast in DTT to 95% of the French population. TF1 made this commitment to the CSA.

Consequently, the standard definition licence awarded to TF1 under the law of March 5, 2007 can be summarised as follows:

1. original expiry date of TF1's licence: 2012;
2. 5-year licence extension under Article 99, expiry date: 2017;
3. 5-year licence extension under Article 96-2: 2022.

The TF1 core channel also has a supplementary licence to use the electromagnetic spectrum for high-definition broadcasting, awarded in CSA decision no. 2008-424 of May 6, 2008. This licence was awarded for a 10-year period ending May 5, 2018.

As part of the process of freeing up the 700 MHz spectrum for telecom operators in 2016 and the resulting shutdown of two DTT multiplexes, TF1 has (at the request of the CSA) surrendered its licence to broadcast in standard-definition on DTT, retaining only its licence to broadcast in high-definition DTT.

The retained licence will be available for automatic renewal for a further five-year period in 2018. This would mean that TF1's licence will expire in May 2023.

6.2.3 PRINCIPAL LEGAL TEXTS AND OBLIGATIONS

LEGAL TEXTS

- Terms of reference established by Decree no. 87-43 of January 30, 1987 and by the decision of November 20, 2001 renewing the licence granted to Télévision Française 1, as supplemented by the decision of June 10, 2003 and extended by the decision of February 20, 2007.
- Law no. 86-1067 of September 30, 1986, as amended by the following laws: no. 94-88 of February 1, 1994; no. 2000-719 of August 1, 2000; no. 2005-102 of February 11, 2005; no. 2007-309 of March 5, 2007; and no. 2009-258 of March 5, 2009.
- European Television Without Frontiers Directive of October 3, 1989 as amended (latest amendment: December 11, 2007).
- Decree no. 2010-747 of July 2, 2010 on the contribution of terrestrial television services to the production of made-for-cinema films and audiovisual works.
- Decree no. 90-66 of January 17, 1990, as amended by the following decrees: no. 92-279 of March 27, 1992; no. 2001-1330 of December 28, 2001; and no. 2009-1271 of October 21, 2009 (broadcasting obligations).
- Decree no. 92-280 of March 27, 1992 as amended by the following decrees: no. 2001-1331 of December 28, 2001; no. 2003-960 of October 7, 2003; and no. 2008-1392 of December 19, 2008 (obligations relating to advertising and sponsorship).

The principal obligations currently in force relating to broadcasting and to investment in production are as follows:

- no more than 192 made-for-cinema films per year may be broadcast, of which no more than 104 may begin between 8.30pm and 10.30pm, and none may be broadcast on Wednesday or Friday evening, Saturday all day, or Sunday before 8.30pm;
- quotas apply to made-for-cinema films and audiovisual works, across the entire output and in peak viewing hours, whereby at least 60% of broadcast material must be European and 40% must be original French works;
- at least two-thirds of annual broadcasting time must be devoted to French-language programmes;
- at least 900 hours of children's programmes must be broadcast annually, comprising 150 hours on the NT1 channel and 750 hours on the TF1 core channel (the latter to include 650 hours of animation);
- at least 800 hours of news bulletins and news magazine programmes must be broadcast annually;
- there is an obligation to commission programmes, whereby 12.5% of net advertising revenue for the previous financial year must be spent on commissioning original French or European audiovisual works in the following categories: drama, documentaries, cartoons, live shows and music videos. At least 9.25% of that revenue must be spent on commissioning works from independent producers[1]. There is a further obligation to broadcast at least 120 hours of first-run French-language or European audiovisual works (including 30 hours of repeats) in slots starting between 8pm and 9pm;
- there is an obligation to invest 0.6% of net advertising revenue for the previous financial year in commissioning European or French-language cartoons (this figure is included in the 12.5% general obligation mentioned above), with at least 0.45% of that revenue spent on commissioning from independent producers;
- there is a further obligation to invest 3.2% of net advertising revenue for the previous financial year in the co-production of European made-for-cinema films, with at least 2.5% of that revenue invested in French-language films and at least 75% of the orders placed with independent producers. Such investments must be made by a subsidiary of the broadcaster (TF1 Films Production, in the case of TF1) as a minority investor; the broadcaster and the co-producer should have broadly equivalent shares in the production;
- TF1 also has an obligation to make all the channel's programmes (other than adverts) accessible to the deaf or hard-of-hearing within five years from the publication of law no. 2005-102 of February 11, 2005. The CSA may agree to exempt some programmes from this obligation due to their specific nature (this dispensation is written into the agreement with TF1).

Compliance with these obligations is monitored, and under Articles 42 to 42-11 of the law of September 30, 1986 the CSA has the power to impose financial penalties in the event of non-compliance.

To protect children and adolescents, TF1 has adopted a five-tier classification system giving an on-screen indication of the suitability of a programme for various age groups.

(1) A producer is regarded as independent if less than 15% of its capital is held by the channel that broadcasts the programme.

6.2.4 HIGH DEFINITION

As part of the process of freeing up the 700 MHz spectrum and the switchover of all DTT channels to the MPEG4 standard scheduled for April 2016, in July 2015 the CSA launched a call for candidates to broadcast national terrestrial television services in High Definition.

On October 8, 2015, the CSA announced the list of the successful candidates for transition to HD. Given the priority accorded by the French government and parliament to public service channels not yet available in HD on DTT (France 3, France 4, France 5, France Ô, LCP) and the priority specified by the legislation for SD DTT channels wishing to move to HD, the CSA selected only channels already licensed to broadcast in SD that were requesting a transition, including TMC and NT1. Consequently, no new channels were licensed.

On October 19, 2015, the CSA announced the composition of the various multiplexes following the selection process.

R1	R2	R3	R4	R6	R7
France 2	BFM TV	Canal+	6Ter	LCP/Public Sénat	Chérie 25
France 3	D8	Canal+ Cinéma	Arte	NT1	HD1
Local TV/France 3 Regions	D17	Canal+ Sport	France 5	NRJ 12	L'Équipe 21
France 4	Gulli	LCI	M6	TMC	Numéro 23
France Ô	iTÉLÉ	Paris Première	W9	TF1	RMC Découverte
		Planète+			

6.2.5 REGULATORY CHANGES IN 2015

On May 29, 2015, a decree was issued amending decree no. 2010-747 of July 2, 2010 and allowing television channels to own co-production shares as part of their investment in independent production.

This new decree was introduced in application of Article 71-1 of the law of September 30, 1986 as amended by the law of November 15, 2013.

It specifies the following conditions under which a channel may own co-production shares:

- the channel must have financed at least 70% of the cost of the work;
- the co-production share held by the channel must not exceed 50% of the channel's total investment in the work;
- the channel may not act as distributor if the producer has its own distribution company or has signed a master agreement with a distributor.

6.3 SHARE CAPITAL

Refer to Article 6 of the Articles of Association.

6.3.1 AMOUNT OF CAPITAL AND CATEGORY OF SHARES

As of 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 shares stripped of voting rights, in accordance with the calculation method laid down in the AMF General Regulation – was 211,528,764 votes.

Between January 1, 2015 and October 27, 2015, 454,986 shares were created as a result of exercise of stock options.

On October 28, 2015, 1,482,183 shares repurchased during 2015 were cancelled.

Between October 29 and December 31, 2015, 20,000 shares were created as a result of exercise of stock options.

As of December 31, 2015 the company had total share capital of €42,104,313.40, divided into 210,521,567 shares with a par value of €0.20 each; the total number of voting rights – including shares stripped of voting rights, in accordance with the calculation method laid down in the AMF General Regulation – was 210,521,567 votes.

No stock options were exercised between January 1st, 2016 and February 17th, 2016.

The shares in issue represent 100% of the existing capital and voting rights.

There are no founders' shares, profit certificates, convertible or exchangeable bonds, voting rights certificates, investment certificates, double voting rights, or preference shares.

Shares are freely negotiable subject to the applicable legal and regulatory restrictions and specifically to the conditions stipulated by law no. 86-1067 of September 30, 1986, law no. 86-1210 of November 27, 1986, and law no. 89-25 of January 17, 1989. Shareholders are bound to comply with the specific requirements contained in the Articles of Association and the relevant laws and regulations relating to ownership or acquisition of the company's shares.

The company is authorised to make use of legal provisions on the identification of holders of securities conferring the right to vote in its Shareholders' Meetings immediately or at a later date. To ascertain 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 2015 OF THE SHARE BUYBACK PROGRAMMES APPROVED BY THE 2014 AND 2015 ANNUAL GENERAL MEETINGS

The Annual General Meetings of April 17, 2014 and April 16, 2015 authorised the Board of Directors to buy shares in the company up to a limit of 10% of the number of shares making up the share capital on the buyback date. These authorisations permit the Board of Directors to buy shares in the company in order to cancel them.

The Annual General Meetings of April 17, 2014 and April 16, 2015 authorised the Board of Directors to reduce the share capital by cancelling repurchased shares, up to a limit of 10% of the share capital per 24-month period in each case.

Under those authorisations, TF1 acquired 2,969,765 of its own shares in the market during 2015 at a weighted average price of €13.47 per share, representing a total cost of €40 million (including brokerage fees of €28,010 before VAT and financial transaction tax). On October 28, 2015, TF1 cancelled 1,482,183 treasury shares. As of December 31, 2015 TF1 held 1,487,582 of its own shares; the total number of shares in issue was 210,521,567.

The table below, presented in accordance with Article L. 225-211 of the Commercial Code, provides a summary of transactions carried out under the above authorisations.

TRADING BY TF1 IN ITS OWN SHARES DURING 2015

	Number of shares	Nominal value	Percentage of share capital
Number of own shares held at December 31, 2014	0	€0	0%
Number of shares repurchased during the year	2,969,765	€593,953	1.4%
Number of shares cancelled during the year	1,482,183	€296,437	0.7%
Number of shares sold during the year	-	-	-
Number of shares transferred during the year	-	-	-
Repurchases from shareholders owning more than 10% of the capital or from directors and key executives during the year	-	-	-
Number of own shares held at December 31, 2015	1,487,582	€297,516	0.7%
Carrying amount of own shares held at December 31, 2015	-	€15,569,033	-
Value of own shares held at December 31, 2015 based on closing market price at that date	-	€15,247,715	-

TF1 did not acquire any of its own shares in the market between January 1, 2016 and February 17, 2016 under the authorisation given at the Annual General Meeting of April 16, 2015. As of February 17, 2016, TF1 held 1,487,582 of its own shares.

The table below, presented in accordance with Article L. 225-211 of the Commercial Code, provides a summary of transactions carried out under the above authorisations.

ANALYSIS OF TRANSACTIONS BY PURPOSE

	Number of shares	Nominal value	Percentage of share capital
Cancellation of shares			
Number of shares cancelled during 2015	1,482,183	€296,437	0.7%
Number of shares cancelled during 2016 (as of February 17, 2016)	-	-	-
Shares reallocated for other purposes	-	-	-
Liquidity contract	-	-	-

The authorisation to buy back shares granted by the Annual General Meeting of April 16, 2015 expires on October 16, 2016. Accordingly, a proposal will be submitted to the next Annual General Meeting on April 14, 2016 to renew that authorisation on the basis described below.

TRADING IN TF1 SHARES IN 2015 BY DIRECTORS AND KEY EXECUTIVES OR BY 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 2015 by directors and key executives or persons of equivalent status.

Person making the transaction	Office held	Transaction	Type of transaction	Number of transactions	Number of shares	Gross amount before taxes and fees *(€)*
Claude Berda	Director	By a related person: Port Noir Investment	Disposal	5	193,301	€2,956,835
Philippe Denery	Deputy CEO of Group Strategy and Finances	Personal	Exercise	1	15,000	€89,700
			Sale	1	15,000	€194,700

6.3.3 DESCRIPTION OF THE NEW SHARE BUYBACK PROGRAMME SUBMITTED FOR APPROVAL BY THE ANNUAL GENERAL MEETING ON APRIL 14, 2016

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 approval by the Annual General Meeting on April 14, 2016.

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 is requesting authorisation to buy back 10% of the company's share capital with a view to making use of its delegated financial authority.

TF1 will have authority 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 17, 2016, this would amount to 21,052,156 shares.

TF1 has set the maximum amount of funds allocated to the programme at €300 million.

As of February 17, 2016 the company held 1,487,582 of its own shares. It has no open position on derivatives.

OBJECTIVES OF THE BUYBACK PROGRAMME

Shares bought back under the programme may be used for the following purposes:

- cancelling shares under the conditions provided for by law, subject to authorisation from the Extraordinary General Meeting;
- allotting or transferring 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 allotment of free shares, or *via* company or intercompany savings schemes;
- ensuring liquidity and making 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;
- holding shares and as the case may be using them as a means of payment or exchange in the event of an acquisition, merger, demerger or transfer of assets, in accordance with AMF-recognised market practices and applicable regulations;
- holding shares and as the case may be allotting them following the exercise of rights attached to securities giving entitlement to the allotment of shares in the company *via* redemption, conversion, exchange, presentation of a warrant or in any other way;
- implementing any market practice accepted by the AMF and more generally, conducting any transaction that complies with the then current regulations.

Shares may be acquired, sold, transferred or exchanged by any means allowed by the then current regulations, on any market or off market, *via* multilateral trading facilities or systematic internalisers or over the counter, by means of derivative financial instruments, and at any time, except during the period of a public tender offer, public exchange offer or standing market offer. The portion of the programme that may be carried out through block trades is not restricted, and may extend to the entire programme.

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 any given date may not exceed 10% of the share capital at that same date.

DURATION OF THE BUYBACK PROGRAMME

Eighteen months starting from the Annual General Meeting of April 14, 2016.

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 delegations and authorisations granted by the General Meeting to the Board of Directors and still in effect, and the use made of such delegations and authorisations in 2015.

At the Annual General Meeting of April 16, 2015, the maximum nominal amount of immediate and/or deferred capital increases that can be made by virtue of the authorisations granted was set 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.

In addition to this overall ceiling, a sub-ceiling of €4.2 million, or 10% of the capital, is applicable and is shared with other issues depending on the type of transaction planned; these possibilities are limited by the overall ceiling. The maximum nominal amount of debt securities that may be issued under the authorisations is €900 million.

The following amounts count towards the sub-ceiling:

- issues without pre-emptive rights (resolutions 20 and 21 of the Annual General Meeting of April 16, 2015 – capital increase without pre-emptive rights through the issuance of shares or securities *via* a public offering or private placement);
- additional issues by application of the green-shoe clause, whether or not the issue is organised with pre-emptive rights (resolution 23 of the Annual General Meeting of April 16, 2015);
- issues remunerating in-kind contributions (resolution 24 of the Annual General Meeting of April 16, 2015);
- issues remunerating transfers of shares (resolution 25 of the Annual General Meeting of April 16, 2015).

Capital increases reserved for employees and/or corporate officers participating in a company savings scheme (PEE) are subject to a separate limit of 2% of the company's share capital.

The common aggregate limit applicable to stock 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 3% of the company's share capital.

The authorisations relating to share buybacks and reductions in the share capital granted at the Annual General Meeting of April 16, 2015 (resolutions 16 and 17) expire in 2016.

Authorisation	Maximum nominal amount of capital increases	Maximum nominal amount of debt securities	Validity of authorisation	Time remaining[1]	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	16/04/2015	16	2,969,765 shares repurchased[3]
Capital reduction through cancellation of shares	10% of capital per 24-month period		18 months	6 months	16/04/2015	17	1,482,183 shares cancelled[3]
Issuance of securities							
Capital increase with PR[2] through issuance of shares or securities	€8.4 million	€900 million	26 months	14 months	16/04/2015	18	Not used
Capital increase through incorporation of share premium, reserves or profits	€400 million		26 months	14 months	16/04/2015	19	Not used
Capital increase without PR[2] through issuance of shares or securities by public offering	€4.2 million	€900 million	26 months	14 months	16/04/2015	20	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	14 months	16/04/2015	21	Not used
Setting of issue price, without PR[2], of shares or securities	10% of capital		26 months	14 months	16/04/2015	22	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	14 months	16/04/2015	23	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	14 months	16/04/2015	24	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	14 months	16/04/2015	25	Not used
Issues reserved for employees and corporate officers							
Grants of stock options	3% of capital		38 months	14 months	17/04/2014	11	1,308,800 *stock subscription options awarded (0.6% of capital)*
Allotment of performance shares, whether existing or to be issued	3% of capital		38 months	14 months	17/04/2014	12	Not used
Capital increase reserved for employees and/or corporate officers participating in a company savings scheme (PEE)	2% of capital		26 months	14 months	16/04/2015	27	Not used

(1) starting from the Annual General Meeting of April 14, 2016.
(2) PR: pre-emptive rights.
(3) Cancellation of 1,482,183 shares approved by Board Meeting of October 28, 2015, which also decided to retain 1,487,582 own shares.
(4) The Board Meeting of April 29, 2015 decided to grant 1,308,800 options to 139 grantees, effective June 12, 2015.

FINANCIAL DELEGATIONS AND AUTHORISATIONS PUT TO THE VOTE AT THE 2016 ANNUAL GENERAL MEETING

The financial authorisations and delegations granted by the 2014 and 2015 Annual General Meetings are summarised above.

The financial authorisations and delegations granted by the Annual General Meeting of April 16, 2015 will not expire until the 2017 Annual General Meeting, except for the authorisations relating to share buybacks (resolution 16) and capital reductions by cancellation of shares (resolution 17) which will expire on October 16, 2016.

The authorisations granted at the Annual General Meeting of April 17, 2014 relating to the granting of stock options (resolution 11) and of performance shares (resolution 12) will not expire until the 2017 Annual General Meeting. However, the 2016 Annual General Meeting will be asked to renew the resolution on performance shares in light of the legislative changes introduced by law no. 2015-9901 of August 6, 2015 on growth, activity and equality of economic opportunity (the "Macron Law").

The table below sets out the financial delegations and authorisations to be granted to the Board of Directors at the Annual General Meeting of April 14, 2016.

From the day they are approved by the Annual General Meeting, the various financial delegations and authorisations will replace, for any uncommitted portion, 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.

The company will not be permitted to buy back its own shares during the period of a public tender offer, public exchange offer or standing market offer. In addition, share buybacks may be effected by the use of derivatives, the Board taking the view that the terms offered by such use might be in the financial interest of the company and shareholders. The 10% limit and €300 million allocation have both been maintained to ensure that the Board of Directors still has ample room for manoeuvre.

The purpose of resolution 17 is to enable the Board to award performance shares to employees and Executive Directors of TF1 SA and other Group companies. Vesting of all such performance shares would be subject to conditions relating to continuing employment and performance, as has already been the case for stock option plans awarded by the company since 2011 (or since 2009, in the case of the Chairman and Chief Executive Officer).

The common aggregate limit applicable to issues reserved for employees and corporate officers continues to apply to stock options (resolution 11 of the Annual General Meeting of April 17, 2014) and to performance shares (resolution 17 of the Annual General Meeting of April 14, 2016), and stands at 3% of the company's share capital. Resolution 16 also stipulates the sub-ceiling for shares awarded to Executive Directors.

Authorisation	Maximum nominal amount of capital increases	Maximum nominal amount of debt securities	Validity of authorisation	Time remaining(1)	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	14/04/2016	15
Capital reduction through cancellation of shares	10% of capital per 24-month period		18 months	18 months	14/04/2016	16
Issues reserved for employees and corporate officers						
Allotment of performance shares, whether existing or to be issued	3% of capital		38 months	38 months	14/04/2016	17

(1) Starting from the Annual General Meeting of April 14, 2016.
(2) PR: pre-emptive rights.
(3) Any shares subscribed or acquired under option plans awarded pursuant to resolution 11 of the AGM of April 17, 2014 will also count towards this ceiling.

6.3.5 POTENTIAL CAPITAL

As of December 31, 2015, 207,176 stock subscription options (0.1% 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, 2015 (the last quoted price in the financial year) of €10.25.

There is no other form of potential capital.

Information about stock options outstanding is provided in the chapter 4, section 7.4.6, page 172, of this Registration Document and annual financial report.

6.3.6 CHANGES IN CAPITAL DURING THE LAST FIVE YEARS

CHANGES IN CAPITAL TO FEBRUARY 17, 2016

Date	Corporate action	Number of shares	Increase/decrease in capital (€)		Amount of capital after *change (€)*	Total number of shares after change
			Nominal	Share premium & incorporation of reserves		
12/11/2007	Cancellation of own shares	(900,000)	(180,000)	18,544,844	42,682,098	213,410,492
17/05/2011 to 19/08/2011	Exercise of stock 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 own shares	(2,388,600)	(477,720)	25,456,111	42,206,040	211,030,203
21/11/2011	Exercise of stock options in plan no. 11 at €5.98	2,800	560	16,184	42,206,600	211,033,003
15/02/2012	Cancellation of own shares	(100,000)	(20,000)	720,370	42,186,600	210,933,003
13/11/2012	Cancellation of own shares	(311,682)	(62,336)	2,240,328	42,124,264	210,621,321
19/12/2012	Exercise of stock options in plan no. 11 at €5.98	3,000	600	17,340	42,124,864	210,624,321
16/01/2013	Exercise of stock options in plan no. 11 at €5.98	1,946	389	11,248	42,125,253	210,626,267
19/02/2013	Cancellation of own shares	(338,684)	(67,737)	2,941,386	42,057,517	210,287,583
25/03/2013 to 04/11/2013	Exercise of stock 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 own shares	(30,000)	(6,000)	248,637	42,218,778	211,093,892
08/11/2013 to 31/12/2013	Exercise of stock options in plan no. 11 at €5.98	166,121	33,224	960,179	42,252,002	211,260,013
01/01/2014 to 31/12/2014	Exercise of stock options in plan no. 11 at €5.98	268,751	53,750	1,553,380	42,305,752	211,528,764
	Exercise of stock options in plan no. 11 at €5.98	210,586	42,117	1,217,187	42,347,870	211,739,350
01/01/2015 to 27/10/2015	Exercise of stock options in plan no. 12 at €12.47	244,400	48,880	2,998,788	42,396,750	211,983,750
28/10/2015	Cancellation of own shares	(1,482,183)	(296,437)	19,703,564	42,100,313	210,501,567
29/10/2015 to 31/12/2015	Exercise of stock options in plan no. 11 at €5.98	20,000	4,000	115,600	42,104,313	210,521,567

6.4 SHARE OWNERSHIP

6.4.1 MANAGEMENT OF TF1 SHARES

TF1, as issuing company, manages its own registrar and paying agent services.

6.4.2 SHAREHOLDER AGREEMENTS

TF1 has entered into a number of shareholder agreements, the most significant of which are detailed below.

GROUPE AB SHAREHOLDER AGREEMENT

In 2007, the TF1 group acquired a 33.5% equity interest in Groupe AB, 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 Groupe AB finalised the implementation of an agreement signed on June 10, 2009, under which TF1 acquired from Groupe AB's other shareholders their remaining 66.5% stake in (i) Groupe AB's 40% interest in TMC and (iii) Groupe AB's 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 retained the same equity interest in Groupe AB's other businesses (33.5%) as it held prior to this transaction, since the €155 million call option on this interest granted to Groupe AB's management team (Port Noir) was unexercised when it expired on June 12, 2012.

TF1, Port Noir Investment and Claude Berda signed a shareholder agreement covering their equity interest in the newly-formed company Groupe AB. The principal terms of the agreement are as follows:

- TF1 is entitled to designate a number of members of Groupe AB's Board of Directors in proportion to its shareholding, *i.e.* one third of the members;
- TF1 has a pre-emptive right if Groupe AB decides to dispose of any key assets, key components of the business or equity interests;
- TF1 has a joint right to sell, in particular if a controlling interest in Groupe AB is sold.

An amendment to the June 11, 2010 shareholder agreement formalising the undertaking by TF1 to grant Claude Berda a put option under certain conditions.

SHAREHOLDER AGREEMENTS RELATING TO THE EUROSPORT GROUP

On December 21, 2012, TF1 and Discovery Communications finalised the implementation of the exclusive negotiation agreement of November 13, 2012 whereby Discovery (Discovery France Holdings SAS, a subsidiary of Discovery Communications, Inc. of Delaware, United States) took a 20% equity interest in Eurosport SAS, which at that time owned 100% of the capital of the French channels (including Eurosport France SAS, the holder of a pay-to-view DTT licence) and the non-French subsidiaries of Eurosport, for a cash consideration of approximately €170 million.

A further agreement between Eurosport SAS, TF1 and Discovery France Holdings was signed on January 21, 2014. This new agreement brought forward the timing of the raising of Discovery's equity interest in Eurosport SAS (excluding Eurosport France SAS) to 51%. Under the terms of this new agreement:

- on May 14, 2014, Eurosport SAS sold 80% of its equity interest in Eurosport France SAS to TF1 Expansion, and the remaining 20% to Discovery France Holdings II. The Eurosport France SAS shareholder agreement gave Discovery France Holdings II the right to designate two of the seven members of the Board of Directors, with the Chairman to be drawn from the directors designated by TF1;
- on May 30, 2014, TF1 sold 31% of its equity interest in Eurosport SAS to Discovery France Holdings II. The principal terms of the acquisition contract and shareholder agreement entered into by TF1 and Discovery France Holdings II regarding their equity interests in Eurosport SAS were as follows:
  - Discovery France Holdings II took exclusive control of Eurosport SAS and the right to designate five of the seven members of the Board of Directors, with the Chairman to be drawn from the directors designated by Discovery,
  - Eurosport SAS agreed to exercise its option to acquire 100% of Eurosport France SAS before June 30, 2015 if requested to do so by TF1 or Discovery France Holdings II,
  - on completion of the above-mentioned acquisition, TF1 had 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;
- on October 1, 2015, TF1 sold its remaining 49% equity interest in Eurosport SAS to Discovery France Holdings II, as a result of which the shareholder agreement between TF1 and Discovery France Holdings II regarding their equity interests in Eurosport SAS was extinguished as of that date.

SHAREHOLDER AGREEMENT RELATING TO THE PAY-TV THEME CHANNELS

On December 21, 2012, TF1 and Discovery Communications finalised the implementation of the exclusive negotiation agreement of

November 13, 2012 whereby Discovery (Discovery France Holdings SAS, a subsidiary of Discovery Communications, Inc. of Delaware, United States) took a 20% equity interest in PRÉFAS 18 SAS, which at that time owned 100% of the capital of the theme channels TV Breizh, Ushuaïa, Stylía and Histoire, for a cash consideration of approximately €14 million.

The acquisition contract and shareholder agreement entered into by TF1 and Discovery regarding their equity interests in PRÉFAS 18 SAS were amended on May 30, 2014 to take account of the accelerated timing of the raising of Discovery's equity interest in Eurosport SAS.

The principal terms of the agreements relating to PRÉFAS 18 were as follows:

- Discovery France Holdings II had the right to designate two of the seven members of the Board of Directors of PRÉFAS 18 SAS, with the Chairman to be drawn from the directors designated by TF1;
- Discovery France Holdings II had an option to acquire, during a one-year period commencing May 30, 2014 (provided that the option was exercised no later than November 26, 2014), a 29% equity interest in the Pay-TV theme channels, thereby raising its equity interest in those channels to 49%. The option was not exercised, and consequently lapsed;
- TF1 had an option, valid for a one-year period commencing November 26, 2014, to sell to Discovery France Holdings II a 15% equity interest in the Pay-TV theme channels, thereby raising the latter's equity interest in those channels to 35%;
- in the event that TF1 were to sell its remaining 49% equity interest in Eurosport SAS to Discovery France Holdings II (see above), Discovery France Holdings II would have an option to sell its equity interest in PRÉFAS 18 during a one-year period commencing December 21, 2018;
- the shares of PRÉFAS 18 SAS would be non-transferable up to and including December 21, 2016.

On October 1, 2015, Discovery France Holdings II sold its remaining 20% equity interest in PRÉFAS 18 to TF1. The shareholder agreement between TF1 and Discovery France Holdings II regarding their equity interests in PRÉFAS 18 was extinguished as of that date.

NEWEN STUDIOS SHAREHOLDER AGREEMENT

On January 26, 2016, having obtained the necessary clearances from the regulatory authorities, Fabrice Larue, FIFL (a company controlled by Fabrice Larue) and the other selling shareholders (the "Vendors") on the one hand, and TF1 on the other hand, finalised the implementation of the sale agreement of November 9, 2015 under which TF1 was to acquire a 70% equity interest in FLCP SAS (which was then renamed Newen Studios), the lead parent company of the Newen group, comprising Newen and Neweb.

The Vendors (including the management team, who will remain as shareholders of Newen Studios with a 30% equity interest), entered into a shareholder agreement with TF1 regarding their equity interests in, and control of, Newen Studios; The principal terms of the agreement are as follows:

- the Supervisory Board has six members (three designated by TF1 and three designated by FIFL). The Chairman of the Supervisory Board is drawn from among the members designated by TF1;
- FIFL is the company's first Chairman;
- under the terms of reciprocal buy/sell undertakings, the Vendors have an option to sell, and TF1 has an option to acquire, the residual 30% equity interest in the diluted capital held by the Vendors during a five-year period starting in 2018 on the terms stipulated in those undertakings;
- the shares of Newen Studios will be non-transferable until expiration of the exercise period of the above-mentioned options.

6.4.3 CONCERT PARTIES

There are at present no concert parties acting in relation to TF1.

6.4.4 SHAREHOLDERS AND OWNERSHIP STRUCTURE

NUMBER OF SHARES AND VOTING RIGHTS

		Total number of voting rights	
Date	Number of shares	Theoretical(1)	Exercisable(2)
December 31, 2015	210,521,567	210,521,567	209,033,985
December 31, 2014	211,528,764	211,528,764	211,528,764
December 31, 2013	211,260,013	211,260,013	211,260,013

(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 shares from which voting rights have been stripped.

There are no double voting rights.

To the best of the company's knowledge, no TF1 shares have been pledged and TF1 has pledged none of its subsidiaries' shares.

The control structure of the company is described above. However, the company considers that there is no risk of abuse of control. TF1 applies the recommendations of the Corporate Governance Code issued by AFEP/MEDEF in November 2015. Those recommendations are included as an appendix to the Board's Rules of Procedure.

To the best of the company's knowledge, there has been no material change in the ownership structure since December 31, 2015.

The 1,487,582 treasury shares held as of December 31, 2015 were acquired by TF1 in September 2015 under the authorisation granted to the Board of Directors by the Annual General Meeting of April 16, 2015.

CHANGES IN OWNERSHIP STRUCTURE

To the best of the knowledge of the Board of Directors, changes in the company's share ownership structure over the past three years are as indicated below:

	December 31, 2015			December 31, 2014			December 31, 2013		
	Number of shares	% of share capital	% of voting rights	Number of shares	% of share capital	% of voting rights	Number of shares	% of share capital	% of voting rights
Bouygues	91,946,297	43.7%	44.0%	91,946,297	43.5%	43.5%	91,946,297	43.5%	43.5%
Free float – rest of world(1)	61,922,457	29.4%	29.6%	73,704,536	34.8%	34.8%	78,671,183	37.2%	37.2%
Free float – France(1)(2)	41,500,791	19.7%	19.9%	31,318,633	14.8%	14.8%	25,934,835	12.3%	12.3%
TF1 employees	13,664,440	6.5%	6.5%	14,559,298	6.9%	6.9%	14,707,698	7.0%	7.0%
via FCPE TF1 Actions (3)	*13,490,890*	*6.4%*	*6.5%*	*14,386,411*	*6.8%*	*6.8%*	*14,543,101*	*6.9%*	*6.9%*
as registered shareholders	*173,550*	*0.1%*	*0.0%*	*172,887*	*0.1%*	*0.1%*	*164,597*	*0.1%*	*0.1%*
Treasury shares	1,487,582	0.7%	0.0%	-	-	-	-	-	-
TOTAL	**210,521,567**	**100.0%**	**100.0%**	**211,528,764**	**100.0%**	**100.0%**	**211,260,013**	**100.0%**	**100.0%**

(1) Estimates based on Euroclear statements.
(2) Including unidentified holders.
(3) Employee shareholders subscribing to the company savings scheme: the FCPE TF1 Actions fund collects voluntary contributions from employees and the employer's contribution, and invests in TF1 shares by buying them directly in the market. The Supervisory Board of FCPE TF1 Actions exercises the voting rights attached to the equity securities in its portfolio and decides whether to tender the securities into a public offer.

The number of shareholders is estimated at more than 100,000.

The voting rights attached to treasury shares held by TF1 are not exercisable. There are no other differences between the total number of theoretical voting rights and the total number of voting rights that may be exercised at a General Meeting.

DECLARATIONS OF CROSSING OF SHARE OWNERSHIP THRESHOLDS

Declarations of the crossing of share ownership thresholds by registered intermediaries or fund managers brought to the attention of TF1 in 2015, including statutory declarations brought to the attention of the AMF and declarations required under the TF1 Articles of Association brought to the attention of the company, were as follows.

Date of declaration	Date of transaction	Registered intermediary or fund manager	Threshold	Nature of change	Number of shares	% of share capital	% of voting rights
14/01/2015	12/01/2015	UBS AG	1%	Up	2,127,023	1.01%	1.01%
15/01/2015	13/01/2015	UBS AG	1%	Down	1,999,700	0.95%	0.95%
15/01/2015	13/01/2015	First Eagle	3%	Down	6,333,112	2.99%	2.99%
19/01/2015	18/01/2015	Amundi AM	2%	Up	4,558,458	2.16%	2.16%
26/01/2015	22/01/2015	UBS AG	1%	Up	2,259,722	1.07%	1.07%
30/01/2015	26/01/2015	First Eagle	2%	Down	3,777,179	1.79%	1.79%
09/02/2015	04/02/2015	First Eagle	1%	Down	1,596,289	0.75%	0.75%
10/02/2015	05/02/2015	UBS AG	1%	Down	1,915,738	0.91%	0.91%
24/02/2015	19/02/2015	DNCA	3%	Down	6,144,958	2.90%	2.90%
14/04/2015	10/04/2015	Artisan Partners	5%	Down	8,616,720	4.07%	4.07%
14/04/2015	10/04/2015	Artisan Partners	4%	Down	8,244,724	3.90%	3.90%
07/05/2015	06/05/2015	Artisan Partners	3%	Down	5,830,127	2.75%	2.75%
04/05/2015	04/05/2015	Franklin Resources	1%	Up	2,264,448	1.07%	1.07%
12/05/2015	12/05/2015	Artisan Partners	2%	Down	4,200,180	1.98%	1.98%
31/05/2015	31/05/2015	Franklin Resources	2%	Up	4,317,559	2.04%	2.04%
30/06/2015	30/06/2015	Franklin Resources	3%	Up	6,369,216	3.01%	3.01%
21/07/2015	21/07/2015	Artisan Partners	1%	Down	2,053,309	0.97%	0.97%
30/07/2015	29/07/2015	Citigroup	2%	Up	4,453,147	2.10%	2.10%
21/09/2015	14/09/2015	DNCA	3%	Up	6,546,000	3.09%	3.10%
05/10/2015	05/10/2015	Amundi AM	2%	Down	4,192,808	1.98%	2.01%
17/11/2015	31/10/2015	Franklin Resources	3%	Down	6,180,525	2.94%	2.94%
07/12/2015	03/12/2015	Federated Global Investment	2%	Up	4,236,001	2.01%	2.03%
21/12/2015	21/12/2015	Amundi AM	1%	Down	2,030,017	0.96%	0.97%
22/12/2015	17/12/2015	DNCA Finance	4%	Up	8,656,000	4.11%	4.14%
29/12/2015	28/12/2015	Braun, von Wyss & Muller	1%	Up	2,208,326	1.05%	1.06%

Since December 31, 2015, Lazard Asset Management, acting on behalf of its clients and managed funds, has declared that on January 6, 2016 it passed above the threshold of 5.0% of the share capital of TF1 (with a holding of 10,718,254 shares) and that it holds 4.24% (8,917,624) of the company's voting rights. On February 17, 2016, Lazard Asset Management has declared it held 10,855,688 TF1 shares representing 5,16% of the company's shares capital and voting rights. On february 17, 2016, Lazard Asset Management announced ownership of 10,855,688 shares, equal to 5;16% of the share capital and 5.16% of the voting rights.

DNCA Finance, acting on behalf of the funds it manages, declared that on January 19, 2016 it had, directly and indirectly *via* DNCA Finance Luxembourg (an entity under its control), passed above the threshold of 5% of the capital and voting rights of TF1 and that it directly and indirectly holds, on behalf of those funds, 5.19% of the capital and voting rights of TF1.

Franklin Resources, acting in the name of and on behalf of Franklin Resources, Inc and its affiliates, declared on January 31, 2016 that it had passed below the threshold of 1% of the share capital and voting rights of TF1 and that as of that date it held 2,024,569 TF1 shares representing the same number of voting rights, equivalent to 0.96% of the company's share capital and voting rights.

To the best of the company's knowledge, there are no shareholders other than Bouygues, FCPE TF1 Actions, Lazard Asset Management and DNCA Finance holding more than 5% of the capital or voting rights.

FCPE TF1 Actions, the vehicle for the TF1 group employee share ownership scheme, held 6.4% of the capital as of December 31, 2015.

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 – Broadcasting and Entertainment; Ticker: TFI.

As of December 31, 2015, 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: Dow Jones Sustainability World Index (which ranks TF1 as the second-best media group worldwide), 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 pending for admission to another stock exchange.

6.5.2 SHARE PRICE AND VOLUMES

On December 31, 2015, TF1 shares closed at a price of €10.25; this represents a fall of 19.4% over 2015 as a whole, compared with a rise of 8.5% for the CAC 40 index and a rise of 9.0% for the SBF 120.

The average price of TF1 shares in 2015 was €14.18, compared with €12.38 in 2014, representing a 14.5% increase.

Media indices rose in 2015, with the Euro STOXX® TMI Media index gaining 6.8% and the CAC Média index 0.8%.

In 2015, the daily turnover of TF1 shares averaged out at 563,066(2), up 27.2% on 2014. The highest daily turnover in the period was on September 8, 2015, when 3,444,600 shares were traded(2).

The stock market valuation of the TF1 group as of December 31, 2015 was €2.16 billion. The P/E (price/earnings) ratio as of December 31, 2015 (based on net profit attributable to the Group) was 21, compared with a P/E of 27 as of December 31, 2014.

Share prices and trading volumes in TF1 shares (ISIN: FR0000054900) in 2015 were as follows:

Month	High(1) €	Low(1) €	Closing €	Number of shares traded(2)	Capitalisation(3) *(€ million)*
January	14.39	12.29	14.04	593,091	2,970
February	15.43	14.05	15.43	570,530	3,264
March	16.80	15.05	16.50	593,195	3,493
April	17.17	15.45	15.62	512,877	3,305
May	15.87	15.00	15.38	568,581	3,255
June	16.20	14.92	15.47	456,045	3,277
July	16.46	14.97	15.68	530,161	3,323
August	15.77	13.35	14.33	479,319	3,037
September	14.12	12.50	12.55	780,332	2,660
October	13.36	11.72	11.72	580,300	2,467
November	12.11	11.17	11.54	440,938	2,429
December	11.62	9.73	10.25	564,424	2,158

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 2015 profits.

Dividends are remitted to shareholders from their date of payment, either by TF1 for registered shares or by financial institutions for managed registered shares and bearer shares.

Dividends that are not claimed within five years are remitted to the government.

Year	Total number of shares as of December 31	Dividend paid out of profit for the year *(net, in €)*	Payment date	Market price *(€)* Closing price			Yield based on closing price
				High	Low	Closing	
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	April 28, 2015	14.8	10.1	12.72	11.8%
2015	210,521,567	0.80[1]	April 26, 2016	17.7	9.73	10.25	7.8%

(1) Subject to approval by the Annual General Meeting of April 14, 2016.

7

CORPORATE SOCIAL RESPONSIBILITY OF THE COMPANY

FOREWORD

ORGANISATION

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 Division (one person full time), who is also responsible for non-financial reporting.

The CSR Division, created in 2005, was attached in October 2014 to the Investor Relations Division, part of the Group Strategy, Finance and Purchasing Division. The CSR Division can be contacted by email at rse@tf1.fr.

In 2014, the Board of Directors decided to set up an Ethics and Corporate Social Responsibility (CSR) Committee tasked with ensuring respect for the Code of Ethics, as well as enforcing the rules on ethics, conduct and compliance and overseeing the Group CSR policy.

An update on CSR activities is presented at each meeting of the Board of Directors by the Chairman of the Board, Nonce Paolini.

MEMBERSHIP IN THE *PACTE MONDIAL*

In 2015 the TF1 group renewed its commitment alongside French and international companies to respect and promote the ten principles of the Global Compact on human rights, labour rights, the environment, and the fight against corruption.

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 and annual financial report 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 fourth consecutive year. This report meets all the criteria laid down in law, in accordance with the "comply or explain" principle.

A comprehensive report based on GRI G4 guidelines is available online at www.groupe-tf1.fr/reportingrse (see the section on "GRI G4 reporting, materiality study and key issues" on page 259 of this document).

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 Division and the independent third party organisation.

To facilitate the consolidation of data and the verification of information, notably at Bouygues Group level, environmental and societal indicators are presented for a reporting period that runs from 10/1/2014 to 9/30/2015. Social indicators cover the period from January 1 to December 31, 2015.

SCOPE AND GENERAL PRINCIPLE OF COMPANY CONSOLIDATION

The TF1 group generates revenues mainly in France and in Europe. In 2015, the breakdown was as follows: 97.0% in France, 2.6% in Europe excluding France, and 0.4% 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.

Modifications made since the previous report:

- exit of Eurosport France, closure of Stylia and sale of One Cast.

Modifications exclusively impacting the environment:

- The scope of the "environment" indicators only takes into account companies housed in the "Tour" and "Atrium" headquarters buildings in Boulogne-Billancourt. Until 2014, an exception was made for the activities of the free daily paper Metronews, which was monitored due to high paper consumption, despite the business being located outside headquarters. Since this newspaper stopped publishing a printed edition in June 2015 to become a strictly digital publication, its environmental footprint is no longer taken into account.

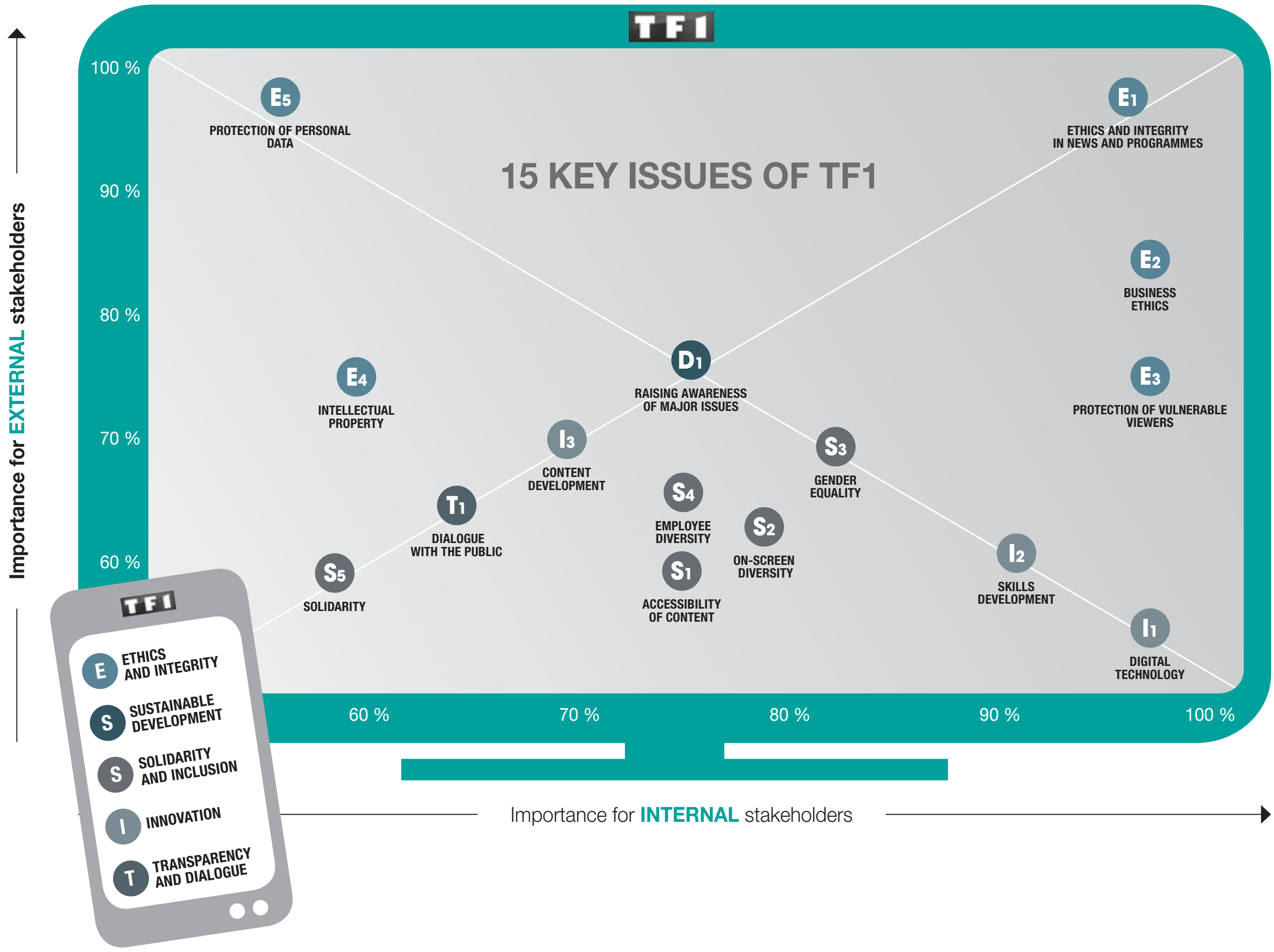
GRI G4 REPORTING, MATERIALITY STUDY AND KEY ISSUES

In 2014 the TF1 group launched a new website dedicated to CSR reporting on the basis of the GRI G4 (Global Reporting Initiative) guidelines. 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 website address is http://www.groupe-tf1.fr/reportingrse.

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 15 issues deemed as priorities for the Group in five different areas. 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 personal data protection is paramount for external stakeholders. The methodological process and results of the study are available online at: http://www.materiality-reporting.com/reporting/tf1/pdf/fr/MATERIALITETF1@130814_FR.pdf.

MATERIALITY MAP:

The most material issues are divided into five categories.



Each of these categories includes issues relating to the content produced and broadcast, and the actions of the company.

Ethics and integrity

Ethics and integrity in news and programmes, honest practices (responsible purchasing), protection of personal data and the fight against piracy.

Diversity, inclusion and solidarity

Reflecting national diversity on-screen, promoting equal opportunities within the company, fostering community spirit and solidarity.

Sustainable development

Raising public awareness of major environmental and climate issues.

Innovation

Digital technology, innovative content, employee skills development.

Transparency and dialogue

Stakeholder dialogue, particularly with the public.

CSR STAKEHOLDERS AND CONTRIBUTORS WITHIN THE TF1 GROUP BY CATEGORY

ETHICS AND INTEGRITY (PROGRAMMES AND BUSINESS)

- Broadcasting Division, News Division
- General Secretariat, Legal Affairs Division,
- Ex-rights Purchasing Division, Rights Acquisition and Trading Division,
- Internal Resources Division, e-TF1, TF1 Publicité.

DIVERSITY, INCLUSION AND SOLIDARITY

- Broadcasting Division, News Division, Diffusion Division,
- Internal and External Communication,
- Corporate Foundation, Diversity Committee,
- Ex-rights Purchasing Division, Rights Acquisition and Trading Division,
- Human Resources Division, including Group Disability and Diversity and Fifty-Fifty Network.

ENVIRONMENT AND SUSTAINABILITY

- Broadcasting Division, News Division, Ushuaïa TV,
- Corporate Services Division, Information Systems Division,
- Ex-rights Purchasing Division, CSR Division.

INNOVATION

- Broadcasting Division, News Division, Rights Purchasing Division,
- Innovation Division, e-TF1,
- Human Resources Division, including Talent Development.

DIALOGUE AND TRANSPARENCY

- Internal and External Communication Division,
- General Secretariat, Legal Affairs Division,
- Investor Relations Division,
- CSR Division.

EXAMPLES OF ISSUES AND KEY OBJECTIVES BY CATEGORY OF ACTION*

ETHICS AND INTEGRITY OF CONTENT (NEWS/PROGRAMMES AND BUSINESS)

Challenges/Objective/Indicator	2015 data	Actions
E1 – News and programme ethics and integrity		
Objective: uphold the ethical and integrity commitments made to the public before the French broadcasting regulator (CSA)		
Indicator: number of CSA comments	1 caution for TF1, 1 for LCI	• **Annually:** all staff involved in programme-making are trained on their rights and duties by the Legal Affairs Division; • **2016:** publication of the Editorial Code of Ethics.
E2 – Business ethics		
Objective: based on the Code of Ethics published in 2014, promote good governance and engage in ethical relations with all Group stakeholders		
		• **2014:** publication of the Code of Ethics and compliance documents and appointment of the Ethics and CSR Committee by the Board of Directors; • **2015:** ethics and compliance risk mapping by business, distribution of documents to Management Committees, training with "business" specifications; renewal of the Responsible Supplier Relations Label. • **2016:** distribution of documents to all employees, drafting of a Charter of Institutional Relations

* *Full table available on the website groupe-tf1/reportingrse*

DIVERSITY, INCLUSION AND SOLIDARITY

Challenges/Objective/Indicator	2015 data	2015 data
S2 – Reflecting national diversity on-screen		
Objective: reflect the full spectrum and diversity of French society on-screen, without stereotyping or omissions.		
Indicator: number of diversity training sessions, particularly for programme contributors	Since the signing of the Diversity Charter in 2010, 1,587 employees and managers have received diversity training, including 663 involved in programme-making. (192 participated in 2015.)	• **Annually:** TF1 sets out its quantitative commitments before the CSA, sending a letter to all producers of non-scripted broadcasts asking them to focus on diversity during castings; • **2015:** new commitments to women's roles on the channels; filming of the *Zadig et ta Mère* pilot created in the writing workshop with the TF1 drama unit, HD1, PM and the ACSE set up in 2014; 3 TF1 Diversity Committee sessions; meetings with committed producers and anti-discrimination organisations; • **2016:** training of staff from the "programme compliance" unit, launch of a study on ethnic diversity in news programmes;
S3 – Gender equality within the company		
Objective: promote gender equality within the company in the interests of social justice and to boost performance, particularly by increasing the percentage of women classified internally as grade C3 and above		
Indicator: percentage of women classified as C3 and above	45.4% (488 out of 1,075)	• **2012:** first gender equality agreement, specific budget allocated for salary adjustment; • **2014:** women's network focus group, introduction of cross-mentoring with Bouygues Telecom and Cisco, Women in Leadership training; • **2015:** ratification of the "Diversity and Performance" action plan by COMEX and creation of the Fifty-Fifty corporate network; • **2016:** renewal of the gender equality agreement, parenthood guide and signing of the parenthood charter.

ENVIRONMENT AND SUSTAINABLE DEVELOPMENT

Challenges/Objective/Indicator	2015 data	Actions
D1 - Raise public awareness of sustainable development, reduce the Group's direct footprint		
Objective: Educate our audiences on major climate-change issues and changing lifestyles and spending habits. Reduce the Group's direct environmental footprint (-20% in electricity consumption in 2020 compared to 2012		
Indicator: number of TF1 televised newscasts dealing with climate change and solutions	800+	• **2015:** outstanding channel coverage of the UN Climate Change Conference in Paris (COP21), numerous events organised by the Group for its business partners, suppliers and advertisers. Ushuaïa TV, a channel dedicated to sustainable development and protecting the planet, celebrated its 10th anniversary.
Indicator: change in electricity consumption compared to 2012	2012: 25,553 MWh 2015: 22,366 MWh Score: -12.5%	• **Annually:** numerous reduction measures: ("Epeat Gold" computer equipment, "Energy Star" monitors, workstation hibernation, introduction of a "cloud first" policy (server virtualisation and integration in the cloud), reduced operating times of terminal equipment in offices (air-conditioning); • **2015:** Launch of an ISO 50001 certification process; • **2016:** energy management system set up involving the entire Group.

INNOVATION

Challenges/Objective/Indicator	2015 data	Actions
I1 – Digital technology		
Objective: find new ways of incorporating the latest trends: catch-up TV, immersive 360-degree filming, multi-camera, short formats, etc.		
Indicator: number of IPTV visitors	16 million in May, 2015	• **2015:** TF1 and Paris&Co create an incubator for innovative start-ups around the theme of "new products and services", in partnership with Epitech, the Paris Graduate School of Digital Innovation. The aim is to help students develop projects and be as close as possible to the creation of new ideas. • **2016:** initial results of the start-up incubator expected by July 2016, review of the funding scheme during the partnership, and selection of two teams from Epitech to develop their projects at TF1.

DIALOGUE AND TRANSPARENCY

Challenges/Objective/Indicator	2015 data	Actions
D1 - Dialogue with the public		
Objective: increase our visibility, grow our image, share our values, create an authentic connection with the public.		
Indicator: number of interactions with the Audience Relations Department (ARD)	55,000 replies to contacts via email, post and calls to the ARD	• **Annually:** nationwide tours by TF1 celebrities (#LesRencontresTF1), meetings with high-school students organised by the TF1 Corporate Foundation, mini-internships for secondary school students, showroom and newsroom tours and support for innovative teaching programmes;
Indicator: number of TF1 web page hits on social media	+ 38,648,600 contacts on social media	• **2015:** the TF1 Corporate Foundation became the partner of the "class without grades" at the Louise Michel secondary school in Epinay sur Seine, organising a "digital camp" for 26 girls in partnership with Microsoft; opening TF1's doors to the public for European Heritage Days.

VARIABLE COMPONENT IN THE REMUNERATION OF THE EXECUTIVE DIRECTOR

Since January 1, 2014, on a proposal by the Remuneration Committee, the variable remuneration of the Executive Director has included a qualitative criterion on the corporate social responsibility performance of the company (TF1's ongoing presence in non-financial ratings indices, as described below).

MEDIA CSR FORUM

TF1 also plays a unifying role in the profession by coordinating, with the ORSE (*Observatoire de la Responsabilité Sociétale des Entreprises*), 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 (in French).

RECOGNITION OF TF1'S PERFORMANCE IN STOCK MARKET INDICES ON SUSTAINABLE DEVELOPMENT

Presence of TF1 in SRI indices in 2015:

DJSI:

- DJSI World and DJSI Europe Index. Based on a survey conducted in 2015, Robeco Sam ranks TF1 as third in the world in its sector, with a less than 5% difference from the leader ("silver class" level) and awarded it the title of "Sustainability mover" for the extent of its progress.

FTSE4Good Index series (ongoing in 2015)

Euronext Vigeo Indices (ongoing in 2015)

- Euronext Vigeo World 120
- Euronext Vigeo France 20
- Euronext Vigeo – Eurozone 120
- Euronext Vigeo – Europe 120

Ethibel Sustainability Index Excellence Europe (ongoing)

Oekom: In 2015, TF1 satisfied the investment criteria defined by the German ratings agency.

Gaïa Index: TF1 ranked second in the GAIA midcap segment ratings.

For the second consecutive year, TF1 was also awarded the "Grand Prix de la Transparence de l'information financière" in recognition of the transparency of its financial reporting.

7.1 SOCIAL INFORMATION

7.1.1 SOCIAL POLICY AND SOCIAL RISK FACTORS

The TF1 group operates in a highly changing 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 develop digital competencies across all our businesses. In response to these developments, the Human Resources Division was reorganised at the end of 2015:

- the Human Resources Operational Division, which plays a major role in advising management and supporting the business day to day and covers all HR Departments at TF1 and its subsidiaries;
- the HR Shared Services Division (administration, payroll, information system), responsible for the quality and availability of HR data;
- the Social Affairs Division, which defines and implements the company's legal and social policy and manages the special relationship between management and labour;
- the Talent Development Division, in charge of anticipating skills requirements, formulating a structured career development policy and maintaining high standards of staff training through the TF1 University. It is also responsible for the employer brand and diversity;
- Internal Communication Division.

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.

In terms of quality of working life, a number of company agreements establish a comfortable professional status in terms of social protection, employee savings and access to training. This policy was not called into question in 2015.

Teleworking is currently being trialled. Thus far, teleworking has proved to be a win-win initiative and fosters buy-in of new technologies.

Since 2007, the year in which the TF1 Corporate 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. Lastly, in 2015 TF1 publicly demonstrated its commitment to tackling all forms of discrimination, signing the LGBT charter for the prevention of discrimination against lesbian, gay, bisexual and transgender people, sponsored by the organisation *L'Autre Cercle*. Concerning promotion and compliance with the provisions of the fundamental agreements of the International Labour Organization (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 new organisation put in place and in particular the new Talent Development Division fully take into account the Group's need to attract and retain skilled employees.

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 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 retain talented individuals, the Group also focuses its efforts on a targeted remuneration policy and implements training and career development programmes.

7.1.2 SOCIAL REPORTING PARAMETERS

Scope: all employees having an employment contract with the TF1 group.

Changes in scope from the previous report: exit of Eurosport France, closure of Stylía and sale of One Cast.

Reference period: 01/01/2015 to 12/31/2015.

7.1.3 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 12/31 *(Scope: world, OE, FT)*	% revenues	2015	2014	2013
Clerical, administration, technical and supervisory staff	100.0	673	684	900
Managers	100.0	1,759	1,792	2,252
Journalists	100.0	455	475	618
TOTAL	**100.0**	**2,887**	**2,951**	**3,770**

The change in 2015 is due to the exit of Eurosport France, the redundancy plan at Metronews and reorganisation of LCI pending the CSA's decision on its transfer to freeview on DTT.

INDICATOR: OE AND FT WORKFORCE BY GEOGRAPHIC REGION

At 12/31 *(Scope: world, OE, FT)*	% revenues	2015	2014	2013
France	**97.0**	**2,844**	**2,906**	**3,502**
International	**3.0**	**43**	**45**	**268**
Europe (excluding France)	2.6	39	45	249
Africa and Middle East	0.1	2	*0	5
North America	0.1	2	*0	1
Central and South America	-	0	0	0
Asia-Pacific	0.2	0	0	13
TOTAL	**100.0**	**2,887**	**2,951**	**3,770**

* *The breakdown of employees seconded abroad in 2015 was not completed for 2014 (methodological change)*

INDICATOR: AGE PYRAMID AND AVERAGE LENGTH OF SERVICE

At 12/31 *(Scope: France, OE, FT)*	% revenues	2015	2014	2013
< 25	97.0	192	174	206
25-34	97.0	683	705	998
35-44	97.0	886	979	1,209
45-54	97.0	810	795	859
55 and over	97.0	273	253	230
Average age	97.0	41	41	40
Average length of service at TF1 group	97.0	12	12	11

INDICATOR: NATURE OF WORK CONTRACT

At 12/31 *(Scope: world, OE, FT)*	% revenues	2015	2014	2013
Number of employees on OE contract	100.0	2,565	2,693	3,451
Number of employees on FT contract (including apprenticeship, work-study, professional development contract, etc.)	100.0	322	258	319
o/w number of employees with a professional development contract	*100.0*	*152*	*129*	*171*
o/w number of employees with an apprenticeship contract	*100.0*	*34*	*47*	*54*

The increase in the number of fixed-term contracts is due to the reorganisation of LCI pending the CSA's decision on its transfer to freeview on DTT.

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, freelance actors, and directors). The rate for the TF1 group in 2015 was 9.9% and 3.5% for the TF1 channel – the lowest for a company in the private television broadcasting sector according to the benchmark published by the STP (Syndicat des Télévisions Privées).

Today, temporary employment within the Group is mainly concentrated at TF1 Production (the production of drama is, by nature, not constant over time).

This is the result, firstly, of a proactive approach by TF1, which for several years has preferred to bring non-permanent employees onto fixed-term 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 fixed-term contracts at end of year N))*	% revenues	2015	2014	2013
Share of full-time equivalent workers represented by non-permanent employees (short-term contract workers excl. freelancers)	100.0	9.9%	9.1%	8.4%

EMPLOYEES FROM OUTSIDE TF1

INDICATOR: FTE OVER 12 MONTHS OF TEMPORARY WORKERS

[Jan-Dec] *(Scope: France, temporary workers)* *(∑ days of temporary employment x 7 hours/1,607 hours)*	% revenues	2015	2014	2013
Number of temporary workers as FTEs	97.0	8.0	19.5	20.6

The employment of staff external to the TF1 group (temporary workers) corresponds to a full-time equivalent of 8.0, representing just 0.3% of the Group's permanent workforce. The figures published in 2014 and 2015, which are much higher, are taken from data verified in 2015.

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	2015	2014	2013
Number of hires on open-ended, fixed-term, apprenticeship contracts, etc. Scope: World, OE, FT	100.0	538	421	517
o/w open-ended recruitment, France	*97.0*	*93*	*102*	*112*
Number of resignations Scope: France, OE	97.0	61	48	82
Number of compulsory retirements Scope: France, OE	97.0	0	0	0
Number of retirements Scope: France, OE	97.0	1*	0	2
Number of redundancies Scope: France, OE	97.0	77	83	154
Number of contracts terminated by mutual agreement Scope: France, OE	97.0	30	36	43
Number of FT contracts terminated Scope: France	97.0	295	241	255

* *This was actually a death rather than a retirement.*

Faced with a difficult economic environment over the last 5 years, the TF1 group has limited recruitment (excluding cyclical professions or those related to production and excluding disabled hires). Each job application is subject to an electronic “recruitment authorisation request”, 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 + ∑ redundancy OE + ∑ mutually agreed termination of contract)/average workforce OE*	% revenues	2015	2014	2013
Instability rate	97.0	6.6%	6.2%	8.5%

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 the TF1 group companies provide for significantly higher levels of compensation for dismissed personnel than the minimum amounts required under the French Labour Code (between 35% and 100% of a month’s salary per year of service, versus 20%).

In 2015, the pivot towards digital by the Metronews business resulted in a redundancy plan being implemented for 58 employees, including 10 employees reassigned within the Group.

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. The TOIL agreements negotiated therefore allow all personnel to work on the basis of fewer annual hours than the statutory amount (1,607 hours and 218 days).

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 Division. 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 appraisal. 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.

Finally, a unanimous agreement on the reform of the working time account places an upper limit on the number of days that can be banked to encourage employees to take leave and thus improve work/life balance.

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 time is assessed for the categories of staff concerned on a continuous broadcasting basis. As a result, agreements take into account the issue of rotas, early-morning and late-night shifts, the number of days in the week worked in each rota, and weekends and/or public holidays worked, with "hardship" allowances to compensate for these.

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 employees 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 trial ended on December 31, 2015 and will give rise to a shared assessment with the trade unions.

TELEWORKING

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) (contractual and not actual hours)**
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 (contractual and not actual hours)**
Journalists with a fixed number of annual days	From 208 to 215 days
Senior managers	NA

ANNUAL WORKTIME: PART-TIME EMPLOYEES

On average 203 permanent/fixed term staff were employed part-time in 2015. 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**	**2015**	**2014**	**2013**
Part-time employees	97.0	203	214	226
Percentage of part-time employees	97.0	7.1%	7.9%	6.5%

OVERTIME HOURS

INDICATOR: NUMBER AND AMOUNT PAID IN OVERTIME HOURS

[Jan-Dec] *(Scope: France, OE, FT, short-term contract workers)*	% revenues	2015	2014	2013
Overtime hours	97.0	54,179	43,163	50,141
Amount *(in euros)*	97.0	1,695,148	1,361,460	1,627,364

ABSENTEEISM AND REASONS FOR ABSENCE IN THE TF1 GROUP

INDICATOR: ABSENTEEISM

[Jan-Dec] *(Scope: France, OE)*	% revenues	2015	2014	2013
Rates of absenteeism	97.0	2.90%	2.48%	2.27%
Total days' absence	97.0	26,700	24,000	26,877
Days absent for sickness	97.0	25,373	22,650	25,965
Days absent for occupational accidents	97.0	905	781	514
Number of days of absence for travel-related accidents	97.0	396	358	398
Number of days of absence for work-related illness	97.0	26	211	0

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 challenging and uncertain economic environment and increased competition in the market for advertising space, the mandatory annual negotiations for 2015 resulted in a 1.2% increase in basic pay. Following the exemplary efforts of the management, a 1% increase was negotiated for members of the Management Committee, covering 150 key managers of the Group. To put these figures into perspective, inflation was only 0.3% in 2015.

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 substantially 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 WITHIN THE GROUP

Scope: France, OE excluding suspended contracts (in euros)	% revenues	2015	2014	2013
Supervisory staff	97.0	40,461	40,148	38,505
Managers	97.0	69,118	67,770	65,977
Journalists	97.0	78,620	77,515	71,811
All categories	97.0	65,699	64,553	62,124

VOLUNTARY AND COMPULSORY PROFIT-SHARING AND EMPLOYEE SAVINGS

The TF1 group employee savings scheme (PEG) was created on December 15, 1992.

In all, 76.6% of eligible employees were members of the PEG scheme at December 31, 2015 (up from 75.5% in 2014). The company's maximum matching contribution is €3,750 gross per employee per year, making a total gross contribution of €6.78 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, 2015, 16.5% 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 €380,000.

INDICATOR: RATES OF MEMBERSHIP OF THE GROUP EMPLOYEE SAVINGS SCHEME (PEG) AND RETIREMENT SAVINGS PLAN (PERCO)

(Scope: France, OE, FT)	% revenues	2015	2014	2013
Percentage of eligible employees who belong to the employee savings scheme (PEG) *(%)*	97.0	76.6%	75.5%	73.4%
Percentage of eligible employees who belong to the Group retirement savings plan *(%)*	97.0	16.5%	15.8%	14.7%

INDICATOR: AVERAGE GROSS AMOUNT PAID BY EMPLOYEE (PROFIT-SHARING AND INCENTIVE SCHEMES)

Year of payment *(Scope: France, all contracts)*	% revenues	2015	2014	2013
Average gross amount paid per employee under profit-sharing scheme *(€)*	97.0	1,048	1,206	1,540
Average gross amount paid per employee under incentive scheme *(€)*	97.0	502	0	0

Group employees own 6.4% of TF1's share capital (down from 6.8% in 2014) through the TF1 Actions group investment fund.

7.1.6 PROFESSIONAL RELATIONSHIPS AND REPORT ON COLLECTIVE AGREEMENTS

OVERVIEW OF PROFESSIONAL RELATIONSHIPS WITHIN THE TF1 GROUP

All Group companies have staff 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 2015:

- the agreement on ethnic diversity;
- the agreement on the working time account;
- second amendment to the profit-sharing agreement.

As part of the MAN, in January 2015 TF1 negotiated and signed an agreement on:

- a 1.2% increase in the base salaries of employees outside the Management Committee (150 key managers of the Group);
- a 1.0% increase in the base salaries of members of the Management Committee;
- the application of the negotiated increase for employees who went on maternity leave in 2015;
- the payment of 80.0% of public transport expenses (Navigo travel card & Vélib' bike rental);
- the payment of company restaurant admission fees to the amount of €5.60 ;
- the payment of the full salary (100%) for employees taking partial or full paternity or childcare leave;
- the granting of four authorised paid days of absence for employees concerned by a commitment relating to a civil partnership contract (PACS).

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 inter-professional) agreement of January 11, 2013 and to returning the health insurance scheme to financial equilibrium.

INDICATOR: TRADE UNION REPRESENTATION AT THE GROUP (PERMANENT MEMBERS) IN 2015

(Scope: France)	Works Council	Personnel delegates	Combined delegates	Board of Directors	Total
CFTC	13	19	26	17	75
FO	2	6	0	1	9
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	**19**	**34**	**26**	**18**	**97**

SUMMARY OF 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 (SCOPE: FRANCE)

Number of Meetings with employee representatives (Works Council + personnel delegates + Health, Safety and Working Conditions Committee + Board of Directors + combined delegates)	284
Number of collective bargaining meetings with union delegates	30
Number of collective agreements signed during the year	20

INDICATOR: PARTICIPATION RATE IN WORKS COUNCIL ELECTIONS

(Scope: France)	% revenues	2015	2014	2013
Rate of participation in latest Works Council elections	97.0	80.1%	79.6%	77.3%

7.1.7 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	2015	2014	2013
Number of occupational accidents with time off	100	14	17	28
Number of fatal occupational accidents (work-related/commuting)	100	0	0	0
Employees trained in health and safety	100	448	744	722
Frequency rate	100	2.7	3.2	4.10
Severity rate	100	0.2	Less than 0.2%	Less than 0.2%
Number of work-related illnesses	100	0	2	0

THE PLAYERS IN THE HEALTH AND SAFETY POLICY

In 2015, the TF1 group reaffirmed its commitment and proactiveness towards health, safety and quality of life at work for its employees. The aim of this Group policy is to ensure the safety of employees, protect their health and improve their quality of life at work. The Medical Department is central to this and is somewhere employees can turn to. Aside from day-to-day responsibilities for monitoring employee health and preventing occupational risks, the occupational physician, assisted by three nurses, defines and implements individual and collective measures, such as in the case of employees sent to report in countries affected by the Ebola virus.

Employees can also contact the on-site social worker if they need to. Their role is to assess the situation and assist employees by liaising with specialised organisations.

The TF1 group considers the dialogue on health and safety at work to be of the utmost importance. This takes place both through agreements signed with the unions on employee health and safety, and through bodies required by law (nine committees for health, safety and working conditions). The committees are tasked with improving health and safety and working conditions for employees.

The Corporate and Security Services Division (DAGS) regularly gets involved in issues relating to health, safety and working conditions, for example by adapting premises or workstation ergonomics.

The DAGS has also beefed up site security procedures in view of the continuing threats in France, particularly towards the media. Since January, new security procedures have resulted in increased security personnel at access points and the installation of special security perimeters, as well as a new entry control system. The DAGS was also involved when TF1 took part in European Heritage Days for the first time. A total of 2,620 people had access to the building to visit television studios and chat with celebrities.

To measure the quality of life at work, a health and well-being survey has been carried out every year since 2008. This voluntary questionnaire is offered to employees during their periodic medical check-ups. It is used to measure stress and anxiety levels and to implement action plans where necessary.

In the 2015 version of the TF1 group opinion poll, 62% of employees expressed views on the 13 key issues covered by the questionnaire. The results of the third internal opinion poll indicate a positive team spirit, confidence in the management and a real sense of pride in belonging to the Group.

The TF1 group is mindful of the health benefits of sport and strives to create a pleasant working environment for its employees, offering them the use of a gym with discounted membership rates. In 2015, the first "Wellness Day" was organised in association with the Medical Department, the staff restaurant and the gym.

HEALTH AND SAFETY TRAINING

Training on health and safety was delivered to 367 employees in 2015 (vs. 636 in 2014), reflecting the Group's concern for its employees.

The training is mainly aimed at news teams, with training on scooter use, first aid, risk zones and "My Ostéopratic", specifically tailored this year for make-up artists. Technical staff also attend mandatory courses on electrical accreditation.

The TF1 group has also developed a range of training courses on work/life balance. In addition, all the training courses included in the Group's management course comprise a section on this topic.

In 2015, a new training course was introduced to raise awareness of the risks associated with crowd behaviour.

7.1.8 EQUAL OPPORTUNITIES AND THE FIGHT AGAINST DISCRIMINATIONS

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 Diversity Label 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 strict framework for leading the whole company through an overall process of continuous improvement.

All target populations (managers, employees involved in programme-making, viewer services staff and HR), totalling more than 1,500 people (192 of them in 2015), have received training in issues relating to diversity and the prevention of discrimination.

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	2015	2014	2013
Number of employees* having received training on diversity at work	97.0	192	130	67
Including programme contributors	97.0	0	43	22
Cumulative total since 2010		1,587	1,395	1,265
Including programme contributors		663	663	620

* *Number of times they attended a diversity training course; an associate may have participated in several trainings.*

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 June 24, 2014. The agreement notably provides for an ambitious recruitment plan of 24 people with disabilities (including 18 on work/study programmes) on permanent or fixed-term contracts of over six months. Taking account of changes in scope (excluding Eurosport), 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 measures that included 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 and Tremplin) and takes part in targeted campaigns such as *Handichat* and recruitment forums, including those by ESSEC 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	2015	2014	2013
Number of disabled workers in the company as of 12/31 (all contract types)	97.0	68	70	77
Disabled workers hired during the course of the year (fixed-term and fixed-term contracts)	97.0	9	9	13

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.

PROFESSIONAL EQUALITY BETWEEN MEN AND WOMEN

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 Senior Management in December 2014, ahead of an action plan launched in the first quarter of 2015. This collaboration led to the creation of a Fifty-Fifty network, mainly intended to develop assertiveness among women.

Concrete measures have also been taken to foster work/life balance.

The three-year professional gender equality agreement signed in 2012 is currently in the process of being renegotiated.

The number of Women in Leadership training events was doubled in 2015 and the joint mentoring programme was renewed 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, company directors, bloggers and communication. The second Labcomwomen event will take place in February 2016.

INDICATOR: PROPORTION OF WOMEN STAFF BY STATUS

At 12/31 *(Scope: world, OE, FT)*	% revenues	2015	2014	2013
% of women, clerical, administrative, technical and supervisory staff	100.0	59.0%	59.9%	54.3%
% of women, managers	100.0	52.6%	50.6%	48.4%
% of women, journalists	100.0	46.0%	39.2%	35.0%
% women, total	100.0	50.9%	50.9%	47.6%

In addition, in 2015 the percentage of women at team leader level and above was 45.4%, the percentage of women managers (head of department level and above) was 37.4%, and the percentage of women on the Group Management Committee was 31%.

INDICATOR: NUMBER OF NEW HIRES, WOMEN AND MEN

Hires *(Scope: France, OE, FT)*	% revenues	2015	2014	2013
Women	97.0	310	241	284
Men	97.0	225	150	233
TOTAL	**97.0**	**535**	**391**	**517**

INDICATORS: SALARIES, WOMEN AND MEN

Average gross annual salary for young graduates *(in euros)*[1] *(Scope: France, OE)*	% revenues	Supervisory staff	Managers	Journalists
Women				
2013	82.6	23,400	32,338	-
2014	96.9	19,058	33,300	-
2015	97.0	19,500	35,100	-
Men				
2013	82.6	20,367	32,500	-
2014	96.9	19,058	34,229	-
2015	97.0	21,125	37,440	30,745

(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.

Between 2011 and 2014, a special budget was allocated to establish equal pay between men and women. It allowed employees on maternity leave to receive at least the average wage increase negotiated with the unions.

INDICATOR: PROPORTION OF WOMEN AND MEN PROMOTED

Promotion rate(1) *(Scope: France, OE)*	% revenues	2015	2014	2013
Women	97.0	9.2%	8.1%	9.9%
Men	97.0	7.9%	8.7%	11.3%

(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 2015, 17 employees aged 45 and over (compared with 20 employees in 2013 and 32 in 2014) 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.

7.1.9 EMPLOYEE SUPPORT

RELATIONS WITH SCHOOLS, WELCOMING INTERNS AND STUDENTS ON WORK/STUDY PROGRAMMES

In 2015 the TF1 group hosted 466 interns and 149 students on work/study programmes (26 on apprenticeship contracts and 123 on professional training contracts) in a number of sectors, including audiovisual, production, graphic design, journalism, acquisition, marketing, sales, communication, web, IT, finance, purchasing and HR.

In line with the TF1 group's proactive policy in supporting young people through the transfer of know-how and experience, work-study placements and internships play an important part in the organisation.

A real source of interaction between younger generations and more experienced workers, the scheme is supported by mentor training to ensure that professional support is given.

The use of new digital applications and the fresh insights that younger generations bring to the business informs the debate in a way that is beneficial to the Group's development.

The third autumn workshop took place in October 2015, attended by all students on work/study placements and their mentors. This one-day induction course provided an overview of the TF1 group and its businesses, as well as creating a student community on the internal social network *Yammer*.

Interns and work/study students enjoy a generous remuneration policy together with a wide range of job opportunities, attracting young talent from different educational backgrounds.

The pay scale for interns varies depending on the student's qualifications. However, it is significantly higher than the statutory minimum.

This ambitious policy for both trainees and those on work/study programmes reflects a desire to help train young people, identify new talent and welcome younger generations to the company.

With this goal in mind, the TF1 group has developed quality-driven partnerships with institutes such as ESSEC (seminars, lectures, research), EDHEC (innovation challenge), Centrale (business forums) and Epitech (start-up incubator).

Lastly, TF1 is a partner of the École de la Cité du Cinéma film school.

INDICATOR: NUMBER OF INTERNS UNDER AGREEMENTS WITH SCHOOLS

(Scope: France, interns)	% revenues	2015	2014	2013
Interns under agreements with schools	97.0	466	348	296

VOCATIONAL TRAINING

In October 2014, the TF1 group created the **TF1 University** with a two-fold ambition:

- to support and accelerate digital transformation; and
- lend new momentum to learning and training approaches in response to the Group's challenges through five focuses: Businesses, Management, Personal Development, Conferences/Masterclasses, Managers.

Businesses

- Adapting to the various technological developments and supporting the digital transformation of all Group activities, particularly in broadcasting, image and sound, in a multi-channel context, as well as regulatory changes, the rise of HD in all its forms and new tools.

For example:

- "*Social media*" for the external communication team: gaining an overview of social networks and establishing a suitable communication strategy;
- "*Social networks as a source of information*" for journalists: developing "news" instincts based on a better understanding of web resources, diversifying the sources of information and learning how to structure an article;
- "*Live production on IP*" for TF1's Technical Division: Understanding the challenges of IP transformation during production and transmission, learning about its impact on future infrastructure, and assimilating the language and related concepts;
- "From Big Data to CRM" for TF1 Vidéo: how to store, manage and select data;
- "E-commerce and e-marketing" for TF1 Entreprises: e-commerce, understanding e-marketing drivers;
- continuation of "Cap Digital" for TF1 Entreprises and TF1 Vidéo: development of digital skills and knowledge;
- *storytelling* for advertising: putting together a sales pitch, giving the message the right structure so that it has maximum impact, communicating arguments effectively, capturing and engaging the audience.

Management

- Maintain 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, in the context of agile methods at MYTF1 in particular.

Personal development

- Maintaining 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.

Masterclass conferences

- 5 new masterclasses held in 2015 for a total of 776 participants. The aim of these masterclasses is to foster an understanding of the Group's key issues. The topics covered in 2015 were the following: "Brands: challenges and strategies in 2015", "Gender equality: a performance issue", "Music and entertainment", "Advertising: advertiser's course and mechanics of a TV campaign", "Entrepreneurship & Innovation". These conferences are recorded and are available to all employees on the intranet site 48 hours later.

Managers

- Specific guidance for members of the Group Management Committee through participation in two Learning Expeditions, the first in Austin and Los Angeles, the second in Seoul and Tel Aviv.
- 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 2015 Group employees received 46,479 hours' training (compared with 43,112 hours in 2014):

- 26,655 hours, or 57.4%, in developing professional skills;
- 12,154 hours, or 26.2%, in management and human relations;
- 2,396 hours, or 5.2%, in safety and security;
- 5,274 hours, or 11.4%, in language learning.

All training courses are assessed and are the subject of regular reports and adjustments.

INDICATORS: VOCATIONAL TRAINING, STATUTORY TRAINING ENTITLEMENTS

(Scope: France, OE)	% revenues (France)		2015	2014	2013
	97.0	Number	1,719	1,825	2,074
Number and % of OE employees having attended training	97.0	%	68.2	71.7	67.3
% of payroll spent on training	97.0	%	2.8	2.67	2.5
Total training hours, all training systems	97.0	Number	46,479	43,112	58,383
Total training hours, particularly in relation to the training plan(1)	97.0	Number	29,088	18,778	18,521
Statutory training entitlement (DIF) requests granted	97.0	Number	NS	1,307	1458

(1) This indicator concerns the business training plan and branch training plan. It excludes individual and personal training leave and training included in professional development schemes (professional development contracts and professional development period)

On January 1, 2015, the personal training plan (DIF) was scrapped following vocational training reforms.

At the end of 2015, the Group took the decision to renew the TF1 University programmes, by putting in place learning and sharing formats for all employees based on three areas:

- **digital:** understanding the daily impacts and anticipating the opportunities it generates;
- **innovation:** laying the foundations for success inspired by entrepreneurship;
- **business:** being instrumental in the development of the business and helping to achieve its targets.

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 annual round of interviews in 2014-2015.

The compensation paid to the TF1 group's top 400 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	2015	2014	2013
% of employees who had an annual performance appraisal	97.0	79.9%	86.6%	84.3%
% of employees concerned by the satisfaction survey carried out	97.0	61.6%	-	-

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 by the creation in 2013 of a Head of Professional Mobility position, carried over in 2014, as well as the implementation of a budget (€150K in 2015) dedicated to mobility support (integration period, work station) and the creation of a training course entitled "Driving your professional development" for employees looking to develop.

Internal mobility is the first step in the recruitment process and is governed by: An online mobility charter available on the Group's intranet, setting out clear rules of procedure to ensure equal treatment. HR managers are responsible for upholding these rules.

In 2015, 244 positions were filled through internal recruitment (134 in 2014). Each week, biographies of staff who have benefited from the job mobility scheme are posted on the intranet, while a profession within the TF1 group is featured in a monthly video.

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	2015	2014	2013
Internal transfers as a proportion of total recruitment *(%)*	97.0	72.4%	55.8%	54.8%

EMPLOYEE COMMITMENT

Employee support for the Group's philanthropic initiatives is essential. Each year, 24 managers mentor young people from the TF1 Corporate Foundation, listening to their concerns and offering them the benefit of their experience and contacts. Other managers have volunteered to mentor young women who work for the Group or its partner firms.

A founding member of B.A.ba Solidarité, which fights against illiteracy, the TF1 group has been involved with this issue since 2013. 74 Group employees (33 in 2013 and 2014, and 41 in 2015) accompany or have accompanied 27 employees (10 in 2013 and 2014 and 17 in 2015) from our service provider Samsic.

Opening the doors of TF1's head office for European Heritage Days demonstrates the channel's commitment to get closer to the public: the event was made possible by around 50 employees who enthusiastically acted as "keynote speaker for the day".

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 three collecting bodies, Solendi, Amallia and Astria.

In 2015, employees of the TF1 group received various forms of assistance under the housing assistance scheme: 33 employees were allocated housing, while 5 home loans for first-time buyers, 15 *Loca-Pass*, 1 *Mobili-Pass*, 1 *Pass-Assistance* and 2 construction loans were granted. A total of 44 employees have benefited from the *Mobili-Jeune* scheme and 112 employees have been advised by housing associations. A total of 213 TF1 group employees benefited from the housing assistance scheme in 2015.

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 2015, 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.

Ten sports instructors are available to employees Monday to Saturday. In addition to 29 group classes, the fitness room has 17 cardio-training machines (treadmills, bikes, etc.), 13 exercise machines and two steam rooms.

Social worker

A social worker is available during fixed weekly hours onsite at TF1 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 and 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.

C'Evidenica

A new optician service is now available to all employees at TF1's headquarters. Employees are eligible for the direct payment system, while their paperwork is also taken care of.

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.

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.

In 2014 the Group decided to initiate an ISO 50001 certification policy. In October 2015, the Group signed the Paris Climate Action Charter.

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-years of broadcasting 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.

2015 saw exceptional editorial coverage of climate issues ahead of the international talks in Paris in December, on TF1, LCI and Ushuaïa TV. Several conferences on climate issues and existing solutions were organised by the Group for its stakeholders.

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 and Environmental Risks section of chapter "2.4 Risk Factors," on page 108 of this registration document and annual financial report.

7.2.2 ENVIRONMENTAL REPORTING PARAMETERS

Scope of indicators: it only includes the companies housed in the buildings of the head offices, the "Tour" and "Atrium" buildings in Boulogne-Billancourt which house 2,815 work stations and 93.2% of the Group's employees. The revenue for these activities accounted for 88.3% of total revenue at September 30, 2015.

All other activities (Téléshopping, TMC, Metronews, OUEST INFO) are in office space in shared buildings, occupying a small surface area, for which we have neither the reporting data nor the ability to take action on the indicators.

Modifications having had an impact on environmental matters since the last report:

- The printed publication of the free daily Metronews ceased in June 2015, and the paper is now published exclusively online. The environmental footprint of this newspaper, which involved an extremely high level of paper consumption, and that represented an exception to the previously defined scope, is no longer an issue.

Reference period: 10/01/2014 to 09/30/2015.

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 France 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, the CNC and the Rhône-Alpes region.

(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.*

Ecoprod has created a resource centre online at www.ecoprod.com. The resources are provided free of charge to sector professionals and presented regularly at events and through partnerships with specialised media.

The website includes best practice sheets by business line, 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. For those who signed on to the charter, training was also developed to help them implement its proposed measures. In December 2015, more than 60 businesses had signed on to the charter, many more than the original objective of 30.

In 2015, a partnership with the World Bank and its Film4Climate programme made it possible to promote Ecoprod tools at a European level. This cooperation resulted in the publication of a joint manifesto demonstrating the commitment of the entire industry. A new deliverable on eco-design for studio sets, drafted in partnership with the events industry (the "*Eco Evénement*" initiative), was published.

In 2016, a new version of the calculator will be proposed that is closer to the structure of a standard financial quote, to better correspond to professional requirements. The practice sheets will be updated.

7.2.4 PROCEDURES FOR ENVIRONMENTAL EVALUATION AND CERTIFICATION OF BUSINESSES

AIMING FOR "HQE EXPLOITATION" CERTIFICATION

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 that needed to be completed to remove these two obstacles:

- TF1 took advantage of the experience acquired by the Bouygues group during the renovation of its "Challenger" head office, calling on Bouygues SA, Elan (a Bouygues construction subsidiary), the Ferro Ingénierie technical engineering consultancy (electricity, heating, ventilation and air conditioning), the Façades Joseph Ingénierie consultancy firm as well the architectural firm, SRA, the designer of the building. This work group was set up to carry out environmental, technical, architectural and façade-related diagnoses resulting in discussions about the renovation works to be carried out in order to make the building HQE, BREEAM and LEED label-compatible: internal work station fittings may enable the Group to apply for Well Building Standard certification. These diagnoses may result in a more accurate survey and costing of the works to be completed, if necessary.

AIMING FOR ISO 50001 CERTIFICATION

In 2015, the Group launched an ISO 50001 certification policy which is due to be completed in early 2016, introducing an Energy Management System involving all Group players (Group Purchasing Division, Information Systems Division, Technical Division, maintenance, servicing and catering service providers).

OTHER TOPICS

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).

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 bills and corroborated by remote readings obtained from EDF's internet site through a load-graph monitoring contract (TCC);
- 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 oil consumption for electrical generator units is calculated on the basis of the difference between the amount of fuel oil in the two tanks at the start and end of the period, accounting for any refills in the intervening period;
- 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 and 2015 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.

INDICATOR: WATER CONSUMPTION (IN CUBIC METRES)

Site	% revenues	10/01/2014 to 09/30/2015	10/01/2013 to 09/30/2014	10/01/2012 to 09/30/2013
TF1 – TOUR/ATRIUM	**88.3%**	**51,785**	**50,506**	**52,588**

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. The same indicators were used for the 2015-2017 contract set up with the caterer in 2015.

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 54 tonnes in 2015), 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 Éco-Label paper, the density of which was reduced from 75g to 70g per sheet in 2011.

INDICATOR: PAPER CONSUMPTION (IN TONNES)

Site	% revenues	10/01/2014 to 09/30/2015	10/01/2013 to 09/30/2014	10/01/2012 to 09/30/2013
TF1 – TOUR/ATRIUM	**88.3%**	**54**	**52**	**63**

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.

Consumption began to fall in 2010. This drop in consumption is the result of 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 (through renovation works eligible for the *Certificat d’Économie d’Énergie*), and 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.

New public commitments (to a 20% drop by 2020 compared with 2012) were given by the TF1 group when it signed the Paris Climate Action Charter on October 12, 2015.

INDICATOR: ELECTRICITY CONSUMPTION (IN MEGAWATT HOURS – MWH)

	% revenues	10/01/2014 to 09/30/2015	10/01/2013 to 09/30/2014	10/01/2012 to 09/30/2013
TF1 – TOUR/ATRIUM	88.3%	22,366	22,750	24,572

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 8,365 litres, resulting from the use of generator units solely for monthly tests.

The fuel consumption of the vehicles used to film reports for TF1 and LCI (motorbikes, cars, mobile video trucks) amounted to 215,770 litres of Premier and Excellium diesel, Super 98 or lead-free 95 petrol.

INDICATOR: FUEL OIL CONSUMPTION (IN LITRES – L)

	% revenues	10/01/2014 to 09/30/2015	10/01/2013 to 09/30/2014	10/01/2012 to 09/30/2013
GENERATOR FUEL OIL TF1 TOUR/ATRIUM	88.3%	8,365	17,974	15,535
FUEL - ALL VEHICLES (REPORTING – COMPANY CARS)	88.3%	215,770	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)

The LCI channel 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 7kW 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. The mobile video units 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

- Replacement of existing machines with more economical ones, all computers are "*Epeat Gold*" *rated* and all screens are "*Energy Star*" rated;
- deactivation and reactivation of workstations;
- implementation of an air flow management system, temperature sensors and a cold corridor policy;
- relocation of racks in 2012;
- closure of racks with blanking panels in Group datacentres in 2012 and 2013;
- introduction of the "cloud first" policy (server virtualisation and integration in the cloud). By the end of 2013, 60% of servers were physical servers; by the end of 2015, this had been reduced to 40%;
- launch of a teleworking pilot test in 2014, with 150 employees taking part to date, or around 7,800 teleworking days per year.

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, annual performance appraisals), reduction of paper, ink, waste and DVDs (1,000 fewer DVDs per year);
- continuation of the policy of lowering impact by reducing the quantity of documents printed: replacing existing cartridges with less polluting cartridges;
- introduction of printers that take high-capacity cartridges;
- 50% reduction of colour printing in one year (2013);
- introduction of a coercive printing policy with a pin code required for colour printing and default printing on both sides of the paper;
- introduction of a print analysis tool, Watch doc.

USE OF RENEWABLE ENERGIES

In 2013, the TF1 group took out a contract with EDF on the supply of "*kWh Équilibre*"-labelled electricity 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 and 2 were updated with activity data from 10/01/2014 to 09/30/2015 and revised using version 7 of the Bilan Carbone ® assessment. Scope 3 is updated partially each year, and a complete update is carried out once every 3 years. The next complete update will be in 2017.

INDICATOR: GREENHOUSE GAS EMISSIONS

Bilan Carbone® emissions by source *in equivalent tonnes of CO2 V.7 of the Bilan Carbone®.*	10/01/2014 to 09/30/2015	10/01/2013 to 09/30/2014	10/01/2013 to 09/30/2014
Scope 1: Direct emissions from fixed sources (generator fuel oil)	23	49	42
Scope 1: Direct emissions from mobile sources of combustion (report vehicles and company cars)	580	588	529
Scope 1: Direct fugitive emissions (refrigerant gases)	679	622	112
Scope 2: Indirect electricity consumption-related emissions	1,353	1,376	1,486
Scope 2: Indirect steam consumption-related emissions	360	387	616
Scope 3: Emissions relating to energy consumption not covered by direct or indirect energy emissions	518	532	466
Scope 3: Products purchased	83,312	88,019	88,388
Scope 3: Fixed assets	1,060	977	805
Scope 3: Waste generated	170	157	122
Scope 3: Business travel (excluding report vehicles and company cars)	3,493	2,991	2,193
Scope 3: Employee travel	1,329	1,329	1,329
TOTAL (EXCL. PRODUCT USE)	**92,876**	**97,027**	**96,088**

Emissions by scope of *the Greenhouse Gas* (GMG) Protocol in equivalent tonnes of CO2	**Uncertainty**	10/01/2014 to 09/30/2015	10/01/2013 to 09/30/2014	10/01/2012 to 09/30/2013
Scope 1	23.0%	1,282	1,259	683
Scope 2	10.0%	1,713	1,763	2,102
Ratio in tonnes of sc$_{ope}$ 1+2 CO2 by employee		*1.01*	*1.02*	*0.72*
Ratio in tonnes of sc$_{ope}$ 1+2 CO2 per million euro of revenue		*1.5*	*1.32*	*1.13*
Scope 3 A (excl. product use)	50.0%	89,881	94,005	93,303
TOTAL SCOPES 1, 2, 3A (NOT INCLUDING PRODUCT USE)		**92,876**	**97,027**	**96,088**
Estimated GHG emission linked to the electricity consumed by the TV sets of viewers watching TF1 programmes.	50.0%	190,000	190,000	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, Football World Cup): 1,550 tonnes).

Other purchasing ("Other inputs") is estimated on the basis of a financial factor.

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).

ACTION PLAN CONCERNING INTERNAL GHG EMISSIONS WITH THE ASSISTANCE OF THE BOUYGUES GROUP

- Plan to reduce electricity consumption with an objective of -20% by 2020 compared with 2012 (see above);
- a purchasing and depreciation policy incorporating environmental criteria for IT hardware and broadcasting equipment;
- employee travel:

- corporate fleet: emissions limit of 170g/km of CO_2 set for fleet cars and incentives to use vehicles that emit less than 160g/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 environmentally friendly 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

To comply with regulations on the gradual elimination of gases that damage the ozone layer (Regulation (EC) No. 2037/2000 of the European Parliament and the European Council of June 29, 2000, with a 2015 deadline), TF1 replaced various air-conditioning system components (around 1,600 heat pumps and air-conditioning cabinets and five water chillers) 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.

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

The main waste-generating activities primarily concern catering (packaging waste, food waste), office activities that include paper and other office supplies, works undertaken on buildings to modify and maintain installed building services and equipment, and IT and audiovisual activities (electronic waste).

Overall waste was down slightly by weight on the previous year at 546 tonnes.

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 French Environmental Code). GDA coordinates waste collection with each of the collecting companies, who report back to them the weight and percentage of material recycled.

All waste is tracked in the waste registry, in accordance with the same regulations. An in-house employee has been appointed to manage this tracking process.

Waste is sorted and recycled or else incinerated to produce energy.

INDICATOR: QUANTITY OF COLLECTED WASTE (IN TONNES)

Site	% revenues	10/01/2014 to 09/30/2015	10/01/2013 to 09/30/2014	10/01/2012 to 09/30/2013
TF1	**88.3%**	**546**	**689**	**611**
Total recycled waste		**354 (65%)*	**454 (66%)*	*251 (41%)*

* *The increase in the percentage of recycled waste over the last two financial years can be attributed to implementing organic waste treatment with Bionerval. The data from 10/1/2013 to 9/30/2014 has been modified since the last report was published, as they did not take this activity into account, even though it was already in progress.*

ORDINARY INDUSTRIAL WASTE, PAPER AND WET WASTE

194 tonnes of ordinary industrial waste were collected over the period. 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 the collected material for recycling (roughly 75%). The service includes final manual fine sorting before recycling and reuse.

23 tonnes of paper were collected directly on "Cleaning Days" or *via* the recovery of confidential papers. Paper is 100% recycled.

Wet waste, totalling 97.9 tonnes, 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. Wet waste that is collected is incinerated.

FOOD WASTE

Food preparation and leftover waste (119.5 tonnes) is collected from canteens 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 used in anaerobic digestion to produce methane and the dry residue is used as a soil conditioner for agricultural land.

COOKING OIL

In 2014, under the responsibility of Arpege, cooking oils were collected in 150-litre containers by Coisplet-Deboffle, which then decanted them into large trucks for transfer to the final processing site of Vital Fettrecycling GmbH in Germany. Sodexo took over the catering business in 2015 and followed the same procedure with Oleo Recycling which routes oils to its registered environmental facility (ICPE) site in Etampes for non-food and feed chain materials recovery using a biodigester or lipochemistry.

The treatment consists of adding methanol, followed by catalysis that transforms 100% of the oil into biodiesel.

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 employs people in difficulty for recycling mobile phones.

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. Print waste is managed by a specialist company.

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.

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 reprocessing 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.

OTHER ACTIONS, REDUCTION OF WASTE, IMPROVEMENT OF RECYCLING

- Implementation of selective sorting upstream at TF1 canteens, 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 canteen 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 to certify that they observe a policy aiming to reduce the use of 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.

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 comply with ICPE regulations and do not cause any harm. The checks made by TF1's maintenance teams are rigorous, and all the compulsory sanitary checks are compiled in an Annual Report that is sent to the competent authorities.

IN-HOUSE ENVIRONMENTAL MANAGEMENT STRUCTURES

Corporate and Security Services is in charge of all the plans to control consumption and manage waste. One full-time equivalent employee works 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. The ISO 50001 policy will enable management to develop an organisational model, as well as a more accurate tool with which to pursue its target of reducing its environmental footprint. The EMS is in the process of being designed with the help of ELAN and numerous contacts have been made with the AFNOR certification body. Coordination is organised with the CSR Division.

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 Intranet 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 Committees. 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 4G 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 2W/kg and the SAR measured by the laboratory EMITECH is 0.795W/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.

In 2015, a series of checks were carried out on radiation emitted by WIFI equipment within the areas occupied by e-TF1 teams and the results were sent to the Health and Safety Committees.

TF1 checks parcels and envelopes received using an X-ray machine. Pursuant to regulations, this equipment is authorized by the French Nuclear Safety Authority and two managers were trained and appointed to the role of Radiation Protection Officer for the purposes of ensuring that equipment is checked and maintained in accordance with applicable regulations. An Annual Report is submitted to the Health and Safety Committees.

MEASURES TAKEN TO PRESERVE/DEVELOP BIODIVERSITY

TF1's activity is not harmful to Biodiversity.

The Group sponsors 2 beehives kept by Beeflow, in Mareil-en-France in the Val d'Oise department in France.

7.3 SOCIETAL INFORMATION

7.3.1 SOCIETAL POLICY AND SOCIAL RISK FACTORS

As a broadcaster, the TF1 group has a fundamental responsibility towards society. It is therefore committed to ensuring that its programmes comply with the ethical and professional commitments made to the public[1], and that the information broadcast on Group channels is of the highest quality.

The diversity of the programmes offered, their inclusive and non-discriminatory nature and the emphasis on solidarity and community spirit are all key issues for TF1. As a leading media group, it has made these central to its CSR policy with a commitment to renewing the Diversity Label in 2016. The TF1 Corporate Foundation, focused on the professional integration of young people from disadvantaged neighbourhoods, is a key player in the Group's diversity policy. Socially responsible actions are led by all TF1 divisions, represented by a cross-functional committee and offering a consistent approach to the numerous requests made to the Group.

In 2015, a year that saw Paris host the UN Climate Change Conference (COP21), TF1 redoubled its efforts to raise public awareness of the issues surrounding climate change. These included editorial news coverage on TF1 and LCI, weather forecasts presented by Evelyne Dhéliat (head of TF1's Meteorological Department, appointed by IPCC scientists to educate the public on climate change), youth programmes, Ushuaïa TV channel and social media.

In terms of business ethics, in 2014, under the responsibility of its Corporate Secretary, Group Head of Ethics, 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, as well as Compliance Programs. The Ethics and CSR Committee met twice in 2015. It approved an initial action plan for the three-year rollout of the Code of Ethics and Compliance Programs.

The Purchasing Division introduced a Responsible Purchasing policy on its creation in 2008. That policy was extended in 2013 to rights and teleshopping purchasing. The Responsible Supplier Relations Label obtained in January 2014 has been renewed for one year in January 2015.

The TF1 group has made tackling piracy a priority, cracking down on the illegal recording of Group content (taking legal action against YouTube and Dailymotion and issuing warnings to Facebook and Twitter) and introducing an active content protection policy (fingerprints and filtering of content and/or automatic removal of content). This policy is enforced by the Legal Affairs Division in association with a "task force" responsible for identifying TF1 group content pirated on streaming platforms and social media and ensuring that this content is removed wherever possible.

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.

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 communication policy.

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 Division;
- the responsibility and independence of the News Division;
- that all staff involved in programme-making are trained on their rights and duties by the Legal Affairs Division.

(1) TF1 Convention: http://www.csa.fr/infos/textes/textes_detail.php?id=8169 (in French).

7.3.2 SOCIETAL REPORTING PARAMETERS

Scope:

- ethics, solidarity, purchasing: the entire Group;
- programme compliance, audience relations: TF1, TNT channels: TMC, NT1, HD1, and LCI.

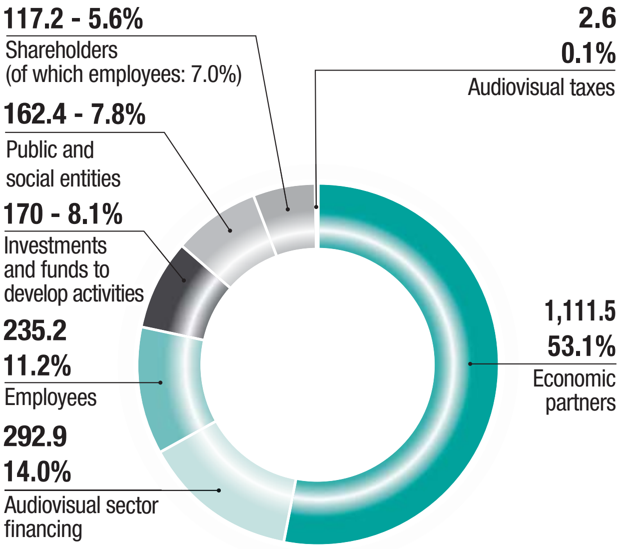
Period under review:

Reporting on societal issues concerns the period from 10/01/2014 to 09/30/2015 with the following exceptions:

- programme compliance: 2014 (discussions still ongoing with the CSA for 2015);
- the economic contribution of the company: 2014 (2015 figures not available in time);
- channels subtitling, calculated for 2015 by TF1's information systems;
- philanthropic actions, calculated by information systems for the whole of 2015.

7.3.3 TERRITORIAL, ECONOMIC AND SOCIAL IMPACT

ECONOMIC CONTRIBUTION OF THE COMPANY IN 2014 (IN MILLIONS OF EUROS AND % OF REVENUES)



The diagram above shows the distribution of TF1 group 2014 revenues among its main stakeholders.

In addition, TF1 paid €162.4 million to the French government and social welfare bodies in 2014.

Overall, regulations and taxes amounted to €528 million in 2014, or 25.2% of the TF1 group's consolidated revenue and 4.5 times the current operating profit.

The graph illustrates the Group's contribution to the audiovisual sector in particular, through the payment of taxes, the support it provides through its production obligations and the royalties it pays to societies of authors.

- *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. The scheme covers more than 20 professions, related to journalism, audiovisual production, or other functions of the company. In September 2015, the Foundation held its eighth recruitment campaign, taking the number of young people who have benefited from the scheme to 88.

Over the years, the Foundation has seen a real mix of candidates applying to TF1. For those who have dropped out of formal education, it gives them the chance to regain confidence and return to the job market.

Of the 57 young people recruited in the first six campaigns, 81% found a job at the end of two years, 46% at TF1 and 54% elsewhere. Eleven percent have returned to higher education, 5% are looking for work, and 3% have embarked on other career paths.

During the 10th Diversity Awards organised by the firm Diversity Conseil RH, the TF1 Corporate Foundation received the 2015 Diversity Award in the "recruitment/integration" category for its innovative scheme for the social and professional integration of young people from underprivileged neighbourhoods.

The Foundation has also launched a writing workshop to develop young talent and offer them career opportunities, in partnership with the channel HD1, PM Production and the Commissioner-General for Regional Equality (CGET). On September 23, 2015, filming began of the pilot for the half-hour series *Zadig et ta mère*, an offbeat comedy about the daily lives of two families from different backgrounds forced to live together in a working-class suburb. The programme is the brainchild of four young writers from underprivileged areas, who were trained on writing techniques by teams from HD1, PM Production and the TF1 Corporate Foundation.

Each year the TF1 Corporate Foundation meets with high-school students and supports innovative learning approaches: In 2015, the Foundation became the partner of the "class without grades" at the Louise Michel secondary school in Epinay sur Seine, organising a "digital camp" for 26 girls in partnership with Microsoft and arranging visits to the TF1 newsroom and showroom, as well as organising postgraduate internships in association with 10 other companies.

The TF1 Corporate Foundation also organises a Diversity Award for innovative, independent and responsible journalism on the themes of immigration and integration, in partnership with the French-American Foundation.

INDICATORS: CORPORATE FOUNDATION INITIATIVES

At 12/31	2015	2014	2013
Young people from disadvantaged areas welcomed by the TF1 Corporate Foundation (winners of the annual competition)	11	13	13
High schools visited (students concerned)	19 (2,100)	20 (2,500)	20 (2,500)

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)], French Competition Authority	Corporate Secretary, Broadcasting Division, TF1 Publicité	News, programming and advertising ethics and compliance	Participation in working groups, production of reports, proposals
Public	External Communication Division (including Audience Relations Department), News ombudsman, News Team journalists	Raising public awareness of major issues	Personalised answers to emails, phone calls and letters, debates with channel personalities, journalists' blogs, etc.
Advertisers	Sales Division and Business Development Division, TF1 Publicité	Customer satisfaction, development, data protection	Direct meetings with advertisers, general terms and conditions of sale posted online www.tf1pub.fr website, Références magazine, events, Campus, etc.
Employees and trade unions	Management, Talent Development Division Social affairs	Employee-management dialogue, remuneration policy, forward-looking management of employment and skills, health/safety/security, skills development, equal opportunities	Negotiation of agreements with trade unions, internal communication publications, satisfaction survey, annual performance appraisal, etc.
Suppliers, service providers, producers	Central Purchasing Division, Rights Acquisition Division	Responsible purchasing, copyright protection	Questionnaires on CSR policy, including sustainable development in specifications
Associations, NGOs	Broadcasting, Solidarity Committee, Foundation, Social Affairs, Disability and Diversity,	Solidarity/diversity, public visibility of associations,	Free spaces provided by Broadcasting and TF1 Publicité, donations in kind, multi-year contracts and partnerships
Shareholders and financial community, non-financial rating agencies	Investor Relations Department, CRS division	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 actions	Very frequent meetings Creation workshops, training
Research and teaching	HR development	Talent attraction	Partnerships, *student* challenges, etc.

(1) Conseil Supérieur de l'Audiovisuel, French audiovisual regulator.
(2) Autorité de Régulation Professionnelle de la Publicité, French advertising regulation authority.

AUDIENCE RELATIONS

AUDIENCE RELATIONS DEPARTMENT (ARD)

Building a strong relationship with the public is a priority for the TF1 group.

The rollout of the audience dialogue system is a key feature of TF1's policy, initiated seven years ago, to forge closer ties with viewers, the goal being to make TF1 an accessible media entity 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 to develop an ongoing relationship with the public across France and on social media. The Group wants to raise the channel's profile and share its values with viewers and reviewers alike. Using the communication tools put in place – such as the TF1&Vous section accessible from MYTF1.fr, TF1's significant presence on social media, letters and phone calls – viewers can share their views on programmes and presenters at any time. The ARD provided 55,000 individual responses in the period under review.

SOCIAL NETWORKS, GRASSROOTS EVENTS

TF1's presence on social media, through Twitter, Facebook, Google+, Instagram, Vine and Periscope, is part of the same drive to build closer ties, by offering people a unique space in which to dialogue and interact. In 2015, TF1's community managers took part in discussions with over 38,648,600 followers who subscribe to the 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 in another form of dialogue, improving our visibility, boosting our image, connecting with audiences, discussing our programmes, promoting our content, generating traffic on our websites (including MYTF1.fr), keeping watch and building our online reputation. Throughout the year, TF1 innovates and rolls out communication initiatives in social media highlighting exclusive content supplementing that offered by 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 three 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 include meetings, dialogue, discussion, new discoveries and gifts. Through this initiative, TF1 is able to build close ties with its audience. Meetings with schoolchildren, dialogue with viewers and discussions with local media are the focus of these regional trips.

INDICATORS: AUDIENCE RELATIONS

	10/01/2014 to 09/30/2015	10/01/2013 to 09/30/2014	10/01/2012 to 09/30/2013
Replies to contacts via email, post and calls to the ARD(1)	55,000	65,000	90,421
Number of followers on all social media(1)	over 38 million	over 30 million	over 20 million

(1) followers of programme and channel accounts and corporate communications from the TF1 group on Twitter, Facebook and Instagram.

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-vous-repond/, 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 raise their profile through special prime-time campaigns, the production and airing of commercials free of charge, 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. *Les Pièces Jaunes*, *Les Restos du Cœur*, *Sidaction*, *ELA* (the fight against leukodystrophy) and now the Laurette Fugain organisation have become very important recurring operations.

In 2015, the Group donated a total €36.5 million to 140 organisations.

PHILANTHROPY INDICATORS: NUMBER OF ORGANISATIONS CONCERNED, NATURE AND AMOUNT OF DONATIONS

	2015	10/01/2013 to 09/30/2014	10/01/2012 to 09/30/2013
Number of organisations having received donations	140	153	131
Cash donations to organisations *(€000)*	3,338.5	3,198	2,206
Donations in kind *(value in €000)*	31,291	29,964	34,497
Sponsorship administrative costs and contributions to Foundations *(€000)*	1,894.7	1,973	1,822
TOTAL VALUE OF INITIATIVES *(€000)*	**36,524**	**35,518**	**38,656**

7.3.6 ETHICS AND SOCIAL RESPONSIBILITY OF THE GROUP

GROUP ENVIRONMENT

The Group operates in a complex and changing regulatory, technological and competitive environment. The main legal provisions and obligations concerning the Group's audiovisual activity are detailed on page 242 of this registration document.

The TF1 group has made a public pledge to uphold ethical principles and the highest standards of conduct across its channels and on-demand audiovisual media services. These principles are enshrined in the agreements signed by each of its channels with the CSA and in the regulations specific to non-linear services (the SMAD decree).

THE GROUP'S ETHICS, COMPLIANCE AND CSR POLICY

BACKGROUND:

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 overriding 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 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 Group Head of Ethics, the Legal Affairs Director and the Group Head of CSR, the Ethics and CSR Committee is 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 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 is 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 Affairs Director and to the Corporate Secretary, the Group Head of Ethics.

MAIN INITIATIVES IN 2015

The Ethics and CSR Committee met twice in 2015. It approved an initial action plan for the three-year rollout of the Code of Ethics and Compliance Programmes.

Risk mapping was carried out for each of the Group's businesses. This was then consolidated to identify and prioritise the major issues and risks for the Group in terms of ethics and compliance. This analysis allows training to focus on these risks and to target the most exposed employees.

A practical guide to Ethics is in the process of being drawn up. The main aim of this is to inform, galvanise and engage employees as compliance stakeholders. The guide will be issued at the end of a generalist training module on day-to-day ethical practices, to be organised in 2016.

Lastly, TF1 has drawn up a draft charter of Institutio nal Relations which will be submitted for approval to the Ethics and CSR Committee in early 2016.

7.3.7 RESPONSIBLE PURCHASING POLICY

TF1 spends more than 65% of its revenue with 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 national inter-company mediation service and the French Purchasing Managers' Association (CDAF). This label is awarded to French companies proven to have sustainable and balanced relations with their suppliers.

The 2015 Responsible Purchasing Committee Meeting brought together the heads of the main TF1 group structures to report on actions in 2015 and review the implementation and integration of the policy, including a progress report on the improvement plan relating to the Responsible Supplier Relations Label and to establish the main areas of the Group's Purchasing and CSR policy.

EXTERNAL EXPENDITURE EXCLUDING RIGHTS

The TF1 group Purchasing Division, part of the Strategy, Finance and Purchasing Division (DGASFA), is responsible for all external expenditure excluding purchases of rights and goods.

The remit of the Group Purchasing Division 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 Division upholds the following values, which are posted for employees on a dedicated intranet site: Independence, ethics and compliance of buyers (as expressed by the Responsible Purchasing and Diversity policy), effectiveness and security of the purchasing process, respect for suppliers and partners, 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 85 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 Division, shared with the Operational Divisions, then approved annually by the Senior Management.

They 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 258 of this registration document and annual financial report, TF1 has for several years renewed its membership of 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 Acquisitions de droits Economic Interest Group, including all of the Group's channels, and the Rights Acquisition and Trading Division (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 requests to their representative in the EIG and to the Senior Management. A committee grouping the representatives of the EIG 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 Division 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 billing and payment conditions;
- the Artistic Division is responsible for the compliance of the programme with the editorial line of the commissioning channels;
- the Programming Division 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 Group Strategy, Finance and Purchasing 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 price due, and the inclusion of performance clauses where appropriate;
- the Legal Affairs Division, 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 Senior 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 division responsible for sports, usually through calls for tender initiated by the rights-holders (federations, rights agencies, etc.). These calls for tender, generally open to all broadcasters, respect European and national regulations (French Sports Code). For the largest projects, the Board of Directors forms an *ad hoc* committee responsible for approving the proposals.

MAIN INITIATIVES

Through its Responsible Purchasing policy, the TF1 Purchasing Division adopts a multi-pronged approach in accordance with the Group's CSR policy. This mainly includes promoting sustainable relations with its suppliers, applying CSR criteria to purchases, making greater use of the sheltered sector, tackling corruption and offering professional development for its buyers.

PROMOTING BALANCED AND SUSTAINABLE RELATIONS

The commitment of the TF1 group Purchasing Division towards sustainable and balanced relations with its suppliers and partners remains a major objective. TF1 prefers to have framework contracts with its suppliers, while establishing multi-annual contracts for services or supplies requiring significant investment and implementation.

For several years, the TF1 group has had a balanced contractual framework compliant with the legislation. In early 2015 it amended its General Terms and Conditions of Purchase.

SUPPLIER ASSESSMENT WITH ECOVADIS

Since 2008, one area of the implementation of the Responsible Purchasing policy has 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 strengths, weaknesses and opportunities of the company assessed, as well as a benchmark, 360° information, a press review and corrective action plan (CAP). These assessments are made through campaigns or as part of calls for tender or renegotiations of contracts worth over €500K, so as to integrate the CSR criterion in the final decision.

By the end of September 2015, 152 suppliers had been assessed using EcoVadis over the previous 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 2015, the Purchasing Division decided to set up more formal action plans with evaluated service providers: accordingly, the professional development course for buyers has been supplemented by training on the "*EcoVadis – Analysis of reports and resulting action plans*" methodology, with a brief guide to the main wording.

In addition to the EcoVadis assessments, the Purchasing Division has developed a "*CSR Questionnaire*" as a complementary supplier knowledge tool. This questionnaire covers all aspects of CSR, from the environment to safety, and uses a fast and effective analysis to identify key social issues for suppliers and verify their relevance within the purchasing process. The questionnaire is incorporated into all consultations and is a way of educating frontline staff at a very early stage in the process.

PURCHASER TRAINING AND INVOLVEMENT

In 2015, all buyers from the Ex-rights Purchasing Division, as well as buyers from the Rights Acquisition and Trading Division (DGAAN) and Téléshopping (purchases of products and goods), received training on responsible purchasing and CSR.

In addition to the training provided in November 2014 on the commitments represented by the Charter and Label, the Division also wanted to replicate, adapt and offer this training on implementing a Responsible Purchasing policy for other departments of the TF1 group involved in making purchases:

- December 2014: DGAAN buyers, focusing on the implementation of an ex-rights purchasing policy, the opportunities for replication within the DGAAN and a review of EcoVadis assessments performed on several of DGAAN's partners, as well as a proposed plan of action;
- July 2015: a half-day module to recap on the key points of the TF1 group CSR policy, the need to develop a Responsible Purchasing policy and the importance of mapping CSR risks, was organised for buyers from the Téléshopping Products Purchasing Division;

- March 2015: ex-rights buyers were offered a brainstorming module entitled *How to integrate CSR criteria into our purchasing decisions*, with the aim of reviewing the major purchasing families and identifying the CSR issues in each case;
- December 2015: buyers were offered an awareness-raising session on CSR risks and on monitoring economic dependence and other risks in general (*e.g.* financial, security, supply disruption, etc.), as well as a presentation of the mapping methodology, the results and recommendations in terms of risk management, and the development of action plans to be implemented with the suppliers concerned.

In addition, for several years between 15% and 33% of the variable remuneration of buyers from the TF1 group Purchasing Division has depended on their CSR actions and purchasing diversity: inclusion of CSR criteria in purchasing decisions, monitoring of the management plan and communication on the Responsible Supplier Relations Label, promotion of the use of the sheltered sector, deployment of CSR assessments (EcoVadis or CSR questionnaire), design and coordination of internal training or coordination of the Responsible Purchasing Network (*e.g.* Discussion and Benchmarking Group (GEB), French Purchasing Managers' Association (CDAF), internal committees, etc.).

USE OF THE SHELTERED/ADAPTED SECTOR

The Purchasing Division 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 2015 to include a logistics and 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

The process is informed by contributions at various round tables and conferences on the theme of Responsible Purchasing.

In addition, a TF1 representative chairs the Discussion and Benchmarking Group (GEB) for purchasing and CSR, under the aegis of the national inter-company mediation service, the French Purchasing Managers' Association (CDAF), Obsar and Observatoire Com Media. The aim of the Discussion and Benchmarking Group is to consolidate best practice in terms of responsible purchasing and anti-corruption with prompt payment.

INTEGRATION OF CSR CRITERIA AND CLAUSES IN TENDERS

A sustainable development and diversity clause – renamed the "ethics and compliance clause" in 2015 in reference to the Group's new Code of Ethics – is included in contracts and the General Terms and Conditions of Purchase. The clause also states that TF1 and TF1 group companies are members 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 the areas of human rights, labour, the environment and anti-corruption, as well as adopting responsible purchasing practices. The contractor thus commits to respecting the principles set forth in the Compact, 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.

TF1's Purchasing Division (excluding rights) also signed the Diversity Charter and obtained the Responsible Supplier Relations Label in January 2014 (renewed in January 2015). 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. During the second review in early 2016, the Purchasing Division again had the opportunity to demonstrate its commitment to responsible procurement.

In 2015, the Ex-rights Purchasing Division updated the CSR risk map by purchasing family, ultimately with a view to accurately integrating CSR criteria into the purchasing process.

The gross risk map focuses on the critical issues of 57 families in the ex-rights purchasing nomenclature. The Ex-rights Purchasing Division applied two standards, ISO 26000 and 31000. The results show a matrix of gross risks, ignoring the internal policies specific to each family. In 2016 these will be mapped again to identify the net risks, with the help of Internal Audit, the CSR Division and the Legal Affairs Division. This will allow the families to be positioned accurately within the Impact/Probability diagram.

SUMMARY OF ACTIONS FOR DEPARTMENTS INVOLVED IN THE PROCESS

	Ex-rights Purchasing Division	Rights Purchasing Division	Téléshopping
Buyer training on responsible purchasing	Yes	Yes	Yes
CSR criteria included in tenders	Yes	Yes	Yes
EcoVadis assessment	Yes	Yes	Under discussion with Téléshopping, depending on applicability
CSR questionnaire sent out during tenders	Yes	Under review	Questionnaire to be sent out in 2016
CSR risk mapping	Yes	Under review	To be confirmed
Responsible Supplier Relations Label	Yes	No	No
Responsible Supplier Relations Charter	Yes	To be confirmed	To be confirmed

RESPONSIBLE PURCHASING INDICATORS

	10/01/2014 to 09/30/2015	10/01/2013 to 09/30/2014	10/01/2012 to 09/30/2013
Total business scope *(€m)*	1,342.5	1,450.5	1,623.8
Expenses addressed by CSR criteria	1,342.5	1,450.5	1,623.8
Expenses addressed by CSR criteria*	552.8	570.0**	602.0**
Share of expenses addressed *(in %)*	41.2%	39.3%**	37.1%**
Number of suppliers assessed by EcoVadis or in the process of assessment	152	161	169
Revenue of the Purchasing Division covered by an assessment by EcoVadis or in the process of assessment *(€m)*	344.8	339	115.6
Revenue with the sheltered/adapted sector *(€000)*	370.7	311.1	304.3
% of buyers trained in responsible purchasing (100% to the Purchasing Division)	100%	100%	50%*

* *"Expenses addressed by CSR criteria" and all the following indicators concern the Ex-Rights Purchasing Division, the Rights Purchasing Division and, since 2015, the Téléshopping subsidiary.*

** *"Expenses addressed by CSR criteria" in 2013 and 2014 have been restated following a methodological error (incorrect integration of taxes in expenses covered).*

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 fulfilling the commitments made through agreements signed by the Group's channels, and for dialogue with the CSA. This last structure works closely with the Compliance Division, 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.

INDICATORS ON THE CONFORMITY OF PROGRAMMES WITH ETHICAL AND COMPLIANCE COMMITMENTS

The scope for all content-related aspects is 2014; 2015 was unusual in that the CSA did not produce a comprehensive review for regulated broadcasters as it had in previous years. The regulator's comments have been compiled by the Compliance Division for all channels in accordance with the agreements signed. The CSA plans to produce another review in 2016 for 2015.

Two actions were taken in 2014: one warning for TF1 and one for LCI.

As a reminder, TF1 broadcast 7,636 hours of programmes (excluding advertising and sponsorship) and more than 13,300 topics in TV news programmes.

Channel	Subject	Scope of the CSA analysis	Type of breach	Intervention of the CSA
TF1	**Pluralism of expression of opinions and schools of thought** Principle of equal airtime	News programmes and other TF1 programmes broadcast from April 14 to May 16, 2014	Failure to uphold the principle of equality in the Eastern electoral constituency, where only one list was shown. Lack of balance in news reports, airtime for political parties and political groups entering lists in European elections, as well as their supporters.	Warning
LCI	Editorial responsibility Human rights	"Choisissez votre camp" programme broadcast on January 10, 2014	Lack of control by the channel, which failed to challenge comments made by a guest which constituted an insult to human dignity and a threat to public order. (when a guest lamented the absence of an exemption from the prohibition of the death penalty following a question on the decision to cancel a performance by the controversial French comedian Dieudonné M'bala M'bala)	Warning

Reminder of the gradual scale of the CSA's measures: Letter (not accounted for here) – Warning – Caution – Penalty.

7.3.9 NEWS

NEWS DIVISION, SOCIETY OF JOURNALISTS

The News Division 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 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. It meets with the News Division upon request and throughout the year.

The News Division 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 Division.

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): http://www.snj.fr/content/charte-d%E2%80%99%C3%A9thique-professionnelle-des-journalistes (in French). 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 hold the Press Card, have *de facto* adopted these rules and principles.

A Code of Conduct for TF1 group journalists, which has been under review for several months by the News Division, is now in the process of being drawn up.

NEWS ITEM VIEWING AND ERROR CORRECTION

Each news item is viewed by at least four people: 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 and Regulatory Affairs for his advice on the matter in question.

PRESS TRIPS AND EMBEDDED JOURNALISTS

Outside official travel, journalists may only take part in press trips with their manager's approval. This is granted on condition that the person organising the trip has been informed of the lack of guaranteed editorial coverage.

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 Division'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 verified. 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 Division 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

Legal and Regulatory Affairs organises regular training and interventions on legal aspects for all staff members involved in preparing reports for TF1 and LCI 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 and copyright, the seminars also discuss CSA rules and oversight.

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 (in French).

A PSYCHOLOGIST FOR TFOU'S YOUTH PROGRAMMES

Over the last ten 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 four 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. This is largely due to a moderation system for 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 by the company Concileo 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	2015 obligation	2015 actual	2014 actual
TF1	100.0%	100.0%	100.0%
TMC	100.0%	100.0%	100.0%
NT1	60.0%	82.0%	88.0%
HD1	40.0%	71.0%	75.0%
Ushuaïa TV	10.0%	35.0%	20.0%
Histoire	10.0%	48.0%	36.0%
TV Breizh	20.0%	67.0%	76.0%
LCI	3 daily newscast in the week, 4 daily newscasts at weekends and on public holidays	3 daily newscast in the week, 4 daily newscasts at weekends and on public holidays	3 daily newscast in the week, 4 daily newscasts at weekends and on public holidays

CONCERNING FRENCH SIGN LANGUAGE

Channel	2015 obligation	2015 actual	2014 actual
LCI	1 daily newscast in the week	8pm news from Monday to Friday	8pm news from Monday to Friday

Although these obligations do not apply to advertising slots, in response to a request from some advertisers, the channel broadcasts their commercials with closed captioning for the hearing-impaired (almost 10% of commercials aired on TF1 in 2015).

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 2015, TF1 broadcast 140 programmes with audio description, 56 with audio description for the first time.

INDICATOR: COMPLIANCE WITH AUDIO DESCRIPTION OBLIGATIONS OF THE TF1, TMC AND HD1 CHANNELS

Channel	2015 obligation	2015 actual	2014 actual
TF1	70 audio-described programmes, including audio description for 40 new programmes on TF1	140 audio-described programmes, including audio description for 56 new programmes on TF1	113 audio-described programmes, including audio description for 34 new programmes on TF1
TMC	17 new programmes with audio description on TMC	20 new programmes with audio description on TMC	17 new programmes with audio description on TMC
HD1	12 new programmes with audio description on HD1	13 new programmes with audio description on HD1	12 new programmes with audio description on HD1

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.

The TF1 group strives to reflect the diversity of the whole of society on its channels and websites, without stereotyping or omissions. Quantified commitments are sent to the regulator each year. A letter is sent each year to the producers of TF1 magazine, game, entertainment and reality TV shows to raise awareness of the issue of diversity within the programmes they make for the channel. All employees responsible for programme production attend special training on taking account of diversity in all its aspects.

The TF1 group conveys this conviction internally, advocating open and respectful relationships between employees and rejecting any discriminatory practices or attitudes.

In the outside world, the Group supports learning projects, the professional integration of young people and the various innovative schemes delivered by the TF1 Foundation or by partners such as the École de la Cité.

DIVERSITY COMMITTEE

Since 2010, the Diversity Committee has included the managers of Broadcasting, Human Resources, the TF1 Corporate Foundation and CSR. In 2015, it was reorganized to focus on produced and broadcast content, and now includes a representative from each programme unit. It also includes representatives from the various internal and external communication departments.

It defines and coordinates diversity policy in the following focus areas:

- coordinating TF1 group thinking on diversity issues (particularly programmes and content) by sharing practices and through knowledge transfer and external contributions;
- organising the diversity actions and initiatives of the TF1 group;
- relaying TF1's diversity policy to institutions, opinion leaders and civil society, in association with the communication divisions.

In 2016 it will support the Group's efforts to renew the Diversity Label.

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, division 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.

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.

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 to include advertising messages on the Group's ODAMS (on-demand audiovisual media services) (MYTF1.fr, MYTF1 on IPTV, MYTF1 apps on smartphones), through advance filing with the ARPP and internal viewing of advertising messages.

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 Division, assisted where required by the Legal Affairs Division, 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 sales address such situations.

TF1 Publicité is represented on the ARPP Board and in the main joint negotiating organisations (Syndicat National de la Publicité Télévisée, Centre d'étude des supports de Publicité, EDI Pub). 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

REGULATION OF ONLINE PUBLIC COMMUNICATION SERVICES

For its digital audiovisual services (mainly MYTF1, TFou, TFouMAX sites and apps), the TF1 group is subject to regulation on on-demand audiovisual services (see "Audiovisual regulations applying to ODAMS" below) and, as such, is also subject to CSA regulation. Where these services do not correspond with the legal definition of on-demand audiovisual services (for example, MYTF1News or WAT), the Group is subject mainly to the Act of June 21, 2004 on confidence in the digital economy and to all provisions of the French Consumer Code. 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 is therefore regulated by the CNIL. Regulation on cookies is aimed at ensuring transparency with users as to the number of cookies stored in users' computers and the reasons for these, and in particular at countering "targeted" cookies.

With regard to the digital content hosting site WAT, as host, it is not responsible for content uploaded by users, but is subject to a certain number of obligations (storage of IP addresses and other technical data, icon enabling users to report inappropriate content, reporting of "hate" content to the authorities, prompt removal of reported content).

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 and TFou MAX services, irrespective of the media used, be it a PC, TV, smartphone, tablet or game console), as well as all the non-linear services, such as catch-up TV, 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 in internally produced or purchased content. All content that has been protected and signed by TF1 in the INA's database is therefore automatically detected and rejected before being placed online on platforms with the INA solution (particularly streaming sites such as Dailymotion and WAT).

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. The content of all Group channels, whether they are produced or purchased, benefit from this protection.

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.

TF1 has successfully cracked down on its content being pirated on the main video-sharing platforms. However, most piracy has now moved onto social media (Facebook and to a lesser extent Twitter and Vine). Copyright infringement of sports images is a particular issue on Vine; in this type of case, TF1 reports the infringing posts to the sports copyright holders, who then seek to enforce their rights.

TF1 shares legal and operational monitoring of new forms of piracy with a group of copyright holders (mainly the incumbent channels and ALPA, the French broadcasting piracy protection association). This initiative also seeks to raise awareness of the issue on social media and to encourage them to adopt effective ways of identifying and filtering digital content, like video-sharing platforms.

TF1 participates on a regular basis in the work of the High Authority for Transmission of Creative Works and Copyright Protection on the Internet (HADOPI), which is given responsibility for monitoring certain TF1 content. TF1 also lends its expertise and skills to other authorities.

DATA PROTECTION

PROTECTION OF PERSONAL DATA IN 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 Division, particularly when handling personal data (declaration to the 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.

In addition to the general security policy, new policies have been implemented:

- the Legal Affairs Division launched an awareness-raising initiative on best practice in data protection, as a reminder of the principles, the role of the person responsible for processing personal data and points of contact for the CNIL (the French data-protection authority) within the TF1 group. This initiative led to a summary of the legal framework being posted on the corporate intranet of the TF1 group;
- various actions will be pursued under the data protection plan, including:
  - signing an addendum to employment contracts for employees with access to sensitive data such as personal data,
  - reinforcing encryption techniques: sensitive shared resources (particularly for HR), certain USB sticks and emails for the staff concerned.

PROTECTION OF USERS' DATA

Digital services of e-TF1

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 privacy policy for users' personal data is available online on all digital assets and must be expressly acknowledged when users register on the site. The Group regularly checks compliance with the recommendation relating to cookies covered by Article 32-II of the Act of January 6, 1978 (the "Deliberation"), notably in the form of technical audits of the cookies/tracers 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, in the contracts signed with its technology partners, publishers and advertisers, the Group strives to enforce compliance with regulations on the protection of users' personal data. The online communication services developed by e-TF1 are now covered by a policy on cookies, available online on all digital assets

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.

Behavioural advertising

TF1 Publicité sells behavioural advertising on MYTF1 (advertising whose content depends on users' browsing behaviour). TF1 Publicité and e-TF1, publisher of MYTF1, guarantee respect for users' rights in accordance with the provisions of the French Data Protection Act by various appropriate means.

In this respect, TF1 Publicité, as a signatory of IAB Europe's European charter on online behavioural advertising, has committed to selecting technical providers who in turn are signatories of this charter, so as to ensure the correct application of regulatory constraints regardless of the website downloading the cookies.

More specifically, the contracts of the sub-department guarantee that both the advertiser and the sub-department 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 14, 2016

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 PRIOR TO 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 April 12, 2016;
- 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 12, 2016.

Pursuant to Article R. 225-85 of the French Commercial Code, only shareholders who can prove that their shares have been book-entered no later than the second business day preceding the General Meeting at midnight (CET), *i.e.* on April 14, 2016 at midnight, under the aforementioned conditions, may participate in 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 French Commercial Code will be set up for this purpose.

In accordance with Article R. 225-85 of the French 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 may attend the Meeting in accordance with the following conditions:
  - holders of registered shares: should request an admission card from TF1 – Service Titres – c/o Bouygues – 32 avenue Hoche – 75008 Paris (Tel.: +33 (0)1 44 20 10 36 – fax: +33 (0)1 44 20 12 42); email: ag2016@tf1.com). Any holders of registered shares who do not receive an admission card may attend the Meeting without prior notice;
  - 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 and may attend the Meeting on the strength of this certificate.
- **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: 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, as well as the attendance certificate in the case of holders of bearer shares, must be returned either by mail addressed to TF1 - Service Titres – 32, avenue Hoche – 75008 Paris, or electronically in the form of a scanned attachment to an email sent to ag2016@tf1.com. Unsigned scanned copies of the forms will not be taken into account.

To be considered valid, they 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) three days prior to the Meeting date, *i.e.* by Monday April 11, 2016 at midnight.

- **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 French Commercial Code.

  Shareholders wishing to be represented must proceed as follows:
  - holders of registered shares: 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: 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 French Commercial Code, shareholders wishing to be represented must sign the proxy voting form.

Shareholders may cancel a proxy in writing, in the same way as they appointed the proxy, and send the cancellation to the company by the shareholder. The shareholder will provide his or her full name and domicile and may appoint a proxy by specifying the individual's full name and address or, in the case of a legal entity, the company's name and the address of the head office. 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 favour 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.

Duly completed and signed proxy/mail vote forms, as well as the attendance certificate in the case of holders of bearer shares, must be returned either by mail addressed to TF1 - Service Titres – 32, avenue Hoche – 75008 Paris, or electronically in the form of a scanned attachment to an email sent to ag2016@tf1.com. Unsigned scanned copies of the forms will not be taken into account.

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 April 13, 2016.

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 French Commercial Code or an association of shareholders meeting the criteria set out in Article L. 225-120 of the French 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 French 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 – Legal Affairs Department – by registered letter with return receipt or by email to tf1inscriptionodjag2016@tf1.fr, no later than 25 days prior to the Meeting.

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 and, where appropriate, a brief description of its purpose.

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 certificate 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 April 12, 2016.

If a draft resolution concerns a proposed candidate for the Board of Directors, it should be accompanied by the information required under paragraph 5 of Article R. 225-83 of the French Commercial Code: 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.

It should be noted that requests to include items or draft resolutions on the Meeting agenda are the sole items that may be sent to tf1inscriptionodjag2016@tf1.fr; any other type of request or notification involving a different subject matter will not be taken into account and/or receive a response.

SUBMISSION OF WRITTEN QUESTIONS

In compliance with Article R. 225-84 of the French Commercial Code, shareholders may submit questions in writing until midnight CET on the fourth business day before the General Meeting, *i.e.* Friday April 8, 2016. 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 tf1questionecriteag2016@tf1.fr. When submitting questions, holders of bearer shares must provide a bearer share book-entry certificate for the shares held by an intermediary referred to in Article L. 211-3 of the French Monetary and Financial Code.

It should be noted that only questions written within the meaning of the aforementioned Article R. 225-84 may be sent to the email address tf1questionecriteag2016@tf1.fr.; any other type of request or notification involving a different subject matter will not be taken into account and/or receive a response.

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 Legal Affairs Department, in accordance with statutory and regulatory requirements and dependent on the type of document, either from March 24, 2016 or for the fifteen days preceding the Meeting.

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 General Meeting, *i.e.* no later than midnight on Tuesday April 12, 2016.

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: declarationpretemprunt2016@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 General Meeting of April 14, 2016 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

2017 General Meeting: April 13.

2018 General Meeting: April 19.

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 separate financial statements and transactions in 2015.
- Approval of the consolidated financial statements and transactions in 2015.
- Approval of the related-party agreements and undertakings between TF1 and Bouygues.
- Approval of related-party agreements and undertakings other than those between TF1 and Bouygues.
- Appropriation of earnings in 2015 and setting of the dividend.
- Appointment of Pascaline Aupepin de Lamothe Dreuzy as a Director for three years.
- Renewal of Janine Langlois-Glandier's term of office as a Director for three years.
- Renewal of Gilles Pélisson's term of office as a Director for three years.
- Renewal of Olivier Roussat's term of office as a Director for three years.
- Confirmation of the election of the Directors representing the staff.
- Favourable opinion on the remuneration due or granted to Nonce Paolini, Chairman and Chief Executive Officer, for the financial year 2015.
- Approval of a related-party agreement covered by Article L. 225-42-1 of the French Commercial Code in favour of Gilles Pélisson.
- Appointment, for a term of six financial years, of Ernst and Young Audit as Permanent Statutory Auditor.
- Appointment, for a term of six financial years, of AUDITEX as Alternate Auditor.
- 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.
- Authorisation given to the Board of Directors to allocate new or existing bonus shares for which shareholders relinquish their preferential right of subscription in favour of employees or corporate officers of the company or affiliated companies.
- Modification of Article 10 of the Articles of Association to eliminate the fixed number of Directors and to make the number of Directors that may compose the Board of Directors variable.
- Amendment to Article 18 of the Articles of Association to allow the appointment of more than two Permanent Statutory Auditors and two Alternate Auditors,• 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 14, 2016.

EARNINGS FOR THE YEAR

The consolidated and separate financial statements are included in this registration document and Annual Financial Report in chapter 4, page 129.

INFORMATION ON THE SHARE CAPITAL

See chapter 6, page 229, of this registration document and Annual Financial Report.

ACQUISITIONS AND DISPOSALS OF HOLDINGS

See chapter 3, page 126, 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 financial statements 2015 and on agreements and undertakings relative to Article L. 225-38 of the French Commercial Code. See chapter 5, page 215, of this registration document and Annual Financial Report.

In the resolutions that are submitted to you, we propose that you:

- **approve the separate and consolidated financial statements for 2015 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 128. Market trends are presented in chapter 1, page 28. In the **1st and 2nd resolutions** submitted to you for approval, we propose that you approve the separate and consolidated financial statements for 2015.

- **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 French 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 senior executives 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 14, 2016 are covered by separate resolutions. One resolution concerns related-party agreements and undertakings between TF1 and Bouygues. The other concerns 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 senior executives 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.

In accordance with AMF recommendation n°2012-05 of July 2, 2012 relating to the General Shareholders' Meetings of listed companies, and Proposal n°20 in particular, the Board of Directors approved a TF1 group Internal Charter on Related-party Agreements on February 17, 2016.

The purpose of the TF1 group Charter on Related-party Agreements is to facilitate the identification of agreements which, due to the fact that they relate, directly or indirectly, to members of the TF1 Board of Directors or that of Bouygues (shareholder owning more than 10% of its share capital), must be subject to the related-party agreements control procedure laid down by the French Commercial Code (*i.e.* prior approval from the Board of Directors, notification of the Statutory Auditors, special report from the Statutory Auditors, approval from the General Meeting). In particular, with regard to the concept of an indirect interest, this Internal Charter suggests that we refer to the definition proposed by the Paris Chamber of Commerce and Industry: "A person is considered to be indirectly concerned by an agreement to which he is not 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 Internal Charter is available at www.groupe-tf1.fr

To clarify the nature and objectives of the related-party agreements and undertakings involving TF1, in particular for the 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 14, 2016 are indicated in the column "Status of Agreements".

DESCRIPTION OF AGREEMENTS AND UNDERTAKINGS BETWEEN TF1 AND ITS SUBSIDIARIES

WITH TF1 GROUP SUBSIDIARIES THAT ARE NOT WHOLLY OWNED

The related-party agreements between TF1 and its subsidiaries, described in the Statutory Auditors' special report on such agreements, pertain to:

Agreement on corporate services with TMC

Authorisation: On October 28, 2015, the Board of Directors approved, for a period of one year starting on January 1, 2016, the renewal of the agreement on corporate services signed with its subsidiary TMC according to which TF1 is expected to provide certain services to its subsidiary, particularly in the fields of management, human resources, guidance, finance and strategy.

Parties concerned:

- TMC: Nonce Paolini (Director);
- TF1 is a shareholder.

Benefit: The purpose of the agreement on corporate services 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 separate company revenues. Invoicing under the agreement signed with TMC, the sole non-wholly-owned company, amounted to €0.5 million for the 2015 financial year. 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 French 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 this agreement for a period of one year, starting January 1, 2015, was approved by the General Meeting of April 16, 2015.

Agreement approved for the previous financial year and submitted for approval to the General Meeting of April 14, 2015.

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;
- leasing-management agreements with TF1 Entreprises;
- leasing-management agreements with TF1 DA.

Status of agreements

Agreements settled and approved during the previous years, which continued to be executed in 2015.

Board of Directors on October 28, 2015, 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 its main shareholder, holding 43.7% of the capital on December 31, 2015.

The terms and conditions 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 28, 2015, the Board of Directors approved the renewal for one year, starting January 1, 2016, 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, new technologies and general guidance.

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.

In 2015, as part of the "open innovation initiative" launched by the TF1 group, a service provision and holdings management agreement was signed between Bouygues and TF1. As such, TF1 benefits from services provided by Bouygues via Bouygues Développement, a wholly owned Bouygues subsidiary dedicated to open innovation. TF1 thereby benefits from its expertise in two fields in particular innovation-related consultancy for the purposes of providing services, advice and assistance in the identification and validation of innovation projects led by innovation companies (start-ups), as well as the securing of financing from financial partners. The consultancy services predominantly include:

- the analysis, valuation and assessment of TF1's investments,
- organising a network of financial partners as well as providing assistance and guidance to TF1 in the securing of financing from these financial partners in relation to proposed investments,
- coordination between TF1 and the innovation company in relation to the proposed investment and advising TF1 during the investment negotiation phase,
- additional analysis specific to the structure and/or optimisation of operations,
- providing assistance to TF1 particularly in relation to legal, accounting, tax, social and/or financial audits and the negotiation and preparation of contractual and/or corporate documentation.

Status of agreements

The renewal of this agreement for a period of one year, starting January 1, 2015, was approved by the General Meeting of April 16, 2015.

Agreement approved for the previous financial year and submitted for approval to the General Meeting of April 14, 2016.

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 2015 included:

- human resources: a number of TF1 group senior executives 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 Department 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 receives support from Bouygues concerning internal control and risk management tools and methodologies. During 2015, this support took the following forms:
  - updating of the internal control principles used in relation to Information Systems, Insurance, Treasury Management and Purchasing,
  - training initiatives on the Group's internal control software,
  - continuation in 2015 of Bouygues organisation and leading of meetings at which representatives of the businesses could:
    - share knowledge of external benchmarks *in* relation to internal control and risk mapping assess Group methods and compare these with other companies' practices,
    - promoting best practices in terms of:
      - reporting,
      - involvement of support functions (Finance, IT, HR, Legal, Purchasing Departments),
      - promoting ethics by testing the businesses with a serious game;
    - sharing research on risk transfer opportunities facing insurers (Cyber risk),
    - sharing information on regulatory changes,
    - anticipation of changes associated with the software used for internal control campaigns: host change, anticipated changes in features and functions,
- 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.

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 2015 the Group worked particularly hard on raising awareness of the COP21 conference. It repeatedly used its media outlets to promote events, participations in round table discussions and conferences and had a stand at the Le Bourget site for the duration of the event.

- 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.

Lastly, in 2015 the Bouygues group, as a 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 2015, Bouygues invoiced TF1 a total of €2.9 million, equivalent to 0.14% of the TF1 group's total revenues (compared with €3.1 million in 2014, or 0.15% 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 Nonce Paolini, Chairman and CEO

Authorisation: On October 28, 2015, the Board of Directors approved the renewal for a period of one year, starting January 1, 2016, of the supplemental retirement pension granted to Nonce Paolini under the *agreement* on the collective pension plan, with benefits determined and established 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 pension, beneficiaries accrue 0.92% of the reference salary for each year in the plan. Beneficiaries become entitled to this supplementary pension only after ten years of service with the Group. This supplementary annual pension is capped at eight times the social security annual cap (equal to €308,928 for 2016, representing less than the cap of 45% of the reference salary as provided for by the AFEP/MEDEF Code). This supplementary pension plan is outsourced to an insurance company.

The features of the supplementary pension scheme are the followings:

1. Title of the commitment: defined-benefit collective pension scheme;
2. Reference to legal provisions identifying the scheme: Article L. 137-11 of the French Social Security Code;
3. Conditions for joining the scheme and other eligibility conditions: the beneficiary must:
   - be a member of the Bouygues SA Management Committee on the date of retirement;
   - have at least ten years' service with the Bouygues group at the date of retirement;
   - have definitively ended his or her professional career at one of the Group companies (this condition is fulfilled when the employee is part of the workforce at the date of retirement);
   - be at least 65 years old at the date of retirement;
   - fulfil the eligibility criteria for pension benefits under the basic social security pension scheme and the mandatory supplementary schemes (ARRCO and AGIRC).
4. Method of determining the reference salary specified by the scheme and used to calculate the rights of beneficiaries: the reference salary must be equal to the average gross salary of the employee's three best calendar years at the Bouygues group during his or her period on the Bouygues SA Management Committee, adjusted to reflect changes in the value of pension entitlement points under the AGIRC scheme, on the date the employment contract is terminated. The reference gross salary is that used to calculate social security contributions in accordance with Article L. 242-1 of the French Social Security Code.
5. Pattern of vesting of rights: annual rate; beneficiaries of the supplementary pension scheme receive an additional retirement benefit set at 0.92% of the reference salary per year in the scheme, determined as explained above.
6. Existence of a ceiling, and the amount and terms and conditions for determining that ceiling: rights may not exceed a ceiling set at eight times the annual social security ceiling (equivalent to a ceiling of €308,928 in 2016).
7. Terms and conditions for funding the benefit: outsourced to an insurance company, to which a contribution is paid each year
8. Amount of the annual annuity at the end of the reporting period: Nonce Paolini will receive a supplementary pension of €186,700 a year.
9. Tax and social security charges levied on the scheme: the contributions paid into the scheme by the company are not subject to employers' social security charges or to the CSG or CRDS levies. However, the company is required to pay a levy set at 24% of those contributions.

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 senior executives in its businesses.

Financial conditions: The premium totalled €743,967 excluding VAT in 2015, 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, 2015, was approved by the General Meeting of April 16, 2015.

Agreement approved for the previous financial year and submitted for approval to the General Meeting of April 14, 2016.

Services contracts (*open innovation*) **Authorisation:** On April 16, 2015, the Board of Directors authorised the signature of a services contract with Bouygues. During its October 28, 2015 meeting, the Board of Directors authorised the renewal, for a period of one year starting on January 1, 2016, of the services contract signed with Bouygues. **Parties concerned:** ■ Bouygues: Martin Bouygues (Chairman and Chief Executive Officer, Director), Olivier Bouygues and Nonce Paolini (Directors); ■ Bouygues is a shareholder. **Benefit:** This agreement defines the terms and conditions for the execution and the remuneration of the services provided by Bouygues, whether directly or through the intermediary of its wholly-owned subsidiary Bouygues Développement, to TF1 in the field of open innovation. The management of TF1 equity interests in innovation companies once the acquisition has been finalised. These services include: ■ the performance of any duties imposed upon TF1 within an administrative, supervisory or governing body of any innovation company in which TF1 has an equity interest, ■ preparation for and participation at the meetings of such bodies, ■ preparation for collective decisions to be made by innovation companies in which TF1 has an equity interest, ■ monitoring investments held by TF1, including the review of any legal, employment, commercial, tax, financial and accounting information sent by the innovation company, ■ advising TF1 on the strategy to be applied to the completed investment, ■ maintaining relationships with the innovation company management teams, ■ regular reporting to TF1 on projects discussed and decisions made by the aforementioned bodies. **Financial conditions:** Providing advice is an integral part of Bouygues' shared corporate services and this service is directly invoiced through the corporate services agreement for the appropriate share of the residual amount of the corporate services expenses. As compensation for management services, TF1 pays to Bouygues, *on a prorated basis*, a monthly fixed remuneration of €750 excluding VAT through participation in a managed innovation company. There was no amount invoiced for 2015.	**Status of the agreement** **Agreements approved during the previous financial year and submitted to the General Meeting of April 14, 2016 for approval.**

WITH THE ECONOMIC INTEREST GROUP (GIE) "32 AVENUE HOCHE"

Provision of offices **Authorisation:** On October 28, 2015, the Board of Directors approved the renewal for a period of one year, starting January 1, 2016, 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 €13,366 excluding VAT in 2015.	**Status of the agreement** The renewal of this agreement for a period of one year, starting January 1, 2015, was approved by the General Meeting of April 16, 2015. **Agreement approved for the previous financial year and submitted for approval to the General Meeting of April 14, 2016.**

WITH AIRBY

For the use of aircraft held by AirBy **Authorisation:** On October 28, 2015, the Board of Directors approved the renewal of 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 airplane is charged at a flat rate of €7,000 (excluding VAT) 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 2015.	**Status of the agreement** The renewal of this agreement for a period of one year, starting January 1, 2015, was approved by the General Meeting of April 16, 2015. **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 €579,323,557.89, comprising net profit for the period of €402,220,763.48 and retained earnings of €177,102,794.41, we ask you to appropriate this sum as follows:

  - distribution of a cash dividend of €168,417,253.60 (*i.e.* a dividend of €0.80 per share with a par value of €0.20),
  - the balance of €410,906,304.29 to be carried forward as retained earnings.

The ex-dividend date for the Euronext Paris market shall be April 22, 2016. The cut-off date for positions qualifying for payment shall be April 25, 2016. The dividend shall be paid in cash on April 26, 2016.

This dividend is eligible for the 40% tax rebate mentioned in paragraph 2, section 3 of Article 158 of the French 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, 2012	€0.55
December 31, 2013	€0.55
December 31, 2014	€1.50

* *Eligible for the 40% tax relief available to individuals tax-resident in France under Article 158.3.2 of the French General Tax Code.*

- **to appoint or renew the following Directors for three year terms;**

We are submitting for your approval the appointment of a new Director in the **6th resolution** and the renewal of the terms of office of three Directors in the **7th to 9th resolutions.**

The Board of Directors has reviewed its composition, organisation and procedures, with regard to the governance rules set forth in the Articles of Association, internal procedures and recommendations of the AFEP/MEDEF Corporate Governance Code, and with regard to the requirement to keep the number of independent Directors on the Board to one-third (AFEP/MEDEF Code), due to the appointment of Gilles Pélisson (Director formerly considered Independent) as Chairman and CEO of TF1 as well as the gender representation on its Board. According to the AFEP/MEDEF Code, the percentage of female Directors on the Board must be "at least 40%" by the 2016 General Meeting.

Based on the recommendation of the Selection Committee and given that the term of office of Claude Berda shall expire at the end of the next General Meeting, we submit for your approval the appointment of Pascaline de Dreuzy as a Director for a three-year term, *i.e.* until the General Meeting called in 2019 to approve the 2018 financial statements. The Selection Committee has confirmed that she has had no business relationship with the TF1 group and as such Pascaline de Dreuzy would exercise her position of independent Director according to all criteria defined by the AFEP/MEDEF Code.

We believe, in agreement with the opinion of the Selection Committee, that the appointment of this new Director to the Board of Directors will strengthen the effectiveness of the Board's work by welcoming a consummate professional with strong ethical, social and humanist values who has extensive experience in the business world. Ms de Dreuzy's position as a Director of the Institut Français des Administrateurs will also contribute to the quality of the Board's deliberations.

Pascaline de Dreuzy's curriculum vitae is featured on page 56, in part 2.1.1 of this registration document and Annual Financial Report.

In addition, the Board of Directors proposes the renewal of the Directors' terms of office that expire in 2016, while bearing in mind the expertise of the Directors, the need to maintain the same level of independence among them and the Board's commitment to the integration of women. The Board of Directors paid particular attention to the Directors' expertise, experience and knowledge of the Group's businesses.

Accordingly, the Board of Directors proposes the renewal of the terms of office of Janine Langlois-Glandier, Gilles Pélisson and Olivier Roussat for three years, *i.e.* until the General Meeting called in 2019 to approve the 2018 financial statements. The Director position vacated by Nonce Paolini effective February 19, 2016 will not be filled. In addition, within the authority of the Extraordinary General Meeting and in order to manage the Board's organisation in a more flexible way, we propose that the Articles of Association (which provide for a fixed number of twelve Directors) be amended to allow for a variable number of Directors - "between three and eighteen" - as provided for in Article L. 225-17 of the French Commercial Code.

As at February 17, 2016, the TF1 Board of Directors consists of 4 independent Directors (44% of its members) and counts 4 women (44% of its members) among its Directors that do not represent staff, in addition to the 2 women Directors representing the staff.

The Directors' *curricula vitae* are found in Part 2.1.3, pages 58 to 66, 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).

- **confirm the election of the Directors representing the staff;**

Since the company's privatisation, TF1's employees have been represented by two Directors. They are elected for a two-year term by the employees of TF1 SA in accordance with legal and statutory provisions. 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.

The terms of office of Fanny Chabirand and Sophie Leveaux Talamoni are expiring in 2016, upon the announcement of the results of the electoral colleges' ballots culminating in the appointment of the Directors representing the staff. These appointments should normally take place two weeks prior to the General Meeting. The elections shall take place on March 15, 2016.

During the General Meeting of April 14, 2016, the Chairman will inform you of the names of the Directors representing the staff elected by the electoral colleges and in accordance with the **10th resolution**, you will be required to duly record their election and their appointment for two years as Directors representing the staff. The curriculum vitae of Fanny Chabirand and Sophie Leveaux Talamoni are found in Part 2.1.3 of this registration document and Annual Financial Report, on pages 60 and 64.

The names and curriculum vitae of the elected Directors will be added to the composition of the Board of Directors on the company's website (www.groupe-tf1.fr, Homepage > Investors > Governance > Corporate governance).

- **approve the components of remuneration due or allocated in respect of the 2015 financial year 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 2015 financial year to the Executive Director of the company, including:

- the fixed portion,
- the annual variable portion with the objectives that contribute to the determination,
- 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.

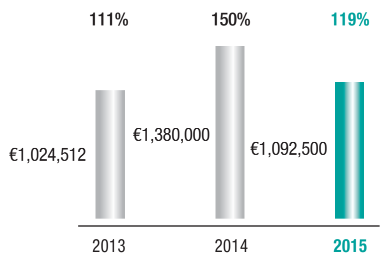
The vote concerns only the remuneration due or allocated in respect of FY 2015 to the Chairman and CEO, Nonce Paolini.

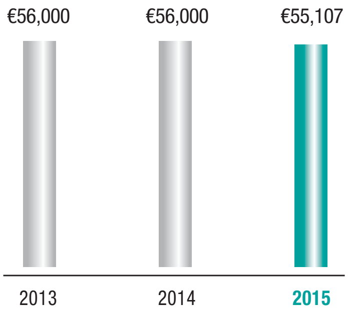
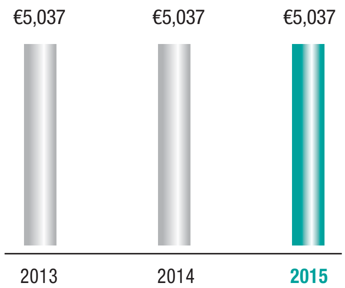
Information about remuneration is presented in the Corporate Governance report by the Chairman of the Board of Directors (see Part 2.3 of this registration document and annual financial report, page 93).

The information was also posted on the company's website on February 18, 2016: http://www.groupe-tf1.fr/fr/investisseurs/gouvernance/remuneration-des-dirigeants.

The fixed remuneration of the Executive Director is reviewed annually by the TF1 Board of Directors, in accordance with Article L. 225-53 of the French Commercial Code, after seeking the opinion of the Remuneration Committee.

When voting on the 11th resolution, we ask you to approve the components of remuneration due or allocated in respect of FY 2015 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 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:** ■ 2014: €920,000, ■ 2013: €920,000.
Annual variable remuneration	€1,092,500 To be paid in March 2016 119% of fixed remuneration	Gross amounts due before tax **Quantitative criteria:** ■ 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 TF1 current operating margin. This criterion gives rise to the award of 10% of fixed remuneration on achieving the objective and captures the financial performances of the entire TF1 group; ■ P3 criterion: change, compared with the business plan, in consolidated net profit attributable to the TF1 group. This criterion represents 25% of fixed remuneration on achieving the objective and rewards the Executive Director for meeting budget commitments; ■ P4 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:** ■ P5 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 these qualitative criteria would include a qualitative criterion relating to CSR performance (namely TF1's continued inclusion in at least three non-financial rating indices). This criterion, also applied to the 2015 financial year, requires that the Group be included in four non-financial rating indices, as opposed to three. The objective on CSR performance recognition 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 2014 and 2015, ▪ Nonce Paolini has received no TF1 options since 2010, ▪ He was not a beneficiary of plans 12, 13 and 14 allocated in 2011, 2012 and 2015. **Bouygues stock options:** Nonce Paolini was allocated: ▪ in 2014, 80,000 options that may be exercised from 2018 at an exercise price of €30.32; ▪ in 2015, 135,000 options that may be exercised from 2017 at an exercise price of €37.106.
Directors' fees	€55,107 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 93). ▪ €25,000 in respect of his Bouygues Directorship, ▪ €11,607 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. 

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 related-party agreements and commitments	Amounts or value 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; ■ In terms of the payment of the retirement benefits provided by the collective bargaining agreement that governs the employment contract between Bouygues and Nonce Paolini, Bouygues and TF1 have agreed to divide these benefits pro rata to the time spent in each company, Bouygues shall invoice TF1 for the sum of €1,315,000.
Non-competition benefit	Not applicable	■ No non-competition clause.
Supplementary pension scheme	0.92% of the reference salary (average of three highest years) for each year of service, or eight times the upper earnings limit for social security contributions (currently €308,928)	■ 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 highest years) for each year of service. 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 €308,928). ■ The characteristics of the supplementary pension are presented on page 95 of this Registration Document and Annual Financial Report. ■ 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 retire. ■ The annual supplementary pension is subject to the procedure on related-party agreements, and Bouygues charges TF1 for the portion corresponding to premiums paid to the insurance company. ■ At the time of his retirement in 2016, Nonce Paolini shall receive, considering his years of service, an annual pension of €186,700. In accordance with the AFEP/MEDEF Code, this amount does not exceed 45% of the reference salary. ■ For 2015, this supplementary pension and the associated social security contributions were reinvoiced by Bouygues to TF1 in accordance with the related-party agreement concluded with Bouygues, authorised by the Board of Directors on October 29, 2014 and approved by the General Meeting on April 16, 2015.
Details of the financial conditions of Nonce Paolini's retirement		
Fixed remuneration		With regards to the 2016 financial year, remuneration of €360,000 shall be paid to Nonce Paolini, representing the fixed part of his remuneration until the end of May 2016.
Annual variable remuneration		None
Stock options, performance shares, and any other component of long-term remuneration		As at the date hereof, Nonce Paolini has not been granted any stock options or bonus shares by the TF1 Board of Directors.
Termination or non-competition benefit		None
Retirement benefit provided for by the collective bargaining agreement that governs the employment contract between Bouygues and Nonce Paolini		Because Bouygues and TF1 have agreed to divide these benefits pro *rata* to the time spent in each company, Bouygues shall invoice TF1 for the sum of €1,315,000.
Supplementary pension scheme		At the time of his retirement in 2016, Nonce Paolini shall receive, considering his years of service, an annual pension of €186,700. In accordance with the AFEP/MEDEF Code, this amount does not exceed 45% of the reference salary.

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.

Nonce Paolini's total remuneration in the last three financial years is broken down as follows:

The remuneration of the Executive Director is reviewed annually by the TF1 Board of Directors, in accordance with Article L. 225-53 of the French Commercial Code, after seeking the opinion of the Remuneration Committee. It reflects the wider interests of the company.

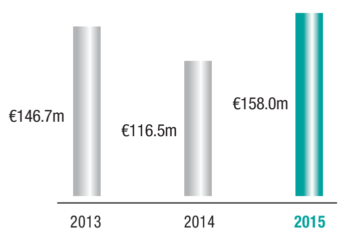
In 2015, Nonce Paolini's remuneration stood at €920,000, remaining stable since 2011.

The variable element of Nonce Paolini's remuneration stood at €1,092,500, equal to 119% of his fixed remuneration, 20.8% less than the previous year. The quantitative criteria were not met in their entirety whereas the qualitative criteria were satisfied in full.

The following components were taken into account when calculating Nonce Paolini's remuneration:

- the company's performance: the Board took the view that this remuneration was commensurate with work carried out and the outcomes achieved in a highly complex economic, regulatory and competitive environment which had an impact on the financial performance of the company. However, the Group's current operating profit grew significantly in 2015 (+€41.5 million). The Group also continued to create value by completing the sale of the Eurosport group to Discovery Communications. Furthermore, the first stages in transforming the presentation of the news were successfully completed, including the streamlining of the Metronews content and the unencrypted broadcasting of LCI. Lastly, TF1 adopted a strong position in the field of production and distribution of content with its acquisition of an equity interest in Newen Studios. However, the Group's net profit remained unchanged from the previous year, due to the effect of the economic climate on advertising revenue.

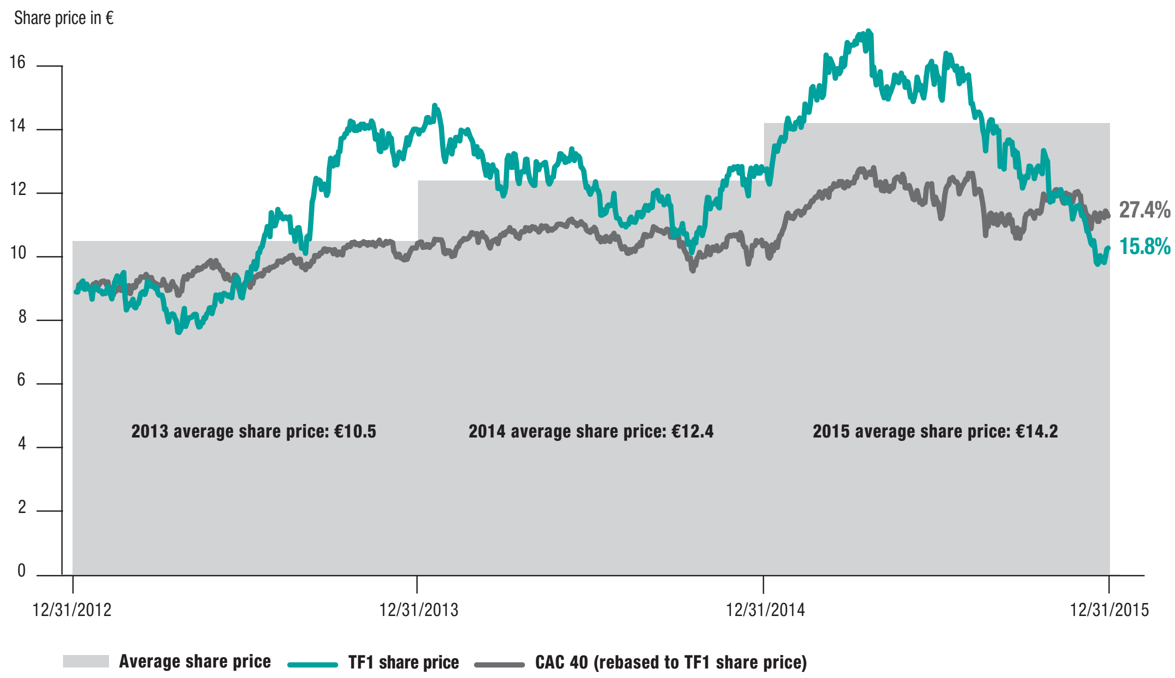
CURRENT OPERATING PROFIT (IN MILLIONS OF EUROS)



– share price performance.

Remuneration was considered against the company's share price performance.

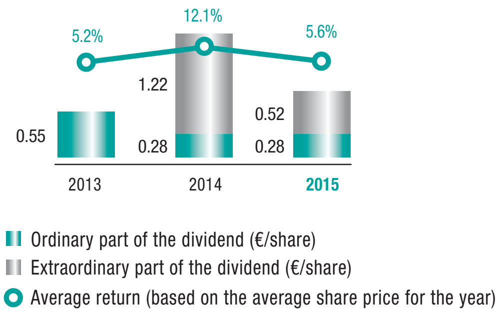
2013 AVERAGE SHARE PRICE



Between 2013 and 2015, the average TF1 share price rose by 34.7%, compared with a 22.2% rise in the CAC 40 and 24.5% in the SBF 120.

Remuneration was also considered against total shareholder return.

TFI SHARE PERFORMANCE



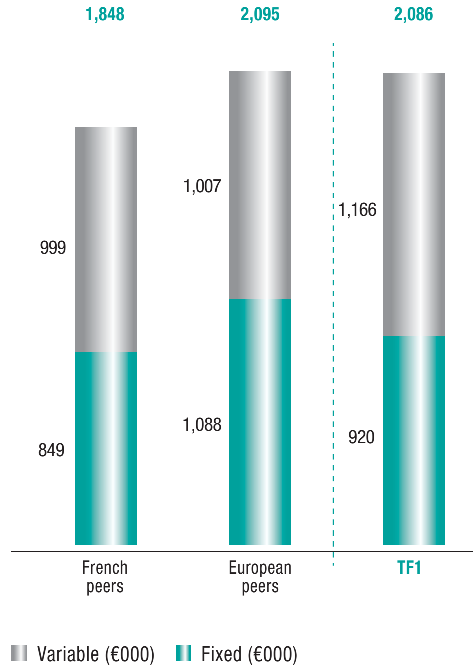
The average return (dividends received for years 2013-2014-2015/ average share price for the period) was 23.0%.

TOTAL SHAREHOLDER RETURN

The total shareholder return on TF1 (dividends received and capital gains realised) shares since January 1, 2013 stands at 48.0%.

– 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* (IN THOUSANDS OF EUROS)



* *Average of the last three years available:*

- 2012-2014 for French peers (M6, Canal+, Vivendi) and European peers (ITV, ProSieben Sat1, Mediaset Italia and Mediaset España),

- 2013-2015 for TF1,

- **approve the related-party agreement covered by Article L. 225-42-1 of the French Commercial Code in favour of Gilles Pélisson;**

In the **12th resolution**, we request that you approve the supplementary retirement pension granted to Gilles Pélisson, Chairman and CEO from February 19, 2016.

Supplementary retirement pension granted to Gilles Pélisson, Chairman and Chief Executive Officer, starting on February 19, 2016

Authorisation: On February 26, 2016, the Board of Directors approved the supplementary retirement pension awarded to Gilles Pélisson, which was established *via* a collective pension plan agreement with benefits determined and established by Bouygues.

Parties concerned:

- Bouygues: Martin Bouygues (Chairman and Chief Executive Officer, Director), Olivier Bouygues and (Director) and Gilles Pélisson;
- Bouygues is a shareholder.

Benefit: This agreement established the supplementary retirement pension awarded, starting on February 19, 2016, to Gilles Pélisson, Chairman and Chief Executive Officer of TF1, 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 Gilles Pélisson is a member. This supplementary pension is subject to conditions of performance. Beneficiaries become entitled to this supplementary pension only after ten years of service with the Group. This supplementary annual pension is capped at eight times the social security annual cap (equal to €308,928 for 2016, representing less than the cap of 45% of the reference salary as provided for by the AFEP/MEDEF Code). This supplementary pension plan is outsourced to an insurance company.

The characteristics of the supplementary pension scheme are the following:

1. Title of the commitment: defined-benefit collective pension scheme.
2. Reference to legal provisions identifying the scheme: Article L. 137-11 of the French Social Security Code.
3. Conditions for joining the scheme and other eligibility conditions: the beneficiary must:
   - be a member of the Bouygues SA Management Committee on the date of retirement;
   - have at least ten years' service with the Bouygues group at the date of retirement;
   - have definitively ended his or her professional career at one of the Group companies (this condition is fulfilled when the employee is part of the workforce at the date of retirement);
   - be at least 65 years old at the date of retirement;
   - fulfil the eligibility criteria for pension benefits under the basic social security pension scheme and the mandatory supplementary schemes (ARRCO and AGIRC).
4. Method of determining the reference salary specified by the scheme and used to calculate the rights of beneficiaries: the reference salary must be equal to the average gross salary of the employee's three best calendar years at the Bouygues group during his or her period on the Bouygues SA Management Committee, adjusted to reflect changes in the value of pension entitlement points under the AGIRC scheme, on the date the employment contract is terminated. The reference gross salary is that used to calculate social security contributions in accordance with Article L. 242-1 of the French Social Security Code.
5. Pattern of vesting of rights: annual rate; beneficiaries of the supplementary pension scheme receive an additional retirement benefit per year in the scheme, as defined by the performance conditions.
6. Existence of a ceiling, and the amount and terms and conditions for determining that ceiling: rights may not exceed a ceiling set at eight times the annual social security ceiling (equivalent to a ceiling of €308,928 in 2016).
7. Terms and conditions for funding the benefit: outsourced to an insurance company, to which a contribution is paid each year.
8. Amount of the annual annuity at the end of the reporting period: depending on the performance conditions.
9. Tax and social security charges levied on the scheme: the contributions paid into the scheme by the company are not subject to employers' social security charges or to the CSG or CRDS levies. However, the company is required to pay a levy set at 24% of those contributions.

Article 229 of the law of August 6, 2015 on growth requires that vesting of the pension rights of executive directors of listed companies in respect of a given financial year must now be subject to performance conditions.

Acting on the recommendation of the Remuneration Committee, the Board meeting of February 26, 2016 set those performance conditions, which will be submitted for shareholder approval at the Annual General Meeting of April 14, 2016, as part of the vote on the 12th resolution covering the regulated commitments (as stipulated in Article L. 225-42-1 of the French Commercial Code) in favour of Gilles Pélisson. Because Gilles Pélisson has only just taken office, vesting of his annual supplementary pension rights will be subject to conditions relating to performances within his control. Those conditions relate to the attainment of targets for average consolidated net profit relative to the annual budget:

- for the 2016 financial year: based on the 2016 annual budget;
- for the 2017 financial year: based on the 2016 and 2017 annual budget;
- for the 2018 financial year: based on the 2016, 2017 and 2018 annual budget.
- for later financial years, based on the annual budget for the financial year, as well as those of the two previous financial years.

Depending on the extent to which the consolidated net profit targets are met, the supplementary pension rights will be in a range from a minimum of 0% to a maximum of 0.92% + 0.46% of the reference salary.

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 senior executives in its businesses.

Financial conditions: There was no amount invoiced for 2015.

Status of the agreement
Agreement approved for the February 19 to December 31, 2016 period and submitted for approval to the General Meeting of April 14, 2016.

- **to appoint for a term of six financial years a Permanent Statutory Auditor and an Alternate Auditor;**

We submit for your approval, in the **13th and 14th resolutions**, for the legal duration of six financial years, to run until the end of the General Meeting called in 2022 to approve the 2021 financial statements, the appointment of ERNST & YOUNG AUDIT as Permanent Statutory Auditor and AUDITEX as Alternate Auditor.

Directive 2011/56/EU and Regulation (EU) no 537/2014 of the European Parliament and of the Council introduces a European audit reform, applicable in France from June 2016, which requires the mandatory rotation of audit firms. Under the transitional provisions imposed by the reform, the current mandates of the TF1 group Statutory Auditors will come to an end after the certification of the 2016 accounts for KPMG and the 2018 accounts for Mazars. These firms may not be reappointed more than once. So as to avoid the short-term renewal of the entire audit panel at the end of their final mandates and given the limited number of firms with the capacity to respond to the tenders that will be issued at the end of these last audited years of the 4 year cooling-off period allowed under the reform, we propose that KPMG is not reappointed after certifying the 2016 accounts. We propose that Ernst & Young, an international audit firm that is highly active in the media sector in France, is appointed as the auditor of the Bouygues Group, which controls the TF1 group, and is committed to professional standards of ethics and independence.

So as to ensure the most efficient transfer of files between members of the audit panel, TF1 would like to appoint Ernst & Young with effect from the 2016 financial year to coincide with the arrival of the new Chairman and CEO and the strategic changes taking place at TF1 to meet the changing structure of the TV and advertising markets. This will mean that work can be distributed between members of the audit panel so as to provide fresh insight into the accounting and financial issues facing the TF1 group.

- **authorise your company to trade in its own shares;**

The **15th resolution** authorises the company to trade in and buy back its own shares, within the limits set by the shareholders and in accordance with law. Share buybacks may not exceed 10% of the share capital. 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 share 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 246).

Share buybacks, which must not exceed 10% of the share capital, can be used in particular to cancel shares under the authorisation set forth in the **16th 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 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 French Financial Markets Authority. 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 vesting 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.

Between February 18, 2015 and February 17, 2016, the company purchased 2,969,765 TF1 shares on the market at an average weighted price of €13.47 per share, *i.e.* a total cost of €40 million including €28,010 in brokerage fees net of VAT and financial transaction taxes.

As at February 17, 2016, the company owned 1,487,582 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 pages 247 et seq. in chapter 6 of this registration document and Annual Financial Report. This table also mentions the Board of Directors' utilisation during 2015 of the financial authorisations granted, *i.e.* the cancellation of shares and the allocation of stock options.

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 **16th 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 share 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 shall be granted for a period of eighteen months and will replace the authorisation previously granted by the Combined General Meeting of April 16, 2015.

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.

In 2015, TF1 acquired 2,969,765 shares and cancelled 1,482,183 treasury shares, on October 28, 2015.

As at February 17, 2016, the company owned 1,487,582 of its shares.

- **authorise the allocation of performance shares to employees and corporate officers;**

The **17th resolution** aims to authorise the Board of Directors to allocate, on one or more occasions, company performance shares to salaried employees or certain categories of employees and/or corporate officers, whether from TF1 or from its associated economic interest groupings, and to perform any applicable capital increases.

The previous authorisations, regarding the granting of stock options and the allocation of performance shares to employees and management, were the subject of the 11th and 12th resolutions of the Combined General Meeting of April 17, 2014 and will expire on June 17, 2017; however, the resolution dealing with the allocation of performance shares is up for renewal during the General Meeting of April 14, 2016 so as to bring the performance shares to be allocated into compliance with Law no. 2015-9901 of August 6, 2016 for growth, business and equal economic opportunity (dubbed the "Loi Macron").

The Combined General Meeting of April 17, 2014 authorised the Board of Directors to grant options or performance shares up to an overall common ceiling of 3% of the share capital, for a period of thirty-eight months.

The Board of Directors has not allocated any performance shares since 2014.

During 2015, the Board of Directors awarded, on the basis of performance 1,308,800 stock options, *i.e.* 0.6% of the share capital to 139 beneficiaries, belonging to three management bodies (Senior Management Committee, Executive Committee and Management Committee) with the exception of Nonce Paolini, Chairman and CEO.

At December 31, 2015, the total number of unexercised options stood at 3,932,376, *i.e.* approximately 1.9% of the share capital on this same date.

The company is convinced that it is important to have senior executives share in the success of the Group, in which they are the key players. These allocations enable them to hold a direct stake in the Group's performance and its future, which helps to enhance their motivation and commitment to the company.

You are asked to renew the authorisation granted to the Board of Directors to allocate performance shares, whether new or existing, for a period of 38 months. If new shares are issued, the company will have reserves available to incorporate into the share capital.

The **17th resolution** on the allocation of bonus shares provides for:

- an overall ceiling of 3% of share capital, also applicable to the awarding of stock options authorised by the Combined General Meeting of April 17, 2014 in its 11th resolution; a special ceiling of 0.03% of share capital for Executive Directors;
- the establishment by the Board of Directors of the conditions and the list or categories of other beneficiaries of the shares, and the setting of the performance criteria applicable to them.

The company shall continue its allocation policy based on performance conditions to be established by the Board of Directors at the recommendation of the Remuneration Committee, and as measured over three financial years, as was done for the last share plans.

With regard to Executive Directors, the Board of Directors will continue to abide by the following AFEP/MEDEF recommendations incorporated into its internal procedures as applied to the option plan awarded in 2009:

- 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;
- obligation to retain a certain number of shares until their term of office comes to an end.

The resolution also establishes that the allocation of the shares to their beneficiaries will only become final following a vesting period of a duration to be set by the Board. This period may not be shorter than three years, followed by a minimum lock-up period for the beneficiaries, that may not be shorter than one year from the definitive allocation of the shares. The cumulative duration of the vesting periods and, if applicable, the share retention periods, may not be less than four years;

- **amend the company's Articles of Association;**

The **17th and 18th resolutions** aim to modify the Articles of Association of TF1.

In order to bring some flexibility to the management of its governance, the Board of Directors solicited the advice of the Director Selection

Committee to organize its composition according to a variable number of directors rather than the existing fixed number. The modification of the Articles of Association (Article 10) is therefore proposed in order to eliminate the fixed number of directors composing the 12-member Board of Directors. The Board of Directors may henceforth consist of three to eighteen members, subject to the dispensations provided by law, while maintaining, in accordance with Article 66 of Law no. 86-1067 of September 30, 1986, the presence of two Directors representing the staff.

As such, we propose a change to the Articles of Association (Article 18) to enable the appointment of at least two Statutory Auditors (Permanent and Alternate), thereby allowing the option to appoint a third audit form, during any period of transition.

Directive 2011/56/EU and Regulation (EU) no. 537/2014 of the European Parliament and of the Council introduces a European audit reform, applicable in France from June 2016, which requires the mandatory rotation of audit firms. Under the transitional provisions imposed by the reform, the current mandates of the TF1 group Statutory Auditors will come to an end after the certification of the 2016 accounts for KPMG and the 2018 accounts for Mazars. These firms may not be reappointed more than once. So as to avoid the short-term renewal of the entire audit panel and to ensure the most efficient transfer of files between members of the panel we propose the appointment of Ernst and Young Audit as Permanent Statutory Auditor and Auditex as Alternate Auditor.

- **delegate powers to carry out corporate formalities;**

The purpose of the **20th 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 PURPOSES

ORDINARY BUSINESS

Purpose of the first and second resolutions

The purpose of the first and second resolutions is to seek shareholders' approval of:

- *TF1 SA's financial statements (also known as the company's separate or parent company financial statements) and the transactions recorded in these financial statements;*
- *the TF1 group's financial statements, and the transactions recorded in these financial statements.*

Every year, within six months of the end of the financial year, the General Meeting must be convened to approve the financial statements for the previous financial year, after having acknowledged the management report by the Board of Directors and the Statutory Auditors' reports. The annual financial statements must be approved before any dividends can be paid.

FIRST RESOLUTION

(APPROVAL OF THE SEPARATE FINANCIAL STATEMENTS AND TRANSACTIONS FOR THE 2015 FINANCIAL YEAR)

The General Meeting, ruling 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 separate financial statements for the 2015 financial year as submitted, as well as the operations reflected in these statements and summarised in these reports.

SECOND RESOLUTION

(APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS AND TRANSACTIONS FOR THE 2015 FINANCIAL YEAR)

The General Meeting, ruling 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 financial statements for the 2015 financial year as submitted, as well as the operations reflected in these financial statements 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 312 to 316 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.

All related-party agreements and undertakings adopted by the TF1 group are covered by the TF1 group Internal Charter on Related-party Agreements, approved by the Board of Directors on February 17, 2016 which defines the scope of application of such agreements in the Group.

THIRD RESOLUTION

(APPROVAL OF RELATED-PARTY AGREEMENTS AND UNDERTAKINGS BETWEEN TF1 AND BOUYGUES)

The General Meeting, ruling 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 and not yet approved by the General Meeting.

FOURTH RESOLUTION

(APPROVAL OF RELATED-PARTY AGREEMENTS AND UNDERTAKINGS OTHER THAN THOSE BETWEEN TF1 AND BOUYGUES)

The General Meeting, ruling 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 and not yet approved by the General Meeting.

Purpose of the fifth resolution

The financial statements for the financial year ended December 31, 2015 show available profits of €579,323,557.89, consisting of net profit for the 2015 financial year of €402,220,763.48 and retained earnings of €177,102,794.41.

The TF1 group is offering to pay shareholders a dividend of €0.80 per share. It is composed of two parts: an ordinary part and an extraordinary part.

– The ordinary part, reflecting performance in 2015, of €0.28 per share, represents 57% of net profit for the year. The average dividend payout rate over the past five years has been 67.3%;
– An extraordinary part has also been added this year. Given 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 by paying back €0.52 per share.

The proposed dividend would be paid on April 26, 2016. The ex-dividend date would be April 22, 2016.

FIFTH RESOLUTION

(APPROPRIATION OF PROFITS FOR THE 2015 FINANCIAL YEAR AND SETTING THE AMOUNT OF THE DIVIDEND)

The General Meeting, ruling in compliance with the quorum and majority rules required for Ordinary General Meetings, having noted the existence of available profits of €579,323,557.89, taking into account the net profit for the period of €402,220,763.48 and retained earnings of €177,102,794.41, approves the following appropriation and distribution proposed by the Board of Directors:

- distribution of a cash dividend of €168,417,253.60 (i.e. a dividend of €0.80 per share with a par value of €0.20);
- the balance of €410,906,304.29 to be carried forward as retained earnings.

The ex-dividend date for the Euronext Paris market shall be April 22, 2016. The cut-off date for positions qualifying for payment shall be April 25, 2016. The dividend shall be paid in cash on April 26, 2016.

The full dividend is eligible for the 40% tax relief referred to in indent 2 of paragraph 3 of Article 158 of the French 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 French Commercial Code.

The General Meeting notes that the dividends distributed for the last three financial years were as follows:

Period ending:	Dividend per share	Eligible for tax relief*
December 31, 2012	€0.55	yes
December 31, 2013	€0.55	yes
December 31, 2014	€1.50	yes

(*) Eligible for the 40% tax relief available to individuals tax-resident in France under Article 158.3.2 of the French General Tax Code.

Purpose of the sixth, seventh, eighth and ninth 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, further to its commitment, the Board has been successfully initiating efforts to increase the number of women among its members.

Given the current balanced and diversified character of the Board of Directors, the appointment of a new independent Director is proposed as is the renewal of the terms of office of Janine Langlois-Glandier as an independent Director and the terms of office of Gilles Pelisson and Olivier Roussat.

The curriculum vitae of the individuals in question are featured on pages 58 of this Registration Document and Annual Financial Report.

In accordance with the Articles of Association, these terms of office last three years, until the end of the Ordinary General Meeting called in 2019 to approve the financial statements for the financial year ending December 31, 2018.

SIXTH RESOLUTION

(APPOINTMENT OF PASCALINE AUPEPIN DE LAMOTHE DREUZY AS A DIRECTOR FOR THREE YEARS)

The General Meeting, ruling in compliance with the quorum and majority rules required for Ordinary General Meetings, appoints as Director, for a three-year term, Pascaline Aupepin de Lamothe Dreuzy, in replacement of Claude Berda whose term of office is expiring at the end of this Ordinary General Meeting.

Her term of office will expire at the end of the General Meeting called to approve the financial statements of the 2018 financial year.

SEVENTH RESOLUTION

(RENEWAL OF JANINE LANGLOIS-GLANDIER'S TERM OF OFFICE AS A DIRECTOR FOR THREE YEARS)

The General Meeting, ruling in compliance with the quorum and majority rules required for Ordinary General Meetings, renews Janine Langlois-Glandier's term of office as a Director, which expires at the end of this Meeting, for three years

Her term of office will expire at the end of the General Meeting called to approve the financial statements of the 2018 financial year.

EIGHTH RESOLUTION

(RENEWAL OF GILLES PÉLISSON'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 Gilles Pélisson, which expires at the end of this Meeting.

His term of office will expire at the end of the General Meeting called to approve the financial statements of the 2018 financial year.

NINTH RESOLUTION

(RENEWAL OF OLIVIER ROUSSAT'S TERM OF OFFICE AS A DIRECTOR FOR THREE YEARS)

The General Meeting, ruling in compliance with the quorum and majority rules required for Ordinary General Meetings, renews the term of office of Olivier Roussat, which expires at the end of this Meeting.

His term of office will expire at the end of the General Meeting called to approve the financial statements of the 2018 financial year.

Purpose of the tenth resolution

The 10th resolution aims to confirm the election of the Directors representing the staff, in application of Article 66 of Law no. 86-1067 of September 30, 1986, stipulating that two Board of Director seats be allocated to staff representatives elected by the employees of TF1 for two years, two weeks prior to the General Meeting

TENTH RESOLUTION

(CONFIRMATION OF THE ELECTION OF THE DIRECTORS REPRESENTING THE STAFF)

The General Meeting, ruling in compliance with the quorum and majority rules required for Ordinary General Meetings, having been apprised of the names of the Directors representing staff elected by the electoral colleges, as communicated by the Chairman and CEO prior to the reading of this resolution, duly records their election and their appointment as Directors representing the staff.

Directors who represent the staff have a two-year term of office ending upon the next announcement of the results of the election for Directors representing the staff, in accordance with the provisions of Article 10 of the Articles of Association.

Purpose of the eleventh resolution

The purpose of this resolution is to approve the proposed remuneration for Nonce Paolini, Chairman and Chief Executive Officer, for the 2015 financial year. For 2015, the remuneration of Nonce Paolini, Chairman and CEO, was €2,012,500, a decrease of €287,500. Although the fixed element of his remuneration did not change, the variable element was lower, due to the impact of the economic, regulatory and competitive climate on the financial performance of the company.

This remuneration is also assessed in the light of the remuneration of Executive Directors of other major European media companies.

ELEVENTH RESOLUTION

(APPROVAL OF THE REMUNERATION DUE OR GRANTED TO NONCE PAOLINI, CHAIRMAN AND CHIEF EXECUTIVE OFFICER, FOR THE 2015 FINANCIAL YEAR)

The General Meeting, ruling 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 twelfth resolution

The purpose of this resolution is to approve the commitment made in relation to the defined benefit pension awarded to Gilles Pélisson as of February 19, 2016, the effective date of his appointment as Chief Executive Officer, subject to performance conditions and criteria.

At its meeting on February 26, 2016, the Board of Directors established these performance conditions based upon the recommendations of the Remuneration Committee. Since Gilles Pélisson is so new to his position, the acquisition of his annual supplementary pension rights will be subject to performance conditions on which he will have had an impact; these performance conditions will be linked to attaining an average consolidated net profit objective in relation to the annual budget:

- *for the 2016 financial year, based on the 2016 annual budget,*
- *for the 2017 financial year, based on the 2016 and 2017 annual budgets;*
- *for the 2018 financial year, based on the 2016, 2017 and 2018 annual budgets;*
- *for later financial years, based on annual budget for the financial year, as well as those of the two previous financial years.*

Depending on the achievement of the consolidated net profit objective, the rights to the supplementary pension will range between 0% and a maximum of 0.92%, plus 0.46% of the reference salary.

TWELFTH RESOLUTION

(APPROVAL OF A RELATED-PARTY AGREEMENT COVERED BY ARTICLE L. 225-42-1 OF THE FRENCH COMMERCIAL CODE IN FAVOUR OF GILLES PELISSON)

The General Meeting, ruling in compliance with the quorum and majority rules required for Ordinary General Meetings, having been apprised of the Statutory Auditors' special report on the agreements that are the subject of Article L. 225-42-1 of the French Commercial Code, and in accordance with Article 229-II of Law no. 2015-990 of August 6, 2015, approves the agreement made on the defined benefits pension awarded to Gilles Pélisson starting on February 19, 2016, effective date of his election to the position of Chairman and Chief Executive Officer.

Purpose of the thirteenth and fourteenth resolutions

The purpose of this resolution is to submit for approval, for the legal duration of six financial years, to run until the end of the General Meeting called in 2022 to approve the 2021 financial statements, the appointment of ERNST AND YOUNG AUDIT as Permanent Statutory Auditor and AUDITEX as alternate auditor.

Directive 2011/56/EU and Regulation (EU) no. 537/2014 of the European Parliament and of the Council introduces a European audit reform, applicable in France from June 2016, which requires the mandatory rotation of audit firms.

Under the transitional provisions imposed by the reform, the current mandates of the TF1 group Statutory Auditors will come to an end after the certification of the 2016 accounts for KPMG and the 2018 accounts for Mazars. These firms may not be reappointed more than once. So as *to avoid the short-term renewal of the entire audit panel and to ensure the most efficient transfer of files between members of the panel, we would like to appoint Ernst & Young with effect from the 2016 financial year to coincide with the arrival of the new Chairman and CEO and the strategic changes taking place at TF1 to meet the changing structure of the TV and advertising markets. This will mean that work can be distributed between members of the audit panel so as to provide fresh insight into the accounting and financial issues facing the TF1 group.*

THIRTEENTH RESOLUTION

(APPOINTMENT, FOR A TERM OF SIX FINANCIAL YEARS, OF ERNST AND YOUNG AUDIT AS PERMANENT STATUTORY AUDITOR)

The General Meeting, ruling in compliance with the quorum and majority rules required for Ordinary General Meetings, appoints, subject to the approval of the nineteenth resolution,

Ernst and Young Audit,

Tour First, 1 - 2 place des Saisons – Paris La Défense 1- 92400 Courbevoie

Registered under 344 366 315 RCS Nanterre

as Permanent Statutory Auditor, for a term of six financial years, *i.e.* until the end of the General Meeting called in 2022 to approve the financial statements for the 2021 financial year.

FOURTEENTH RESOLUTION

(APPOINTMENT, FOR A TERM OF SIX FINANCIAL YEARS, OF AUDITEX AS ALTERNATE AUDITOR)

The General Meeting, ruling in compliance with the quorum and majority rules required for Ordinary General Meetings, appoints, subject to the approval of the nineteenth resolution,

AUDITEX,

Tour First, 1 - 2 place des Saisons – Paris La Défense 1- 92400 Courbevoie

Registered under 377 652 938 RCS Nanterre

as Alternate Auditor, for a term of six financial years, *i.e.* until the end of the General Meeting called in 2022 to approve the financial statements for the 2021 financial year.

Purpose of the fifteenth resolution

The purpose of this resolution 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 buyback programme are the same as for the previous programme. These are detailed within the text of the resolution.

Share buybacks, which may not exceed 10% of the company's share capital, can be used especially to cancel shares under the authorisation provided for in the resolution, with a view, to enabling the implementation of the company's policy of rewarding shareholders. These transactions may be carried out at any time, except during a takeover bid, a public offer of exchange or a standing market offer for the company's shares.

The purchase price cannot exceed €25 per share. The overall cap for purchases is set at €300 million.

In 2015, the company purchased 2,969,765 TF1 shares on the market at an average weighted price of €13.47 per share, i.e. a total cost of €40 million including €28,010 in brokerage fees net of VAT and financial transaction taxes. As at February 17, 2016, the company owned 1,487,582 of its shares.

FIFTEENTH RESOLUTION

(AUTHORISATION GIVEN TO THE BOARD OF DIRECTORS TO TRADE IN THE COMPANY'S OWN SHARES)

The General Meeting, ruling 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 French 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 French Commercial Code, by European Commission Regulation no. 2273/2003 of December 22, 2003, and by the French Financial Markets Authority (AMF) General Regulation;
2. resolves 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 vesting, 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 General Meeting of the transactions carried out, in accordance with applicable regulations;
9. 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 General Meeting.

EXTRAORDINARY PART

Purpose of the sixteenth resolution

Given that the authorisation granted by the General Meeting of April 16, 2015 is due to expire in 2016, 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 fifteenth 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.

SIXTEENTH RESOLUTION

(AUTHORISATION GIVEN TO 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 the French 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 General Meeting.

Purpose of the seventeenth resolution

The 17th resolution concerns the allocation of bonus shares and aims to authorise the Board of Directors, for 38 months, to establish closer ties between some or all of the senior executives and the Group's performance and future prospects as well as the fruits of their labour. The maximum amount has been set at 3% of the share capital in the 11th resolution for the stock options voted during the Combined General Meeting of April 17, 2014. The special ceiling for Executive Directors is 0.03% of the share capital. Performance conditions apply to all beneficiaries. The allocation will only become definitive at the end of a vesting period of a minimum of three years. The lock-up period by beneficiaries may not be less than one year. The cumulative duration *of the vesting periods and, the lock-up periods, may not be less than four years. In 2015, the Board of Directors awarded, on the basis of performance, stock options representing 0.6% of the share capital (with the exception of the Chairman Chief Executive Officer)*

SEVENTEENTH RESOLUTION

(AUTHORISATION GIVEN TO THE BOARD OF DIRECTORS TO ALLOCATE NEW OR EXISTING BONUS SHARES FOR WHICH SHAREHOLDERS RELINQUISH THEIR PREFERENTIAL RIGHT OF SUBSCRIPTION IN FAVOUR OF EMPLOYEES OR CORPORATE OFFICERS OF THE COMPANY OR AFFILIATED COMPANIES)

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. 225-197-1 et seq. of the French Commercial Code:

1. authorises the Board to proceed, at its option, on one or more occasions, with the allocation of new or existing bonus shares of the company to the beneficiaries listed hereafter;
2. resolves that the share beneficiaries designated by the Board of Directors may be employees (or certain categories among them) and/or corporate officers (or some among them) of TF1 or of the companies and economic interest groupings affiliated to it within the meaning of Article L. 225-197-2 of the French Commercial Code;
3. resolves that under this authorisation, the Board of Directors may allocate a total number of shares representing a maximum of 3% of the company's share capital, with the specification that, if applicable and for the duration of the validity of this authorisation, the shares that may be subscribed or acquired as options granted under the terms of the eleventh resolution of the General Meeting of April 17, 2014 will be applied to this ceiling;
4. resolves that the allocation of the shares to their beneficiaries will only become final at the end of a vesting period of a duration to be defined by the Board. This period may not be shorter than three years;
5. resolves that the Board of Directors may also impose a minimum lock-up period for beneficiaries that may not be shorter than one year from the definitive allocation of the shares;
6. specifies that the cumulative duration of the vesting periods and, if applicable, the lock-up periods, may not be shorter than four years;
7. resolves that the allocation of bonus shares will occur immediately, prior to the end of the vesting period, in the event of a disability of the beneficiary being classified in the second or third categories listed in Article L. 341-4 of the French Social Security Code. Under this scenario, the shares will become immediately transferable;
8. authorises the Board of Directors to use the authorisations granted or that will be granted by the General Meeting, in accordance with the provisions of Articles L. 225-208 and L. 225-209 of the French Commercial Code;
9. hereby acknowledges that this authorisation automatically implies, for the beneficiaries of the ordinary shares to be issued, a waiver of the shareholders' preferential right of subscription to the ordinary shares that will be issued as the definitive allocation of the shares takes place over time and of any rights to ordinary shares allocated free of charge on the basis of this authorisation;
10. resolves that the Board of Directors will have all the necessary powers to implement this authorisation in accordance with legal and regulatory provisions, particularly in order to:
    - set the conditions, the number of shares allocated to Executive Directors that may not represent more than 0.03% of the share capital of the company under this authorisation, with the specification that, if applicable and for the duration of the validity of this authorisation, the shares that may be subscribed or acquired as options granted under the terms of the eleventh resolution of the General Meeting of April 17, 2014 will be applied to this ceiling, as well as the applicable performance criteria,
    - establish the list or the categories of the other beneficiaries of the new or existing shares and set the applicable performance criteria,
    - establish the length of service conditions that must be met by the beneficiaries,
    - provide the ability to temporarily suspend the allocation rights,
    - establish all other terms and conditions under which the shares will be allocated,
    - perform or have performed all actions and formalities to buyback the shares and/or render definitive the share capital increase(s) that may take place under this authorisation, to make the associated modifications to the Articles of Association and generally, to do all that is required, with the ability to sub-delegate in accordance with the law;
11. set at thirty-eight 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 eighteenth resolution

The Board of Directors, on the recommendation of the Director Selection Committee, has deemed it appropriate to bring some flexibility to the operation of the Board by changing its composition from a fixed number of Directors to a variable number.

The objective of this resolution is to eliminate the fixed number of twelve Directors making up the Board of Directors and to make the number of directors variable, as permitted by law.

EIGHTEENTH RESOLUTION

(MODIFICATION OF ARTICLE 10 OF THE ARTICLES OF ASSOCIATION TO ELIMINATE THE FIXED NUMBER OF DIRECTORS AND TO ESTABLISH A VARIABLE NUMBER OF DIRECTORS THAT MAY COMPOSE THE BOARD OF DIRECTORS)

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, resolves to eliminate the fixed number of Directors that make up the 12-member Board of Directors and to set the number of directors on the Board of Directors at a number between 3 and 18.

Consequently, the General Meeting resolves to modify paragraph I of Article 10 of the Articles of Association as follows:

former wording

"I - The company is managed by a Board of Directors composed of twelve members, subject to the dispensations provided by law. Pursuant to Article 66 of Law no. 86-1067 of September 30, 1986, two of the seats on the Board are allocated to representatives of the staff, with one seat reserved for engineers, executives and employees in similar categories."

new wording

"I - The company is managed by a Board of Directors composed of three to eighteen members, subject to the dispensations provided by law. Pursuant to Article 66 of Law no. 86-1067 of September 30, 1986, 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."

Purpose of the nineteenth resolution

The Board of Directors, having taken account of the opinion of the Audit Committee, and the European audit reform applicable in France from June 2016 which requires the mandatory rotation of audit forms, has considered that it would be appropriate to arrange the replacement of the Statutory Auditors, so as to ensure the smooth transfer of their files.

The purpose of this resolution is to enable the appointment of at least two Statutory Auditors (Permanent and Alternate) thereby allowing the option to appoint a third audit firm, during any period of transition.

NINETEENTH RESOLUTION

(AMENDMENT TO ARTICLE 18 OF THE ARTICLES OF ASSOCIATION TO ALLOW THE APPOINTMENT OF MORE THAN TWO PERMANENT STATUTORY AUDITORS AND TWO ALTERNATE AUDITORS)

The General Meeting, ruling in compliance with the quorum and majority required for Extraordinary General Meetings, having taken note of the report of the Board of Directors, so as to allow the appointment of more than two Permanent Statutory Auditors and two Alternate Auditors, resolves to amend Article 18 of the Articles of Association as follows:

Former wording

Article 18 - Statutory Auditors

The statutory audit is performed by two Permanent Statutory Auditors who are appointed and who perform their duties in accordance with the law.

Two Alternate Auditors are also appointed in accordance with the law and are called upon to replace the Permanent Statutory Auditors in the event of the refusal, unavailability, resignation or death of the latter.

New wording

Article 18 - Statutory Auditors

The Ordinary General Meeting appoints, for the term of six financial years, at least two Statutory Auditors. Their mandates shall expire after the Ordinary General Meeting called to approve the financial statements of the sixth financial year.

The General Meeting also appoints two Alternate Auditors, called upon to replace the Permanent Statutory Auditors in the event of the refusal, unavailability, resignation or death of the latter.

Purpose of the twentieth resolution

The purpose of this resolution is to enable the fulfilment of all legal and administrative formalities.

TWENTIETH RESOLUTION

(AUTHORISATION TO CARRY OUT 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 FINANCIAL STATEMENTS AFR

9.1.1 CERTIFICATE OF THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

The person assuming responsibility for the registration document: Mr Gilles Pélisson, Chairman and CEO of TF1.

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 financial statements have been prepared in compliance with applicable accounting standards and give a faithful picture of the assets, the financial position and the results of the company and the consolidated companies, and that the management report (cross-reference table included on page 344), presents a true image of the development and performance of the business, results and financial position of the company and the consolidated companies, as well as a description of the main risks and uncertainties facing them.

I have received an end-of-assignment letter from the Statutory Auditors, KPMG and Mazars, in which they state that they have checked the information relating to the company's the financial position and the financial statements included in this registration document and that they have read this document in its entirety.

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 215 of this document or incorporated herein by reference on page 339. The reports issued by the Statutory Auditors for financial years 2014 and 2013 contained no comment.

Boulogne-Billancourt, March 9, 2016

Chairman and CEO

Gilles Pélisson

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 Tour EQHO – 2 Avenue Gambetta CS 60055 – 92066 Paris La Défense Cedex	General Meeting of January 14, 1988	General Meeting approving the 2016 financial statements
Mazars Immeuble Exaltis – 61, rue Henri Regnault – 92075 La Défense Cedex	General Meeting of May 15, 2001	General Meeting approving the 2018 financial statements
Alternate auditors	**Date of first appointment**	**Expiry date of present term of office**
KPMG Audit ID Tour EQHO – 2 Avenue Gambetta CS 60055 – 92066 Paris La Défense Cedex	General Meeting of April 14, 2011	General Meeting approving the 2016 financial statements
Thierry COLIN Immeuble Exaltis – 61, rue Henri Regnault – 92075 La Défense Cedex	General Meeting of May 15, 2001	General Meeting approving the 2018 financial statements

The fees paid to the Statutory Auditors by TF1 and its subsidiaries are shown in chapter 4 note 9.3, page 187 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 2015, 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 firm, ERNST & YOUNG et Associés, Sustainable Development Department. ERNST & YOUNG et Associés is the independent third-party firm whose certification request has been approved by the French National Accreditation Body (COFRAC) under 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 Counsel: 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 14, 2016 can be found on the company website: http://www.groupe--tf1.fr/en/.

Anybody wishing to obtain additional information about the TF1 group may, with no obligation, request 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 about the TF1 group and obtain historical data about the company by simply writing to TF1-Investor Relations Department – 1, quai du Point du Jour – 92656 Boulogne-Billancourt Cedex, Tel: 00 33 1 41 41 12 34, or by sending an e-mail to: comfi@tf1.fr.

Internet website: http://www.groupe-tf1.fr/en/

9.3 2016-2018 CALENDAR

April 14, 2016: Combined General Meeting of shareholders

April 22, 2016: 2015 dividend ex-date

April 25, 2016: date of record for 2015 dividend

April 26, 2016: payment date for 2015 dividend

April 26, 2016: revenue and financial statements for the first quarter of 2016

July 21, 2016: revenue and financial statements for the first six months of 2016

October 27, 2016: revenue and financial statements for the third quarter of 2016

April 13, 2017: Combined General Meeting of shareholders

April 19, 2018: Combined General Meeting of shareholders

These dates may be subject to change.

9.4 INFORMATION INCLUDED BY REFERENCE

Pursuant to Article 28 of Regulation (EC) no. 809/2004 of the Commission of April 29, 2004, the following information is included by reference in this registration document and Annual Financial Report:

- the consolidated financial statements for the year ended December 31, 2014, the relevant report of the Statutory Auditors and the Group's management report included on pages 93 to 220 of the registration document filed with the French Financial Markets Authority (AMF) on March 10, 2015 under number D. 15-0115;
- the consolidated financial statements for the year ended December 31, 2013, the relevant report of the Statutory Auditors and the Group's management report included on pages 79 to 213 of the registration document filed with the AMF on March 11, 2014 with number D. 14-0132.

9.5 FINANCIAL PRESS RELEASES PUBLISHED IN 2015

Date of release	Subject
January 14, 2015	IHF Handball World Championship
January 19, 2015	TF1 and Canal Plus group, broadcasters of the 2015 Rugby World Cup
February 09, 2015	Exclusive distribution agreement between the Canal+ and Eurosport groups
February 19, 2015	TF1 2014 full year financial results
February 25, 2015	Formalities for obtaining or gaining access to the preparatory documents for the General Meeting of April 16, 2015
March 11, 2015	Formalities for obtaining or gaining access to the 2015 registration document and Annual Financial Report
March 26, 2015	Formalities for obtaining or gaining access to the preparatory documents for the Combined General Meeting of April 16, 2015
March 31, 2015	Acquisition of Eurosport France by Eurosport SAS
April 13, 2015	Partnership agreement for the production of US series
April 16, 2015	2015 General Meeting - Results of resolutions put to vote
April 29, 2015	TF1 – Q1 2015 financial results
May 13, 2015	Launch of the share buyback programme
May 21, 2015	Adaptation plan for Publications Metro France
June 17, 2015	Decision of the Conseil D'État regarding the appeal to annul the Conseil Supérieur de l'Audiovisuel decision of July 29, 2014
July 22, 2015	Partnership TF1 - Discovery Communications
July 23, 2015	TF1 - H1 2015 results
September 10, 2015	TF1 - Call for tenders to provide DTT and HD television services
September 15, 2015	Continued inclusion of the TF1 group in the DJSI index
October 01, 2015	Acquisition of the Eurosport group by Discovery Communications
October 12, 2015	TF1 wins the Grand Prix de la Transparence for the second year in row
October 28, 2015	TF1 group – 9m 2015 Financial information
October 29, 2015	TF1 and the Newen group enter into exclusive negotiations
November 09, 2015	Signature of an agreement between TF1 and the Newen group

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 HOLDINGS

(February 2016)

- **1, quai du Point du Jour**
  92 100 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**
  92 100 BOULOGNE-BILLANCOURT
  e-TF1
  TF1 Droits Audiovisuels
  TF1 Entreprises
  TF1 Films Production
  TF1 International
  TF1 Production
  TF1 Publicité
  TF1 Vidéo
- **45, boulevard Victor-Hugo – Bâtiment-264**
  93 534 AUBERVILLIERS Cedex
  Téléshopping
  Top Shopping
- **6 bis, quai Antoine Ier**
  MONACO
  Télé Monte-Carlo (TMC)
- **ZA du Pot au Pin – Entrepôt A4**
  33 612 CESTAS Cedex
  Dujardin
- **44, rue de Strasbourg**
  44 000 NANTES
  Ouest Info
- **89, avenue Charles-de-Gaulle**
  92 200 NEUILLY-SUR-SEINE
  Serieclub
- **24, avenue Charles-de-Gaulle**
  92 200 NEUILLY-SUR-SEINE
  UGC Distribution
- **132, avenue du Président-Wilson**
  93 210 LA-PLAINE-SAINT-DENIS
  Groupe AB
- **40/42, rue Pierre-Curie**
  93 120 LA COURNEUVE
  Sylver
- **43, boulevard Barbès**
  75 018 PARIS
  La Place Media
- **15, rue Édouard Branly**
  44 980 Sainte Luce sur Loire
  Optiqual
- **43, rue Camille Desmoulins**
  92 130 Issy-Les-Moulineaux
  Publications Metro France

9.7 REGISTRATION DOCUMENT CROSS-REFERENCE TABLE

CROSS-REFERENCE TABLE – SUBJECTS OF THE FIRST APPENDIX OF EU REGULATION 809/2004

9.8 MANAGEMENT REPORT CROSS-REFERENCE TABLE

The 2015 management report that contains the information mentioned below is included in this registration document. It was approved by the Board of Directors of TF1 on February 17, 2016.

Information required by the French Commercial Code, the French Monetary and Financial Code, the French General Tax Code and the French Financial Markets Authority (AMF) General Regulation	Registration document
Activity	
Analysis of developments in the company's business, results and financial position during the past financial year (Articles L. 225-100, L.225-100-2, L. 232-1, L. 233-6, L. 233-26, and R.225-102 of the French Commercial Code)	28-36, 115-124
Analysis of developments in the TF1 group's business, results and financial position during the past financial year (Articles L. 225-100-2 and L. 233-26 of the French Commercial Code)	28-36, 115-124
Activity and results of the company's subsidiaries (Article L. 233-6 of the French Commercial Code)	115-124
Forecasted developments in the company's position (Articles L. 232-1, L. 233-26 and R. 225-102 of the French Commercial Code)	25, 124
Significant shareholdings in companies based in France (Article L. 233-6 of the French Commercial Code)	126
TF1 group's financial risk management strategy (Articles L. 225-100 and L. 225-100-2 of the French Commercial Code)	111, 177-184
TF1 group's exposure to price, credit, liquidity and cash-flow risks (Articles L. 225-100 and L. 225-100-2 of the French Commercial Code)	111, 177-184
Research and Development activities (Articles L. 232-1 and L. 233-26 of the Commercial Code)	46-47
Post balance-sheet events (Articles L. 232-1 and L. 233-26 of the French Commercial Code)	125
Trade creditors by due date (L. 441-6-1 and L. 441-4)	126
CSR – Corporate Social Responsibility	
Information on environmental issues and the environmental impact of the company's business (Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code)	281-304, 346-347
Information on personnel issues and the social impact of the company's business (Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code)	266-280, 289-304, 346-347
Corporate governance	
Rules governing the appointment of members of the Board of Directors (Article L. 225-100-3 of the French Commercial Code)	54, 56, 57
Summary of transactions involving company shares performed by senior executives (Article L. 621-18-2 of the French Monetary and Financial Code and Article 223-26 of the AMF General Regulation)	245
Remuneration of corporate officers (Article L. 225-102-1 and L. 225-37 of the French Commercial Code)	93-104
Offices and positions held by each of the corporate officers in or outside the company (Article L. 225-102-1 of the French Commercial Code)	15
Capital and ownership structure	
Identity of shareholders holding more than 5% of the share capital; treasury shares (Article L. 233-13 of the French Commercial Code)	253-254
Information on purchases and sales of treasury shares (Article L. 225-211 of the French Commercial Code)	244-245
Information likely to have a material impact in the event of a public offer (Article L. 225-100-3 of the French Commercial Code)	232-233
Report on employee profit sharing plans (Article L. 225-102 of the French Commercial Code)	253
Other	
Dividends distributed during the last three years (Article 243 bis of the French General Tax Code)	125, 317, 329
Summary of the current authorisations granted to the Board of Directors by the General Meeting with respect to capital increases and use made of such authorisations during the financial year (Article L. 225-100 and L. 225-100-2 of the French Commercial Code)	247-249
Financial results of the company over the past five years (Article R. 225-102 of the French Commercial Code)	128

9.9 ANNUAL FINANCIAL REPORT CROSS-REFERENCE TABLE (AFR)

9.10 CROSS-REFERENCE TABLE FOR DECREE NO. 2012-557 OF APRIL 24, 2012 (ARTICLE 225 OF THE GRENELLE 2 ACT)

Information concerning employees	Paragraph in the document	Registration document
Employment		
Total workforce and breakdown of employees by sex, age and geographical region	**7.1.3 Workforce: permanent contracts and fixed-term contracts/**	267
Hires and dismissals	temporary/labour external to the company/hires and departures	269
Compensation and changes to compensation	**7.1.5 Compensation and employee savings schemes/** gross compensation/profit-sharing-agreements and incentive shares	271
Worktime organisation		
Organisation of working hours	**7.1.4 Organisation of working hours/**	269
Absenteeism	annual worktime/overtime/absenteeism and reasons for absence in the TF1 group	271
Management/employee relationships		
Organisation of management/employee dialogue	**7.1.6 Professional relationships and report on collective agreements/**	
Report on collective agreements	overview of professional relationships within the TF1 group	272
Health and safety		
Health and safety conditions at work		
Report on agreements signed with the trade unions or personnel-representative bodies concerning health and safety	**7.1.7 Health and safety conditions/**	274
Work-related accidents, notably frequency and severity, and occupational illnesses	indicator "Work-related accidents": frequency rate, severity/ the players in the health and safety policy/health and safety training	
Training		
Policies implemented with respect to training	**7.1.9 Support to employees/**	
Total number of hours of training	professional training arrangements/ Indicators "total training hours, all training systems"	277
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Measures taken in favour of equality between women and men	**7.1.8 Equal opportunities and the fight against discrimination/** professional equality between men and women	276
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Anti-discrimination policy	**7.1.8 Equal opportunities and the fight against discrimination/** diversity, from charter to label	275
Promotion and compliance with the provisions of the fundamental agreements of the ILO	**7.1.1 Employee policy and employee risks/** reminder about the promotion and compliance with the fundamental agreements of the ILO	268
Environmental information		
General environmental policy		
Company measures to take account of environmental issues and, where applicable, environmental assessment or certification processes	**7.2.1 Environmental policy and risks** **7.2.4 Environmental assessment and certification procedures for businesses** a first building with HQE certification	281, 282
Measures to train and inform employees on environmental protection	**7.2.5 Environmental management of head offices/** Staff training and communication	288

Resources devoted to preventing environmental risks and pollution	**7.2.5 Environmental management of head offices/** Expenditure on preventing the environmental impacts of our activity	287
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, etc.	**7.2.5 Environmental management of head offices/** waste management/water and ground pollution, measures taken to limit the impact on ecological balance	286
Prevention measures, measures for recycling and waste disposal, etc.		287
Consideration of noise pollution and any other form of pollution specific to an activity	**7.2.5 Environmental management of head offices/** olfactory pollution	286
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Water consumption	**7.2.5 Environmental management of head offices/** water consumption	283
Water supply according to local restrictions	**Not applicable** (head offices located in Paris region, water from network only)	-
Raw materials consumption	**7.2.5 Environmental management of head offices/** consumption of raw materials	283
Measures to improve consumption efficiency		
Energy consumption	**7.2.5 Environmental management of head offices/** Energy consumption	283
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)	284
Use of ground	**Not applicable** (head offices only)	-
Climate change		
Greenhouse gas emissions	**7.2.5 Environmental management of head offices/** greenhouse gases	285
Adaptation to the consequences of climate change	**Not applicable:** no sites are located in vulnerable areas	-
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 Regional, economic and social impact/** corporate foundation initiatives	290
...and regional development	**7.3.3 Regional, economic and social impact/** economic contribution of the company	290
...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 Section on “Honest practices”	-
Relationships with stakeholders		
Conditions of dialogue with these persons or organisations	**7.3.4 Dialogue with stakeholders/** Summary of stakeholders/public relations	292
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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	295
Importance of subcontracting and taking into account the social and environmental responsibility of suppliers and subcontractors in relationships with them		296
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	7.3.7 "Responsible Purchasing" Policy	295
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Other actions in favour of human rights		
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	7.3.9 Information	299
	7.3.11 Programme accessibility	301
	7.3.12 Promoting diversity/ Diversity Committee	302

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 times: 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 reporting on economic, environmental and social performance, for companies at first, and subsequently for any governmental or non-governmental organisation.

Gross Rating Point (GRP): 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, radio, 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 broadcast *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 connection.

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 (WCR): 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*. The French Financial Markets Authority 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 Regulatory Authority for Advertising, 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 executive corporate officers of listed companies, published by the *Association française des entreprises priviées* (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, etc. 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

Designed & published by LABRADOR +33 (0)1 53 06 30 80

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